

## CHAPTER TWO

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### OBJECTIVE, SCOPE & LIMITATIONS

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*This chapter lists out the objectives of the study that stem from the research gaps identified through literature review. The scope of the study, its underlying assumptions and limitations are also described in greater detail.*

## **CHAPTER TWO**

### **OBJECTIVE, SCOPE AND LIMITATIONS**

*“Research is to see what everybody else has seen, and to think what nobody else has thought.” — Albert S Gyorgyl (1957).*

#### **2.1: The Prologue**

This chapter is divided into four main sections. Section 2.2 specifies the research questions that were identified through the literature review. Section 2.3 covers the aims and objectives of the study. Section 2.4 defines the scope of the study and Section 2.5 lists the assumptions and limitations of the study.

#### **2.2: Research Questions**

The extant literature review has revealed some principal research gaps in the area of word of mouth that needs to be explored. These gaps that have been explained in section 1.5 of the first chapter relate primarily to non-existence of studies on the impact of word of mouth on relevant marketing outcomes, on comparative studies between online and offline word of mouth, and on the effects of demographic variables, psychographic variables and internet usage variables on word of mouth effectiveness.

In order to elaborate on the research problem, this thesis tries to address the following four research questions:

- I) Which word of mouth factors are more likely to have a critical impact on buyer behaviour?
- II) Is electronic word-of-mouth more persuasive to consumers than traditional word-of-mouth?
- III) Do word of mouth outcomes vary for people from different demographic and psychographic segments?
- IV) Do word of mouth outcomes vary for people with different internet usage patterns?

#### **2.3: Objectives of the Study**

Based on the research gaps and the resultant research questions, the following three objectives are set for the study:

**I) *To find out the critical factors that influence the effectiveness of word of mouth.***

The importance of WoM as a promotional technique cannot be undermined, more so in current times when information gets dispersed electronically to a wider audience in a very limited time. As such, the primary objective of this study is to explore those factors which are most likely to enhance or limit the impact of word of mouth on buyer behaviour. As explained in the section 1.4.5 of the first chapter, the factors whose influence will be tested include –

*Tie Strength*, the strength of the relationship between the referrer and the referee.

*Homophily*, the degree of similarity between the referrer and the referee.

*Message Characteristics*, the rational and emotional dimensions in a message

*Source Credibility*, the reliability of the source of the WoM message shared.

*Consumer Trust*, the trust consumer shows in general on external sources.

*Opinion Seeking*, looking for suggestions and advice from trusted individuals.

*Informational Influence*, the reliance of consumers purely on others' information.

*Normative Influence*, the influence arising from others' societal norms and expectations.

**II) *To compare the relative effectiveness between personal and electronic medium of word of mouth.***

WoM can be conducted either online using digital platforms such as email, blogs and social networks or offline through personal recommendations, either in the form of face-to-face communication or a telephonic conversation. The second objective of this study is to see which of the two mediums fares better performance-wise and to explore further which specific platforms lead to better marketing outcomes.

**III) *To study the effectiveness of WoM with respect to common demographic, psychographic and netnographic variables.***

An additional objective of the proposed study is to check the effectiveness of word of mouth in relation to different demographic, psychographic and netnographic variables. Basically, an attempt will be made to understand how WoM behaviour, impact and outcomes differ for people coming from different age groups, genders, educational levels, income groups, social classes, value

segments and internet user categories. This objective will help the marketers design more effective ad campaigns.

#### **2.4: Scope of the study**

The academic scope of the study is restricted to identifying the critical factors influencing the effectiveness of word of mouth, comparing electronic WoM vis-a-vis personal WoM in terms of influence and analysing whether word of mouth outcomes vary for people belonging to different customer segments. Simply put, it's a quest to understand the nature and influence of word of mouth communication. Building on earlier research, a conceptual definition of WoM effectiveness is also developed combining different possible outcomes resulting from word of mouth conversation. Based on the effectiveness scores obtained from the respondents, various levels of effectiveness are created to analyse the impact of WoM conversation on consumers' purchase behaviour. Since it's a study that involves surveying internet users, the study is conducted in urban settings alone and its geographic scope restricted to the five main urban centres of Assam – Guwahati, Dibrugarh, Jorhat, Silchar and Tezpur. The recommendations can be applied to other urban centers in the state as well. Generalization of findings can be a tricky subject. However, there are two solutions to the same – I) *Taking a higher sample*, II) *Ensuring the sample is representative*. This study does both. Efforts are also made to ensure the sample is representative by choosing diverse sample locations and adequate representation from different age groups, genders, educational levels, and income levels. The time scope of the study is further restricted to the period of January to December of 2016, during which data collection has been carried out extensively.

It is hard to establish cross-cultural equivalence in quantitative measures, especially when we are dealing with consumer behavior. The scales used in this study to measure Word of Mouth related factors are well established and have been used extensively by researchers in different countries. Modifications done in the past by researchers have been primarily in terms of language as the scales were translated to other languages for the better understanding of the participants. However, in our study, the research instrument was not translated as the study was conducted in urban settings which have a sizeable chunk of English-speaking population. In addition, reliability testing of the

scales was carried out using Cronbach Alpha. All scales used in the study have shown an alpha value of more than 0.8 which is considered to be an acceptable measure of reliability (Field, 2002).

## **2.5: Assumptions, Limitations and Delimitations**

It is assumed beforehand that the participants will give honest and accurate responses to the questions posed to them based on their personal experience, and to the best of their individual abilities. Like any other research, this study has its fair share of limitations. The study suffers from the following main limitations –

*Firstly*, this study is restrictive in the sense that it has only covered the C2C segment.

*Secondly*, this study is focused only on experiential WoM. Further studies can be taken up covering the other two forms of WoM, consequential WoM and intentional WoM.

*Thirdly*, the questions posed to consumers are based on past referrals, i.e. on word of mouth conversations that have happened in the recent past. This rules out the possibility of collecting real time data.

*Fourthly*, while using the diary method, there's a possibility that the respondents might not cooperate in the later stages of the data collection process as the burden of repeated queries places a lot of demands on the participant. Attrition is a routinely reported problem in long term studies and can deteriorate generalizability of findings.

*Fifthly*, a few studies in the past have been criticized for using mainly students as their respondents. This study also has a higher percentage of student respondents but this cannot be considered as a limitation as we needed a sample that would fulfil certain requirements such as being an active internet user. Using student respondents helped meet this requirement as students are characterized by higher internet usage and stronger social media presence. Further studies may expand the scope of this study by studying only working professionals or studying any specific age group or gender.

*Sixthly*, a few years has passed since the study was conducted. The one big factor that totally changed the marketing scene in India since then was the Jio Revolution in 2016. Jio introduced cheaper data plans which eventually led to people spending more time online and re-emphasized the importance of digital marketing and content marketing.

However, the fieldwork for the current study was carried out in a phased manner around the same time, in 2016-17. The results of this study are therefore in tandem with that change and applicable even today.

*Seventhly*, the study has been narrowed down to a single state and eventually to these five urban centers but not without any rationale. Firstly, while the extant review revealed that there were a very few researches carried out in the Indian context, those studies were conducted in central pockets of the country (Kala & Chaubey, 2018; Amini, 2017; Islam & Farooqi, 2014). No study on WoM behavior was found in the state of Assam. Secondly, it was believed that a more in-depth study could be possible with a limited focus approach. A pan-India study would bring its own challenges and limitations. Thirdly, the resources at the researcher's disposal weren't enough to cover the expenses of a country wide study. It is believed that the results of a study are more generalizable if the sample is a representative one and if the data collected is both extensive and intensive. Therefore, in order to make the sample more representative, these urban centers were chosen from different administrative divisions of the state.

Throughout the writing of this thesis, delimitations have been made to focus on word of mouth from the customer's perspective. The main focus is on studying the link between WoM factors and WoM effectiveness. The market delimitation is not narrowed down to any one brand, company or industry. The study has been kept open so that a comparison can be made on the nature and influence of word of mouth across different industries.

The next chapter sheds light on the research methods and techniques that are adopted for this study, with a more detailed focus on the sampling design used in the study.