

MARKETING COLLOQUIA

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PRE-RELEASE WORD-OF-MOUTH DYNAMICS: THE ROLE OF SPIKES

Renana Peres, with Sarah Gelper and Josh Eliashberg

ABSTRACT: Prior to launch, many new products generate buzz through various social media. We study the time dynamics of pre-release word of mouth (WOM) on movies. Such WOM typically increases toward release and contains sudden spikes.

This article provides a first comprehensive treatment of WOM spikes. We introduce a dynamic model for spiky WOM and estimate it using robust Kalman filtering. Combined with extensive content analysis on ~ 90,000 pre-release online WOM messages, we study the drivers and content of spikes, as well as how they relate to box office revenues.

Our results indicate that pre-release spikes are an inherent component of WOM and are not random outliers. Spikes are ignited both in response to firm-created communications, such as the movie trailer, as well as spontaneously. Relative to regular WOM, WOM in spikes is more opinionated and deals more specific aspects of the movie rather than just mentioning it in a different context. Pre-release spikes explain variations in box office revenues – controlling for overall WOM volume and other movie characteristics, movies with spiky pre-release WOM are associated, on average, with higher ticket sales.