

MANAGING BRANDS THROUGH RUMORS

Professor Dr Jean-Noël Kapferer, PhD

HEC Graduate School of Management, Paris

Chapter Published in

W. Wunderlich, M. Bruhn eds (2004) *Medium Gerücht*, Haupt Verlag, pp 117-155

Biography : J-N Kapferer is a social psychologist . He holds a Ph.D from Northwestern University (Chicago, USA) and teaches at HEC Graduate School of Management (Paris), France's most renowned business school. He is the author of ten books on social influence, persuasive communication, advertising and marketing, most of them widely translated. Two of these books have reached a worldwide audience and become landmarks in their field: « Rumors » translated in fifteen languages (« Gerücht » in the German edition), an innovative essay on rumors and « Strategic Brand Management» (« Die Marke , Kapital des Unternehmens » in the German edition) . He is the author of more than a hundred articles in renowned national and international journals, a worldwide conferencer and active consultant.

In this article Dr. JN Kapferer synthetizes his theory, research and practice of his two domains of expertise and provides unique first hand informations and insights .

Introduction : rumors at the digital age

Very few topics are as timely as this one. On the one hand, the title refers to the now classic theme of reputation management in periods of crisis : it is a major fact of our modern societies that brands have now become both a major subject and a classic target of rumors and of the story telling type of rumor called « urban legends ». As such , brands may feel that their brand equity (the set of mental associations adding value to the product itself) is threatened : corrective actions must eventually be decided to cope with the existing rumor , and for the future preventive plans must be set up .

On the other hand , the title also refers to the recognition that , in order to build strong brands , advertising is not enough : brands do need to build strong foundations among specific influentials , communities , groups and so called modern « tribes » . As long as the brand is not supported by these influentials , it lacks firm ground . In our era of paramount importance of relationship management , the task of brand building entails creating this support and stimulating the « buzz » on social networks , that is to say the noise made around the brand , either through positive rumoring or through conspicuous consumption by these influentials soon imitated by their own public .

There is a third reason why this title is extremely timely : internet has become a key media for intercommunity exchanges and relationship building . Internet remarkably fits the essence of rumor processes : it is free , rather anonymous if needed in the chat rooms , but can also be excessively massive and in the meantime very selective as far as e mailing lists are concerned . But internet adds a new dimension to rumor theorizing : it can convey not only words as implicitly meant in rumor theory but full images, vidéos, selfies, files, ads, commercials, posts on the net, tweets, facebook likes and dislikes. Also , it ends the famous law of selective forgetting associated to rumor processes since the earliest german works on rumors . What is now called viral marketing is nothing but the usage of this new tool and media to try to create the rumor about brands or persons .

Re visiting the concept of rumor

It is highly time to revisit the concept of rumor . As all concepts , the concept of rumor is a pure construction of reality . As such its validity should be regularly assessed along with its constituting attributes and its measurement methodologies . Defining rumors as Allport and Postman (1945) did almost 60 years ago cannot encompass modern phenomena . Equating rumors with word of mouth also , nor can the assimilation of rumors to falsehood largely based on the operational definition of rumors stemming from the paradigmatic so called « telephone chain experiment » (Stern 1902 ; Oppenheim, 1911 ; Kirkpatrick, 1932 ; Allport and Postman , 1945) .

Historians have shown that the concept of rumor is actually very recent : no more than a century . Even when modern authors speak of rumors during the ancient times , in the middle ages for instance , they are in fact creating an anachronism . Until the 19th century , rumors and fame were largely substitutable words: fame (fama in latin), that is to say reputation , is what the public voice says about you . It is only recently , that a distinction was made between reputation as asset and rumors as flow of transitory informations about a person or any social actor . Assets are easily measured : they have created the flourishing public polling industry and the image measurement methodologies . The image is the multidimensional cognitive and affective basis of the overall reputation (also named attitude by social psychologists or opinion by the Poll industry) . Because they are transitory, elusive , rumors are less easy to observe and to separate from other related but conceptually distinct phenomena . However it is a fact demonstrated by lexicologic research (Froissart , 2002) : the use of the word rumor has grown steadily through the 20th century , and has accelerated since the last decades of that century . Today in each issue of the Financial Times , Die Welt , Stern or Le Monde the word rumor , gerücht or rumeur is mentioned many times . Of course it could be said that much of the modern use of the word rumor is inaccurate , hereby reducing the term to a very strict operational definition . This would have as consequence the need to create other concepts for very close phenomena . Our position is classic , following Ockham's razor : a parcimony of concepts is preferable . This calls for a re examination of what is meant by rumor . Recently , a synthesis of american and english literature revealed no less than 6 definitions of rumors (Kimmel , 2003) : we can realistically suppose that a more complete synthesis encompassing the key works of german, austrian, scandinavian , french or eastern european researchers would have lengthened the list .

The problem with rumor is that it is a multidimensional or multi faceted concept : it refers to a noise , a circulation process , a type of information , and a content of that information . Modern and extremely frequent uses of the word in the media bear sometimes more on one particular facet and other times more on other facets .

A . Rumor is first and above all a noise .

This is its etymological meaning : the noise made by a fleeing rivulet and by extension the noise made by the voices of the public . It is interesting that in french a creeping weak rumor is called « un bruit » (a small noise) . This refers to a spasmodic circulation of alleged informations , but the process has not gained the classic momentum and pattern referring to the second facet of the rumor concept . It is a proto rumor . Interestingly , as for signal detection , rumors can only be detected when their noise reaches a certain level . This is why fighting rumors is always a late move : the rumor had the time to grow , to creep , undetected for hours or weeks before it burst in the open and reached the level of overt perception . This lag can be more or less long . If we add the fact that , as a rule , friends of the target of the rumor often hate to bother the indicted person with bad news , this adds up to the delay of reaction .

However , one of the key innovations brought by new information technologies is the availability to detect weak signals far better than before , hence to be able to spot future potential rumors before they grow , and in fact to kill them « in the egg » . Classical theorizing on rumors has spotted the fact that they started through word of mouth , and eventually later were relayed by newspapers and medias , hereby changing their status : mass media being endowed with credibility and source effect , they provide some endorsement to

the rumor to the public even when they deny it . The public will often refer to the rumor : « I heard it on the radio , or I read it in the press ».

This vision is obsolete . It is highly time to acknowledge that rumors do gain a real momentum and strength only when they reach the medias . In all our empirical work on rumor circulation concerning brands (J-N Kapferer 1989, 1990 , 1996) , the main source of public knowledge about these alleged informations concerning the brands was the media . Of course there may be a lot of misattribution from one media to another , but statistics range typically from 30 to 40 % .

This was before the emergence of the internet as a major source of information of the new generations and now of everyone in the developed countries . It should also be acknowledged that « word of mouse » (not word of mouth) is the way many rumors start their life in our present new century .

Paradoxically , by using the mass medias and the internet very early in their life , and even by being born there rumors have become more detectable far more early . All major companies now subscribe to Internet Surveillance Services , able to identify very weak signals in the most remote chat rooms , bogey web sites or daily magazine , whatever their language . New technologies allow hyper fast browsing of millions of information sources and instantaneous translation and coding . What started first as a counterespionage device has now become of widespread use by all major international corporations . The goal is to detect unusual and repeated occurrences of informations about the corporation or its brands anywhere in the world , as soon as they have been published. Identification of sources is made more possible then , allowing a better diagnosis as to the nature of the rumor : is it a plot ? Who is behind it ? Such diagnosis is essential to know how to react .

B. Rumor is also a process

This is what is typically implied by the now fashionable term « viral marketing » . In its famous sociological field study on the Rumor of Orleans (a small french provincial city shaken by a racist/rapist rumor in 1969) , E.Morin (1971) compares rumor spreading and typical snow balling effect to a viral spread with an incubation phase and the burst followed by metastases . In fact , it is this burst which creates the noise referred to above , as a key attribute of rumors . This spread is made of myriads of conversations taking place at the same time in the same group or community , either through direct contacts or through internet exchanges .

It is now recognized that the paradigmatic experiment supposed to modelize rumor processes lacks external validity . In the real life , the unaccurate repetition of what may have been heard can possibly explain part of the rumor process , at its start or later , but much of the process is constructive (Shibutani , 1966) and evaluative (Kapferer, 1990, 1996) . Rumors are pieces of informations which lead the exchanging persons to comment upon, elaborate , draw the moral implications and eventually decide what to do about it (repeat to whom, suggest more important action as a boycott of the brand , etc..) .

In modern society , this process is accelerated when medias find interest in the rumor : then an instant leap in coverage is gained . The rumor gets known by people who are not directly concerned by its consequences , of lesser involvement . They may however pass it along because they find it funny , although they do not really believe in it . As they would do for a good joke . In addition somemedias start actually the rumor process by « rumoring » the information . Since purposive publication of false information is called disinformation or intoxication , journals may be tempted to take some distance with what they actually publish :

by such mentions as « according to the rumor» or « it is rumored that» the editor warns the reader about the non certainty of what is advanced . However in our modern world where speed is the key value (Fast magazine being a model of our present times), there is a huge demand for such uncertainty if it allow as to be in the know , in the early confidence : Economic Newsletters are replete with unverified allegations and hypotheses about corporations and managers , along with deeply ascertained figures and facts .

C. Hearsay is non-said.

The third differentiating facet of rumors is the nature of the information conveyed . Let us suppose that , after a long absence , the reader joins again his/her company and asks his/her friends « what are the news ? » . He/she will hear all the official news which are deemed important by these friends . Now let us suppose that he/she asks « what are the latest rumors » . he/she will now receive a very different type of answer : all the uncertain , unverified informations circulating recently , which are held by the group as important because they bear some consequences for this group : this can be alleged nominations of a new director, or alleged closure of a factory , or alleged alliance with some competitor , or alleged poor resultsbut also who is going out with whom (classical gossiping within the companies) . Asking for news is asking for important and ascertained informations . Asking for rumors is asking for unverified informations of high or low importance for the group or the person . Now unverified does not mean untrue : it literally means that at this time they have not been checked , confirmed or even that they have been denegated by official sources , those whose are legitimately (by law) the only entitled to speak about the topics .

This is why rumors are a temporary state of information : it takes time to check an information , to investigate , to double check , ... Some hours on the internet , some days or even some months for major public affairs . This time creates a need for answers even unsure : the public needs it , the media need it . If no news send rumors (Bates, 1985) is the title of a book on the new media culture in which brand and companies have to develop . It is interesting to look at the Coca Cola crisis which took place in Belgium and in France in 2000 : after a number of suspect illnesses of people having drunk Coke , it was decided by the Ministry of Health to close the factory as long as the origin of the epidemic was not ascertained . The Coca Cola company reacted poorly because it is well managed : they waited for the facts , for the result of their own investigation before they would go and speak to the press : as a rule Coke's management is based on facts . One should speak only when facts are sure . Instead of showing compassion for the people, they waited . In the meantime this lack of official communication created both a vacuum and a frustration . Non official communications had the monopoly and the lack of official communications seemed to indicate that the corporation did not care about the fate of the people .

As a rule , at the end of the verification and investigation process , the rumor may be -either be confirmed , it then will change its name and become a true verified information -either be disconfirmed , it will then become a false information (which does not prevent some people to disbelieve the disconfirmation : rumors about the real plot behind the assassination of J.F.Kennedy are still thriving) .

However this re-branding , re-labeling cannot be retrospective : at the time they held the monopoly of information , rumors were rumors , an uncertain state of information , even if for many people they were perceived as « true ».

Hearsay is non said means that rumors do convey informations which have been ascertained officially by no legitimate source . Now nothing prevents anybody today to write books in order to gain access to the media and declare that JFK assassination was the result of a plot

involving Lyndon B. Johnson . Typically this author will be said to *launch or to revitalize rumors* about JFK's death .

This is much interesting for a most typical trait of rumors is that their source is unknown . In this sense too can one say that « hearsay is non said » : nobody said it first . As a matter of confirmation , in most languages rumor is a noun , not a verb . One does not say « I rumor » or « Ich gerüchte » . If there is no verb , there is no subject . In this historical theorizing , rumors are productions without a known origin or manufacturer . Should this be kept in our modern times , where much of what we learn on the world comes through the media (mass , community, local, tribal ..) . We deem that not . In our societies , the multiplication of networks, of medias (cable etc..) of internet has created the possibility for anyone to access to some media : the latter need to fill up their channels with some meat of any kind as long as it is exciting and creating impact for their targeted audiences . New provocative theses will remarkably fill this need : but to do so they need a speaker , the promoter of this thesis who will be interviewed and quoted . Then as a result of the impact of his/her theses , the information will diffuse or not largely in the general audience . For instance , in 2002 , an author T.Meyssan, wrote a book, « The Pentagate », created a web site and highly diffused teasing e mails to purport that the Pentagon had not been hit by an airplane on September 11 , but by a kamikaze gas truck , a fact which had until then kept secret by the CIA . This thesis was quickly labeled « rumor » by all press analysts : doing so they referred to its highly doubtful nature , to the impact it created in the press itself and the public (everyone spoke of it , destabilized by an assertion which seemingly demonstrated that the US official truth was an official lie) . Manifestly , the unknown origin is no more a necessary condition of rumor .

D. Rumors as specific content

The final facet of the rumor concept refers to its specific content . Rumors look always like fresh news about relevant others , news so far hidden or that should not have been disclosed .. Let us analyse in detail the morphology of rumors .

-It is fresh news : unlike jokes , rumors appear as news , as informations unveiling some unknown facet of someone , or of some brand or product . Unlike legends , rumors refer to an immediate present or future . Even the oldest rumors are permanently re-invented and updated so that they appear most relevant by the fact that they describe something which just happened or which is strongly present . This regular updating of the rumor content and context is a sure way to re- create value in the eyes of the audience . For instance , old rumors concerning disappeared brands re-appear about modern and well known brands .

-It concerns some relevant other . The notion of relevance is essential : this is how rumors become so involving . Relevance is a relative concept : what is relevant for me may not be relevant for someone else . This is why each rumor has its own market : those people and groups for which the topic and target is most relevant . For instance , in our empirical works on the diffusion and credibility of rumors , we systematically found that food rumors circulated more among the educated people (Kapferer, 1990, 1996) : educated people are more sensitive to biological food claims , to the criticism of industrial brands . Also they have the means not to buy mass market brands . As a rule , although it seems that the rumor is known by all , it follows paths of maximum likelihood : it is carried by people who are most likely to believe . Rumors convince believers .

Who are these relevant others , the target of rumors ? It can be well known persons , local notables , the neighbour , the family who just moved recently in the vicinity , as well as brands or corporations which are part of our day to day life . Urban legends (the name for a specific type of rumor looking like a real story or mini scenario) depict an unknown but very typical

person , with whom anyone can easily identify with , and to whom something horrible just happened , which seems to be repeated all around as a warning . For instance , she (it is often a female) visited a Carrefour or Wal Mart hypermarket with her young boy , when the latter disappeared : she rushed to ask all the doors to be closed ; that was just : a man was seized having kidnapped her child and dressed him like a girl .

-It is an unveiling .

Rumors always appear as a confidence , a disclosure , the break of an important secret , or something which is not yet known for being too recent , too close and not the kind of story that can reach the medias . A secret sold for free : this is the basis of rumors' value and the fuel of their re-diffusion . Economics have taught that what is rare has value : secrets have value . In the disclosure , value is also created by the dyadic exchange : somebody chooses a recipient to disclose the secret that what is disclosed to himself by some of his /her acquaintances . This highly selective choice of confident is a relationship message : it means high trust and reciprocal esteem . This is why e mails are so prone to carry rumors : the favourite list of e mail recipients regroups one's best friends , belonging to the same tribe , community or group .

The unveiling nature of rumors explain why they are predominantly negative . One tends to hide the negative part of oneself . Now there do exist positive rumors which unveil an exciting part of a product or of a brand , but so far kept secret by fear of the consequences of making this information public . For instance , Camel cigarettes were alleged to contain cannabis , Ricqlès mint soda is said to be a sexual stimulant in the French Caraibean Islands , Coke is said to be a perfect spermicide etc...

The unveiling implicit in each rumor also explains the FOAF phenomenon : the person telling a rumor generally refers to « some friend of a friend » who would have been a first hand witness of the alleged facts . There is always a step between that first hand witness and the rumor teller : that step is necessary . It prevents from checking : one does not question friends of a friend . In addition , this creates a hurdle to check at the real source : the alleged witness .

A lot of the value of rumors , the source of their circulation , lies in the sharing of a secret . The paradoxical consequence of this is that , to kill a rumor , it may be useful to accelerate its diffusion . To continue its circulation without repeating itself the rumor will have to add new details , new features , again and again : there is a breaking point . At some level , the whole thing starts lacking credibility and debunks itself .

The new target of rumors : brands

Brands have become a classic actor of many urban legends , a classic target of rumors , be they negative or positive . For instance , the rumors about Coke are so many that they have been called « Cokelore » . There is also a Disneylore , a Rolls lore (for all the stories about the Rolls Royce car marque) etc.... Why is it so ? There are actually sociological , scientific and economic reasons for that .

Brands have become the big actors of modern life : they are everywhere , their logos flourish on all walls , on all tv screens , on all sport competitions , even at schools . Hence the overdose felt by many social critics such as N.Klein . Interestingly her world best seller No Logo (2001) unveiled a hidden part of the world mega brand , worshipped by the youth of all countries : Nike . Most of today's book best sellers do also unveil somepart of the social , economic or political reality . N.Klein was the first to remind that Nike was not too concerned by what actually took place in China among its many sub contractors : in the sweatshops manufacturing the so expensive Nike's sweaters , very young children were

working hard . One question arises : why did this not emerge as a classic rumor , only spread by word of mouth ? Probably it did so among the very concerned : the tribe of altermondialists , the group of activists fighting the wrong side of globalization . However , to reach a more global audience , N.Klein needed the relay of the mass medias which spoke of her book, her theses . They energized the rumor process among larger circles . As to the youth , Nike's target market , they seem so mesmerized by Nike's image that they look unconcerned by the reality of Nike's hidden behavior . A strong brand image can protect a company against rumors , true or false . The same was true of Nestlé's : Nestlé as a brand has a very protective and motherly image , tied to its symbolic prototype : the infant milk, and the nest logotype . However , the company is very different : as all multinational corporations in the 70 's, it aimed at maximizing profits without much social consciousness . Ethics has just recently become a criteria of fair corporate governance . Ethical funds and control agencies have less than five years .

In the 70's started a world campaign asking to boycott Nestlé's products : the corporation was said to « kill babies » . In fact , in the third world , selling Nestlé's infant milk to mothers who would not be able to boil water hence would be serving spoiled water to their new born babies looked like a crime . Although this worldly campaign was negatively received at Vevey (Nestlé's swiss headquarters), on the whole the company was much protected by the umbrella of its brand . How could such a nice brand do such harm . The whole thing lacked subjective likelihood , a key ingredient for belief and subsequent action .

As brands become part of our intimacy , shape our souvenirs (S.Fournier , 1998) , they are more prone to be parts or actor of urban legends about alleged stories which could happen to anyone . Brands give a flavour of -contextual topicality to the story . Also , mega stores or commercial centers have replaced the old market place and suggest their own phantasms tied to the melting of mass of people of all sources , races , communities at the same place : the same holds true for Disneyland Parks. Many urban legends are just fantasied collective and unconscious explorations of « what extreme things could happen in such a place » . It is important to remind that because , as a rule , whenever we are called as consultant to deal with rumor crisis, the targeted brand's managers believe that they are being attacked by competition and chosen as such . They must be first reminded that becoming dominant has some drawbacks : it means becoming more visible and more symbolic of the modern life .

In the consumption society , ideologies and -isms have been replaced by hymns to and by brands . Brands are not only the main actors of our day to day life , but they also shape our imagination , that of the youth and are part of the global culture . Being more important , more potent , more worldly they become the focus of attention : power may also create distance and discontent among a few . This is why market or category leaders are attacked by those who criticize the category as a whole : they aim at its creator and most symbolic brand . For instance Prozac , the famous anti depressor , has been under a constant flow of rumors from its start . Not because of alleged side effects : all anti depressors have the same . Having worked as consultant on this case we made Lilly Laboratories realize that Prozac was much more than a molecule, as a brand is much more than its product : it initiated a cultural disruption , a break in the judeo christian belief that we should have pain on earth and happiness after our death . Prozac has been rightly nicknamed the happiness pill : it works . Why suffer then ? Many people turned to prozac to get rid of painful situations not linked to depression (ie : ! loosing a girlfriend , or a parent) . Were these rumors spontaneous ? There are somany people and activists defending the opposite view that they could form a durable source of troops for disseminating rumors : the many sects flourishing in the USA had to defend their market share against the new category . Themselves they sell their own way to recover from deep or less deep psychological painful situations .

Because brands use more and more fantasies to create differentiation , they may go to far in the eyes of part of the public . Tommy Hilfiger ads typically depict preppies : nice young white blond boys and girls . This is more than a target , it is a view of the world . Unsurprisingly , Tommy Hilfiger became the target of a rumor which alleged that he emitted anti semitic phrases (see below) . This very example illustrates the fact that rumors will always reveal the brand's or company's Achille's heel . In the case of Tommy Hilfiger that heel was exacerbated by the extremization of its repeated advertising themes .

A second reason explaining the growth of rumors about brands is scientific . In many categories , a brand is the name taken by scientific progress when it comes to the public , to the end consumer : this concerns pharmaceutical brands , but also food brands , cosmetic brands , detergents and cleansing products, as well as new textile fibers , or building materials , and electronic equipment . Today , with the means of modern technology of scrutiny and investigation the tiniest supposedly dangerous molecule can be isolated : soon there is a mention of the discovery in the resercher's web site , a presentation of results to peers in academic symposia , relayed by professionnall academic journals , ending up as a small mention in some mass media . Perrier mineral water stumbled when an independent US laboratory discovered elements of benzene in it . Some researchers have emitted concern about the intensive use and work in rockwool environments , a key material for roof thermal isolation : this concerned Rockwool the danish brand , leader of the category . Today , all around the world ,scientific critics wonder about the long term hazards created by intensive use close to the brain of mobile phones etc...No brand can feel really safe now . The possibility to isolate smaller and smaller ingredients which at massive doses would be carcinogenous creates a latent Damocles sword for many brands .

The problem is that , when it goes public , the scientific information based on probabilities , on significance tests, on very small doses , becomes a yes/no information . Things are or are not dangerous . Often some consumers or activist groups are prompt to leap from small doses to the so called cumulative effect : let us suppose that a person receives all along his life a succession of below threshold doses of anything : would that create automatically an overdose . Of course not . Otherwise noone for instance would regularly fly over the Atlantic Ocean nor go skiing . In a jet or on skiing slopes , one receives far more radioactivity than when visiting any civil atomic plant . However ,it is interesting to see that while everybody is excited by the now real perspective of sending men on Mars , public opinion does not seem much aware of the fact that the astronauts who will fly first to Mars are sure to receive more radioactivity than if they had been at Tchernobyl during the blast .

These examples indicate that the fate of alarming scientific information is itself highly selective : when it meets a dream come true , the alleged dangers seem less dangerous . A case of sective non perception is exemplified by the hazards potentially linked to the frequent intensive usage of mobile phones . This communication tool has become such a necessary part of our social life , much more than the internet , that this seems to protect it against all rumors . The same holds true for the known presence of dioxyne in milk . This chemical harmful product is ingested by cows for it is falling on the grass from the air polluted by chemical factories . However the news has never really created an echo in the medias , and as a result a panic rumor in the public . It is true that so much of our modern health relies on a regular intake of calcium through our daily milk that this would be a very dissonant piece of news .

Interestingly , rumors sometimes adds up to well known scientific evidence . This is the case of the famous McDonald's worm rumor emerging in 1978 in the USA : the brand was alleged

to put worm proteins instead of beef in its burgers . The impact of this rumor in the USA where it was taken very seriously indicates that the main question is not : what is the source of the rumor ? but why did it circulate so much ?

-The first answer can be summarized by the slogan : the bigger the better . As our empirical studies regularly show , rumors which targeted a small brand tend to trade up and hit the category leader . This is a logical consequence of the need to maintain communication . Let us suppose that the worm rumor did hit at first a local Burger Brand in California : to cross the USA it needs to be understood and relevant beyond California limits . A person from California speaking to someone in New York will soon feel the need to explain that Burger Brand , unknown in New York , is actually like Mc Donald's , known by everybody . By doing so the rumor also hits the big fish , thus adding impact on the receivers .

-The second answer examines the real meaning of the worm rumor . On the surface it is a gore story : people like to attend to gore movies , they should like to chew gore rumors . However , all strongly emotional rumors have an underlying message . This one is rather clear : worms are a symbolic way , much more vivid , of speaking about junk food . For decades in the USA , dieticians have demonstrated that the regular diet of young americans (burger and cola) was a main cause of obesity , a health plague of the USA . Now in modern societies , dominant market leaders have become a generic way of speaking of the category : people say Coke instead of a cola and Big Mac or a Macdo instead of a hamburger . It seems that the worm rumor is an extension of a well known scientific claim for the latter is lacking effectiveness : the regular diet of young americans has not changed . As a result the rumor uses symbolic representations to create disgust and inhibit people from eating so much hamburgers .

This explanation also holds true for an interesting rumor circulating the same year in Canada, France and Turkey , about different brands of cigarettes , and different companies . These cigarette brands were all alleged to make the lungs bleed . Having worked as consultant on these cases , we were struck by the fact that the rumor added vividness and emotionality to a scientific message very diffused and well accepted : smoking causes lung cancer . What was then so special about these three independent brands ? They had rapidly become the local youth's N°1 cigarette brand thanks to an aggressive price cutting strategy , making it more affordable than all its competitors . The rumor was actually acting to protect the youth , always felt by adults to be endangered , against these extremely successful brands overcoming the surgeon's general warnings .

There is however a third source of the growing circulation of negative rumors about brands : in mature markets , competition is becoming more intensive , and all means are being used , as in political elections . Despite their wholehearted brand , or may be protected by it , some companies behave as real killers : for them the ideal of competition is no competition at all . Beyond the classic marketing and advertising tools of competition , which are exemplified in all Business Schools , underground weapons are used too . For instance , whenever big international bids are planned for instance concerning the purchase by a country of its new war planes , its new tanks or by an airline company of its new plane , it is no surprise to see more activity on the net and the emergence of alleged first hand testimonials which cast doubt on the reliability of plane X or of material Y by people who said they used it themselves . The goal is to intoxicate the large « invisible college of deciders » , the many non experts (politicians , administrators , ..) who will be consulted in the decision making process . This is no coincidence at all .

How then should the companies and brands react ? How should brands be managed to pass through these rumors unharmed , keeping their brand equity intact ?

Strategies for neutralizing rumors

The most frequent question asked about rumors, beyond that of their source, is how to fight them. Since rumors may ruin a brand's or corporate reputation we tackle this issue first. However, it should be said from the start that, contrary to what everybody believes, it is not the rumor which creates the poor image, but the prior poor image which creates the rumor. Circulating rumors demonstrate that there was an Achilles' heel in the brand or corporate image. Otherwise, no one would ever have thought the rumor to be possible, or to have some likelihood. Rumor circulation assesses the subjective probability that the alleged facts could be true. It is a symptom of a generally unsuspected suspicion among a part of the public.

a) What research tells us about rumor control

Rumors are rarely encouraged: most often they are fought. In fact, rumor research has always been associated to implicit or explicit goals of rumor eradication:

- the classic telephone experiment, demonstrating that the message was highly distorted from one relaying person to another, aimed at discouraging people from circulating rumors (ie: falsehoods)

- rumor clinics were initiated by the press during World War 2 in the USA, to deconstruct some rumors about the war and the situation of troops on the European or Japanese front.

- Sociologist E. Morin was actually called during the burst of the so-called Orleans rumor (Morin 1971), not only to analyse it, but also to give the means of combatting it.

- the author himself has based most of his empirical research on actual cases on which he was asked to work by the incriminated brands and companies.

This tight link between research and action is normal. Unlike advertisements or press material, rumors can only be studied live when they are active: the researcher must be made aware of a case he/she may not have heard about. This is why rumor research per se is not very abundant.

However one should not restrict rumor research to studies focusing on a specific rumor, or on its process. In fact, much of persuasion research can be linked to the topic. Denials are a typical case of persuasive communication: as such, a body of evidence has been built by social psychologists interested in the processes of attitude change within the paradigm initiated by the pioneers Janis and Hovland: regular reviews of this abundant stream of research are regularly published (W.J. McGuire, 1985; W. Petty, J. Cacioppo, 1986; J.-N. Kapferer, 1988; Eagly and Chaiken 1993).

What are the main lessons drawn from these researches?

The most important concern the denials. All persons learning there is a rumor concerning their company or brand want to emit a fierce and highly diffused denial. They feel attacked if not offended or hurt and want to claim their innocence. Research has shown that there were many problems tied to rebuttals:

- They diffuse the rumor to a lot of people who may otherwise never have learned it. Generally denials call the attention of professional medias or even mass medias. Kapferer (1989, 1996) analysed the diffusion rate of rumors before and after their denial was emitted and relayed by the media: one rumor known before by 26% of the total French population, aged 18 years and plus, reached instantaneously 85% in the week following a denial on TV, at prime time.

-In such a case most of the people learn the rumor through its denial . The early literature on double sided communications is highly relevant here : it showed that there was a likely boomerang effect (dilution of brand equity if extended to brands) among the people with a lower educational level and initially in favor of the person , issue and by extension here of the brand . Inoculation theory is also relevant (Mc Guire and Papageorgis, 1962) : it showed that a good way to make people resistant to an incoming persuasive attack was not to bolster what they already believed , but to inoculate weakened forms of the incoming message well refuted . The problem is that if rumors circulate it is because they are not at first glance unbelievable , and easily rebutted .

-Yandell (1971) has shown that those who protest too much of their innocence are felt as guilty , especially when they start claiming this innocence when no one ever thought they were guilty of anything . This is the exact situation of denials which in fact diffuse the rumor .

-Interesting research on the so called transparency of debriefings is also very relevant (Ross et al . , 1975) : as a rule , subjects taking part in socio-psychological experiments are not told the true goal of the study , to avoid artefacts . At the end they are debriefed : however in some highly controversial experiments on self perception of one 's sexual identity , it was shown that the debriefing did not convince all subjects . Denials were not totally convincing despite all the efforts of the experimenters .

-The works of the German social psychologist M.Koller (1993) indicate that denials are most likely to be effective when the audience knew already about the rumor from a low credibility source and the rumor is not very involving (it has no direct immediate consequences on the receiver's life) . He also showed that making people believe through massive disclosure (including advertising) , that somebody malevolent could be the source of the rumor , helps diminish the effect of new rumors concerning the company or brand (Koller, 1992) . This is typically done when companies buy full pages in the press to propose high financial rewards to encourage all informants helping to find the alleged source : the beer Company Stroh did propose 25 000 dollars to stop rumors (Koenig, 1985) .

-Finally , cognitive based research (Calder , Tybout and Sternthal, 1981) has demonstrated a major fact : rumors are not effective because people believe them , but because people know them , have them in mind . The idea itself may be provoking defensive reactions , based on the prudence principle . For instance just knowing , true or false , that a company might go bankrupt encourages all stakeholders to behave prudently . The suppliers hesitate to deliver or want to be paid immediately , the bankers become less prone to give credit, etc.. By some kind of self fulfilling prophecy , what the rumor predicted may become true . Similarly , when it is stored in mind, the idea associating a Mc Donald's Hamburger to worms provokes disgust , despite the person hardly believes it is true . As a consequence , just denying is as ineffective as doing nothing , for it leaves intact the cognitive storage of the disgust provoking association . At worst it even strengthens the association if the denial repeats the rumor allegation (Mc Donald's took care not to repeat this allegation in its counter offensive) . These authors showed that two routes are likely to modify the effectiveness of the rumor : either making the association to worms positive (for instance by saying that it is a delicatessen in some countries , not that different from snails) , or by making more salient the previously positive associations stored in memory , about the incriminated brand , here Mc Donald's (for instance , by making people remind of the last time they had a great experience at Mc Donald's) .

In our opinion , this last experiment suggests an overlooked crucial point for practical rumor control . It must be soon decided if the goal is to prevent rumor circulation or to make people disbelieve it . In the first case , one should discourage behavior , make it reprehensible , and socially negatively evaluated . In the second case one should make the rumor look untrue ,

and/or untrustworthy in its underlying motives . It is noticeable that most companies try first to demonstrate it is not true , then suggest some unethical behavior from a hidden source or feud . Finally , when evidence shows these two strategies failed , they engage in lawful pursuits . This has been typically the case for The Procter & Gamble rumor , starting in 1979 alleging first that the company was linked to Moonies , then to Satanic sects (1980) . After having enlisted highly credible religious sources to communicate the fact that the company was not evil at all , with weak results despite the active cooperation of these opinion leaders , Procter and Gamble decided to engage litigation against all proven persons having circulated the rumor . (1982) . Finally they decided to suppress the so called evidence of their evilness : an ambiguous corporate logotype , showing for some people the picture of a ram (a satanic animal) or that the thirteen stars depicted actually the number 666 (a satanic number) or simply a moon (proof of the link with the Sect of Reverend Sun Myung Moon) . In 1985 , the company decided to remove this logo from all its mass marketed brand and products : it had been there since the creation of the company , in 1859 : at that time there was only thirteen states in the United States Colonies .

Procter and Gamble reactions relied heavily on the most reliable and powerful finding in all persuasion research : the impact of an information depends first and foremost on the perceived credibility of its source (W.J. McGuire , 1985 ; Kapferer, 1988) . Later Petty and Cacioppo (1986) showed that , source effect is mostly effective when people's information processing follow a peripheral route instead of a central route . The problem is that , since most rumors unveil facts about topics on which the layman is not an expert , he/she has no other solution than to follow a peripheral route , for he/she are unable to analyse in depth the message . As a result people rely on external yielding cues such as the nature of the alleged source (a friend of a friend) , somebody likely to have the three dimensions which build source credibility : he/she has been a first hand witness (unique knowledge) , he/she is trustworthy , finally because of the social proximity he/she is close to the receiver , shares the same values .

As a rule counter attacks try to use also very credible sources , generally authorities in their field to back up the denial with all their status and respect . Of the three main persuasion strategies (message integration , compliance with authority , or identification) , they mostly rely on obedience/compliance . The rumor itself makes use of the integration and identification persuasion strategy : slowly , step by step , through repeated dyadic interactions the rumor belief is built : each person of the dyad brings into the conversation his/her own arguments . It is well known that the most enduring persuasion is the auto or self persuasion . Is obedience/compliance as effective ? No . This is why it is necessary to choose sources for the denial that can also activate an empathy process . Mass medias are endowed with this quality . In fact despite the risks attached to precocious over - diffusion of the rumor , effective counter attack will need the relay of the mass medias at some point in time . In addition , as they are the main source of rumor circulation in our modern societies , it is essential that they are made aware of the problem and know all the risks tied to false rumor propagation .

b) What empirical knowledge tells us about rumor control

As can be shown from the above review , specific rumor research is not very abundant . Drawing from social psychological persuasion research opens new perspectives : however they need to be validated in the context . Finally , there are different types of rumors , commanding different types of reactions , at different points in time , for different targets varying in level of previous rumor knowledge , attitude vis a vis the brand , educational level

etc.. This is why actual rumor control experiences and cases are also a source of knowledge . Many books have dealt with the issue of controlling corporate and brand rumors ,either exploring a wide array of international cases and literature (Kapfere 1990 , 1996) , or unfortunately covering almost exclusively only american literature and cases (Koenig, 1985 ; Kimmel, 2003) . What lessons can be drawn from these sources and our own personal experience as active consultant on brand reputation and rumor crises since 1984 . There is no single route to rumor control . In fact there is nothing like a rumor . Each rumor has its specific characteristics .

There are in our experience *seven main differentiating and relevant dimensions of rumors* . They are :

- is it a rumor unveiling some truth or a false rumor ?
- is there a plot , a source or is it a spontaneous rumor ?
- is it a rational rumor or is it an expression of deep emotional motives ?
- has it started for long or is it just creeping and beginning ?
- have the media already echoed the rumor or not ?
- may the rumor harm the corporate or brand reputation or not ?
- at the time a decision must be made , can one expect a fast coverage of the population by the rumor itself , or is it likely to remain weak, spasmodic , unless some actor relays it in the media or on the internet .

These questions as a whole draw a decision tree , a model for decision making . Let us analyse each of these dimensions in turn and show how they determine a specific path of action .

1. Is it true or false ?

The first criterion to take into account is the relationship of the rumor to reality . The kind of actions to launch is very different if one knows that the rumor is unveiling some truth , which should have been known later (like a merger or an acquisition) or which should have been covered up or maintained secret (like a quality problem in a small series of the products line) . In fact the first step before any action is decided is to assess if there is some truth in the rumor . For instance , in september 1982 , it appeared very rapidly that the rumors about people having died of cyanide poisoning incorporated in capsules of Tylenol was true . The company Johnson and Johnson reacted as a true human being , forgetting all questions of money and being concerned only by the health of the people . It pulled back immediately all the products from all the stores in the USA , that is to say more than 31 million bottles . Let us remind that Tylenol was one of the biggest health brands of the market , representing 17 % of the company's income(Kimmel, op cit . p.174) . After two months , the product was back with a triple sealed unbreakable packaging , preventing anyone to incorporate malevolently any exogenous and criminal ingredient . The company offered to replace almost 15 million products present in the american homes . In parallel , a reward was offered for any clue which might help identify the criminals . Johnson and Johnson , one of the most respected companies , did behave as expected from such a company : it did nothing that would hurt the public's health . As a result ,the company's main equity , confidence, was never diluted and came out in fact reinforced after this crisis . The company had acted according to the values it had put forth since its creation .

Let us compare this case with that of Gerber in the USA. In this case (Fearn-Banks, 1996) , it was said that a customer would have found a piece of glass in a Gerber baby food product . No reaction was decided before asserting the veracity of the allegation . In fact , the grocery

store where the event was said to have happened was not able to support the story , nor to bring any evidence of glass . As a consequence , Gerber decided not to react at all . It takes time to assess the truth of allegations . Coca Cola Company did not handle well the time needed to find the cause of the many people intoxicated after drinking a Coke in Belgium . The journalists and the public can understand that time is needed . However , what cannot be understood is the coldness of the reaction , the lack of empathy : in fact the american CEO acted as a distant imperator , unconcerned by what happened in Belgium , a country whose market is smaller than that of many american states . Another CEO would have immediately flown to Belgium to show concern , reinstate the key corporate values which would drive his behavior in any case . In this situation , the company acted as it actually is : a pure capitalistic multi-national company , hidden behind a fantastic and beloved brand .

2. Is there a real plot or is it a spontaneous rumor ?

As T. Shibutani (1966) has shown , many rumor are created by a constructive process whereby a social group finds a common plausible explanation to some unexplained event or detail which attracted its attention . Now all rumors are not emerging from scratch . Some are deliberately planted . Others , once there , are used purposively by some stakeholder . It is essential to assess if there is a plot behind the rumor . For one thing , the people behind the plot may not cease their action soon . In the Procter and Gamble Moonie rumor , the rumor apparently came from the fundamentalist groups of the so called american « Bible belt » . As an hypothesis their sponsorship of some controversial TV program may have created their long lasting resentment (Kimmel, 2004) : this explains why the rumor kept on so long . It is also said that some Amway salesmen did use the rumor at their profit : Amway is a company selling door to door products competing with P&G's ones . Lilly Laboratories soon identified a well known international sect as an active promoter of the rumors against Prozac . As a rule , most CEO's attribute rumors against their company to some competitor . They are often wrong : examination of benchmarks, of historical archives , of international cases soon shows that a specific rumor targeting a typical store , say on January 5 th 2004 , is often the new edition of an archetypal story , having circulated many centuries ago, in other countries . Behind the details and symbols which may have changed (as the store name or the brand) , the motifs are the same (Brunvand , 1990 ; G.A. Fine , 1966) . From this stand point the existence of international web sites where all rumors , urban legends are not only collected but classified by theme, symbols is a great progress . Most people think each rumor is a brand new one : they fail to realize how much rumors are often a fleeting story waiting to land at some time on some target which fits the story . How many storrs for instance have been thre victim of the allegation according to which a young child woould have been bitten by an exotic snake , hidden in the fruit shelf or in a blanket ,The mere mention of these antecedents shoould calm down everybody, boost the employee's morale . In addition the press is fond of these back iup data and informations : journalists can then play the role they like most to play , that of enlightener of the public opinion .

3. Is it a rational rumor or an expression of deep emotional motives ?

Some rumors stemm out of a lack of information or of a misinterpretation of some unexplained detail or fact . providing the right explanation in time , answering to the questions will soon stop the conversations on these matters . For instance why did the brand packaging change (a source of rumor in Russia , where counterfeited products flourish) ? Other rumors express a deep seated anxiety . Behind the apparent message , there is another hidden message . For instance , in the Star Dust Rumor hitting Kraft General Foods in Europe (known also as

Pop Rocks in the USA) ,children were said to have died of this « explosive » candy . There was no single piece of truth in this rumor :however its existence from the USA to Europe showed that this innovative candy had struck the parent's imagination if not anxieties (Kapferer, 1990, 1997) :it was the paramount symbol of foods ingested because they are fun and not because they are good , the opposite of what a minimal nutrition education should prescribe .

The famous Villejuif flyer (Kapferer, 1989) presented a number of well known food brands as carcinogenic . Even doctors and teachers believed the rumor . The whole rumor was a list of the mysterious food additives , described by mysterious codes (E 330 for instance) . One of the most carcinogenous additive was said to be this E 330 . However this is only a code name , to facilitate communication between countries of the EEC , for the citric acid ! However , this simple laughable mistake was far from enough to stop the rumor .The growth of industrial food was anxiety arousing . The rumor lasted more than fifteen years . It stopped when other topics of higher perceived risk and more anxiety arousing became prominent :first ESB (mad cow disease) , and now GMO's . The latter increase latent fears much more than food additives . The latter were superficial : they were added and could be removed . The former modify the genetic structure itself . Also , GMO plantations do affect the neighbouring fields of non GMO's plants . The movement seems irreversible , and uncontrolled . As if everyone's own fate was now decided by some mad scientists , a classic figure of popular fantasies and science fiction .

The problem with deep rumors is that one easily attacks the superficial message , but the hidden message is often true . This is why people who carry the false rumor do not feel guilty at all . For instance , there may not be real worms in a Big mac but it remains deeply true, from all dietiticians' sources that Mc Donald's Corporation has played an enormous role in promoting an obesity provoking food habit in the USA and now in many countries of the world . The same holds true for the Coca Cola Corporation , which in Europe aims at substituting Coke to mineral water .

4. Has it started for long or is it just beginning ?

Too often the target of rumors learn too late about their existence . Barriers of friends and collaborators hesitate to bring bad news of this kind to important decision makers . By doing so, a lot of time is lost , and the rumor has the monopoly of the field . The reaction cannot be the same when , after a quick telephone survey , it appears that 25 % of the population has heard about it , and when the rumor is just a « noise », whose fate will largely be dependent on our own self control . As a rule , unless one expects the rumor to go public soon , for instance by hitting the prime time news , there is no need to fuel it oneself by a precocious and intemperate denial .Certainly , some employees must be in the know : all those likely to be questioned by laymen , distributors , etc...They must know what to answer , as a single choir voice .But no external action should be decided .

At the opposite spectrum , when the rumor is so widespread that it is part of the brand mythology , there is no point attacking it : it is too late . Who has not heard the rumor about the presence of cocaine in Coke ,of opium in Camel cigarettes or of the Marlboro packaging looking like KKK (Klu Klux Klan) . These rumors increase actually the mystery about these brands . They may even add value . In addition , they are so widespread that no communication would be worth the cost . On the other hand , the web site of these brands should encourage web visitors to bring all the rumors they have heard about the brand :by making them act as hoax busters , the brand increases their commitment and the buzz around itself .

5. Have the media already echoed the rumor or not ?

A related concern is the attitude and behavior of the media . One does not react in the same way , when the rumor has been relayed by mass media . Doing so , they give it status , almost that of a true information , despite all the distance they may use in speaking about it . For the general public , the rumor was learned from the media. In this case , each media should be visited personally and asked not so much for publishing a denial but for avowing its mistake (diffusing false informations , libel , or informations likely to create a damage to the corporate or brand reputation , without having first checked the reliability of that information) . Active and repeated collaboration must be obtained , not simply a mere mention of denial . Rumors have the chance of being repeated : denials do not . Too often , the guilty media feel that publishing the denial once is enough : they hate repetition .

6. Is the rumor likely to have harmful effects on brand equity or not ?

Naturally , tied to the preceding issue , is the menace of damages . Not all rumors will create a damage . For instance , as indicated above , believing there could be cocaine in this mysterious black beverage called Coke adds a halo of mystery and fuels increased differentiation between the real thing and all its copies around the world .

Nothing should be done if the rumor is not felt to create any harm . Rumors come and go . Of course , if it is said that the CEO said something he did not say , such false allegations should receive due scrutiny . For instance , Tommy Hilfiger was said by the rumor to have said antisemitic phrases . This rumor capitalizes on the very WASP and prep identity of the eponym brand . A specific internet site has been created to deny the rumor with the help of all possible allies (media, etc..) : www.tommyhilfiger.com/info/rumor.jhtml

7. Finally , one should ask question of the expected future diffusion of the rumor .

Sometimes it is clear that the rumor will literally burst out , for instance if medias are likely to speak about it . If this really happens , then the brand and company will be in a defensive position , having to prove it is innocent . Even in countries where , in fair law , the libeling party must prove what he/she says , the law of public opinion is reverse . As one knows , it is very difficult for anyone to prove that he/she is not guilty .

In such a case, it may be interesting to act preemptively and in the mean time to attack : a simple denial is not enough . Public opinion hates facts without causes , left unattributed . Why would a rumor circulate if it is not true ? In all our in depth interviews of rumor mongers , we found that , not knowing if a rumor is false or true , they ask as simple question : to whom could the rumor benefit if it was not true ? If they do not find , they will believe the rumor to disclose some truth . This is why it is necessary to fill this gap , and suggest a likely source of the libeling rumor . In addition this hypothesis must be backed up by legal actions showing that the brand and corporation is very serious about its own reputation . The clear and well publicized menace of legal pursuits will discourage the rumor circulation itself . One should remember, as indicated above , that there is a clear distinction between trying to make part of the public to disbelieve the rumor and making people afraid to circulate it . The determinants of attitudes and behavior are not the same : this is a key finding of influence research .

To conclude this part devoted to building the brand by means of rumors , it is important to remind seven prerequisites for a successful rumor action plan :

- do the managers know present opinion leaders , key influentials of *today* , and of the targeted group
- what specific plans do they have to get in contact with them either directly or through medias or internet ?
- do they know all the sites or communities related to the brand or to the fields of interest or hobby of the brand's clients ?
- What is done to be referred there or active participant ?
- Are all the sources of added value of the brand exploited ? Have the micro targets for whom they are relevant been activated ?
- Are all actions so far dispersed as promotion , CRM , internet , communication been integrated to stimulate the buzz around the brand by allowing multiple entries into the rumor building process ?
- In fact is there real and formal word of mouth plan ?

Building brands through rumor processes

Interestingly , all major corporations are now asking for seminars and consulting on the way to harness rumor processes in order to build brand power and to sustain brand equity . There is clearly a renewed interest in social contagion phenomena.

In our times of fierce competition and me too products , the focus of marketing has slowly moved from product to client , from promoting a product superiority to inserting the brand in the client's life style and now social or virtual community. The social dimension of many consumer choices has been widely recognized : this means that the so called individual taste (or individual choice) is largely based on community's choices and the willingness to be inserted in one's community through one's brands choices . Although early sociological work on the diffusion of innovations is more than fifty years old (Katz and Lazarsfeld 1955 ; Rogers and Shoemaker , 1971) , it has never fully been acknowledged nor enacted : advertising seemed almighty and above all controllable .

Building and managing brands through rumor processes has become an intense research area among all marketing oriented companies , with the secret hope to make strong economies and stop spending more and more in media advertising and distributive allowances . Now, in our research and executive seminars , the first word of caution we stress is that there are no miracles . It costs a lot too to energize the rumor process . The reason is simple : natural rumors grow and circulate because of the built in energizing power of their message in the community where they circulate . They are naturally involving . Most consumer products are far less involving: this is a major handicap for the spontaneous birth of a rumor like process to spread the word . The first and foremost task will therefore be : how to increase the involvement level ? The best answer would be to capitalize on emotional moments : this is the strategy used by Redbull to penetrate new markets as long as the brand was unknown and had no money. It aimed at key opinion leaders on campuses and helped them gain status among their followers by proposing them a miracle elixir, giving them strength.

A second word of caution must be said concerning the direct transposition of rumor theorising to brand building : one should extend the concept of influence to non verbal

propositions : adoption of fashion products heavily relies on social imitation . It is interesting to see that part of the world wide success of Zara, the fashion clothes multiple retailer , relies on its information system able to capture the natural demands of incoming customers (like : « do you have the skirt Madonna wore on TV last Saturday on show X, or Y ? ») . If many simultaneous such natural demands are captured by the information system a small pre-production can be started and is sent back to the stores for trial within a few weeks . Then the presence of the looked for and so far unfindable item will spread like a rumor among the local teenager girls , especially since , at Zara , to avoid inventory costs , the company produces short series which are quickly out of stock . The perspective of not being able to find the product creates a perceived rarity and a risk , both natural ingredients of rumor processes . In this example , contagion started as a collective desire by Madonna's fans to look like her , to behave like her . As a result a first rumor spreads concerning her new and fancy skirt , followed by the local rumor of where it can be found for some days . The same processes take place in hi tech environments , where technology changes becoming more and more rapid , one is obliged to ask for expertise and/or imitative models to make a choice .

Prescription marketing is not new : it is the basis of all pharmaceutical marketing , of cosmetics , of high tech marketing , of fashion , etc....What is new is the extension of interest to categories which so far did not feel concerned by such processes and relied almost exclusively on mass advertising : some disillusion with the decreasing marginal returns of increased advertising expenditures has paved the way to being open to more underground type promotional activities : tying the brand to influentials who would either consciously prescribe carry positive words or unconsciously serve as role models and ignite contagion . Why then this recent extended interest ?

a) The rediscovery of communities

Traditionally , in consumer research consumers were seen as individuals , eventually aggregated into segments . Most multi attribute models aiming at predicting purchase made that implicit assumption : they were based on individual responses . But in reality , they are not isolated individuals : they belong to groups, tribes , communities , either stable or transient , durable or situational . In fact the brand acquires meaning not through a summation of individual evaluations , but after a collective screening made of conversations within the reference groups , the community , where opinion leaders can play a determining role .

Along with advertising , new forms of behavior have emerged through which brands are enacted , made to live their values with consumer communities in a non commercial environment eventually . The classical examples of the Michelin races around the world , or the Harley Davidson rally where management and bikers meet once a year are examples of this . Also , the modern brand will animate communities created around itself or a topic (parenthood for Pamper's , rock music for Jack Daniel's) : internet sites , « fanzines » , hot lines , brand clubs, events , are the classical tools to implement this new attitude and share the brand values through servicing or animations . The brand becomes « mediactive » , it helps its customers get in touch together , on the net or in reality through specific occasions . Building *brand communities* is now part of the scope of brand management. For them , getting together , sharing experiences is a reward too . Feather (2000) has identified four drivers of e-communities : interest based , transaction based , relationship based and fantasy based . Each one determines a specific type of site , of content , of interaction between the brand and this very involved public : it goes

beyond mere purchasing and looks for interactions with the brand and its other customers . They are driven by the rewards of community interaction and transaction. This increases the buzz around the brand .

b/ The emergence of the relationship paradigm

Traditionally marketing focuses on consumer behavior : it aims at influencing choice . Its focus was on understanding purchase , its choice criteria , be they material or immaterial, product based or image based .

Its tool for influencing demand was the marketing mix , with the sacred four P's : product, price , place , publicity . Marketing research aims at identifying the attributes which predict purchase : its typical statistical tool is a multi attribute model . Segmentation is another key concept of transactional marketing : recognizing that transactions are facilitated when expectations are higher , the mass market has been segmented into groups , or types with similar expectations : then brands profiled to meet the set of expectations of each identified segment have been created .

Because competition is fierce , imitation rapid, the consumer overwhelmed with very close proposals and brands , the focus of marketing has moved from conquering clients to keeping them , from brand capital to customer capital . The new buzz words of good efficient brand management are : share of requirements , shared loyalty, CRM , ... The focus is on building lasting relationships through time , on post purchase activities , all these subsumed under the term : relationship marketing . The focus of research has moved itself from predicting choice to classifying the different types of relationships consumers have with brands (Fournier, 1988) , or the different types of interactions companies engage in with their clients , beyond selling a product or service (Rapp and Collins , Peppers) . It should be noted that relationship marketing is a financially driven concept : customers are still segmented but behaviorally . In traditional marketing , segmentation aimed at maximizing the value created by the brand or company for its customers . In relationship marketing , segmentation is based on the value a customer brings to the company : only the profitable customers should receive repeated attention . Hence the concept of lifelong customer value . Internet technology has created the means to meet this demand for more and more efficiency in tracking , analysing , servicing , selling to each single of these important customers.

Now of course , these two approaches are complementary . The best loyalties are not based on mere calculus , and loyalty cards : they are integrated as volunteer loyalty, as brand commitment . On the other hand weak brands should start somewhere : behavioral loyalty programs create the conditions for deepening the relationship , and create emotional connections between consumers and the brand . It is well known that the most committed consumers are also its best advocates , ambassadors , circulating positive word of mouth about it : they become a grass root hub (Rosen , 2000) as great source of knowledge and empathy about the brand in their own vicinity .

If brands structurally lack the built in energizing qualities (involvement) , how then should one increase the implication level around the brand , a necessary step to energize the natural flow of word of mouth ?

- The first solution is to be brand minded not ad minded . Ad minded marketers think the brand only through the USP : the famous Unique Selling Proposition . For sure advertising can say one and only one thing : this is a result of the swift nature of the advertising exposure . However , there are always a lot of other things to say about any brand or product : these things will be very relevant , not to the global target , but to communities , micro groups , segments . For instance Peugeot 307 has been positioned on pleasure and security : in addition it is one of the most recyclable cars . This piece of information is absent of mass advertising . It should be conveyed to the ecology oriented communities , through direct communication or through all sites more or less related to communities , or through chat rooms on these matters . These groups in turn will play their role of hub (Rosen , 2000) , of expert as far as ecological relevant informations should be circulated to a large number of community members . As a rule for each brand , beyond the main campaign , one should implement a number of micro communication plans aimed at specific highly involved communities , releasing a piece of very relevant information for them .

Our vision of modern competition (Kapferer, 2001) has led us to promote the idea that , unlike what the USP rule says , one should say as many things on a brand as possible , but not to the same persons , nor to the same opinion leaders . Each source of added value should be exploited to increase the product attractiveness and build brand equity : each piece of added value will determine its natural target and hubs (influentials to reach) .

- A second route is to think very early in the new product launch to ways to create built in features for stimulating rumor processes . How to make the product/brand contagious ? How to make target members prone to speak about the product/brand ? Launching a new beer is a typical example on which we worked : in many European countries , there are strong limits to advertising alcoholic beverages . This situation should spread . This will naturally give rise to more street marketing (see below) . However , at the brand definition stage , one should create potential conversational items : they would be activated later in the diffusion process . The brand name can be such an item , more or less mysterious , or the brand symbols and logotype , or the story written on the back label (often a story of pure invention) , or the ingredients . It is well known that part of the early success of Red Bull (an energy drink) is its sulfurous perception among the insecure youth males : its ingredients were perceived as ambivalent and mysterious . Its name alluded directly to the consumer benefit . It is well known that sex is a classic theme of rumors , both negative and positive : Red Bull exploited it in its underground marketing launch plan . In addition it exploited the rarity principle to boost its image in all countries where the product was at first forbidden (because the ingredient did not match the lists of authorized ingredients in food products) .
- Artificial rarity is a classic way to launch a rumor process . This is why car marques make use of pre – announcements : this spreads the word of an incoming great new model and freezes the commands of the market , waiting for the new model . These pre announcements come earlier and earlier . Also , they show the most involving model of the future range . Artificial rarity tied to an event is not new : it is the basis of the success of Beaujolais Nouveau , a pure and very profitable invention of marketing . Each year , the word spreads : how will it taste ? Last year it had undertones of blackberry , this year it is raspberry ! In a few days there is not a single liter left worldwide . Sony Play Station and Harry Potter's new book are backed , by an intense rumor, backed by the medias , that « there won't be enough for everybody » when the stores open at D day , 8 am or midnight to make it more exciting .

Zara became the hottest place in Europe for fashion and price, beating H&M or C&A which make use a lot of advertising: however zara never advertised. How did it create the buzz: through their business model. They have no stock: as a consequence there are too small series, but permanently renewed. Consumers go to Zara as in a treasure hunt: they never know what they will find. They go together to share the thrill of finding a garment which soon will be unavailable.

- Excitement is surely a way to bolster long lasting involvement. Creating exciting memories leads people to speak about these memories. As a result, surely they will not say « try this brand it's good », but they quote their great experience in which the brand has had an active and involved part. This is why experiential marketing has become a key word of modern brand management. For instance, Ricard, an aniseed drink, world's fifth spirit in sales, invests a large part of its marketing budget in relational operations aimed at creating direct contact, interactions and even public commitment with the brand. For instance, it aims at the youth by means of Ricard Live Music, the largest free music show in Europe, hosting most of the major groups of pop music. Ricard Live Music visits 15 cities each year and receives many thousands attendants at each session. In each city, the news of the incoming Ricard Live Music concert creates a buzz around the brand, not only in the streets and conversations, but also in the local medias, associated to the show. Ricard hosts also a number of artistic events in order to gain a better attitude among the latest fashionable opinion leaders. etc... Absolut repeated this strategy among the New York gay community, after Andy Warhol's active involvement through painting the bottle?
- Marketers have always been struck by the sky rocketing emergence of new brands which soon became the most intense necessity of teen agers or school pupils. It seems the rumor spread in college or high school recreation courts. The typical craze is Pokemon or some new instant brands such as X Packs. Where did it originate from? Was the success predictable: of course not. However, a number of ingredients seem to increase probabilities of success. They can be built in either into the product concept itself or in a specific promotion about the brand. For instance, a new cheese for children called *kidiboo* capitalizes in its own concept on the fact that there is a mystery to find on all its packagings, and as such it becomes a topic of comparisons between the children. The famous mobile phone tarif called « friends and family » exploited the tribal modern phenomenon, by promising a 50 % rebate on all communications to a short list of best friends. Another approach is to invent a system whose reward gets bigger the more there are people taking part in the process. This is not new: pyramidal chains used to do so. The success of e bay, actually the only start up which was profitable in its first year of activity is based on the fact that an on line auction site is all the most useful as there are a more people browsing through this site. More people increase the probability to find one or more buyers which will make the prices go higher. In fact even those people who believed their object for sale had no value were surprised to discover it had one, far beyond their most optimistic wishes: they passed along the good news, leading more and more people to sell on e bay. On the other side, those who found a pearl (the record they could not find so far) tell their discovery to all their friends. Then the rumor spreads. This is why e bay never advertised: it did not need to do so. Miracle need no advertising. Both sellers and buyers are enchanted.

Dove has used a promotion called *tell a secret* to you best friends , by means of SMS , internet or any kind of communication . Very personalized services create a higher involvement : this is how cosmetic brands build the buzz . They propose new services on their internet site to help the client choose the make up that will make them look more glamour or like such or such famous star or top model . This is soon said to all the best friends who pass the word . To maintain involvement , there is a need to renew the services or to create segments : when a person comes often he :she is recognized and the system learns from each click (the true meaning of word of mouse (Riedl and Konstan , 2003) : then services can be hierarchized according to the level of brand commitment of the person , which in turn reinforces that person in her bonding and willingness to become a brand fan if not advocate . On line or off line exclusive brand fan zines help also create the buzz as long as they do not speak of the brand but of the clients , and their shared interest and values .

- Viral marketing creates also the buzz thanks to exploitation of three rumor energizing motives : to share a rarity or to create a surprise or to have fun together (a pleasant experience) . Thus circulating previews of new products , or asking for advice about incoming new products is one classic tool for animating fan's communities . It is also classic to have ads circulating , especially ads which have not yet been aired , like the famous Wazzup Budweiser commercial , known by the European youth , despite the fact that it was not present in all countries where alcoholic ads are banned .
- Of course PR , public relations , is a classic way to create the buzz by investing strongly and permanently on the opinion leaders of the targeted group . This is how Absolut became N°2 best selling spirit of the world despite the fact that it is a pure invention of marketing , created in 1978. What is most recalled is Absolut mythical advertising campaign , always the same , yet always renewed . What is less known is the considerable underground work to make Absolut a hot topic among the opinion leaders . This started by targeting New York gay community in the early 80's (Bombay Sapphire repeated the strategy later by targeting the Los Angeles gay community) . Then , after having been helped by Andy Warhol , Absolut decided to focus all its PR , in each country on the designer's schools , the artistic tribes , etc.. to associate the brand with the vanguard of taste . The same thing is taking place in the USA where Lacoste is making a remarkable come back , at a time when Ralph Lauren is starting becoming old hat : Lacoste invests most of its PR budget for the relaunch on a fashion défilé in New York and a major party in Central Park with restricted and highly selective entrance lists : this creates a favorable buzz , energized by the fact that in the USA , new is always best . In addition it just happened that George Bush Jr's daughter wears systematically Lacoste's mythical shirt .

All these examples demonstrate that creating the buzz does not rely on miracles : it needs careful planning , a dedicated investment in time and money. As it is mostly underground it does not catch the attention of the layman but gets to him or her , through the press fall outs , and the subtle prescription of friends , all kinds of grass root hubs , themselves influenced by other hubs : this is the path of influence and imitation .

Bibliography

- Allport Gordon W. and Postman Leo J (1946) : « The Basic Psychology of Rumor », in : Transactions of the New York Academy of Sciences, Series 2, vol.8, pp.61-81
- Bates Stephen (1985) *If No News Send Rumors* , St Martin Press , New York
- Bergmann Jörg (1987) *Klatsch : Zur Sozialform der diskreten Indiscretion* Walter de Gruyter Berlin
- Brunvand J H (1990) *Curses broiled again :The hottest urban legends going* Norton New York
- DiFonzo, N and Bordia P (1998) *How Top PR Professionals Handle Hearsay : Corporate Rumors , their Effects , and Strategies to Manage Them* . Unpublished Manuscript , Rochester Institute of Technology , Rochester , New York
- Eagly A. and Chaiken S . (1993) *The Psychology of Attitudes* Harcourt Brace Jovanovitch , New York
- Fearn -Banks K. (1996) *Crisis Communications* Lawrence Erlbaum and Associates , NJ
- Fournier Suzan (1998) « Consumers and their Brands » in : The Journal of Consumer Research , 24 , pp.343-373
- Froissart Pascal (2002) *La Rumeur , Histoire et Fantasmés* , Belin , Paris
- Jones Edward E. and Kohler R. (1958) : « The Effect of Plausibility on the Learning of Controversial Statements » in : Journal of Abnormal and Social Psychology , vol 57 , n° 3 , November .
- Kapferer Jean-Noël (1988) *Les Chemins de la Persuasion* Dunod Paris
- Kapferer Jean-Noël (1989) « A Mass Poisoning Rumor in Europe » , in : The Public Opinion Quarterly , 53, pp.467-481 .
- Kapferer Jean-Noël (2000) *Rumors : Uses , Interpretations and Images* . Transaction : New Brunswick , NJ, USA
- Kapferer Jean-Noël (1994) *Die Marke , Kapital des Unternehmens* , Springer Verlag
- Kapferer Jean-Noël (1996) *Gerüchte . Das älteste Massenmedium der Welt* , Kiepenheuer , Leipzig
- Kapferer Jean-Noël (2004) *The new Strategic Brand Management* , Kogan Page : London and New York
- Kapferer Jean-Noël (2001) *Re-inventing the Brand* , Kogan Page , London and New York
- Katz E and Lazarsfeld P. (1955) *Personal Influence*, Free Press, New York

- Kimmel Allan J. (2003) *Rumors and Rumor Control*, Lawrence Erlbaum Associates , London
- Kirkpatrick Clifford (1932) : « A Tentative Study in Experimental Social Psychology », *American Journal of Sociology* , vol. 38 , N°2 , September , pp.194-206 .
- Klein Naomi (2001) *No Logo* Flamingo London
- Koenig F. (1985) *Rumor in the Market Place : The Social Psychology of Commercial Hearsay* , Auburn House , Dover, MA
- Koller M (1992) : « Rumor Rebuttal in the Market Place » in : *Journal of Economic Psychology* , 13 , pp. 167-186
- McGuire W.J. and Papageorgis D . (1962) « Effectiveness of Forewarning in Developing Resistance to Persuasion » in : *Public Opinion Quarterly* , 26, pp.24-34.
- McGuire W.J. (1985) *Attitudes and Attitude Change* , in : G.Lindzey & E. Aronson (Eds.), *Handbook of Social Psychology* (3rd ed. , Vol 2, pp.233-346). Random-House , New York
- Meysan, T. (2002) *The Pentagate* , Carnot, Paris
- Morin Edgar (1971) *Rumor in Orleans* , Pantheon , New York
- Oppenheim Rosa (1911) : « Zur Psychologie der Aussage » in : *Zeitschrift für angewandte Psychologie and psychologische Sammelforschung* , n°4 , pp. 344-355
- Petty R.E and Cacioppo J.T (1986) *Communication and Persuasion* , Springer Verlag , New York
- Riedl J. and Konstan, J. (2002) *Word of Mouse* , Warner Books , New York
- Rogers E and Shoemaker F.F. (1971) *Communication of Innovations* Free Press New York
- Rosen E (2000) *The Anatomy of Buzz* Double Day , New York
- Rosnow R.L. and Fine , G.A. (1976) *Rumor and Gossip : The Social Psychology of Hearsay* , Elsevier, New York
- Ross, L., Lepper , M.R. , and Hubbard, M. (1975) « Perseverance in Self perception and Social Perception » in : *Journal of Personality and Social Psychology* , 32 , pp.880-892
- Schlosser E (2001) *Fast Food Nation* Houghton-Mifflin Boston
- Shibutani Tamotsu (1966) *Improvised News : A Sociological Study of Rumor* , Bobbs-Merrill, Indianapolis , In.
- Stern William L. (1902) : « Zur Psychologie der Aussage . Experimentelle Untersuchungen über Erinnerungstreue » in : *Zeitschrift für die gesamte Strafrechtswissenschaft* , Vol XXII, Heft 2/3, pp.315-370 .

Tresselt Margaret E. and Spragg D.S. (1941) : « Changes Occurring in the Serial Reproduction of Verbally Perceived Materials » , Journal of Genetic Psychology , n° 58 , pp.255-264 .

Tybout A., Calder B.J. & Sternthal B.(1981) « Using Information Processing Theory to Design Marketing Strategies » in : The Journal of Marketing Research , 18, pp.73-79

Yandell B . (1979) « Those Who Protest too Much Are Seen as Guilty » in : Personality and Social Psychology Bulletin , 5 , pp 44-47