The propensity to gossip and its impact on e-WOM in online social networking sites

Shintaro Okazaki, Ph.D. Associate Professor; (shintaro.okazai@uam.es) Tel. +34 914972872

Sara Campo, Ph.D. Associate Professor; (sara.campo@uam.es) Tel. +34 914973549

Natalia Rubio, Ph.D. Associate Professor; (Natalia.rubio@uam.es) Tel. +34 914973567

Department of Finance and Marketing Research; College of Economics and Business Administration; Universidad Autónoma de Madrid, Ctra. Colmenar Viejo km 15,5; 28049 Madrid (Spain)

Abstract

Not much attention has been paid to the role played by the gossip-based transmission of information in social networking sites (SNSs) in academic literature. This study suggests that the natural tendency of individuals to gossip leads to an increase (1) of the perceived value of all the functions offered by the SNSs -information, the obtaining of social recognition, entertainment and staying in touch-; (2) that the tendency to gossip and the values of the SNSs strengthen the ties between individuals via the network; and that (3) the tie strength of the individuals in the network is a determining factor with respect to electronic word-of-mouth (e-WOM) within this medium. An experimental study was undertaken with 1,218 consumers via an online survey. The results provide empirical support to the theoretical predictions. A final section discusses the theoretical and managerial implications and the principal limitations of the study.

Keywords: Social networking sites (SNSs), sales promotion, electronic word-of-mouth (e-WOM), gossip, tie strength.

1. Introduction

The results of studies undertaken over time in different regions of the world –the Pacific Islands, the USA, Canada or Mexico, among others- confirm that the frequency with which people gossip and the content thereof is something universal. Regardless of genre, we dedicate one part of our daily conversation to gossiping (Nevo et al., 1993a; Litman and Pezzo, 2005; Carey, 2005).

Despite its importance, in the majority of cultures and countries, the propensity and effect of gossip has received little academic attention. The influence of gossip has been examined in the areas of anthropology and psychology (Litman and Pezzo, 2005; Nevo, et al., 1993a; Nevo, et al., 1993b) and the area of business administration with respect to the labour context of organisations (Kurland and Pelled, 2000; Wittek and Wielers, 1998; Grosser et al. 2010). However, to date we have found no studies examining this form of behaviour in the area of marketing.

In the personal communication context, and more specifically in communication via social networking sites (SNSs), gossip plays a fundamental role. SNSs stimulate the natural tendency of individuals to engage in small talk, a behavioural trait which, if well channelled, can be extremely useful for those brands with a presence in these media. By using electronic word-of-mouth (e-WOM) communication brands can reach a large number of potential consumers in a relatively short time.

The Social Network Observatory study into the use of SNSs in Spain published in 2012 by "The Cocktail Analysis", based on a survey of 1,304 internet users aged between 16 and 45, reveals the high penetration achieved by the SNSs (91% of internet users have an account and use at least one SNS), and the consolidation process of the mobile phone as a web browsing platform (55% of mobile internet users access SNSs using their mobile phones on a daily basis as against

9% in 2009). It also affirms that the main reasons for using SNSs are relationship and leisure based (staying in touch, meeting people, entertainment and gossiping).

The reasons behind spreading a piece of gossip coincide, to a great extent, with the reasons for using SNSs. Donath (2008) pointed out that one of the main attractions of SNSs is the never-ending novelty of reading about what other people are currently doing, seeing new user profiles, staying abreast with changes, etc. SNSs provide a limitless flow of new people and contacts, new information and the feeling that someone is interested in what you are doing. They mark the so-called "new era of social information" (Donath, 2008). Likewise, studies such as those by Nevo et al. (1993a) highlight the fact that the main reasons for using SNSs include the obtaining of information, entertainment and social comparison and find that gossip generally takes place, in this context, when people find themselves in intimate and relaxed atmospheres.

Knowing more about the role played by gossip on SNSs might hold the key to understanding how they are used and the mechanisms employed to transmit certain personal information, not only concerning the general aspects of the user's private life, but also his or her shopping and consumption experiences, both of which are really important questions with respect to the corporate product and brand management process.

These lines of reasoning lead to the formulation of the following research question: Can gossip help to promote brands? Which is the question that this study attempts to answer by analysing the impact the natural tendency to gossip has on e-WOM communication.

2. Gossip in SNSs: Theoretical framework.

2.1. The social and moral value of gossip

Rosnow and Fine (1976) define gossip as "news/new information about others, told by a third party, or any comment of a personal nature, be it positive or negative, spoken or written". On the other hand, Kurland and Pelled (2000) define it, as far as the field of organisations is concerned, as "an informal and evaluative chat, normally between a small number of company employees, about a third party who is also a company employee and is not present". These authors distinguish different dimensions of gossip according to whether it is positive or negative, believable or unbelievable and to whether it is related with the work environment or not.

The areas that analyse gossip do so from the perspective of its social function or from a more internal orientation, such as the role gossip play for the individual him- or herself (Nevo et al., 1993b). The first propounds that gossip contributes towards the cohesion of the group, transmits information, teaches and focuses the group's behavioural standards, creates strong identification with the group and clarifies its limits. The second, defended by social psychology, suggests that gossip operates by comparing the individual with others (Nevo et al., 1993b) and identifies functions of gossip such as social comparison, status, power and entertainment (Rosnow, 1977). In relation to gossip, power is understood as being the capacity to influence the behaviour of others in order to change the course of events, to overcome resistance and to induce everybody else to do things they would otherwise not do (Kurland and Pelled, 2000).

The Social Exchange Theory also explains the four most important functions of gossip, which are information, entertainment, friendship and influence (Stirling, 1956). In other words, gossip goes beyond pleasure and enjoyment (Rosnow and Fine, 1976), because it fosters the exchange of information, passes the time and unites groups of individuals by way of a shared use of standards, which in turn exerts an influence over the group. Although it is true that on occasion

people engage in small talk and gossip for enjoyment and entertainment alone, it can also generally be said that they do when they find themselves in intimate and relaxed atmospheres.

Litman and Pezzo (2005) and Grosser et al. (2010) suggest the perception of the individual attitude towards gossip, either as a positive activity that enables individuals to socialise, entertain themselves and make friends –known as social value-, or, on the contrary, as a negative and harmful activity, -known as moral value-. And this is because there is also a downside to gossip, namely when it is used in a morally questionable manner, often referred to as "evil tongues" (Kurland and Pelled, 2000), which leads an individual to be feel bad after having spoken about somebody else. Grosser et al. (2010) affirm that the classification of gossip as positive or negative depends on the point of view of the transmitter/receptor of the message. For example, if an individual speaks negatively about a third person it might seem like negative gossip, but if it performs the positive function of protecting against detrimental behaviour it would be positive. This means that the nature of the gossip must be assessed on an individual basis. The theoretical analysis framework is presented in Figure 1.

(Insert Figure 1)

SNSs, and the technology on which they are based, provide individuals with communication mechanisms which enable them to maintain considerably extensive relationship networks. What is more, the SNSs have engendered new types of relationships such as "cyber friends", namely friends or acquaintances with whom the relationship is limited to the context of the SNSs (Boyd, 2006 and Donath, 2008). Donath (2008) and Tufekci (2008) point out that the SNSs represent a medium for maintaining relationships with others via a number of activities, including gossip.

The way SNSs are used is related with an interest in online browsing (Lampe et al., 2006) and with the need to remain in touch socially (social grooming), which are the two characteristics

that users see as being the most attractive of the SNSs (Tufekci, 2008). The social functions of gossip -information, entertainment, friendship and influence- (Rosnow, 1977, Nevo et al. 1993b) are functions that have been attributed to the SNSs by recent academic research (Donath, 2008, Tufeckci, 2008, Dholakia et al. 2004, Algesheimer et al., 2005 and Brown et al., 2007), and this is why the intention of this study is to investigate the influence of the social value of gossip on how the value of the SNSs is perceived, and we put forward the following hypothesis:

H1: There is a direct positive relationship between the social value of gossip and the perceived value of the SNSs as regards all of their functions.

Furthermore, authors such as Nevo et al. (1993b) and Grosser et al. (2010) point to the existence of a strong relationship between gossip and the cohesion or tie strength of the group reinforced by the social functions of the gossip. In the social networking site environment, a number of studies affirm the relationship of the social networking site functions with the cohesion or tie strength of the group by way of the network (Dholakia et al., 2004; Brown et al., 2007). In this sense, this study proposes the following hypotheses:

H2: The social value of gossip reinforces the tie strength of the individuals in the SNS.

H3: The social value of gossip reinforces the tie strength of the individuals in the SNS by way of a better perception of value of the SNS with respect to all of its functions.

Litman and Pezzo (2005) and Grosser et al. (2000) state that the positive social results of gossip might be offset by its moral value. This leads to the formulation of the following hypotheses:

H4: The effect of the social value of the gossip on the favourable perception of perceived value of SNSs is negatively mediated by the moral value of the gossip.

H5: The positive effect of the social value of gossip on the tie strength of the individuals in the SNS is negatively mediated by the moral value of the gossip.

2.2. Gossip and e-WOM

In addition to perceiving increased value in the SNSs via their functions, members of those SNSs that place a greater social value on gossip might also be more likely to use the SNSs in e-WOM communication. Both are communicational behaviour patterns between two or more people. The fundamental difference between them is that gossip mainly transmits the latest news about colleagues and friends, while e-WOM is more related with telling friends or colleagues the latest news about and/or opinions on a product or brand. Our research centres on investigating to what extent the propensity to gossip affects e-WOM, with our first proposal being that:

H6: The social value of the gossip has a direct positive effect on e-WOM communication via the SNS.

Brown et al. (2007) conclude that the members of an on-line community recognise the value of the opinions of a product conveyed by the other members of the community on their own initiative and that do not originate from the company. These opinions are perceived as being more credible. In this respect, Brown et al. (2007) highlight the great importance of the role played by the long-term relationships established in some on-line communities in which their members feel obliged to take part in order to feel they are part of the network. Similar results have been obtained by Algesheimer et al. (2005), who conclude that the tie of the relationship with a brand-based community determines the level of commitment to the community, understood as being the degree to which members "help all the other members, take part in joint and other activities as a way of obtaining and increasing the value of the community for themselves and others" (p. 21).

Furthermore, our preliminary research indicates that the size of the on-line community affects the perception of value. Dholakia et al. (2004) find that the members of the large on-line communities strive to make a reputation for themselves (be a benchmark) as a way of establishing trust and status, and of promoting social interactions, given that in most cases the users do not know each other. This reputation-seeking behaviour seems consistent with the propensity to gossip within an environment where gossip is seen as being a way of achieving status and prestige among users (Suls, 1977; Noon and Delbridge, 1993).

Gossip is habitually used for making social comparisions among the members of the group (within the group) and with people outside the group (outside the group). In the first case it strengthens the tie and helps one to feel more part of the group (Wert and Salovery, 2004).

Grosser et al. (2010) identify different behaviour patterns with respect to positive versus negative gossip witnin the SNS. The reasoning is that the transmission of positive information means less commitment on the part of the messenger and, therefore, a relationship based on trust and intimacy is not required for the transmission of these messages. However, the existence of stronger bonds of friendship are necessary for the transmission of negative information to enable the messenger to feel comfortable enough to exchange information of this type.

As far as all the foregoing is concerned, it makes sense to think that, with respect to gossip, those individuals with greater social value contribute more to e-WOM communication and that this direct relationship can be affected by the tie strength achieved with contacts via the network. The following hypothesis are therefore suggested:

H7: The social value of the gossip positively affects the e-WOM communication over the SNS via the tie strength of the individuals in the SNS.

The tie strength of the individuals within a community or SNS is key in their willingness to participate in the e-WOM communication, fundamentally due to their willingness to contribute value to the community and feel more integrated in the SNS (Brown et al., 2007). For this reason a final hypothesis is suggested:

H8: The tie strength of the individuals within the SNS favours e-WOM communication.

4. Methodology

4.1. Measurement

This study included the running of a pre-test on a sample of 69 business administration degree students with two objectives: (1) to contrast the functions of the SNSs and the predisposal to gossip, and (2), to assess what type of sales promotion could be more realistic and applicable. The responses of the subjects enabled the identification of the two key dimensions of the gossip described in the previous section. The so-called social value of the gossip, which expresses the positive aspects perceived by the individuals with respect to the gossip, in other words the perception of the gossip as an enjoyable and social activity; and the moral value, which expresses the negative individual feeling of the action of the gossip. The subjects were all users of one or more SNS, and they were asked to identify the type of sales promotion that they would transmit to their friends via the SNSs. The results indicated the most frequent response to be the promotion of sales via direct price discounts.

In accordance with the theoretical conceptualisation, the value of the use of the SNSs is measured using four constructs. The value of the information, of the entertainment and of the social recognition, which are taken from the work of Dholakia et al. (2004), and the relational value, which is obtained from the works of Algesheimer et al. (2005) and Brown et al. (2007).

The intention of e-WOM is measured using a three-item scale adapted from Verhoef et al. (2002), and for the propensity to gossip an adaptation of the scale employed by Litman and Pezzo (2005) is used, which includes items that reflect the social and moral value of the gossip. Furthermore, a global item is included that reflects the individual's recognition that he or she gossips by checking the following statement: "I must sincerely recognise that I'm a bit of a gossip". The items used for each of the concepts considered are measured using a 7-point Likert scale that runs from totally disagrees to totally agree. A full description can be found in the appendix.

4.2. Procedure

In order to contrast the hypotheses of the study, 1,218 SNS users took part in an on-line survey. The questionnaire was divided up into three parts, the first of which included questions related with the main topics under study, namely, (1) the perceived value for the most frequently used SNS via the assessment of its functions, (2) the strength of the ties with the contacts via the SNS, and (3) the tendency to gossip via the perception of its social and moral value.

Next, a new product scenario was presented for three different product types (laptop computers; sports footwear and beer). Each individual was randomly assigned to each product type. The scenario suggested the following situation:

"Imagine that today; while you are browsing your social networking site, you see an advertisement for a popular brand of (laptop computer, sports shoe, beer). This brand is currently promoting a new (laptop computer, sports shoe, beer) for which it is offering a discount voucher worth 40% off the recommended retail price. To obtain this voucher, all you have to do is click on a link and subscribe, by registering your name and email address, to the

brand's newsletter. The promotion ends in a week and, during that time, the voucher can be redeemed in the shop. In light of this scenario, please indicate to what extent you agree or disagree with the following statements:"

After reading the scenario, those surveyed assessed their intention of disseminating the promotion via e-WOM on the social networking site. They also answered a series of control questions regarding the realism and interest of the promotion. Finally, they answered questions about their demographic characteristics and the use of their most habitually visited SNS (degree and intensity of use).

5. Results

5.1. Handling and realism test

After the data has been gathered, the procedure developed by Ganesh et al. (2000) is followed to check the degree of implication of the products included using three statements measured on a Likert scale of 1 to 7 (totally disagree / totally agree), "my choice concerns me greatly regarding this product", "making the correct choice of product concerns me greatly" and "the result of my choice concerns me" (Cronbach's alpha = 0.91). The degree of involvement between the products is compared, and the ANOVA test confirms that the difference in the degree of involvement is statistically significant at $p < 0.01$ (t = 95.53). In addition, a test is run to gauge the realism of the scenario presented using the statements "the situation described is realistic" and "it is not difficult to imagine this scenario on my SNS", with these also being measured using a 7-point Likert scale (Dabholkar and Bagozzi, 2002). The results obtained, with an average score of 4.51, a standard deviation of 1.73 and a Cronbach's alpha of 0.78 enable the realism of the scenario presented in this study to be confirmed. The average interest of the

promotion for friends and acquaintances on the SNS is also assessed (4.30), as is its level of e-WOM communication via the SNS (3.72).

5.2. Descriptive statistics

The descriptive statistics for the constructs considered in the analysis are presented in table 1. With respect to the tendency to gossip, considerably high values are obtained for moral value (4.93) compared to social value (3.34). The young people see gossip as being a negative activity, as causing harm, as spreading falsehoods about other people and, in general, state that they feel bad when they gossip. However, those surveyed also recognise that they enjoy passing on the latest news about others on hearing it themselves and that it is fun to talk about everybody else.

Those surveyed valued the SNSs highly, especially with respect to their relational (5.16) and hedonistic or entertainment (4.46) functions. Using the SNSs to obtain and transmit useful information, as well as for obtaining social recognition of the individual as group opinion leader, present more modest values (4.14 and 3.83 respectively). The tie strength of individuals via the SNS is medium-high (4.22), and their intention to transmit the promotional information by way of the SNS is quite moderate (3.72). However, relatively high standard deviations are observed for all of the constructs, which denotes the existence of user segments with differentiated behaviour patterns.

(Insert table 1)

5.3. Reliability of the constructs used

Initially a confirmatory factorial analysis was undertaken to check the reliability and validity of the gossip tendency scale. The results of this analysis reveal the existence of two dimensions of gossip, social value and moral value, together with a number of acceptable reliability and validity

indicators. The correlation between both dimensions is -0.20, lower than the root of the variances of both dimensions (0.75 and 0.60), thereby proving their discriminant validity.

All the other scales are then incorporated and their reliability and validity are checked by way of a full confirmatory factorial analysis of the entire model. The discriminant validity of the constructs included in the model is also analysed and a check is made that the square roots of the extracted variances of each construct are, without exception, greater than the correlation between each pair of constructs. Table 2 summarises the Cronbach's alpha, the compound reliability (CR), and the average variance extracted (AVE), with satisfactory results in accordance with the criteria of Hair et al. (1998).

(Insert table 2)

Finally, a confirmatory multigroup analysis was undertaken by product type (laptop computer, sports shoes and beer) in order to check the metric invariance for the different levels of implication considered. The results obtained show an insignificant variance of Bentler's comparative index (CFI) with respect to the unrestricted model (increase = 0.001) (Cheung and Rensvold, 2002), which confirms that the equality restrictions for all the factorial loads can be sustained, and that the factorial loads are the same in the two samples.

5.4. Results of the relationships model

The structural equation methodology provided by the AMOS 19.0 statistical program was used to compare the hypotheses formulated in the theoretical model. The relationship between X^2/degrees of freedom is 3.51, close to the maximum threshold of 3 (Bollen, 1989), although values of less than 5 are also accepted (Klem, 2000). The CFI = 0.96, AGFI = 0.91 and RMSEA = 0.04 indicators also present acceptable values (Hair et al., 1999).

Figure 2 and Table 3 show the results obtained for the proposed relationships. A positive, direct and significant effect of the social value of gossip on the perceived value of the SNS is observed with respect to all of its functions. The individuals who derive the most pleasure from gossip are those who make the most of all of the functions offered by the SNSs. A case in point is the use made by those more prone to gossiping of the SNS to obtain social recognition (0.51) and entertain themselves (0.44), followed by the use to obtain and transmit information (0.32) and stay in touch with their contacts (0.27). However, the overall effect of the social value of gossip on the perceived value of the SNS is less across all of its functions as a result of the negative and meditative effect of the moral value of gossip. Both results confirm hypotheses H1 and H4 respectively.

However, mention must be made of the fact that the indirect effect of the moral value of gossip is relatively low for all of the functions, and that the overall effect of the social value of the gossip on social recognition is 0.48, on entertainment is 0.39, on the gathering and transmission of information is 0.28 and on staying in touch with contacts is 0.21.

(Insert figure 2)

(Insert table 3)

The social value of gossip also contributes towards the tie strength of the individual members of the social networking site (see Table 3). A direct and positive effect is observed between the social value of gossip and tie strength (H2), which is increased via all of the functions perceived for the SNS (H3), especially that of entertainment. The direct effect of social value on tie strength is 0.20 and the indirect effect of social value on tie strength via all of the functions of the SNS is 0.32, which results in an overall positive effect of 0.52 (0.32+0.20). Having said this, in

the case in question the moral value of gossip also slightly reduces the power of the positive effect of gossip on tie strength (H5), which in net terms is 0.47.

Regarding the effect the social value of gossip has on e-WOM communication, both a direct (H6) and indirect effect is observed. However, mention must be made of the difference between the intensity of the indirect effect (0.22) and that of its direct counterpart (0.09). Those individuals, who derive the most pleasure from gossiping, insofar as they feel strong ties with their SNS contacts, contribute more towards e-WOM communication (H7), which might be due to the fact that they are more receptive to the latest on-line information they feel their contacts may find useful. It is worth pointing out the direct effect tie strength has on e-WOM (0.43).

Those individuals who derive the most pleasure from gossiping are also more likely to indulge in e-WOM communication insofar as that the use SNS as an instrument for gathering and disseminating information (H8).

Finally, in order to know whether the proposed and estimated model can be generally used for all of the products or, on the contrary, if differences exist according to product type and the purchase involvement level thereof, a multigroup analysis is undertaken of the three products in question (laptop computer, sports shoes and beer). No significant differences are found with respect to the causal relationships proposed, therefore proving the generalisation of the model for all of the products, whatever their involvement level (see Table 4).

(Insert table 4)

6. Conclusions and Recommendations

The literature on on-line communication clearly states that SNS users are more inclined to use this medium for expressive rather than instrumental reasons. The former involve the individual's

ability to create and share information, thereby enabling him or her to maintain relationships, make friends and entertain his or her contacts. However, instrumental uses are related with functional aspects such as searching for information (Tufekci, 2008). This study both confirms said results and goes one step further by reaching the conclusion that the higher the value perceived by individuals of their social networking sites as a mechanism for transmitting useful information to their contacts, the more likely the promotional information will be transmitted via e-WOM. If, on the other hand, the individual feels the need to be recognised by others as being an ingenious and creative person, he or she will be less predisposed to transmit price-based promotional information.

The results of this study clearly show the existence of the individual's intrinsic need to gossip when using SNSs. The greater the social value obtained by SNS users by gossiping, the higher their evaluation of the value of SNSs becomes, especially with respect to the need of social recognition and entertainment. Furthermore, SNS users who are more inclined to gossip are those who feel a closer tie with their "cyber friends", and those who show a greater intention of transmitting the promotional information via e-WOM, irrespective of the degree of involvement of the promoted products. If, under these conditions, a high tie strength is also generated, the e-WOM intent will also be greater.

However, on the other hand the activity of gossiping is, in many cases, perceived as harmful, known as moral value. The moral value of gossip reduces the positive effect of social value on the perceived functions of the SNSs, on tie strength and on e-WOM communication. Be that as it may, this reduction is significantly low in all cases. In other words, the negative moral feeling engendered by gossip very slightly undermines its social function in the creation of ties and e-WOM communication via the SNSs.

These discoveries are important as they provide proof of the role of the SNSs as communication tools for those individuals who show a greater tendency to gossip, and provide brands with ideas for new ways of managing their on-line communications policies more effectively. Firstly, the brands must consider the use of non-conventional on-line commercial communications based not so much on the transmission of a message informing about the characteristics of a product, but on the transmission of interesting snippets of gossip. Likewise, celebrities and opinion leaders can be used as the public face of the advertisements posted on the SNS. Members can then begin to post sensationalist gossip about the celebrity and direct attention towards the brand or product being advertised. Academic literature has always dealt with celebrities in a categorisation and image transfer theory context. The role of the celebrity as the inducer of gossip that can be transferred to a brand provides a new way of looking at awareness, and a new SNS communication alternative within a medium where traditional commercial communication loses its impact with every passing day.

7. Limitations and future lines of research

In the interest of objectivity, this study must recognise two important limitations. Firstly, the scenario used in this study is based on only one type of sales promotion (discount voucher) to stimulate the transmission of e-WOM information. Given the importance of the gossip variable shown by this study, future research projects would have to contrast the effect a different, more personal type of communication upon e-WOM intention. On the other hand, significant differences are not obtained in the results in accordance with the degree of product implication, a result that must be reconfirmed by future research.

E-WOM behaviour could also be examined in accordance with the different SNS tools used for transmitting information, such as chat, wall, messages, etc. It would also be interesting to check the consequences of informative versus entertaining gossip, which may lead to useful management implications.

Secondly, the possible limitations of the gossip scale proposed must be considered. Although the results confirm its reliability and validity, given that gossip can be considered as a socially undesirable activity, it is possible that the individual surveyed does not wish to clearly recognise his or her behaviour with respect to gossip (Nevo et al., 1993a).

8. References:

Algesheimer, R., Dholakia, U. M. and Herrmann, A. (2005). "The social influence of brand community: Evidence from European car clubs", *Journal of Marketing*, Vol. 69, No 7, pp.19–34.

Bollen, K.A. (1989). *Structural equations with latent variables*. New York. Wiley.

Boyd, D. (2006). Friends, friendsters, and top 8: writing community into being on social network sites. First Monday, 11 (12), from:
http://www.uic.edu/htbin/cgiwrap/bin/ojs/index.php/fm/article/view/1418

Brown, J., Broderick, A. J. and Lee, N. (2007). "Word of mouth communication within online communities: Conceptualizing the online social network", *Journal of Interactive Marketing*, Vol. 21, No 3, pp. 2–20.

Carey, B. (2005). Have you heard? Gossip turns out to serve a purpose. The New York Times, August 16. URL: http://www.nytimes.com/2005/08/16/science/16goss.html, accessed on May 1, 2012.

Dabholkar, P.A. and Bagozzi, R.P. (2002). "An attitudinal model of technology-based self-service: moderating effects of consumer traits and situational factors", *Journal of the Academy of Marketing Science*, Vol. 30, No 3, pp. 184–201.

Dholakia, U.M., Bagozzi, R.P. and Pearo, L.K. (2004). "A social influence model of consumer participation in network- and small-group-based virtual communities", *International Journal of Research in Marketing*, Vol. 21, No 3, pp. 241-263.

Donath, J. (2008). "Signals in social supernets", *Journal of Computer-Mediated Communication*, Vol. 13, No 1, pp. 231-251.

Ganesh, J., Arnold, M.J. and Reynolds, K.E. (2000). "Understanding the customer base of service providers: an examination of the differences between switchers and stayers", *Journal of Marketing*, Vol. 64, No 3, pp. 65-87.

Grosser, T. J., Lopez-Kidwell, V. and Labianca, G. (2010). "A social network analysis of positive and negative gossip in organizational life", *Group and Organization Management*, Vol. 35, No 2, pp. 177-212.

Hair, J., Yerson, R.E., Tatham, R.L. and Black, W.C. (1998). *Multivariate Data Analysis,* Prentice-Hall, New Jersey.

Klem, L. (2000). *Structural equation modelling*. (In L.G. Grim y P. R. Yarnold, Eds). Reading and understanding more multivariate statistics, p. 227-259. Washington. D.C.: American Psychological Association.

Kurland, N. B. and Pelled, L. H. (2000). "Passing the word: toward a model of gossip and power in the workplace", *Academy of Management Review*, Vol. 25, No 2, pp.428-438.

Lampe, C. Ellison, N. and Steinfield, C. (2006). *A Face(book) in the crowd: Social searching vs. social browsing,* in Proceedings of the 2006 20th Anniversary Conference on Computer Supported Cooperative Work ACM Press, New York, pp. 167-170.

Litman, J. A. and Pezzo, M. V. (2005). "Individual differences in attitudes towards gossip", *Personality and Individual Differences*, Vol. 38, No 4, pp. 963-980.

Nevo, O., Nevo, B. and Derech-Zehavi, A. (1993b). "The development of the tendency to gossip questionnaire: Construct and concurrent validation for a sample of Israeli college students", *Educational and Psychological Measurement*, Vol. 53, No 4, pp. 973-981.

Nevo, O., Nevo, B., Zehavi, A. D. and Milton, M. J. (1993a). "Gossip and counselling: The tendency to gossip and its relation to vocational interests", *Counselling Psychology Quarterly,* Vol. 6, No 3, pp. 229-238.

Noon, M. and Delbridge, R. (1993). "News from behind my hand: Gossip in organizations", *Organization Studies*, Vol. 14, No 1, pp. 23-36.

Rosnow, R. L. (1977). "Gossip and marketplace psychology", *Journal of Communication*, Vol. 27, No 1, pp. 158-163.

Rosnow, R.L. and Fine, G.A. (1976): *Rumor and Gossip: The social psychology of hearsay* (New York, Elsevier)

Stirling, R.B. (1956). "Some psychological mechanisms operative in gossip", *Social Forces*, Vol. 34, pp. 262–267.

Suls, J. M. (1977). "Gossip as social comparison", *Journal of Communication*, Vol. 27, No 1, pp. 164-168.

Tufekci, Z. (2008). "Grooming, gossip, Facebook and MySpace: What can we learn about these sites from those who won´t assimilate?", *Information Communication and Society*, Vol. 11, No 4, pp. 544-564.

Verhoef, P.C., Franses, P.H. and Hoekstra, J.C. (2002). "The Effect of Relational Constructs on Customer Referrals and Number of Services Purchased From a Multiservice Provider: Does Age of Relationship Matter?", *Journal of the Academy of Marketing Science*, Vol. 30, No 3, pp. 202-216.

Wert, S.R. and Salovery, P. (2004). "A social comparison account of gossip", *Review of General Psychology*, Vol. 8, No 2, pp. 122-137.

Wittek, R. and Wielers, R. (1998). "Gossip in organizations", *Computation and Mathematical Organization Theory*, Vol. 4, No 2, pp. 189-204.

Acknowledgments:

APPENDIX

Electronic word-of-mouth (e-WoM)

v_1: I would post a comment about this promotion on this SNS to inform my contacts about it

v_2: I would pass the information about this promotional campaign on to my contacts via this SNS

v_3: I would try to give this promotion maximum publicity via this SNS to let the contacts of my contacts get to know about it

Tie strength (TS)

v_4: The relationships I maintain via this SNS mean a lot to me

v_5: This SNS allows me to feel a very close bond with the people with whom I maintain a relationship

v_6: On this SNS the communication with my contacts/groups is mutual and reciprocal

v_7: I feel part of this SNS

Information value (IV)

v_8: I use this SNS to obtain useful information

v_9: I use this SNS for passing on useful information

v_{10}: I use this SNS to make "my humble contribution" to the information

Social recognition value (SRV)

v_{11}: Whenever I am active on this SMS, I like my friends to think that my ideas and opinions are creative and original

v_{12}: I like to impress others by transmitting information via this SNS

v_{13}: I feel important when I transmit useful information, clever remarks, etc. via this SNS

Entertainment/fun value (EV)

v_{14}: Using this SNS is really fun

v_{15}: Using this SNS entertains me

v_{16}: Using this SNS relaxes me

v_{17}: Using this SNS is a good way of passing the time

Relational value (RV)

v_{18}: This SNS helps me stay in touch with other users

v_{19}: This SNS helps me to connect with other users

v_{20}: This SNS makes me feel close to other users although they are far away

Social value of gossip (SVG)

v_{21}: It is fun to talk about everybody else

v_{22}: I like telling everybody else about the latest news that comes my way

v_{23}: I love knowing the details of everybody else's private lives

v_{24}: I like gossiping more than discussing serious subjects

v_{25}: Gossiping is a good way of passing the time

v_{26}: A piece of gossip is good for breaking the ice

Moral value of gossip (MVG)

v_{27}: I don't feel good when I gossip

v_{28}: I feel it is not good to talk about other people

v_{29}: Gossip is hardly ever true

v_{30}: Gossip is not to be trusted

v_{31}: Gossip is harmful

v_{32}: It is not good to gossip, even if it is true

Table 1. Terms used to describe the constructs considered

Variable/Construct	N=1,218 M (sd)
Social value of gossip	3.34 (1.38)
Moral value of gossip	4.93 (1.19)
Information Value	4.14 (1.47)
Social recognition Value	3.83 (1.53)
Entertainment Value	4.46 (1.39)
Relational Value	5.16 (1.32)
Tie Strength	4.22 (1.36)
e-WOM	3.72 (1.81)
M=Medium; sd= Standard deviation 7-point Likert Scale (minimum 1- maximum 7)	

Table 2. Confirmatory factorial analysis

Variables	L_i	E_i	Reliability		Validity	
			Cronbach's alpha	Compound reliability (CR)	Average variance extracted (AVE)	Convergent validity
Electronic word-of-mouth (e-WOM) • V_1 • V_2 • V_3	0.91 0.94 0.91	0.17 0.12 0.17	0.94	0.94	0.85	t= --- t=54.8 t=51.53
Tie strength (TS) • V_4 • V_5 • V_6 • V_7	0.78 0.82 0.79 0.81	0.39 0.32 0.37 0.35	0.89	0.88	0.64	t=29.64 t=29.51 t= --- t=28.85
Information value (IV) • V_8 • V_9 • V_{10}	0.80 0.85 0.94	0.37 0.27 0.11	0.86	0.90	0.75	--- t=25.79 t=25.02
Social recognition value (SRV) • V_{11} • V_{12} • V_{13}	0.82 0.82 0.89	0.33 0.32 0.20	0.87	0.88	0.71	--- t=28.78 t=32.54
Entertainment/fun value (EV) • V_{14} • V_{15} • V_{16} • V_{17}	0.88 0.86 0.79 0.83	0.23 0.26 0.38 0.31	0.90	0.91	0.71	t=34.45 t=33.70 --- t=32.17
Relational value (RV) • V_{18} • V_{19} • V_{20}	0.85 0.82 0.85	0.27 0.33 0.28	0.88	0.88	0.71	--- t=33.60 t=35.11
Social value of gossip (SVG) • V_{21} • V_{22} • V_{23} • V_{24} • V_{25} • V_{26}	0.63 0.63 0.79 0.78 0.87 0.80	0.61 0.60 0.37 0.40 0.25 0.37	0.88	0.89	0.57	t=17.40 --- t=19.91 t=18.55 t=20.10 t=19.97
Moral value of gossip (MVG) • V_{27} • V_{28} • V_{29} • V_{30} • V_{31} • V_{32}	0.59 0.71 0.52 0.52 0.66 0.60	0.65 0.50 0.73 0.73 0.56 0.64	0.80	0.77	0.36	t=13.37 t=14.31 --- t=14.56 t=13.92 t=14.53

L_i: standardised load; $E_i = (1- R^2)$: error variance; $FC = \dfrac{(\Sigma L_i)^2}{(\Sigma L_i)^2 + \Sigma var(\varepsilon_i)}$ $AVE = \dfrac{\Sigma L_i^2}{\Sigma L_i^2 + \Sigma var(\varepsilon_i)}$

Table 3. Correlations between the functions of the SNSs

	Correlation		
	Information	Social recognition	Entertainment
Information			
Social recognition	0.63***		
Entertainment	0.55***	0.60***	
Relational	0.45***	0.48***	0.74***

***: Statistical significance p<0.01

Table 4. Comparison of models by product type

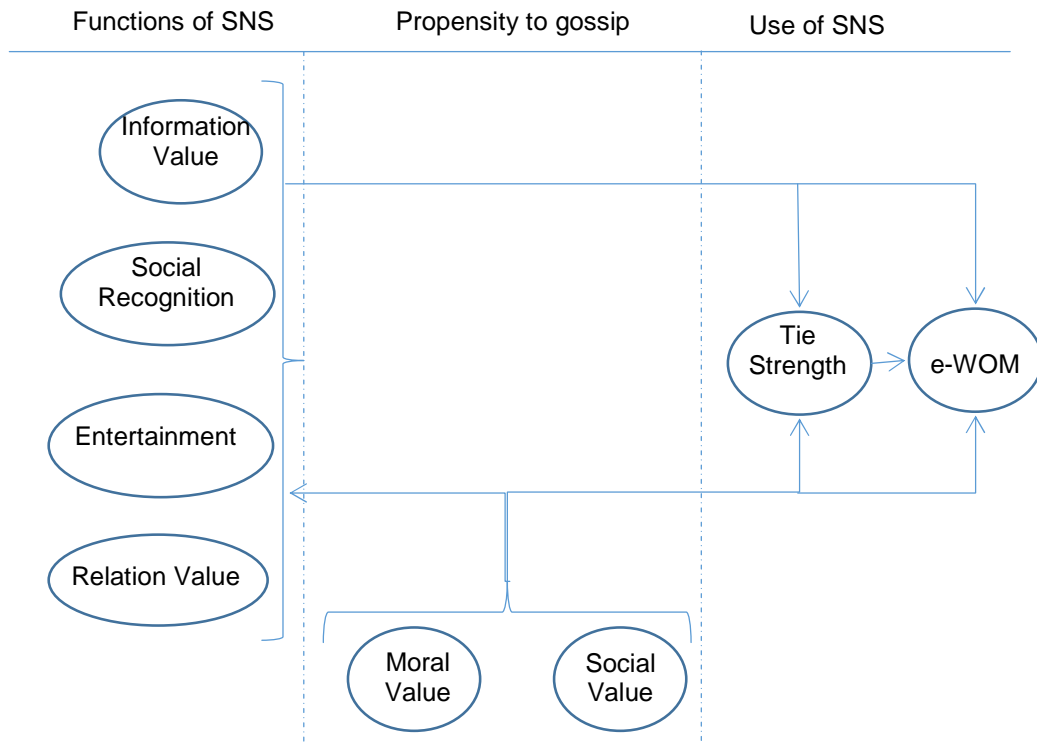| Model	Degrees of freedom	x^2/gl	p
Measurement parameters	24	12.03	0.98
Causal relationships	41	41.32	0.46

Figure 1: Theoretical Frame

Figure 2: Results of Relational Model. Standardized load