

# **The Influence of Word-of-Mouth Communications on Consumers' Attitudes Toward Later Entrant Brands**

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## **Abstract**

Empirical research has demonstrated a robust pioneering advantage across myriad products and contexts. Less research has focused on potential strategies for later entrants to counter the pioneering advantage. The present study examines the influence of a later entrant's word-of-mouth communication (vivid vs. versus pallid), valence of the information (positive versus negative), and brand positioning (similarity between the pioneer and the later entrant) on the consumer decision process. The authors hypothesize that the joint influence of word-of-mouth and brand positioning depends on two important components of the decision-making task: stimuli-based versus memory-based tasks and simple versus complex tasks. A sequential-logit model with two focal brands (the pioneer and the later entrant) is developed to test the influence of independent measures on the likelihood of (1) retrieval, (2) consideration, given retrieval, and (3) choice, give consideration for both the pioneer and the later entrant. Data from three experiments provide support the multi-stage conceptualization of the consumer decision process and demonstrates that the effect of word-of-mouth communication and brand positioning depends on the nature of the decision-making task.