

Ana Raluca CHIOSA
"Al. I. Cuza" University of Iasi

WORD OF MOUTH ON SOCIAL MEDIA

Literature
review

Keywords

Word-of-mouth
Social media
Brand engagement

JEL Classification

M31

Abstract

Through the access to information, the Internet has transformed people lifestyle, their preference for products, how they relate to brands. Perceived as an open space, without limitation, social media has become the main channel for expression of word-of-mouth, with both positive and negative effects. Thus The Internet has allowed the development of WOM, making it contemporary in our technological world. This paper examines the motives for adopting WOM behavior, forms of WOM, the WOM model and principles, directions of WOM research. Brand engagement has made consumers more powerful in terms of requirements and evaluation of product/brand, more demanding and impatient in brand communication and market response.

1. Introduction

The Internet gives people the opportunity - through Web 1.0 (static) , Web 2.0 (social), Web 3.0 (mobile) - to constantly change their identity because they at any time of the day can have their needs for consumption and enjoying life satisfaction (Lindgren et al., 2005). The Internet has facilitated access to information, to knowledge. The credibility of the statements transmitted through advertising can now be easily verified (Chiosa, 2014a).

People are using the internet for social purposes, fact that reduces people's feeling of loneliness and depression (Kraut et al., 1998), as well as helping people's self-esteem and their perceived social support (Bessièrè et al., 2008). There seem to be one main desire, which is that people would like to feel part of a group and have social interactions with individuals within the group (Gil-Or, 2009).

2. Social media marketing

Social media is a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content (Kaplan and Haenlein, 2010).

The main roles of online social networks are distributing information, opinions and influences among their members (Kempe et al., 2003). Information provided by peers in social networks is often viewed as credible and trustworthy (Gil-Or, 2010).

Communication on social media differs from traditional marketing through: interaction, dynamic, consumer feedback, involvement, and confidence. By engaging in social media, brands can develop marketing strategies that enhance consumer loyalty and maintain a positive image of the brand. Rohm et al. (2013) conducted a study whose findings suggest that brand-consumer interactions driven by social media can be characterized by five motivations: entertainment, brand engagement, timeliness of information and service responses, product information, and incentives and promotions.

Based on brand engagement, purchase intention and WOM, Campbell et al. (2014) set the following segments:

- Passives (29%): characterised by relatively high entertainment motivation and a low convenience motivation, and are more likely to be male.
- Talkers (28%): characterized by a high information motivation, it rates high in terms of brand engagement and WOM referrals, and somewhat lower in terms of purchase intentions.
- Hesitants (24%): characterised by low information motivation, it doesn't particularly care for engaging with and

responding to brands via social networking sites.

- Actives (10%): display high levels of information motivation.
- Averse (9%): displays extremely low ratings on the behavioral outcomes and are therefore not at all impacted by social network marketing.

Content marketing refers to everything related to the creation and distribution of quality content, learning, recreational items, and not sell a product or service directly; keep people communicating other people's experiences with the product or service respectively.

Many choices of consumers are made within different social groups and even once consumers decide on their own, word-of-mouth from other people can influence them (East et al., 2008). Social media made a delimitation between organic WOM and amplified WOM; organic WOM occurs naturally when a person wants to tell others about a positive or negative experience with a product or a company, while amplified WOM occurs when a marketer launches a campaign or in some other way encourages others to speak about a product or a company (WOMMA, 2011).

Dick and Basu (1994) believed that loyal customers are more likely to engage in positive WOM. Loyalty is expressed through the relationship between the relative attitude towards a company/product/brand (like attitude towards fan pages and the degree of differentiation of that attitude in comparison to the other alternatives) and re-usage (Ruiz-Mafe et al., 2014). The behavioural loyalty becomes obvious when customers have nice words to say about the company, express their preference for the company (Bobalca, 2014).

3. Word of mouth marketing

Word-of-mouth is communication about products and services between people who are perceived to be independent of the company providing the product or service, in a medium perceived to be independent of the company (Silverman, 2001), while electronic word-of-mouth is any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet (Hennig-Thurau et al., 2004).

WOM has been adapted over time (in Table 1 you can see main research findings related to word-of-mouth, Apendix A); it has developed from face to face communication to online communication. Trust influenced e-WOM amplification (Chiosa, 2014b). Trust is not as important in building new relationships in the online networks as it is in face-to-face relationships (Dwyer et al., 2007), but there are other factors which do that, such as entertainment and confidence in the online

commercial environment in order to be more active (Goldsmith et al., 2001), the personalisation of messages, their relevance to the consumer and the company's response time to consumers' requests (Song and Zinkhan, 2008).

WOM is a form of self-presentation. (Berger, 2014), characterized by valence, focus, timing, solicitation and intervention (Buttle, 1998). Its effectiveness differs according to the nature of the specific decision process, the positiveness of the message that is transferred and the timing in which an individual entered into the word of mouth conversation (Grewal et al., 2003).

Brown et al. (2007) found that tie strength, homophily, and source credibility to be the key drivers of WOM, while De Matos and Rossi (2008) found that satisfaction, loyalty, quality and commitment to be the key influences.

The WOM model, developed by Buttle (1998) contains intrapersonal and extrapersonal variables, which influence the seeking of input WOM or the production of output WOM (see in Figure 1, Appendix B).

Sundaram et al. (1998) found eight motives for consumers to engage in WOM communication, four of them explaining positive WOM – product involvement, altruism, self-enhancement, and helping the company – the other four explaining negative WOM – vengeance, anxiety reduction, altruism (warning others) and advice seeking.

Hennig-Thurau et al. (2004) identified four motives why people express opinions: the desire for social interaction and economic incentives, a concern for other consumers and the potential to enhance one's own self-worth.

Goldsmith and Horowitz (2006) investigated the consumer motivations for online opinion seeking. The researchers reported distinct factors, including risk reduction, popularity, lowering costs, easy information, accident, perception, inspiration from off-line inputs such as TV, and pre-purchase information acquisition.

Lovett et al. (2013) identified as motives to instigate WOM behaviors as follows: consumer psychological motivations are self-presentation, self-enhancement, expressing uniqueness or expertise, desire to converse, expressing emotions, and reducing risks.

Sernovitz (2012) stated that there are five Ts of great WOMM: Talkers (find people who like to talk), Topics (give people something to discuss), Tools (help the message travel farther), Taking part (join the ongoing conversation), and Tracking (study what people are saying).

Social networkers have different eWOM habits according to their structure; for instance, eWOM participants will be more willing to share information in a dense network, compared to a sparse network (Sohn, 2009).

Allsop et al. (2007) described five principles of WOM operation:

1. not all social networks are equal, and not all individuals in a given social network have equal influence;

2. word-of-mouth happens in the context of a specific situation and occasion;

3. people make decisions based on a complex interplay of cognitive preferences and emotional benefits;

4. the consumer environment in which word of mouth takes place is constantly changing;

5. the diffusion and impact of messages within the social network varies based on the polarity (positive/negative) of the messages being communicated.

Previous research on WOM behavior focused on three directions (de Bruyn and Lilien, 2008):

- opinion seeking – little expertise in a product category, high risk in decision-making, involvement in purchasing decision;

- opinion giving – satisfaction or dissatisfaction, relationship with the company, novelty of the product;

- opinion sharing – source expertise, tie strength, demographic similarity, perceptual affinity.

Kozinets et al. (2010) explain that social networks have transformed WOM theory because consumers spread comments not only to reduce dissonance or because of altruistic desires to help others, but also because the customer is now an actor in a social system.

Bughin et al. (2010) identified three forms of WOM that marketers should understand: experiential (results from a consumer's direct experience with a product or service, largely when that experience deviates from what's expected), consequential (occurs when consumers directly exposed to traditional marketing campaigns pass on messages about them or brands they publicize), and intentional (for example, when marketers use celebrity endorsements to trigger positive buzz for product launches).

In connection with the intentional WOM, Kozinets (2014) wrote that with social brand engagement (when the brand is a celebrity, an idea, a cause, a destination, a country of origin, a nationality or even an activity or hobby), the relationship widens from person-brand to person-person-brand.

4. Conclusion

Word-of-mouth is world's most effective, yet least understood marketing strategy (Misner, 1999), a powerful marketing force (Montazemi and Saremi, 2014).

According to Lee (2009), eWOM differs from interpersonal word of mouth in three aspects: the messengers of eWOM are anonymous to receivers, there are no limits on time and space in generating

eWOM and the eWOM can exist at relatively longer time than oral information.

Consumers, exposed to information and marketing practices, understand the role of advertising, taking more than their urge action. In order to survive, companies need to modernise their business technology so they can serve customers' needs and desires of a more efficient manner in the context of a more and more competitive and fragmented environment (Tugulea, 2014).

Living a digital world, where everything happens now, the consumers were given new powers: they can directly express their opinion, provide feedback, appreciate or dispute the action of a brand. If in traditional media brand enjoyed some comfort, in online environment brand image has become vulnerable. Finding and maintaining a balance is recommended due to the social media marketing strategies.

Acknowledgement

„This work was supported by the project “Excellence academic routes in the doctoral and postdoctoral research – READ” co-funded from the European Social Fund through the Development of Human Resources Operational Programme 2007-2013, contract no. POSDRU/159/1.5/S/137926.”

Reference list

- [1] Allsop, D.T., Bassett, B.R., Hoskins, J.A. (2007). Word-of-Mouth Research: Principles and Applications. *Journal of Advertising Research, Dec.*, 398-411.
- [2] Berger, J. (2014). Word-of-Mouth and Interpersonal Communication: An Organizing Framework and Directions for Future Research. *Journal of Consumer Psychology, 24* (4), 586-607.
- [3] Bessière, K., Kiesler, S., Kraut, R. E., & Boneva, B. (2008). Effects of Internet use and social resources on changes. *Depression, Information, Communication & Society, 11*(1), 47-70
- [4] Bobalca, C. (2014). A Romanian Perspective on Customer Loyalty for Direct Selling Companies, CES Working Papers, 6(3), 6-16.
- [5] Brown, J., Broderick, A.J., & Lee, N. (2007). Word of mouth communication within online communities: Conceptualizing the online social network. *Journal of Interactive Marketing, 21*(3), 2-20.
- [6] Bughin, J., Doogan, J., & Vetvik, O.J. (2010). A new way to measure word-of-mouth marketing. McKinsey Quarterly.
- [7] Buttle, F. A. (1998). Word of mouth: understanding and managing referral marketing. *Journal of Strategic Marketing, 6*, 241-254.
- [8] Chiosa, A.R. (2014a). Consumatorul i Moda [Fashion consumer], Ed. Tehnopress, Ia i.
- [9] Chiosa, A.R. (2014b). Word of mouth: de la comunicarea prin viu grai la comunicarea online [Word of mouth: from verbally communication to communication online]. *Management Intercultural, 31*(2), 415-420.
- [10] de Bruyn, A., Lilien, G.L. (2008). A multi-stage model of word of mouth influence through viral marketing. *Intern. J. of Research in Marketing, 25*, 151-163.
- [11] Dick, A.S., & Basu, K. (1994). Customer loyalty: towards an integrated framework. *Journal of The Academy of Marketing Science, 22*(2), 99-113.
- [12] Dwyer, C., Hiltz, S.R., & Passerini, K. (2007): Trust and privacy concern within social networking sites: A comparison of Facebook and MySpace. Proceedings of the Thirteenth Americas Conference on Information Systems, Keystone, Colorado.
- [13] East R, Wright M, & Vanhuele M. (2008). Consumer Behaviour: Applications in marketing. London: SAGE.
- [14] Gil-Or, O. (2009). Commercial Value Creation in the Contemporary “Global Culture” of Facebook. *Culture of business conference, 10*, 125-138.
- [15] Gil-Or, O. (2010). Building Consumer Demand by using Viral Marketing Tactics within an Online Social Network. *Advances In Management, 3*(7), 7-15.
- [16] Goldsmith, R.E., Bridges, E., & Freiden, J. (2001). Characterizing online buyers: Who goes with the flow?, *Journal of Electronic Commerce, 2*, 189-197.
- [17] Goldsmith, R. E., & Horowitz, D. (2006). Measuring Motivations for Online Opinion Seeking. *Journal of Interactive Advertising, 6*(2), 1-16.
- [18] Grewal R., Cline, T.W, & Davles, A. (2003). Early-Entrant Advantage, Word-of-Mouth Communication, Brand Similarity and the Consumer Decision-Making Process. *Journal of Consumer Psychology, 13*(3), 187-197.
- [19] Hennig-Thurau, T., Gwinner, K.P., Walsh, G. & Gremler, D. D. (2004). Electronic word-of-mouth via consumer-opinion platforms: what motivates consumers to articulate themselves on the internet? *Journal Interactive Marketing, 18*(1), 38-52.
- [20] Kaplan, A. M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of Social Media. *Business Horizons, 53*, 59-68.
- [21] Kempe, D., Kleinberg, J., & Tardos, É. (2003). Maximizing the spread of influence through a social network.
- [22] Kozinets, R.V., de Valck, K., Wojnicki, A.C., & Wilner, S.J.S. (2010). Networked Narratives: Understanding Word-of-Mouth

- Marketing in Online Communities. *Journal of Marketing*, 74, 71-89.
- [23] Kozinets, R.V. (2014). Social Brand Engagement: A New Idea. *GfK Marketing Intelligence Review*, 6(2), 8-15.
- [24] Kraut, R., Patterson, M., Lundmark, V., Kiesler, S., Mukopadhyay, T., & Scherlis, W. (1998). Internet paradox: A social technology that reduces social involvement and psychological well-being? *American Psychologist*, 53, 1017-1031.
- [25] Lee, S-H (2009). How do online reviews affect purchasing intention? *African Journal of Business Management*, 3(10), 576-581.
- [26] Lindgren, M., Lüthi, B., Fürth, T. (2005). MeWe generation - what business and politics must know about the next generation. Bookhouse Publishing, Stowmarket.
- [27] Lovett, M., Peres, R. & Shachar, R. (2013). On brands and word-of-mouth. *Journal of Marketing Research*, 50(4), 427-444.
- [28] Meiners, N.H., Schwarting, U., & Seeberger, B. (2010). The Renaissance of Word-of-Mouth Marketing: A 'New' Standard in Twenty-First Century Marketing Management?! *International Journal of Economic Sciences and Applied Research*, 3(2), 79-97.
- [29] Misner, I.R. (1999). *The World's Best Known Marketing Secret: Building Your Business with Word-of-Mouth Marketing*, (2nd ed.), Austin, TX: Bard Press.
- [30] Montazemi, A.R. & Saremi, H.Q. (2014). The Effectiveness of Electronic Word of Mouth on Consumers' Perceptions of Adopting Products/Services - A Literature Review. *Proceedings of the 10th International Conference on Web Information Systems and Technologies*, 324-331
- [31] Rohm, A., Kaltcheva, V.D., & Milne, G.R. (2013). A mixed-method approach to examining brand-consumer interactions driven by social media. *Journal of Research in Interactive Marketing*, 7(4), 295-311.
- [32] Ruiz-Mafe, C., Martí-Parren˜o, J., & Sanz-Blas, S. (2014). Key drivers of consumer loyalty to Facebook fan pages. *Online Information Review*, 38(3), 362-380.
- [33] Sernovitz, A. (2012). *Word of Mouth Marketing: How Smart Companies Get People Talking*, 3rd ed., Austin: Greenleaf Book Group Press.
- [34] Silverman, G. (2001). *The secrets of Word of Mouth Marketing*. New York: AMACOM.
- [35] Sohn, D. (2009). Disentangling the Effects of Social Network Density on Electronic Word-of-Mouth (eWOM) Intention. *Journal of Computer-Mediated Communication*, 14(2), 352-367.
- [36] Song, J.H., Zinkhan, G.M. (2008). Determinants of Perceived Web Site Interactivity. *Journal of Marketing*, 72, 99-113.
- [37] Sundaram, D. S., Mitra, K., & Webster, C. (1998). Word-of-Mouth Communications. A Motivational Analysis. *Advances in Consumer Research*, 25, 527- 531.
- [38] Tugulea, O. (2014). Discriminator credibility dimensions of an online acquisition website-an analysis of an international construct on a specific romanian target, *CES Working Papers*, 6(3), 103-116.
- [39] Word of Mouth Marketing Association (WOMMA) (2011). WOM 101, <http://www.womma.org>

Appendix A

Table No. 1
 Main research findings related to word-of-mouth communication

First author	Year	Subject of paper
Brooks	1957	Word-of-mouth advertising in selling new products
Dichter	1966	How word-of-mouth advertising works
Arndt	1967	Role of product-related conversations in the diffusion of a new product
Arndt	1968	Selective processes in word of mouth
Richins	1983	Negative word of mouth by dissatisfied consumers
Gumpert	1986	Interpersonal communication in a media world
Richins	1987	A multivariate analyses of responses to dissatisfaction
Berger	1988	Word-of-mouth reputations in auto insurance markets
Gremler	2001	Generating positive word-of-mouth communication through customer-employee relationship
Bickart	2002	Expanding the scope of word of mouth: Consumer-to-consumer information on the internet
Wirtz	2002	The effects of Incentives, deal proneness, satisfaction and tie strength on word-of-mouth behaviour
Dellarocas	2003	The digitization of word of mouth: Promise and challenges of online feedback mechanisms
Godes	2004	Using online conversations to study word-of-mouth communication
Brown	2007	Word-of-mouth communication within online communities: conceptualizing the online social network

Source: Norbert H. Meiners, Ulf Schwarting and Bernd Seeberger, *The Renaissance of Word-of-Mouth Marketing: A 'New' Standard in Twenty-First Century Marketing Management?!* International Journal of Economic Sciences and Applied Research, 2010, 3(2), 79-97, p. 83.

Appendix B

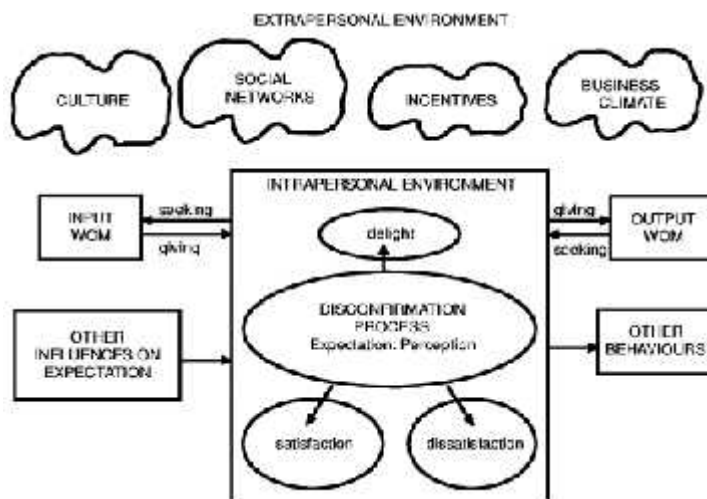


Figure No.1 The WOM model

Source: Francis A. Buttle, *Word of mouth: understanding and managing referral marketing*, Journal of Strategic Marketing, 1998, 6, 241–254, p. 246.