

The Positive Power of Negative Word-of-Mouth



Action Plan

With the power of social media, Negative Word-of-Mouth can hurt a brand with the speed of a finger tap. How should you respond? The truth is that **loyalty-program members who spread Negative WOM are often your best customers**, and their passion can be leveraged as the core of a well-designed recovery plan.

1 TEST The Temperature

Identify where your Negative WOM commentary is on the temperature range, as indicated by key word choices.



Words that show Member Concern
"Doubt" "Surprise" "Confusion"

Words that signal Risk of Leaving
"Disgusted" "Angry" "Outraged"

2 TREAT The "Hot-Negative"

Select and respond to the most vocal members posting negative comments.



Impact of the "Hot-Negative"

Angry words and threats to leave the program had a negative impact on downstream purchase frequency.

Points Accumulated DOWN 34%

Purchase Frequency DOWN 12%

3 SUPPORT The Passion

Maintain ongoing communication, especially when implementing a program change, to keep your most passionate members happy.



40
35
30
25
20
15
10
5
0

Negative WOM Redeemers 36% LIFT

Redemptions Fuel Transaction Lift

Control group 21% LIFT

4 RESPOND Thoughtfully

Remind angry posters of your program's benefits to boost downstream transactions. Your response reassures customers that the brand cares.



5 GO PUBLIC

Ensure that all customers who are reading the negative posts also see your positive response.



70%
That's the increased value of customers in our study who were active in social media

Conclusion

Outspoken critics often react angrily because they are actually among the brand's most passionate customers. Arguing is not fun, but making up is, and a smart recovery plan can spur surprisingly positive behaviors from even the bitterest grumblers.

Source: The 2013 LoyaltyOne Social Media Transaction Impact Study

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