CHAPTER FOUR

FACTORS INFLUENCING WORD OF MOUTH EFFECTIVENESS

This chapter documents results and findings of the first objective of the study, i.e. to find out which factors are more critical in terms of their influence on Word of Mouth Effectiveness.

STUDY – I: IDENTIFYING THE CRITICAL FACTORS INFLUENCING THE EFFECTIVENESS OF WORD OF MOUTH

The earlier chapters highlighted the need and significance of the study, reviewed the extant literature related to the topic and talked in detail about the research design and methodology adopted for the study. This chapter deals primarily with the first objective of our research, i.e. *to find out the critical factors that influence the effectiveness of word of mouth.* As is evident from the extensive literature review carried out, there are eight key factors that are related to word of mouth which have a direct or indirect bearing on consumer purchase behaviour. In this chapter, we will study the influence of all of these factors on word of mouth effectiveness to determine which factors are more critical and yield a higher influence. Accordingly, this chapter is carefully divided into three sections:

Section I gives us insights about the demographic profile of the respondents.

Section II comprises of analyses reflecting the individual impact, each of the word of mouth factors has on WoM effectiveness followed by a ranking of the same.

Section III entails an investigation as to how the influence of word of mouth differs across different industries. The study was kept open and not restricted to one industry. However, the Electronic Goods segment emerged as a dominant category in the responses primarily because of three reasons: Firstly, cheap smartphones and cheaper data plans post Jio revolution has seen a spurt in the use of smartphones. *Secondly*, there is a lot of information asymmetry in this segment leading to people hunt for more information online and even seek advice and/or suggestions personally. *Thirdly*, earlier research has concluded that consumers seek opinions of others in case of high value products.

4.1: Demographic Profile of respondents

Demographic factors distinguish market into consumer segments on the basis of variables such as age, gender, education, occupation, income, family size, religion, race, generation, nationality etc. These variables are comparatively easier to measure than other variables because of their plain categorical nature. Variables, such as income, gender, and education, have been proved to moderate links between satisfaction and consumer behaviour. (Cooil et al, 2007). Demographic variables also help make the data

look quite meaningful and ensure that marketers get rich information at the time of design and delivery of effective advertising campaigns. As a part of the study, initially a demographic profile of the sample is created.

Table 4A: Demographic Profile

DEMOGRAPHIC VARIABLES	Categories	Sample (N)	Percent (%)
Gender	Male	1102	71.80
	Female	433	28.20
Age Group	Less than 18	78	05.10
	18-24	939	61.20
	25-34	390	25.40
	35-44	72	04.70
	45-54	37	02.40
	55 and above	19	01.20
Education	High School	93	06.10
	Higher Secondary	274	17.90
	Graduation	558	36.30
	Post-Graduation	610	39.70
Occupation	Government Job	81	05.30
	Private Job	241	15.70
	Business	183	11.90
	Not employed	1030	67.10
Monthly Income	5000-9999	38	02.50
	10,000-19,999	310	20.20
	20,000-49,999	938	61.10
	50,000 and above	249	16.20
Relationship Status	Single	1281	83.50
	Married	254	16.50
Family Size	1-3	353	22.80
	4-6	1097	70.70
	7-9	51	03.30
	10 and above	34	02.20

The sample of 1535 respondents has a *gender* distribution of approximately 71.8 percent male and 28.2 percent female respondents. The favourable ratio in favour of men has more to do with the fact that more men agreed to be a part of the survey while female respondents were slightly hesitant. The *age* distribution of sample respondents is heavily dominated by the age group 18-24, as approximately 61 percent of the respondents fall under this category, followed by the age group 25-34 which represents 25.4 percent of the total respondents. One of the main reasons why the sample is slightly lop sided in favour of younger respondents is that during the time of visiting households, the

researcher came across mostly students who stayed at home while the men were mostly away at work.

As far as *education* is concerned, majority of the respondents fall in the graduate and post graduate categories with 36.4 percent and 39.7 percent representation of the sample. A closer look at the *occupation* categories reveals that majority of the respondents are unemployed including students and housewives, who are dependent on parental or spousal support. Of the remaining respondents, 15.7 percent work in the private sector, followed by 5.27 percent in government jobs and 11.9 percent of the respondents are engaged in business. In terms of *monthly income*, around 61 percent of the respondents have reported a family monthly income in the range of 20K-50K. At the time of the survey, 83.5 percent of the respondents were identified as singles and the remaining married. In terms of family size, 23 percent of the respondents come from nuclear families while another 70 percent come from smaller families consisting of 4-6 persons.

4.2: Construct Definition and Research Hypothesis:

The dictionary meaning of 'Effectiveness' is the degree to which something is successful in producing a desired result.Word of Mouth Effectiveness is reflected in the impact, the word of mouth conversation has on the respondents' actual purchase behaviour. The impact is measured in terms of how the word of mouth conversation results into major marketing outcomes. Ratings are received and computed from the respondents on a five point Likert scale to measure the eight different components of effectiveness –

I. Consumer awareness, *i.e. Change in the awareness level for the product.*

II. Consumer interest, *i.e. Change in the interest level for the product.*

III. Consumer preference level, *i.e. Change in the preference for the product.*

IV. Propensity to make product enquiries, i.e. *inclination to make an enquiry.*

V. Propensity to go for product trial, i.e. *inclination to undertake a product trial.*

VI. Overall reputation of the firm, i.e. *change in the perceived reputation of the firm.*

VII. Purchase intent for product, i.e. *change in the intention to purchase the product.*

VIII. Actual purchase, i.e. *resulting in the consumer actually purchasing the product.*

Based on the scores received against each component of word of mouth effectiveness, a common mean score ($\bar{x}$) is computed for each of the respondents. $\bar{x} = (\Sigma\ x_i)/n$. The symbol '$\Sigma x_i$' used in this formula represents the sum of all scores against the different components of effectiveness. The symbol 'n' represents the total number of observations,

which are eight in this case. The interpretation of the mean scores derived and used in the study is: Not at all effective (<1), Less Effective (1-2), Somewhat Effective (2-3), Effective (3-4), and Most Effective (4-5).

For example: A consumer receiving a recommendation about an electronic good, becomes more *aware* of the product (4), gets more *interested* in it (4), experiences a change in his *preference* level (5), *enquires* about the product (5), undertakes a *trial* for the same (5), experiences a change in his perception of the firm's image (4), forms a *purchase intention* (4) and goes on to actually *buy* the product (5). This consumer ticks all the categories and gets a mean score of 36/8 = 4.50, implying word of mouth effectiveness has been most effective for this recommendation.

The prime objective of the research is to find out the critical factors that influence WoM effectiveness. Based on literature review, eight key factors are identified that are related to word of mouth: I) Tie strength, II) Homophily, III) Message characteristics, IV) Source credibility, V) Consumer trust, VI) Opinion seeking, VII) Informational influence; and VIII) Normative influence. An attempt is made to break down the analysis for the same and try to evaluate the impact of each word of mouth factors on word of mouth effectiveness. Multiple linear regression method is used to find out which factors are more critical and have a higher impact on consumer purchase behaviour. Linear regression is more apt for both relationship descriptions as well as in making predictions. Multiple linear regression model takes the form: $Y = \alpha + \beta 1x1 + \beta 2x2 + \ldots + \beta kxk$, whereby:

Y is the dependent variable,
α is the intercept,
$\beta 1$, $\beta 2 \ldots \beta k$ are the slope coefficients,
$x1$, $x2 \ldots xk$ are the independent variables.

One possible flaw noticed in most regression analyses is how many irrelevant variables get included in the model. Some of these irrelevant independent variables then show an apparent effect, purely by chance. The inclusion of such variables strongly distorts the determination coefficient, so that it no longer provides a useful index of the quality of fit between the model and the data. This is why stepwise linear regression method is used, as it helps in excluding the less significant variables. In line with the research objective

of this study, appropriate hypotheses are formulated for each of the eight WoM factors – tie strength, homophily, message characteristics, source credibility, consumer trust, opinion seeking, informational influence and normative influence. Earlier research has shown that the influence of word of mouth is higher if the source is credible (Lopez & Sicilia, 2014), if the messages are clearly stated (Krishnan & Beena, 2015) and if the communication is from people you know (Goldsmith & Horowitz, 2006). However, the other five factors have not been linked to consumer purchase behaviour directly. Also, these studies have looked at only purchase intent and not overall WoM Effectiveness. This necessitates the need to study the individual influence of each factor on WoM Effectiveness. Hypotheses are formulated accordingly.

The main null hypothesis formulated here for each of these factors is that there is no relationship between the X variables and the Y variable i.e. all of the coefficients are equal to zero and none of the variables belong in the model. The alternative hypothesis is that at least one of the variables belongs in the model. Hence, the hypotheses for all the eight independent variables are:

H_0: $\beta_1 = \beta_2 = ... = \beta_k = 0$
H_1: At least one β is not equal to zero.

Before we proceed any further with the final regression analysis, the assumptions necessary to be met are studied and checked. There are four key assumptions when it comes to linear regression:

I) There has to be a linear relationship between independent and dependent variables. The linearity between the dependent and the independent variables is checked through the Scatter Plot diagram. The results showed that the assumptions of linearity are not violated for any of the variables.

II) The data should suffice the condition of normality; it has to be normally distributed. Normality is used to describe a symmetrical, bell-shaped curve, which has the greatest frequency of scores in the middle combined with smaller frequencies towards the extremes (Pallant, 2005). A Shapiro Wilk test ($p > .05$), checking of kurtosis and skewness values and a visual inspection of the histogram figures showed that most of the variables are approximately normally distributed. On checking Q-Q plots, it is found

that the data appears to be normally distributed as it follows the diagonal line closely and does not have a non-linear pattern.

III) There has to be no or little multi-collinearity, i.e. correlation among all independent variables should be less. Independent variables should not have a strong relationship with each other. The stronger the relationship between them, the higher the degree of multi-collinearity of the betas. To test the assumption of no multi-collinearity, the Pearson Correlation Coefficient, the tolerance level and the variance inflation factor (VIF) values between the independent variables are checked. There is less correlation ($r < 0.4$) between the variables. All of the independent variables have low tolerance levels ranging from 0.23 to 0.99 and all VIF values have an average close to 1. One can therefore conclude that there are no signs of excessive multi-collinearity within the model.

IV) Regression models should have homoscedasticity. Basically it means 'having the same scatter pattern.' The opposite of this is heteroscedasticity, where points are at widely varying distances from the regression line. The best way to check for homoscedasticity is to look at the scatter plot of standardized residuals against standardized predicted values. The resultant graphs shows a random dispersion around zero, based on which it can be concluded that the assumption of homoscedasticity has been met.

Now that all the assumptions have been dealt with, let us analyse the impact of each word of mouth factor on overall word of mouth effectiveness as well as on its different individual components.

4.2.1: Tie Strength

Word of mouth communication takes place within a defined social circle and its impact is often defined by the closeness of the relationship established between the information seeker and the information provider. The closeness of this relationship is known as the "tie strength" (Duhan et al, 1997). The tie may range from strong to weak, depending on various factors such as the type of resources, the persons in the exchange process, the intimacy angle etc. (Marsden & Campbell, 1984). For the purpose of the study, tie

strength is measured through six statements relating to mutual confidence (X_1), duration of conversation (X_2), frequency of interaction (X_3), attached importance (X_4), close relationship (X_5), and familiarity with the referrer (X_6), all of it measured on a five point Likert scale.

Table 4B: Descriptive Statistics for Tie Strength

Characteristics	N	Mean	SD
High mutual confidence	1535	4.78	.451
Long duration of conversation	1535	4.68	.536
Frequency of interaction	1535	4.67	.580
Attach importance to this relationship	1535	4.26	.546
Close relationship with referrer	1535	4.13	.503
Familiarity with the sender	1535	3.93	.302
Valid N (list wise)	1535		

Mean scores suggest respondents share high mutual confidence with the referrer (4.78), that they converse for longer durations (4.68) and that too more frequently (4.67). Standard deviation of less than one for all implies lesser variability in the mean scores.

The next table up for interpretation is the model summary table which shows the various R and R squared values for the different possible models extracted under stepwise linear regression. Based on the values, one can easily interpret that the Model No. 4 explains the variation in the dependent variable the most as it has the highest R square value. This means that the variables included in Model 4 explain the highest variation in the dependent variable, 50.1 pc.

Table 4C: Model Summary Table

Model	R	R Square	Adjusted R Square	Std. Error
1	.525	.276	.275	.3493
2	.640	.410	.409	.3154
3	.701	.492	.491	.2927
4	**.708**	**.501**	**.500**	**.2901**

Next up, we have the coefficients table that reveals which variables are included in the model and which are not. Two variables "familiarity with the sender" and "attached importance" are excluded from model as they are found to be statistically insignificant.

Table 4D: Effect of Tie Strength on overall WoM effectiveness

Message Characteristics	Unstandardized Coefficient	Standardized Coefficient	T Value	Sig. Value
Constant	.077	-	.699	-
High mutual confidence	.330	.362	17.06	.000*
Duration of conversation	.233	.304	13.73	.000*
Frequency of interaction	.075	.106	5.40	.000*
Close relationship	.302	.370	19.85	.000*
F Statistic R value R square	384.66 .708 .501			

*Significant at 0.05

The standardized coefficients reveal that four key independent variables are statistically significant, since their associated '*p'* values are less than 0.05. These variables are Close relationship (.370), Mutual Confidence (.362), Duration of conversation (.304) and Frequency of interaction (.106) that supposedly share a positive correlation with WoM effectiveness. Each unit increase in these factors will lead to a corresponding increase in the WoM effectiveness by 37 pc, 36.2 pc, 30.4 pc and 10.6 pc respectively. Therefore, the regression equation comes to:

Predicted WoM Effectiveness (Y) = .077 + .362 (High Mutual Confidence) + .370 (Close relationship with referrer) + .304(Long duration of conversation) + .106 (Frequency of interaction).

This means that respondents who score one point higher on high mutual confidence will on an average score .362 points higher on word of mouth effectiveness. More importantly, all predictors in the selected model contribute *positively* (rather than negatively) to word of mouth effectiveness. The table also gives us the *R*, R^2, and *F* values. The "R" column represents the correlation coefficient. A value of .708 indicates a strong correlation between tie strength and overall word of mouth effectiveness. The

"R^2" column represents the explained variation. The results reveal that independent variables taken together explain 50.1 pc of the variability in WoM effectiveness. The *F*-ratio in the ANOVA table tests whether the overall regression model is a good fit for the data. If the null hypothesis is true, you expect F to have a value close to 1 most of the time. Results show that the independent variables statistically significantly predict the dependent variable, F(4, 1530) = 384.66, p <0.05. Therefore, based on the results above, the null hypothesis that there is no relationship between the tie strength variables and WoM Effectiveness is rejected. However, as pointed out in the research gap in section 1.5, there is also a need to check the effect of individual word of mouth factors on individual components of word of mouth effectiveness. As such, linear regression is carried out between tie strength statements and all the components of WoM effectiveness.

Table 4E: Tie Strength and other components of WoM effectiveness

Tie Strength	**Word of Mouth Effectiveness Outcomes**						
	Regression Coefficients (β)						
	Awareness	Interest	Preference	Enquiry	Trial	Repute	Intent
Constant	-2.688	-3.510	-2.582	.653	.567	1.729	1.610
Close relationship	.331	.459	.409	.287	.101	-.161	-.076
Attached importance	-.109	-	.091	.269	-	-	-
Frequency of interaction	-	-.032	-	-	.214	.237	.173
Duration of conversation	.279	.219	.145	.085	.231	.265	.277
High mutual confidence	.311	.260	.291	.132	.218	.170	.240
Familiarity with sender	-	-.049	-.077	-.049	-	.072	-
F Statistic	200.55	194.96	135.37	93.36	137.62	131.20	157.80
R value	.586	.581	.554	.484	.514	.548	.540
R square	.344	.338	.307	.234	.265	.300	.292
Mean	3.65	3.83	3.90	4.17	4.67	4.74	4.75
SD	.833	.940	.485	.590	.596	.534	.548

The standardized coefficients reveal that four key independent variables have statistically significant impact on consumer awareness. These variables are Close relationship (.331), Mutual Confidence (.311), Duration of conversation (.279) and Attached importance (-.109). Each unit increase in these factors will lead to a corresponding increase in consumer awareness by 33.1 pc, 31.1 pc, 27.9 pc and a corresponding decrease in the same by 10.9 pc respectively. Therefore, the regression equation comes to:

Predicted Consumer Awareness Score (Y) = -2.688 + .311 (High Mutual Confidence) + .331 (Close relationship with referrer) + .279(Long duration of conversation) - .109 (Frequency of interaction).

The standardized coefficients reveal that five key independent variables have statistically significant impact on consumer interest and are included in the model. These variables are Close relationship (.459), Mutual Confidence (.260), Duration of conversation (.219), Frequency of interaction (-.032), and Familiarity with sender (-.049). Each unit increase in these factors will lead to a corresponding increase in consumer interest by 45.9 pc, 26 pc, 21.9 pc and a corresponding decrease in the same by 3.2 pc and 4.9 pc respectively. Therefore, the regression equation here comes to:

Predicted Consumer Interest Score (Y) = -3.510 + .260 (High Mutual Confidence) + .459 (Close relationship with referrer) + .219(Long duration of conversation) - .032 (Frequency of interaction) - .049 (Familiarity with sender).

The standardized coefficients reveal that five key independent variables have statistically significant impact on consumer preference level. These variables are Close relationship (.409), Attached importance (.091), Mutual Confidence (.291), Duration of conversation (.145), and Familiarity with sender (-.077). Each unit increase in these factors will lead to a corresponding increase in consumer preference level by 40.9 pc, 9.1 pc, 29.1 pc, 14.5 pc and a corresponding decrease in the same by 7.7 pc respectively. Therefore, the regression equation here comes to:

Predicted Consumer Preference Level Score (Y) = -2.582 + .291 (High Mutual Confidence) + .409 (Close relationship with referrer) + .145(Long duration of conversation) + .091(Attached importance) - .077 (Familiarity with sender).

The standardized coefficients reveal that five key independent variables have statistically significant impact on consumer propensity to go for product enquiry. These variables are Close relationship (.287), Attached importance (.269), Mutual Confidence (.132), Duration of conversation (.085), and Familiarity with sender (-.049). Each unit increase in these factors will lead to a corresponding increase in propensity to make product enquiry by 28.7 pc, 26.9pc, 13.2 pc, 8.5 pc and a corresponding decrease in the same by 4.9 pc respectively. Therefore, the regression equation here comes to:

Predicted Product Enquiry Score (Y) = .653 + .132 (High Mutual Confidence) + .287 (Close relationship with referrer) + .085(Long duration of conversation) + .269 (Attached importance) - .049 (Familiarity with sender).

The standardized coefficients reveal that four key independent variables have statistically significant impact on consumer propensity to go for product trial and are included in the model. These variables are Close relationship (.101), Frequency of interaction (.214), Mutual Confidence (.218), Duration of conversation (.231). Each unit increase in these factors will lead to a corresponding increase in propensity to go for product trial by 10.1 pc, 21.4pc, 21.8 pc, and 23.1 pc respectively. Therefore, the regression equation here is:
Predicted Product Trial Score (Y) = .567 + .218 (High Mutual Confidence) + .101 (Close relationship with referrer) + .231(Long duration of conversation) +.214 (Frequency of interaction).

The standardized coefficients reveal that five key independent variables have statistically significant impact on consumer perception on firm's reputation. These variables are Close relationship (-.161), Frequency of interaction (.237), Mutual Confidence (.170), Duration of conversation (.265) and Familiarity with sender (.072). With the exception of close relationship which reveals a negative correlation, each unit increase in the other factors will lead to an improvement in their perception of the firm's reputation by 23.7pc, 17 pc, 26.5 pc, and 7.2 pc respectively. Therefore, the regression equation is:
Predicted Perceived Reputation Score (Y) = 1.729 + .170 (High Mutual Confidence) + .265 (Duration of conversation) +.237 (Frequency of interaction)+ .072 (Familiarity with sender) – .161 (Close relationship with referrer).

The standardized coefficients reveal that four key independent variables have statistically significant impact on consumer purchase intention and are included in the model. These variables are Close relationship (-.076), Frequency of interaction (.173), Mutual Confidence (.240), Duration of conversation (.277). With the exception of close relationship which reveals a negative correlation, each unit increase in the other factors will lead to an improvement in the consumers' purchase intent by 17.3 pc, 24 pc, and 27.27 pc respectively. Therefore, the regression equation is:

Predicted Purchase Intent Score (Y) = 1.610 + .240 (High Mutual Confidence) + .277(Duration of conversation) + .173 (Frequency of interaction) – .076 (Close relationship with referrer).

The R square values reveal that the impact of tie strength characteristics on individual effectiveness outcomes ranges from 23 percent to 35 percent. Thus, it is easily understood that tie strength characteristics, mainly close relationship, duration of conversation and high mutual confidence affect all marketing outcomes.

4.2.2: Homophily

People from different characteristics - genders, races, ethnicities, age groups, social backgrounds, educational levels, income groups etc. appear to have different qualities. For example, women are generally perceived to be more emotional, educated people are perceived as more tolerant by nature etc (Vogt, 1983; Scott, 2016). Homophily is the principle that a contact between similar people occurs at a higher rate than among dissimilar people (McPherson et al, 2001). For the purpose of the study, homophily is measured through six statements, all of it is measured on a five point Likert scale. Now, let us analyse the impact of homophily on overall word of mouth effectiveness.

Table 4F: Descriptive Statistics for Homophily

Statements	N	Mean	SD
Like me only	1535	3.93	.362
Highly similar thoughts with referrer	1535	4.15	.469
Highly similar behaviour with referrer	1535	4.20	.530
Similar social standing with referrer	1535	4.69	.562
Similar cultural background with referrer	1535	4.72	.541
Similar economic background with referrer	1535	4.76	.467
Valid N (list wise)	1535		

The mean scores suggest that all of the respondents share similar economic background (4.76), cultural background (4.72), and are of the same social standing (4.69) as that of the referrer. SD scores of less than 1 imply lesser variability in mean scores. Next up is the model summary table which shows the various R and R squared values for the different possible models extracted under stepwise linear regression. Based on the

values, one can easily interpret that the Model No. 6 explains the variation in the dependent variable the most.

Table 4G: Model Summary Table

Model	R	R Square	Adjusted R^2	Std. Error
1	.502	.252	.251	.35517
2	.588	.346	.345	.33212
3	.633	.400	.399	.31819
4	.648	.420	.418	.31301
5	.661	.436	.435	.30863
6	.662	.439	.436	.30814

Next up, there's the coefficients table which will help explain the direction and impact of each of the independent variables.

Table 4H: Effect of Homophily on WoM Effectiveness

Homophily	**U/Coefficient**	**Standardized Coefficient**	**T Value**	**Sig. Value**
Constant	.197	-		
Like me only	.057	.050	2.41	.016*
Highly similar thoughts	.169	.194	8.06	.000*
Highly similar behaviour	.124	.160	7.00	.000*
Similar social standing	.103	.142	6.48	.000*
Similar cultural background	.256	.337	14.25	.000*
Similar economic background	.211	.240	10.50	.000*
F Statistic R value R square	198.75 .662 .439			

*Significant at 0.05

The t-statistics and their associated p-values reveal that that all the independent variables are statistically significant, meaning all these sub factors have a bearing on word of mouth effectiveness. A close look at the standardized coefficients reveals that similar cultural background (.337), similar economic background (.240), and highly similar thoughts (.194) are the strongest coefficient values and share a positive correlation with WoM effectiveness. The standard interpretation here is that each unit increase in these factors will lead to a corresponding increase in the word of mouth effectiveness by 33.7 pc, 24.0 pc, and 19.4 pc respectively. This basically means that word of mouth effectiveness is highest if the referrer and the referee come from the same cultural and economic background. Therefore, the regression equation is:

Predicted WoM Effectiveness (Y) = 0.197 + .337 (Similar cultural background) + .240(Similar economic background) + .194 (Highly similar thoughts) + .160 (Highly similar behaviour) + 1.42 (Similar social standing) + .050 (Like me only).

The table also gives us the R, R^2, and F values. R value of .662 indicates a strong correlation between homophily and overall WoM effectiveness. R square reveals that independent variables explain 43.9 pc of the variability in WoM effectiveness. The ANOVA results show that the independent variables statistically significantly predict the dependent variable as, F (6, 1528) = 198.75, $p < .05$. Therefore, based on the results above, the null hypothesis that there is no significant impact of homophily on word of mouth effectiveness is rejected. Next, in order to check the effect of homophily on individual marketing outcomes, linear regression is carried out between homophily statements and all the components of WoM Effectiveness. Consumer behavior is not just restricted to actual purchase; there are other relevant marketing outcomes too.

Table 4I: Homophily and other components of WoM effectiveness

Homophily	**Word of Mouth Effectiveness Outcomes**						
	Regression Coefficients (β)						
	Awareness	Interest	Preference	Enquiry	Trial	Repute	Intent
Constant	-2.448	-3.102	-2.234	.690	.374	1.709	1.970
Like me only	.092	-	-	-	.059	.063	-
Highly similar thoughts	.121	.243	.227	.316	.077	-.090	-.096
Highly similar behaviour	-	.180	.241	.253	-	-.057	-
Similar social standing	.102	.076	-	-	.194	.193	.093
Similar cultural background	.254	.226	.204	.125	.197	.279	.339
Same economic background	.214	.117	.129	-	.250	.216	.215
F Statistic	105.15	97.45	115.27	173.04	119.16	128.17	164.93
R value	.506	.492	.481	.503	.530	.579	.549
R square	.256	.242	.232	.253	.281	.335	.301
Mean	3.65	3.83	3.90	4.17	4.67	4.74	4.75
SD	.833	.941	.875	.591	.596	.534	.548

The standardized coefficients reveal that five homophily variables have statistically significant impact on consumer awareness and are included in the model. These variables are like me only (.092), highly similar thoughts (.121), similar social standing (.102), similar cultural background (.254), and same economic background (.214). Each unit

increase in these factors will lead to an increase in consumer awareness by 9.2 pc, 12.1 pc, 10.2 pc, 25.4 pc and by 21.4 pc respectively. The regression equation comes to:
Predicted Consumer Awareness Score (Y) = -2.448 + .092 (Like me only) + .121(Highly similar thoughts) +.102 (Similar social standing) + .254 (Similar cultural background) + .214 (Same economic background).

The standardized coefficients reveal that five homophily variables have statistically significant impact on consumer interest. These variables are highly similar thoughts (.243), highly similar behaviour (.180), similar social standing (.076), similar cultural background (.226), and same economic background (.117). Each unit increase in these factors will lead to a corresponding increase in consumer interest by 24.3 pc, 18 pc, 7.6 pc, 20.4 pc and by 12.9 pc respectively. The regression equation here comes to:
Predicted Consumer Interest Score (Y) = -3.102 + .180 (Highly similar behaviour) + .243 (Highly similar thoughts) + .076 (Similar social standing) + .226 (Similar cultural background) + .117 (Same economic background).

The standardized coefficients reveal that four homophily variables have statistically significant impact on consumer preference level and are included in the model. These variables are highly similar thoughts (.227), highly similar behaviour (.241), similar cultural background (.204), and same economic background (.129). Each unit increase in these factors will lead to a corresponding increase in consumer preference level by 22.7 pc, 24.1 pc, 20.4 pc and by 12.9 pc respectively. The regression equation here comes to:
Predicted Consumer Preference level Score (Y) = -2.234 + .241 (Highly similar behaviour) + .227 (Highly similar thoughts) + .204 (Similar cultural background) + .129 (Same economic background).

The standardized coefficients reveal that only three of the six homophily variables have statistically significant impact on propensity to make product enquiries. These variables are highly similar thoughts (.316), highly similar behaviour (.253), and similar cultural background (.125). This implies that each unit increase in these factors will lead to a corresponding increase in the consumers' propensity to make a product enquiry by 31.6 pc, 25.3 pc and by 12.5 pc respectively. The regression equation here comes to:

Predicted Propensity to make Product Enquiries (Y) = .690 + .253 (Highly similar behaviour) + .316 (Highly similar thoughts) + .125 (Similar cultural background).

The standardized coefficients reveal that five of the six homophily variables have statistically significant impact on propensity to undertake product trials. These variables are like me only (.059), highly similar thoughts (.077), similar social standing (.194), similar cultural background (.197) and similar economic background (.250). This implies that each unit increase in these factors will lead to a corresponding increase in the consumers' propensity to undertake a product trial by 5.9 pc, 7.7 pc, 19.4 pc, 19.7 pc and 25 pc respectively. The regression equation here comes to:

Predicted Propensity to make Product Trials (Y) = .374 + .059 (Like me only) + .077 (Highly similar thoughts) + .194 (Similar social standing) +.197 (Similar cultural background) + .250 (Similar economic background).

The standardized coefficients reveal that all the six homophily variables have statistically significant impact on the firm's perceived reputation. These variables are like me only (.063), similar social standing (.193), similar cultural background (.279), similar economic background (.216), highly similar thoughts (-.090), and highly similar behaviour (-.057). This implies that each unit increase in these factors will lead to a corresponding increase in the consumers' perceived reputation of the firm by 6.3 pc, 19.3 pc, 27.9 pc, 21.6 pc, and a corresponding decrease by 9 pc and 5.7 pc respectively. The regression equation here comes to:

Predicted Perceived reputation of firm (Y) = 1.709 + .063 (Like me only) + .193 (Similar social standing) + .279 (Similar cultural background) + .216 (Similar economic background)-.090 (Highly similar thoughts) -.057 (Highly similar behaviour).

The standardized coefficients reveal that four homophily variables have statistically significant impact on the firm's purchase intention. These variables are similar social standing (.093), similar cultural background (.339), similar economic background (.215), highly similar thoughts (-.096), This implies that each unit increase in these factors will lead to a corresponding increase in the consumers' purchase intention of the firm by 9.3 pc, 33.9pc, 21.5 pc, and a corresponding decrease by 9.6 respectively. The regression equation here comes to:

Predicted Purchase Intention Score (Y) =1.970 + .093 (Social Standing) + .339 (Similar cultural background) + .215 (Similar economic background) - .096 (Highly similar thoughts.

Again, the R square values also reveal that the impact of homophily characteristics on overall marketing outcomes ranges from 23 percent to 33 percent. Thus, it is easily understood that homophily characteristics, mainly similar cultural background and similar economic background and highly similar thoughts affect all marketing outcomes.

4.2.3: Message Characteristics

Word of mouth messages refer to the actual content of the product related conversation that is passed on by one person to the other. It is primarily concerned with the volume, valence and vehicle aspects and its rational dimensions of the message concerned. Volume refers to the amount of conversation. Valence refers to the direction of the message, positive or negative. Vehicle refers to the medium of conversation, online or offline. Over time, researchers have recognized the importance of word of mouth communication aspects. Now, let us analyse the impact of message characteristics on word of mouth effectiveness.

Table 4J: Descriptive Statistics for Message Characteristics

Characteristics	N	Mean	SD
Message's persuasiveness	1535	3.97	.348
Intense and clearly stated	1535	4.20	.486
Usefulness for decision-making	1535	4.54	.587
Complete info about the product	1535	4.74	.527
Reliability of information	1535	4.78	.442
Valid N (list wise)	1535		

The mean scores suggest that a majority of the respondents value most reliability of information (4.78), completeness of information (4.74) followed by usefulness of information for decision making (4.54) in a word of mouth message or conversation. Standard deviation scores of less than one imply lesser variability in the mean scores.

Next up is the model summary table which shows the various R and R squared values for the different possible models extracted under stepwise linear regression. Based on the

values, one can easily interpret that the Model No. 5 explains the variation in the dependent variable the most.

Table 4K: Model Summary Table

Model	R	R Square	Adjusted R Square	Std. Error
1	.435	.189	.189	.3695
2	.562	.315	.314	.3397
3	.618	.382	.381	.3228
4	.639	.408	.407	.3160
5	.657	.431	.429	.3099

Next up, there's the coefficients table which will help explain the direction and impact of each of the independent variables.

Table 4L: Effect of Message Characteristics on WoM Effectiveness

Message Characteristics	**Unstandardized Coefficient**	**Standardized Coefficient**	**T Value**	**Sig. Value**
Constant	-.278	-	-1.950	.051
Persuasiveness	.338	.365	16.872	.000*
Intensity and Clarity	.152	.217	10.333	.000*
Usefulness	.216	.256	12.175	.000*
Completeness	.138	.177	7.967	.000*
Reliability	.188	.159	7.868	.000*
F Statistic R value R square	231.72 .657 .431			

*Significant at 0.05

T-statistics and their associated p-values reveal that that all the independent variables are statistically significant, thereby implying all these sub factors have an impact on word of mouth effectiveness. The standardized coefficients reveal that message reliability (.365), message usefulness (.256) and message clarity (.217) are the strongest coefficient values and share a positive correlation with WoM effectiveness. This implies that each unit increase in these factors will lead to an increase in the WoM effectiveness by 36.5 pc, 25.6 pc, and 21.7pc basically meaning that word of mouth messages which are more

reliable in nature, more useful to decision making and more clearly expressed will be way more effective. Based on the coefficient values, the regression equation is:

Predicted WoM Effectiveness (Y) = -.278 + .365 (Persuasiveness) + .217 (Intensity and Clarity) + .256 (Usefulness) + .177 (Completeness) + .159 (Reliability).

An R value of .657 indicates a strong correlation between message characteristics and overall word of mouth effectiveness. The R^2 value reveals the independent variables explain 43.1 pc of the variability in WoM effectiveness. Results show that the independent variables significantly predicts the dependent variable, F= 231.72, $p < .05$. Therefore, based on the results above, the null hypothesis that there is no significant impact of any message characteristics on word of mouth effectiveness stands rejected.

In order to check the effect of message characteristics on individual components of WoM effectiveness, linear regression is again carried out between message characteristics' statements and the various components of WoM effectiveness.

Table 4M: Message Characteristics and other components of WoM effectiveness

Message Characteristics	Word of Mouth Effectiveness Outcomes						
	Regression Coefficients (β)						
	Awareness	Interest	Preference	Enquiry	Trial	Repute	Intent
Constant	-3.559	-4.369	-3.416	-.092	.057	1.916	2.239
Persuasiveness	.184	.106	.106	.095	.106	.140	-
Intensity/ Clarity	.090	.288	.299	.449	.086	-.111	-.049
Usefulness	.163	.213	.223	.120	.099	-	.069
Completeness	.126	.061	-	-	.196	.274	.252
Reliability	.312	.261	.263	.122	.301	.203	.204
F Statistic	108.39	118.16	143.53	151.70	92.61	100.72	80.26
R value	.512	.528	.522	.533	.482	.458	.417
R square	.262	.279	.273	.284	.232	.209	.174
Mean	3.65	3.83	3.90	4.17	4.67	4.74	4.75
SD	.833	.940	.875	.590	.596	.534	.548

The findings reveal that message reliability, message clarity and message usefulness have a bearing on all the major word of mouth outcomes. This means that WoM effectiveness increases when the messages are from a reliable source, are clearly stated and are useful for decision making. Interpreting the R square values, we can say that the overall message characteristics explain 26.2 percent variation in awareness about the products, 27.9 percent variation in interest in the products, 27.4 percent variation in

preference level for the products, 28.4 percent variation in the propensity for making product enquiries, 23.2 percent variation in the propensity for making product trials, 20.9 percent variation in the perception of the firm's reputation and 17.4 percent variation in the consumer's purchase intention.

The standardized coefficients reveal that all the five message variables, persuasiveness (.184), intensity and clarity (.090), usefulness (.163), completeness (.126), and reliability (.312) have statistically significant impact on consumer awareness. This implies a single unit increase in any of these variables will increase consumer awareness for the product by the corresponding values. The regression equation for this is:
Predicted Consumer Awareness score (Y) = -3.559 + .184 (Persuasiveness) + .090 (Intensity and Clarity) +1.63 (Usefulness) + .126 (Completeness) + .312 (Reliability).

All five message related variables have a bearing on consumer interest too. These variables are: Persuasiveness (.106), intensity and clarity (.288), usefulness (.213), completeness (.061), and reliability (.261).A unit increase in any of these variables will see a corresponding increase in consumer interest in the product by the corresponding values. The regression equation here will be:
Predicted Consumer Interest score (Y) = - 4.369 + .106 (Persuasiveness) + .288 (Intensity and clarity) + .213 (Usefulness) + .061 (Completeness) + .261 (Reliability).

Four of five message characteristics have a bearing on consumer preference level – Persuasiveness (.106), Intensity and Clarity (.299), Usefulness (.223), and Reliability (.263), implying how a unit increase in them will lead to a change in the consumers preference level by the corresponding values. The regression equation here will be:
Predicted Consumer Preference level score (Y) = -3.416 + .106 (Persuasiveness) + .299 (Intensity and Clarity) + .223 (Usefulness) + .263 (Reliability).

Four of the five message characteristics have a bearing on consumer propensity to make product enquiries – Persuasiveness (.095), Intensity and Clarity (.449), Usefulness (.120) and Reliability (.122) implying how a unit increase in them will lead to a change in the consumers propensity to go for product enquiries by the corresponding values mentioned. The regression equation here will be:

Predicted Product Enquiry Score (Y) = -.092 + .095 (Persuasiveness) + Intensity and Clarity (.449) + Usefulness (.120) + Reliability (.122).

All five message related variables have a bearing on undertaking product trials. The coefficient values are: Persuasiveness (.106), intensity and clarity (.086), usefulness (.099), completeness (.196), and reliability (.301). A unit increase in any of these variables will see a corresponding increase in consumer propensity to go for a product trial by the corresponding values. The regression equation here will be:
Predicted Product trial score (Y) = .057 + .106 (Persuasiveness) + .086 (Intensity and clarity) + .099 (Usefulness) + .196 (Completeness) + .301 (Reliability).

Four of the five message characteristics have a significant impact on perceived reputation of firm - Persuasiveness (.140), intensity and clarity (-.111), completeness (.274), and reliability (.203). A unit increase in any of these variables will see a corresponding increase in consumers' perceived reputation of the firm by the corresponding values. The regression equation here will be:
Predicted Perceived Reputation Score (Y) = 1.916 + .140 (Persuasiveness) + .274 (Completeness) + .203 (Reliability) - Intensity and clarity (-.111).

Four of the five message characteristics have a significant impact on actual purchase intention - intensity and clarity (-.049), Usefulness (.069), Completeness (.252), and reliability (.204). A unit increase in any of these variables will see a corresponding increase in consumers' perceived reputation of the firm by the corresponding values. The regression equation here will be:
Predicted Purchase Intention Score (Y) = 1.916 + .069 (Usefulness) +.252 (Completeness) + .204 (Reliability) - Intensity and clarity (-.049).

Again, the R square values also reveal that the impact of message characteristics on overall marketing outcomes ranges from 17 percent to 29 percent. Thus, it is easily understood that message characteristics, mainly persuasiveness, reliability, usefulness and message clarity affect all marketing outcomes.

4.2.4: Source Credibility

Credibility is the believability of information or the source of the information (Metzger, 2007). When someone is perceived as credible, he/she is perceived to be believable. However, one cannot say with certainty that a particular source of information is credible or not as credibility of a given source might vary for different people based on their prior experiences (Fogg et al, 2001). For the purpose of the study, source credibility is measured with five statements against which responses are recorded on Likert scale. Let us analyse the nature and extent of impact source credibility has on word of mouth effectiveness.

Table 4N:Descriptive Statistics for Source Credibility

Characteristics	N	Mean	SD
Proper product knowledge	1535	3.98	.370
Experienced in product industry	1535	4.80	.528
Considered an expert	1535	4.04	.395
Considered a man of integrity	1535	4.77	.524
Unbiased in nature	1535	4.83	.451
Valid N (list wise)	1535		

Mean scores suggest that the respondents provide higher scores for unbiasedness of the referrer (4.83), experience in the product industry (4.80), and integrity of the referrer (4.77). As these scores are related to WoM recommendation, it can be said that a vast majority of the referrers are unbiased in nature and have good experience in the industry.

Next up is the model summary table which shows the various R and R squared values for the different models extracted under stepwise regression. Based on the values, one can easily interpret that Model No. 5 explains the most variation in the dependent variable.

Table 4O: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error
1	.642	.413	.412	.3145
2	.697	.486	.485	.2943
3	.725	.525	.524	.2830
4	.730	.532	.531	.2809
5	.734	.539	.538	.2789

Next up, there's the coefficients table which will help explain the direction and impact of each of the independent variables.

Table 4P: Effect of Source Credibility on WoM Effectiveness

Source Credibility	Unstandardized Coefficient	Standardized Coefficient	T Value	Sig. Value
Constant	.262		2.333	.020*
Product Knowledge	.182	.164	8.574	.000*
Industry Experience	.085	.109	4.918	.000*
Considered Expert	.089	.085	4.757	.000*
Man of Integrity	.311	.397	17.36	.000*
Unbiasedness	.229	.252	10.94	.000*
F Statistic R value R square	357.74 .734 .539			

**Significant at 0.05

The t-statistics and their associated p-values reveal that that all the independent variables are statistically significant, as the *p* value is less than 0.05, implying all the sub factors have a bearing on the effectiveness of word of mouth. A close look at the standardized coefficients reveals that integrity (.397), unbiasedness (.252), and product knowledge (.164) are the strongest coefficient values and share a positive correlation with word of mouth effectiveness. This implies that each unit increase in these factors will lead to a corresponding increase in the word of mouth effectiveness by 39.7 pc, 25.2 pc, and 16.4 pc respectively. If the referrer is perceived as a person with more integrity or is considered as unbiased in nature or as someone with in-depth knowledge about the product being discussed, word of mouth effectiveness will be comparatively higher in these cases. Based on the coefficient values, the regression equation is:

Predicted WoM Effectiveness (Y) = .262 + .164 (Product Knowledge) + .085 (Considered expert) + .109 (Industry Experience) + .397 (Man of Integrity) + .252 (Unbiasedness).

The table also gives us the *R*, R^2, and *F* values. The R value of .734 indicates a strong correlation. The R^2 value reveals that independent variables explain 53.9 pc of the variability in WoM effectiveness. Results show that the independent variables

statistically significantly predict the dependent variable used, F = 357.74, $p < .05$ (i.e., the regression model is a good fit of data). Based on the results above, the null hypothesis that there is no significant impact of source credibility on WoM effectiveness is rejected. In order to check the effect of source credibility on individual components of WoM effectiveness, linear regression is again carried out between credibility measuring variables and the components of WoM effectiveness.

Table 4Q: Source Credibility and other components of WoM effectiveness

Source Credibility	Word of Mouth Effectiveness Outcomes						
	Regression Coefficients (β)						
	Awareness	Interest	Preference	Enquiry	Trial	Repute	Intent
Constant	-2.136	-2.923	-2.143	-.092	.554	2.023	1.928
Product Knowledge	.248	.341	.118	.232	.063	-	-
Industry Experience	.162	.128	.069	-	.136	.087	.093
Considered Expert	-	.178	.087	.201	.057	-	-
Man of Integrity	.657	.679	.382	.110	.130	.114	.094
Unbiasedness	.183	.171	.060	.155	.302	.306	.323
F Statistic	188.73	127.43	116.99	102.58	114.06	121.49	125.71
R value	.575	.542	.526	.460	.521	.438	.444
R square	.330	.294	.277	.211	.272	.192	.197
Mean	3.65	3.83	3.90	4.17	4.67	4.74	4.75
SD	.833	.940	.875	.590	.596	.534	.548

*Values with '-' mark reflect variables that are insignificant at 0.05

Interpreting the R square values, we can say that source credibility explains 33 percent variation in awareness about the products, 29.4 percent variation in interest in the products, 27.7 percent variation in preference level for the products, 21.2 percent variation in the propensity for making product enquiries, 27.2 percent variation in the propensity for making product trials, 19.5 percent variation on perceived firm's reputation and 19.7 percent variation in consumer's purchase intention. The impact of message characteristics on different components of word of mouth effectiveness is explained through the following regression equations:

Predicted Consumer Awareness Score (Y) = -2.136 + .341 (Product Knowledge) + .162 (Industry Experience) + .657 (Man of Integrity) + .183 (Unbiasedness).

Predicted Consumer Interest Score (Y) = -2.923 + .248 (Product Knowledge) + .178 (Considered expert) + .128 (Industry Experience) + .679 (Man of Integrity) + .171 (Unbiasedness).

Predicted Consumer Preference Score (Y) = -2.143 + .118 (Product Knowledge) + .087 (Considered expert) + .069 (Industry Experience) + .382 (Man of Integrity) + .060 (Unbiasedness).

Predicted Propensity for Product Enquiry Score (Y) = -.092 + .232 (Product Knowledge) + .201 (Considered expert) + .110 (Man of Integrity) + .155 (Unbiasedness).

Predicted Propensity for Product Trial Score (Y)= .554 + .063 (Product Knowledge) + .136 (Considered expert) +.057 (Industry Experience) + .130 (Man of Integrity) + .302 (Unbiasedness).

Predicted Propensity for Perceived Reputation Score (Y)= 2.203 + .087 (Industry Experience) + .114 (Man of Integrity) + .306 (Unbiasedness).

Predicted Propensity for Purchase Intention Score (Y)= 1.928 + .093 (Industry Experience) + .094 (Man of Integrity) + .323 (Unbiasedness).

The R square values reveal that the impact of source credibility on overall marketing outcomes ranges from 19 percent to 33 percent. Combining the R square values and coefficient values, it is easily understood that, *integrity*, *unbiasedness* and *product knowledge* have the most bearing on all the major word of mouth outcomes.

4.2.5: Consumer Trust

Trust is seen as the extent to which one believes that other people will not exploit one's vulnerabilities and take advantage of them. Trust is often conceptualized as being a combination of rational thinking, feelings, instincts and intuition, dependent on past experiences (Lewis & Weigert, 1985). Simply put, trust is common knowledge that a person is trustworthy and will help out in case any kind of advice is needed. For our study, consumer trust is measured through five statements taken on Likert scale. Let us initially go through the descriptive statistics relating to consumer trust.

Table 4R: Descriptive Statistics for Consumer Trust

Characteristics	N	Mean	SD
People are generally reliable	1535	3.97	.322
Source of external information	1535	4.22	.482
People are generally honest with me	1535	4.67	.565
Referrer has my best interest in mind	1535	4.76	.498
Reliance on referrer reduces risk of making bad decision	1535	4.79	.437
Valid N (list wise)	1535		

Mean scores reveal that a majority of the respondents hold the notion that relying on the referrer reduces their risk of making a bad decision (4.79) and that the referrer has their best interests in mind (4.76). It is also found that majority of the respondents believe that people in their social circle are generally honest with them (4.67).

Next up is the model summary table which shows the various R and R squared values for the different models extracted under stepwise regression. Based on the values, one can easily interpret that Model No. 5 explains the variation in the dependent variable the most.

Table 4S: Model Summary Table

Model	R	R Square	Adjusted R Square	Std. Error
1	.507	.257	.256	.35388
2	.615	.378	.377	.32389
3	.669	.448	.447	.30515
4	.709	.503	.502	.28957
5	.721	.519	.518	.28489

Next up, we have the coefficients table showing the individual impact of consumer trust on each component of word of mouth effectiveness.

Table 4T: Effect of Consumer Trust on WoM Effectiveness

Consumer Trust	**Unstandardized Coefficient**	**Standardized Coefficient**	**T Value**	**Sig. Value**
Constant	-.420	-	-3.328	.001*
Generally reliable	.175	.138	7.189	.000*
Source of external info	.222	.260	13.867	.000*
Generally honest with me	.201	.276	14.049	.000*
Best interest in mind	.229	.277	13.237	.000*
Reduced risk of bad decision	.230	.245	12.449	.000*
F Statistic R value R square	330.55 .721 .519			

*Significant at 0.05

The t-statistics and their associated p-values reveal that that all the independent variables are statistically significant, as the '*p'* values for each of them are less than 0.05, thereby

implying all the listed factors have an impact on WoM effectiveness. A close look at the standardized coefficients reveals that best interest in mind (.277), generally honest with me (.276), and source of external information (.260) are the strongest coefficient values and share a positive correlation with word of mouth effectiveness. The standard interpretation here is that each unit increase in these factors will lead to a corresponding increase in the word of mouth effectiveness by 27.7 pc, 27.6 pc, and 26.0 pc respectively. This means, if the referee believes that the referrer has his best interests in mind, or if he believes that people are generally honest with him, word of mouth effectiveness is highest. Word of mouth is also effective for consumers who have stated that they can easily trust an external source of information or if they believe it reduces their risk of making a bad choice. Based on the coefficient values, the regression equation formed is:
WoM Effectiveness Score (Y) = -.420 + .138 (Generally reliable) + .260 (Source of external information) + .276 (Generally honest with me) + .277(Best interests in mind) + .245 (Reduced risk of bad choice).

The table also gives us the *R*, R^2, and *F* values. The R value of .721 indicates a strong correlation. The R^2 value reveals that independent variables explain 51.9 pc of the variability in WoM effectiveness. Results show that the independent variables statistically significantly predict the dependent variable used, F = 330.55, $p < .05$ (i.e., the regression model is a good fit of data). Based on the results above, the null hypothesis that there is no significant impact of trust variables on WoM effectiveness is rejected.

In order to check the effect of consumer trust on individual components of WoM effectiveness, linear regression is again carried out between consumer trust measuring variables and the components of WoM effectiveness.

Table 4U: Consumer Trust and other components of WoM effectiveness

Consumer Trust	**Word of Mouth Effectiveness Outcomes**						
	Regression Coefficients (β)						
	Awareness	Interest	Preference	Enquiry	Trial	Repute	Intent
Constant	-3.621	-4.441	-3.278	.238	-.003	1.536	1.243
Generally reliable	.107	.126	.098	.120	.050	.077	-
Source of external info	.129	.283	.318	.352	.085	-.090	-
Generally honest with me	.210	.228	.202	.122	.192	.165	.124
Best interest in mind	.194	.111	.141	.115	.328	.270	.209
Reduced risk of bad decision	.245	.166	.110	-	.161	.174	.308

F Statistic	131.13	130.15	117.96	110.91	131.72	97.97	161.71
R value	.548	.546	.528	.474	.549	.493	.491
R square	.300	.299	.278	.225	.301	.243	.241
Mean	3.65	3.83	3.90	4.17	4.67	4.74	4.75
SD	.833	.940	.875	.590	.596	.534	.548

Interpreting the R square values, we can say that consumer trust explains 30 percent variation in awareness about the products, 29.9 percent variation in interest in the products, 27.8 percent variation in preference level for the products, 22.5 percent variation in the propensity for making product enquiries, 30.1 percent variation in the propensity for making product trials, 24.3 percent variation in the perception of the firm's reputation and 24.1 percent variation in the consumer's purchase intention. The impact of consumer trust characteristics on different components of word of mouth effectiveness is explained through the following regression equations:

Predicted Consumer Awareness Score (Y) = -3.621 + .107 (Generally reliable) + .129 (Source of external information) + .210 (Generally honest with me) + .194 (Best interests in mind) + .245 (Reduced risk of bad choice).

Predicted Consumer Interest Score (Y) = -4.441 + .126 (Generally reliable) + .283 (Source of external information) + .228 (Generally honest with me) + .111(Best interests in mind) + .166 (Reduced risk of bad choice).

Predicted Consumer Preference level Score (Y) = -3.278 + .098 (Generally reliable) + .318 (Source of external information) + .202 (Generally honest with me) + .141 (Best interests in mind) + .110 (Reduced risk of bad choice).

Predicted Propensity for Product Enquiry Score (Y) = -.238 + .120 (Generally reliable) + .352 (Source of external information) + .122 (Generally honest with me) + .115 (Best interests in mind).

Predicted Propensity for Product Trial Score (Y) = -.003 + .050 (Generally reliable) + .085 (Source of external information) + .192 (Generally honest with me) + .328 (Best interests in mind) + .161 (Reduced risk of bad choice).

Predicted Propensity for Perceived Reputation Score (Y) = 1.536 + .077 (Generally reliable) - .090 (Source of external information) + .165 (Generally honest with me) + .270 (Best interests in mind) + .174 (Reduced risk of bad choice).

Predicted Propensity for Purchase Intention Score (Y) = 1.243 + .124 (Generally honest with me) + .209 (Best interests in mind) + .308 (Reduced risk of bad choice).

The findings reveal that all trust related characteristics have a significant impact on consumer awareness, interest, preference level, product trial and overall reputation of the firm. The belief that the referrer has your best interest in mind and that trusting others reduces the chances of taking a bad decision are the most important trust characteristics.

4.2.6: Opinion Seeking

Opinion seeking is viewed as some sort of external information search that happens when individuals search for advice and suggestions from others when making a purchase decision (Punj & Staelin, 1983; Schmidt & Spreng, 1996). Opinion seeking represents the complementary side of opinion leadership (Feick et al., 1986). These studies establish the importance of opinion seeking to consumer purchase behaviour, in light of the intensity of information search and the preference for interpersonal sources. Let us analyze the impact of opinion seeking on WoM effectiveness.

Table 4V: Descriptive Statistics for Opinion Seeking

Characteristics	N	Mean	SD
Ask others for advice because I have seen my peers seek out info	1535	3.99	.313
Amount of efforts I have to make to find information is less.	1535	4.60	.548
Feel more comfortable after seeking opinions	1535	4.83	.452
People's opinions helps reduce risk of bad choice	1535	4.84	.391
Valid N (list wise)	1535		

The mean scores reveal respondents reveal higher scores for ‘Reduced risk of bad choice’ (4.84) and ‘Comfortable in seeking opinions’ (4.83) implying consumers’ are more reliant on others to eliminate the risk of making a bad purchase decision and consumers are more comfortable in seeking opinions.

Next up is the model summary table which shows the various R and R squared values for the different models extracted under stepwise regression.

Table 4W: Model Summary Table

Model	R	R Square	Adjusted R Square	Std. Error
1	.520	.270	.270	.35062
2	.633	.401	.400	.31781
3	.654	.428	.427	.31052
4	.661	.437	.435	.30830

Based on results, one can easily interpret that the Model No. 5 explains the most variation in the dependent variable. Next up, there is the coefficients table showing the individual impact of consumer trust on each component of word of mouth effectiveness.

Table 4X: Effect of Opinion Seeking on WoM Effectiveness

Opinion Seeking	Unstandardized Coefficient	Standardized Coefficient	T Value	Sig. Value
Constant	.240	-	1.585	.113
Asking others advice	.124	.095	4.810	.000*
Less efforts in information search	.261	.348	16.817	.000*
Comfortable seeking opinions	.293	.323	14.740	.000*
Reduced risk of bad choice	.205	.195	9.158	.000*
F Statistic R value R square	296.74 .661 .437			

*Significant at 0.05

The t-statistics and their associated p-values reveal that that all the independent variables are statistically significant, as the p values are less than 0.05.A close look at the standardized coefficients reveals that less efforts in information search (.348) and Comfortable Seeking Opinions (.323) are the strongest coefficient values and share a positive correlation with word of mouth effectiveness. The standard interpretation here for the coefficients is that each unit increase in these factors will lead to a corresponding increase in the word of mouth effectiveness by 34.8 pc, 32.3 pc, and 19.5 pc respectively. This means, if the consumer believes in soliciting information about a product with the motivation that he has to put in less effort in collecting information, WoM effectiveness is highest. Also, if the consumer feels more comfortable seeking opinions prior to purchase, WoM effectiveness is likely to be higher as it fits into an earlier purchase pattern. Based on the coefficient values, the overall impact of opinion seeking statements on WoM Effectiveness can be explained through the understated regression equation:

Predicted WoM Effectiveness Score (Y) = .240 + .124 (Asking others' advice) + .261 (Less efforts in information search) + .293 (More comfortable seeking opinions) + .205 (Reduced risk of bad choice).

The table also gives us the *R*, R^2, and *F* values. The R value of .661 indicates a strong correlation between opinion seeking and WoM effectiveness. The R^2 value reveals that

independent variables explain 43.7 pc of the variability in WoM effectiveness. Results show that the independent variables statistically significantly predict the dependent variable used, F = 296.74, $p < .05$ (i.e., the regression model is a good fit of data). Based on the results above, the null hypothesis that there is no significant impact of opinion seeking on WoM effectiveness is rejected. In order to check the effect of opinion seeking on individual components of WoM effectiveness, linear regression is again carried out between opinion seeking measuring variables and the components of WoM effectiveness.

Table 4Y: Opinion Seeking and other components of WoM effectiveness

Opinion Seeking	**Word of Mouth Effectiveness Outcomes**						
	Regression Coefficients (β)						
	Awareness	Interest	Preference	Enquiry	Trial	Repute	Intent
Constant	-2.809	-2.113	-1.046	1.596	-.337	.905	1.692
Asking others' advice	.067	.050	-	.106	.122	.089	-
Less efforts in info search	.312	.322	.297	.111	.205	.133	.135
Comfort seeking opinions	.223	.280	.296	.195	.162	.179	.145
Less risk of bad choices	.154	-	-	-	.275	.245	.235
F Statistic	145.29	169.58	231.55	45.381	124.73	87.08	88.54
R value	.525	.499	.482	.287	.496	.431	.385
R square	.275	.249	.232	.082	.246	.185	.148
Mean	3.65	3.83	3.90	4.17	4.67	4.74	4.75
SD	.833	.940	.875	.590	.596	.534	.548

Interpreting the R square values, we can say that opinion seeking explains 27.5 percent variation in awareness about the products, 25.1 percent variation in interest in the products, 23.3 percent variation in preference level for the products, 8.2 percent variation in the propensity for making product enquiries, 24.6 percent variation in the propensity for making product trials, 18.5 percent variation in the perception of the firm's reputation and 15 percent variation in the consumer's purchase intention.

The impact of opinion seeking characteristics on other components of WoM Effectiveness is explained through the following regression equations:

Predicted Consumer Awareness Score (Y) = .240 + .067 (Asking others' advice) + .312 (Less efforts in information search) + .223 (More comfortable seeking opinions) + .154 (Reduced risk of bad choice).

Predicted Consumer Interest Score (Y) = -2.133 + .050 (Asking others' advice) + .322 (Less efforts in information search) + .280 (More comfortable seeking opinions).

Predicted Consumer Preference level Score (Y) = -1.046 + .297 (Less efforts in information search) + .296 (More comfortable seeking opinions).

Predicted Propensity for Product Enquiry (Y) = 1.596 + .106 (Asking others' advice) + .111 (Less efforts in information search) + .195 (More comfortable seeking opinions).

Predicted Propensity for Product Trial (Y)= -.337 + .122 (Asking others' advice) + .205 (Less efforts in information search) + .162 (More comfortable seeking opinions) + .275 (Reduced risk of bad choice).

Predicted Perceived Reputation Score (Y) = .905 + .089 (Asking others' advice) + .133 (Less efforts in information search) + .179 (More comfortable seeking opinions) + .245 (Reduced risk of bad choice).

Predicted Purchase Intention Score (Y) = 1.692 + .135 (Less efforts in information search) + .145 (More comfortable seeking opinions) + .235 (Reduced risk of bad choice).

The findings reveal that all the opinion seeking related characteristics have a significant impact on consumer awareness, consumer interest, consumer preference levels, and consumers' propensity to make product enquiry, overall reputation of the firm and purchase intention. Comfortable in seeking opinions and less effort in information search are the most important opinion seeking related characteristics in terms of their impact on consumer purchase behaviour.

4.2.7: Informational Influence

Informational influence is based on the receiver's self-evaluation of the received information, and hence the relevant components of the information, like the content and the source are the most important sources of influence (Cheung et al, 2009). This type of social influence involves accepting information or advice from a person who may not necessarily have been known to the information seeker and is especially relevant in the context of social media (Lee et al, 2011). Informational influence is studied through four statements measured on a five point Likert scale.

Table 4Z: Descriptive Statistics for Informational Influence

Characteristics	N	Mean	SD
Often observe what others are buying	1535	3.95	.384
Asking friends about product, given little experience	1535	4.35	.552
Often consult others to help make the best choice	1535	4.80	.470
Frequently gather info from friends about a product before I buy	1535	4.79	.462
Valid N (list wise)	1535		

The mean scores reveal that majority of the consumers tend to rely on others' help in order to make a best choice (4.80) and that they frequently gather information from their friends about products before going for an actual purchase (4.79). Next up is the model summary table which shows the various R and R squared values for the different models extracted under stepwise regression. Based on the values, one can easily interpret that Model No. 4 explains the most variation in the dependent variable.

Table 4AA: Model Summary Table

Model	R	R Square	Adjusted R Square	Std. Error
1	.552	.304	.304	.3423
2	.590	.348	.347	.3315
3	.615	.379	.377	.3237
4	.618	.381	.380	.3231

Next up, there is the coefficients table showing the individual impact of consumer trust on each component of word of mouth effectiveness.

Table 4AB: Effect of Informational Influence on WoM Effectiveness

Informational Influence	**Unstandardized Coefficient**	**Standardized Coefficient**	**T Value**	**Sig. Value**
Constant	.859	-	6.774	.000*
Observe others buying	.060	.056	2.632	.009*
Asking friends about products	.149	.201	9.503	.000*
Consult often to make best choice	.367	.420	18.306	.000*
Frequently gather info about a product before purchase	.174	.195	8.741	.000*
F Statistic R value R square	235.86 .618 .381			

*Significant at 0.05

The t-statistics and their associated p-values reveal that that all the independent variables are statistically significant, as the p values for all the variables are less than 0.05.

The standardized coefficients reveals that 'Consulting others to make best choice' (.420) and 'Asking friends about products and brands' (.201) are the strongest coefficient values and share a positive correlation with WoM effectiveness. This implies that each unit increase in these factors will lead to a corresponding increase in the WoM effectiveness by 42 pc, and 20.1 pc respectively.

Simply put, it means that WoM effectiveness is relatively higher for consumers who have a habit of consulting quite often to make the best choice amongst products. Based on the coefficient values, the effect of informational influence on WoM Effectiveness can be explained through the following regression equation.

Predicted WoM Effectiveness Score (Y) = .859 + .060 (Observe others buying choices) + .149 (Asking friends about product) + .367 (Consult often to make best choice) + .174 (Frequently gather info about a product before purchase).

The R value of .618 indicates a strong correlation between informational influence and overall word of mouth effectiveness. The R^2 value reveals the independent variables, are explaining 38.10 pc of the variability in WoM effectiveness. Results show that the independent variables significantly predicts the dependent variable, F= 235.86, $p < .05$.

Therefore, based on the results above, the null hypothesis that there is no significant impact of informational influence on word of mouth effectiveness is rejected. In order to check the effect of informational influence on individual components of WoM effectiveness, linear regression is again carried out between informational influence and the components of WoM effectiveness.

Table 4AC: Informational Influence and other components of WoM effectiveness

Informational Influence	**Word of Mouth Effectiveness Outcomes**						
	Regression Coefficients (β)						
	Awareness	Interest	Preference	Enquiry	Trial	Repute	Intent
Constant	-1.535	-1.900	-.925	1.773	.870	1.646	1.593
Often observe others buying behaviour	-	-	-	-	.067	.140	.126
Asking about products, given less experience	.121	.232	.209	.274	.054	-	-
Often consult others to help make best choice	.299	.313	.309	.187	.333	.246	.203
Frequently gather info on product before buying	.213	.104	.069	-	.180	.178	.231
F Statistic	143.84	141.55	116.06	111.34	110.37	104.57	103.13
R value	.469	.466	.430	.356	.473	.412	.410
R square	.220	.217	.185	.127	.224	.170	.168
Mean	3.65	3.83	3.90	4.17	4.67	4.74	4.75
SD	.833	.940	.875	.590	.180	.534	.548

Interpreting the R square values, we can say that informational influence explains 22 percent variation in awareness about the products, 21.7 percent variation in interest in the

products, 18.5 percent variation in preference level for the products, 12.7percent variation in the propensity for making product enquiries, 22.4percent variation in the propensity for making product trials, 17 percent variation in the perception of the firm's reputation and 16.8 percent variation in the consumer's purchase intention. The individual impact of informational influence factors on each component of WoM Effectiveness can be expressed through the following regression equations:

Predicted Consumer Awareness Score (Y) = -1.535 + .121 (Asking friends about product) + .299 (Consult often to make best choice) + .213 (Frequently gather info about a product before purchase).

Predicted Consumer Interest Score (Y) = -1.900 + .232 (Asking friends about product) + .313 (Consult often to make best choice) + .104 (Frequently gather info about a product before purchase).

Predicted Consumer Preference Score (Y) = -.925 + .209 (Asking friends about product) + .309 (Consult often to make best choice) + .069 (Frequently gather info about a product before purchase).

Predicted Propensity for Product Enquiry Score (Y) = 1.773 + .274 (Asking friends about product) + .187 (Consult often to make best choice).

Predicted Propensity for Product Trial Score (Y) = .870 + .067 (Observe others' buying behaviour) + .054 (Asking friends about product) + .333 (Consult often to make best choice) + .180 (Frequently gather info about a product before purchase).

Predicted Perceived Reputation Score (Y) = 1.646 + .140 (Observe others' buying behaviour) + .246 (Consult often to make best choice) + .178 (Frequently gather info about a product before purchase).

Predicted Purchase Intention Score (Y) = 1.593 +.126(Observe others' buying behaviour) + .203 (Consult often to make best choice) + .231 (Frequently gather info about a product before purchase).

The findings reveal that all the informational influence characteristics have a significant impact on consumer awareness and purchase intention. Often consulting others in order to make the right choice prior to any purchase is the most important informational influence related characteristics in terms of their impact on consumer purchase behaviour.

4.2.8: Normative Influence

Normative influence, on the other hand, refers to the influence on the individual arising from societal norms and expectations. In normative influence, one's communication evaluation is based purely on the opinions of other audiences. It need not be explicit so as to exert influence. It could be a plain urge felt by the receiver to conform to the opinions of relevant others within their social circle. In the study, normative influence is studied through five statements measured on a Likert scale, mentioned as under:

Table 4AD: Descriptive Statistics for Normative Influence

Characteristics	N	Mean	SD
Important that others like my purchased products	1535	1.24	.677
Buy those brands that others approve of	1535	1.96	.593
Like to know what products make good impression on others	1535	2.07	.751
Achieve sense of belonging by buying products that others buy	1535	1.28	.620
Often identify with others by purchasing same products they do	1535	1.80	.642
Valid N (list wise)	1535		

Low mean scores for most normative influence factors suggest that among the respondents, a majority of them weren't necessarily look for validation of others. They didn't need others' approval and their purchase behaviour was based on their needs and preferences.

Next up is the model summary table which shows the various R and R squared values for the different models extracted under stepwise regression. Based on the values obtained, it can be easily interpreted that the Model No. 5 explains highest variation in the dependent variable because of the independent variables.

Table 4AE: Model Summary Table

Model	R	R Square	Adjusted R Square	Std. Error
1	.282	.079	.079	.39383
2	.440	.194	.193	.36864
3	.528	.279	.277	.34880
4	.544	.296	.294	.34479
5	.557	.311	.308	.34121

Next up, there is the coefficients table showing the individual impact of consumer trust on each component of word of mouth effectiveness.

Table 4AF: Effect of Normative Influence on WoM Effectiveness

Normative Influence	Unstandardized Coefficient	Standardized Coefficient	T Value	Sig. Value
Constant	3.884	-	109.59	.000*
Important that others like my purchase	-.296	-.489	-16.96	.000*
Buy brands that others approve of	.265	.382	-13.63	.000*
Like to know what products make impression on others	.111	.203	7.539	.000*
Achieve belongingness by buying same products as others	-.096	-.145	-5.766	.000*
Identify with others who have similar purchase behaviour	.109	.171	6.658	.000*
F Statistic R value R square	137.82 .557 .311			

*Significant at 0.05

The t-statistics and their associated p-values reveal that that all the independent variables are statistically significant, as the 'p' values are less than 0.05. The standardized coefficients reveal that 'Important that others like my purchase' (-.489), 'Buy brands that others approve of' (-.382) and 'achieve belongingness by buying same products as others' (-.145) have negative coefficient values.

Interpreting them, it is understood that these variables share a negative correlation with WoM effectiveness. Assuming all the other variables as constant, this implies that each unit increase in them will lead to a corresponding decrease in WoM effectiveness by 49 pc, 38 pc and 14.5 pc respectively. However, the findings reveal that WoM effectiveness increases for people who like to know which products make good impression on others and people who identify with people sharing similar consumption patterns. The impact of normative influence on WoM effectiveness can be better expressed through the following regression equation:

Predicted WoM Effectiveness Score (Y) = 3.884 + .382 (Buy brands that others approve of) + .203 (Like to know what products make impression on others) + .171 (Identify with others who have similar behaviour) - .489 (Important that others also like my purchases) - .145 (Achieve a sense of belonging by purchasing the same products as others).

R value of .557 indicates a moderate correlation between normative influence and overall WoM effectiveness. The R^2 column represents the explained variation on account of independent variables, explaining 31.1 pc of the variability in WoM effectiveness. The F-ratio results show that the independent variable significantly predicts the dependent variable, F= 137.82, $p < .05$. Therefore, based on the results above, the null hypothesis that there is no significant impact of normative influence on word of mouth effectiveness is rejected. In order to check the effect of normative influence on individual components of WoM effectiveness, linear regression is again carried out between normative influence measuring variables and the components of WoM effectiveness.

Table 4AG: Normative Influence and other components of WoM effectiveness

Normative Influence	Word of Mouth Effectiveness Outcomes						
	Regression Coefficients (β)						
	Awareness	Interest	Preference	Enquiry	Trial	Repute	Intent
Constant	2.921	2.912	2.973	3.777	4.371	4.653	4.551
Important that others like my purchase	-.411	-.365	-.352	-.196	-.376	-.232	-.233
Buy those brands that others approve of	.324	.312	.289	.129	.252	.197	.221
Like to know products that make good impression	.165	.305	.334	.217	-	-.186	-.148
Achieve belongingness by buying same products	-.179	-.110	-.085	-	-.063	-.116	-.101
Identify with others who have similar behaviour	.166	-	-	-	.175	.246	.241
F Statistic	100.04	121.40	119.59	39.868	53.96	31.85	30.18
R value	.497	.491	.488	.269	.352	.307	.300
R square	.247	.241	.238	.072	.124	.094	.090
Mean	3.65	3.83	3.90	4.17	4.67	4.74	4.75
SD	.833	.940	.875	.590	.596	.534	.548

Interpreting the R square values, we can say that normative influence explains 24.7 percent variation in awareness about the products, 24.3 percent variation in interest in the products, 23.9 percent variation in preference level for the products, 7.3 percent variation in the propensity for making product enquiries, 12.4 percent variation in the propensity for making product trials, 9.4 percent variation in the perception of the firm's reputation and 9 percent variation in the consumer's purchase intention. The individual impact of normative influence variables on different components of WoM Effectiveness is best explained through the following regression equations:

Predicted Consumer Awareness Score (Y) = 2.921 + .324 (Buy those brands that others approve) + .165 (Like to know products that make good impression) + .166 (Identify with others who have similar behaviour) - .411 (Important that others like my purchase) - .179 (Achieve sense of belongingness by buying same products).

Predicted Consumer Interest score (Y) = 2.912 + .312 (Buy those brands that others approve) + .305 (Like to know products that make good impression) - .365 (Important that others like my purchase) - .110 (Achieve sense of belongingness by buying same products).

Predicted Preference level score (Y) = 2.973 + .289 (Buy those brands that others approve) + .334 (Like to know products that make good impression) - .365 (Important that others like my purchase) - .110 (Achieve sense of belongingness by buying same products).

Predicted Propensity for Product Enquiry score (Y)= 3.777 + .129 (Buy those brands that others approve) + .217 (Like to know products that make good impression) - .196 (Important that others like my purchase)

Predicted Propensity for Product Trial score (Y) = 4.371 + .252 (Buy those brands that others approve of) + .175 (Identify with others having similar purchase behaviour) - .376 (Important that others like my purchase) - .063 (Achieve belongingness by buying same products).

Predicted Perceived Reputation Score (Y) =4.653 + .197 (Buy those brands that others approve) + .246 (Identify with others who have similar behaviour) - .186 (Like to know products that make good impression) - .232 (Important that others like my purchase) - .116 (Achieve sense of belongingness by buying same products).

Predicted Purchase Intention Score (Y) = 4.551 + .221 (Buy those brands that others approve) + .241 (Identify with others who have similar behaviour) - .148 (Like to know products that make good impression) - .233 (Important that others like my purchase) - .101 (Achieve sense of belongingness by buying same products).

The findings reveal that all the normative influence related characteristics have a significant impact on consumer awareness, consumer interest, and propensity to make product trials, overall reputation of firm and purchase intention. Given a one unit increase in the normative influence characteristics, the positive coefficient values imply WoM Effectiveness will increase by the same number and the negative coefficient values imply WoM effectiveness will decrease by the same number.

4.2.9: Levels of Impact on WoM Effectiveness

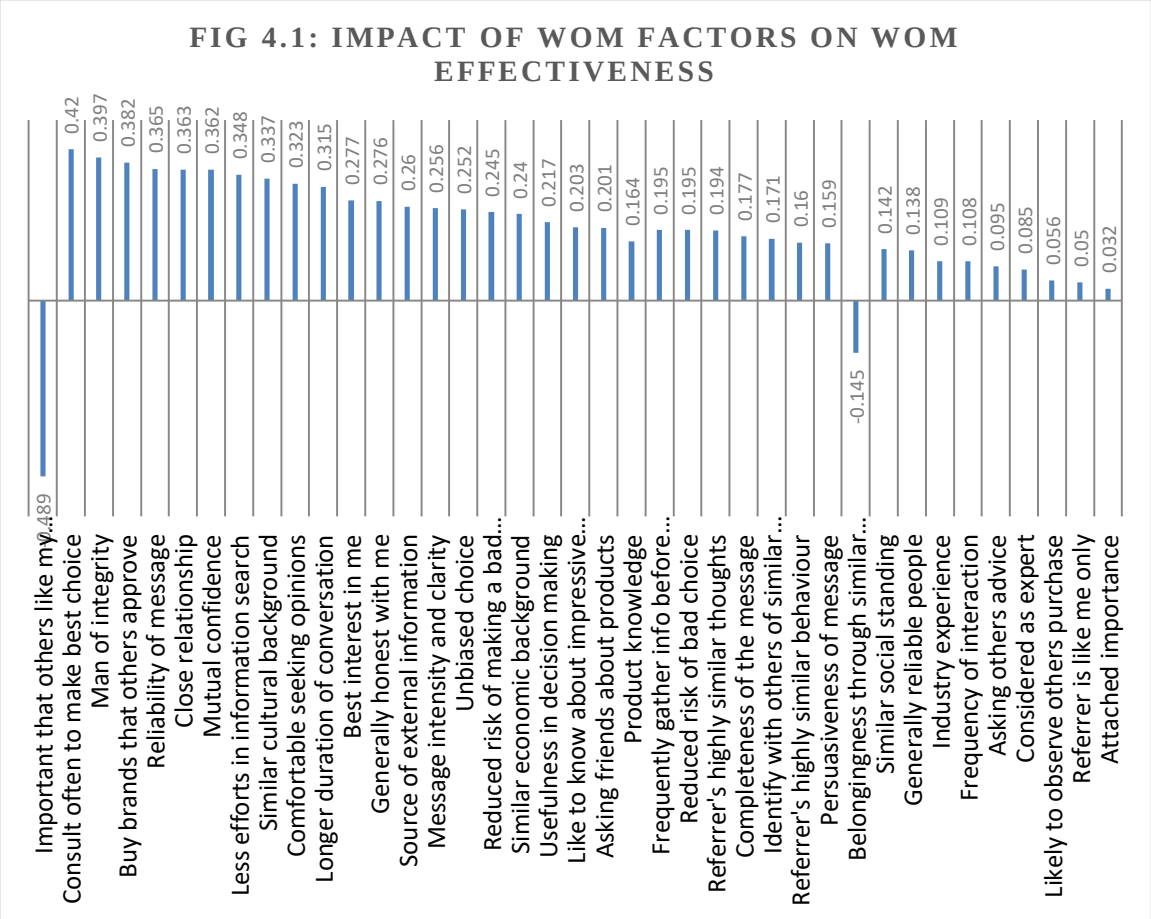
Now that the impact of each of these eight key variables on word of mouth effectiveness and their individual components has been studied, a detailed list of positive and negative coefficients in order of their impact on overall word of mouth effectiveness is prepared for better understanding. The highest coefficient value is a negative coefficient equal to 48.9 percent whereas the lowest coefficient value is a positive coefficient value equal to 3.2 percent. Based on highest and lowest coefficient values, a categorization is made to classify the individual impact of these sub variables:

Table 4AH: VARIABLES IN DECREASING ORDER OF THEIR IMPACT

Low impact = .032 to .184, Moderate impact = .184 to .336, High impact = .336 to .489			
Variable	**Valence**	**R Coefficient**	**Impact**
Important that others like my purchase	Negative	-.489	High
Consult often to make best choice	Positive	.420	High
Man of Integrity	Positive	.397	High
Buy brands that others approve	Positive	.382	High
Reliability of message	Positive	.365	High
Close Relationship	Positive	.363	High
High Mutual Confidence	Positive	.362	High
Less efforts in information search	Positive	.348	High
Similar cultural background	Positive	.337	High
Comfortable seeking opinions	Positive	.323	Moderate
Longer Duration of conversation	Positive	.315	Moderate
Best interests in mind	Positive	.277	Moderate
Generally honest with me	Positive	.276	Moderate
Source of external information	Positive	.260	Moderate
Intensity and Clarity	Positive	.256	Moderate
Unbiased source	Positive	.252	Moderate
Reduced risk of making a bad choice	Positive	.245	Moderate
Similar Economic Background	Positive	.240	Moderate
Usefulness in decision making	Positive	.217	Moderate
Like to know about impressive products	Positive	.203	Moderate

Asking friends about products	Positive	.201	Moderate
Frequently gather info before purchase	Positive	.195	Moderate
Reduced risk of bad choice	Positive	.195	Moderate
Referrer's highly similar thoughts	Positive	.194	Moderate
Completeness of the message	Positive	.177	Low
Identify with others of similar buyer behaviour	Positive	.171	Low
Product Knowledge	Positive	.164	Low
Referrer's highly similar behaviour	Positive	.160	Low
Persuasiveness of the message	Positive	.159	Low
Belongingness through similar purchases	Negative	-.145	Low
Similar social standing	Positive	.142	Low
Generally reliable people	Positive	.138	Low
Industry Experience	Positive	.109	Low
Frequency of interaction	Positive	.108	Low
Asking others' advice	Positive	.095	Low
Considered expert	Positive	.085	Low
Like to observe others purchases	Positive	.056	Low
Referrer is like me only	Positive	.050	Low
Attached importance	Positive	.032	Low

This can be better explained through the following bar chart:



Now that the impact of each of the sub variables of the eight key variables on WoM effectiveness has been studied, the next step is to identify and create a hierarchy of the overall factors based on their R^2 values, so as to determine which factors explain the most amount of variation in word of mouth effectiveness. Overall results reveal that source credibility, consumer trust and tie strength are the most impactful push factors and normative influence and informative influence are the least impactful factors on Word of Mouth (WoM) Effectiveness.

Table 4AI: Hierarchy of Impacts

Word of Mouth factors	R Square	R Value
Source Credibility	.539	.734
Consumer Trust	.519	.721
Tie Strength	.503	.709
Homophily	.439	.662
Opinion Seeking	.437	.661
Message Characteristics	.431	.657
Informative Influence	.381	.618
Normative Influence	.311	.557

Path Analysis

Path analysis is a type of multiple regression method used to evaluate models by examining the relationships between a dependent variable and two or more independent variables. Using this method one can estimate the magnitude and significance of connections between variables. There is one main requirement for path analysis. All causal relationships between variables must go in one direction only. The path diagram showing how these factors affect Word of Mouth is explained as under. The numbers corresponding to the arrows signify the coefficient values.

Relationship, .363
Confidence, .362
Duration, .315
Frequency, .108

Cultural background, .337
Economic background, .240
Similar thoughts, .194
Similar behaviour, .160
Similar social standing, .142
Like me only, .050

Reliability, .365
Intensity, .256
Usefulness, .217
Completeness, .177
Persuasiveness, .159

Man of integrity, .397
Unbiasedness, .252
Product Knowledge, .164
Industry experience, .109
Considered expert, .085

Best interest in me, .277
Generally honest with me, .276
Source of external info, .260
Reduced risk, .245
Generally reliable, .138

Less efforts in info search, .348
Comfortable seeking opinions, .323
Reduced risk of a bad choice, .195
Asking others' advice, .095

Asking friends about products, .201
Freq. gather info before purchase, .195
Like to observe others' purchases, .056
Consult often to make best choice, .420

Important that others like, -.489
Buy brands that others approve, .382
Like to know about impressive products, .203
Identify with others of similar buyer behaviour, .171
Belongingness through similar purchase, -.145

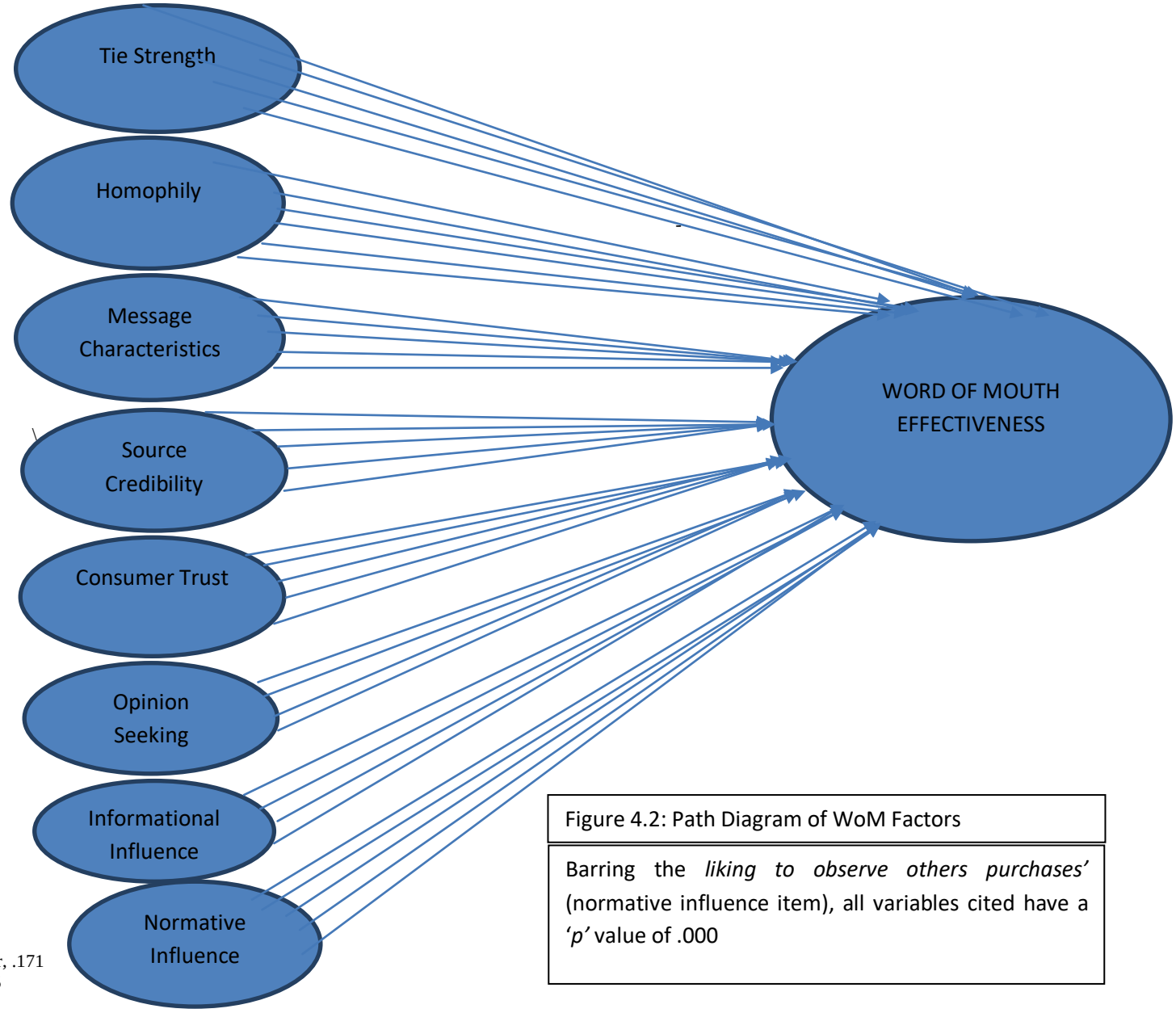


Figure 4.2: Path Diagram of WoM Factors

Barring the *liking to observe others purchases'* (normative influence item), all variables cited have a *'p'* value of .000

4.3: WoM Effectiveness across Industries

A brief analysis is done to check the extent of influence of word of mouth across different industrial segments using descriptive statistics. Respondents have received a wide range of recommendations for products, be it in the electronics industry or the fashion industry or the healthcare sector. The following table and chart shows the extent and influence of word of mouth in different industrial segments:

Table 4AJ: Word of Mouth Effectiveness – Industry Segments

Industry Category	N	Mean	SD
Electronic Goods (Phones, Tablets laptops, Accessories)	957	4.34	.409
Fashion (Clothing/ Apparel items for men and women)	331	**4.35**	.372
Automobile (Bikes, Cars, Auto Parts and Accessories)	67	4.25	.471
Healthcare (Testing Centres, Hospitals and Doctors)	51	4.25	.447
Printing (Text book, Fiction, Non-fiction, Kindle books)	47	**4.35**	.355
Accessories (For men and women including jewellery)	42	**4.43**	.404
Others including Beauty products, Electrical Appliances, Tourism, Entertainment, Hotels/ Restaurants	40	4.14	.188
Total	**1535**	**4.33**	**.410**

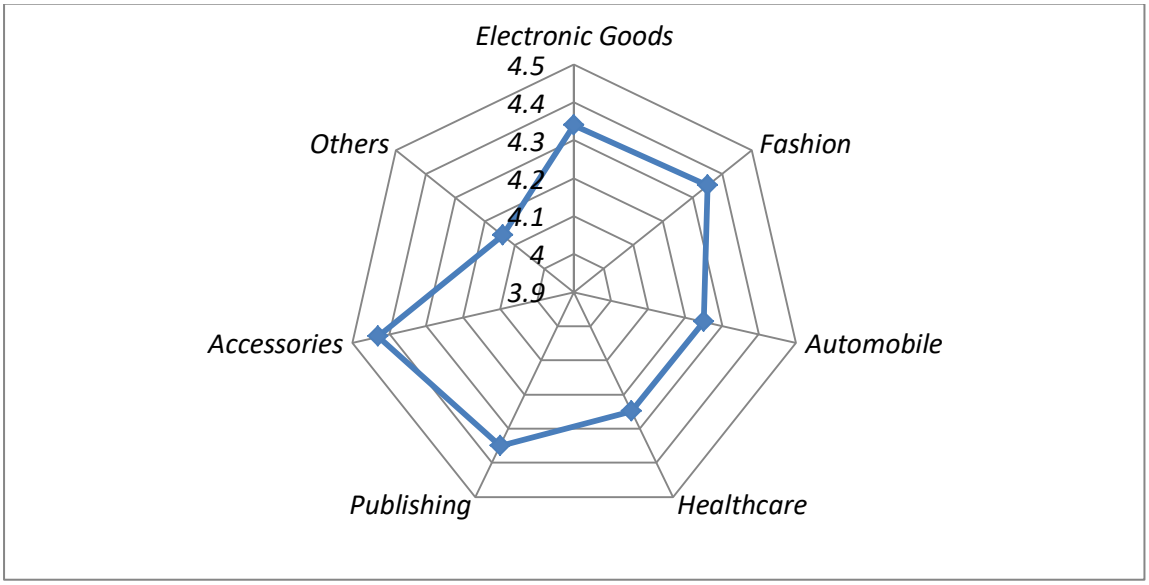


Fig 4.3: Radar Diagram showing mean effectiveness scores

WoM Effectiveness is more or less high across all industries, but it is more pronounced in case of electronics goods. More than 62 percent (957) of the word of mouth conversations have been about electronic goods. It is clear that electronic goods are an industrial segment where information asymmetry exists as a lot of the general consumers are not too aware of many technological options and accessories used in some of the products and that's why they rely on information from industry experts. A mean score of 4.34 suggests word of mouth conversations are highly effective in this industry.

This is followed by the influence of word of mouth in the fashion/ clothing industry. The second most number of word of mouth conversations in the consumer survey has been related to clothing items, for men, women and for kids as well. Since people spend more on clothing, it triggers a lot of word of mouth conversations about trends and fads. About 21.5 percent (331) of the total conversations are related to this industrial segment. A mean score of 4.35 again suggests that word of mouth wields a lot of influence and impact in this industry.

Automobile industry grabs the third spot in terms of the number of word of mouth conversations reported in the survey. About 4.36 percent (67) of the total conversations are from this industry. High value purchases like automobile products require the customer to invest a sizeable amount of money and that's why customers turn into information seekers and only after they have considered the opinions of others they think of as 'experts', they proceed with their purchase decision. As such, automobile products generate more conversations, owing to the money involved. Word of mouth effectiveness is also considered high (4.25).

Healthcare products come fourth in terms of the number of word of mouth conversations, with 3.32 percent (51) of the conversations coming from this segment. As limited information are available to the consumers about healthcare schemes and facilities, most of the consumers approach opinion leaders within their social circle and seek information about the best hospitals, doctors and health centres. The mean score of 4.25 suggests word of mouth effectiveness is high in this industry. Although it is worth remembering that as opposed to the general stance, word of mouth here is solicited in nature.

Book recommendations are quite common in certain social groups. The survey results reveal a total of 3 percent (47) of the word of mouth incidents were from the printing and publishing industry. The increase in word of mouth recommendations on books has coincided with an increase in the number of private book clubs, introduction of cafes with inbuilt libraries, introduction of e-books and audio books, a new culture of launching trailers for books and the presence of sites like Goodreads where you can review, share and recommend books that you have liked. A mean score of 4.35 suggests high word of mouth effectiveness, i.e. word of mouth has a great impact on actual consumer purchase behaviour.

Accessories are the last big industrial segment accounting for 2.73 percent (42) of the word of mouth incidents. Since accessories are products that are 'more visible', they give rise to more word of mouth conversations. Accessories, be it for me or women, are products that are clearly more public than others, primarily because they are showcased more. Because it is fresh in the minds of the consumers and right in front of their eyes, it naturally dominates conversations. A mean score of 4.43 suggests high word of mouth effectiveness, i.e. word of mouth has a great impact on actual consumer purchase behaviour in the accessories segment.

The next five industrial categories in terms of word of mouth incidents are: Beauty Products (0.91 pc), Electrical Appliances (0.71 pc), Tourism (0.52 pc), Entertainment (0.26 pc) and Restaurants (0.20 pc). Word of mouth effectiveness is relatively higher for beauty products (4.42) as consumers' value looking good and solicit a lot of opinions relating to the product before going for an actual purchase. Electrical appliances also come under high value purchases and therefore involve a lot of opinion seeking prior to purchase. WoM Effectiveness in this industry (4.26) is high as well. Since the number of recommendations in these industries is few, it is considered difficult to generalize the findings against them, to the entire industry. For example: The influence of word of mouth has been widely reported in the tourism sector but the research findings from this survey came only across four recommendations related to tourist products and WoM effectiveness was slightly above average (3.25).

4.4: Focus Group Findings:

Focus group discussions were carried out in order to complement and validate the findings from the extensive consumer survey. The procedure of choosing the FGD participants and the methodology surrounding it is explained in greater detail in section 3.6.2. For an in-depth analysis of the qualitative data thus obtained, audio records of the discussions including questions, statements, and quotes, both of the participants and the moderator are transcribed into Word Document. Thematic analysis technique is used to analyze the data in hand (Braun & Clarke, 2006). This technique involves the following steps:

Step I: Transcribing the audio recordings into Word document.
Step II: Labeling relevant words, phrases, sentences and sections.
Step III: Conducting a word frequency analysis to view repetitions.
Step IV: Grouping the various words and phrases that are similar.
Step V: Creating broad themes by clubbing related groups together.
Step VI: Summarize the results of your findings in a presentable manner.

Once the FGDs are completed, audio recordings are transcribed into Word documents and an overall review was done followed by repeated readings of the transcripts. Quotes and extracts are also used to demonstrate how the findings and interpretations have arisen from the data. The most frequently used words and phrases are reproduced as under:

Table 4AK: Word Frequency

Word/Phrase	Frequency
Credibility is key	37
Opinion of friends/family matter	34
Professional Advice needed	25
Can't trust ratings alone	24
Referrer's economic background unimportant	24
Read multiple review	22
Referrers social background unimportant	22
Fake reviews	19
Concrete information	18
Seek opinions for new purchases	17
Complete information	17

Needs drive purchase	17
Biased sources exist	15
Solicit information when needed	15
Can trust known people	14
Don't trust strangers opinion	12
Seek help in case of valuable purchases	12
Clear information	12
Up to date information	12
Not imitating others' purchase	11
Not caring what others think	07

The various themes emerging from the FGD findings are explained as under:

i) Source Credibility is the most important factor affecting word of mouth effectiveness. Most of the focus group participants have stressed on the fact that in the face of biased reviews, they need professional advice when making important purchase decisions or they will end up making a wrong product choice and suffer later on.

ii) Message Details emerge as the second most crucial factor affecting word of mouth effectiveness. When word of mouth as communicated by the referrer is clearly stated, is complete in all aspects and is backed by concrete evidence or even a personal experience, word of mouth effectiveness has been found to be highest in such situations.

iii) Tie Strength is the third most important factor affecting Word of Mouth Effectiveness. Most of the participants have reported that they turn to their parents or spouses for suggestions before making any major purchase. Even in case of regular purchases, the opinions of friends and others within the same social circle are more sought after. People hesitate in seeking opinions from strangers, be it online or offline.

iv)Another key theme arising is related to product reviews being posted in online platforms. Majority of the FGD participants have shared how they don't trust a standalone review. They read multiple accounts about the concerned product before making a purchase. This is primarily because of an increase in the number of fake reviews being posted.

v) Factors like homophily are not that important. Majority of the participants have reported that although they don't seek opinions from unknown people, if they are given free advice, they might consider it, provided it sounds valuable. The referrer's social and economic backgrounds are not very important here. The referrer could be someone totally different from the referee.

vi)Another key theme arising out of the FGD findings is how in certain situations, consumers always resort to opinion seeking. For example, when the concerned product is very new, when the product is very valuable and/or when the product is technology based and there's information asymmetry. Word of mouth is found to be effective in these scenarios.

vii) Factors like normative and informational influence are not found as critical in terms of influence on WoM Effectiveness. Many participants have revealed that their needs drive their purchases. They don't make silly purchases just to imitate others and be like them. They don't seek others validation at all.

Based on the FGD findings, it is understood that *tie strength, source credibility* and *message characteristics* are the most important factors affecting WoM Effectiveness. Also, another major finding is that people trust more on offline sources rather than online sources.

4.5: Summary of the Chapter:

This chapter documents the results and findings from the consumer survey carried out on 1535 respondents relating to the first objective of the study, which was to find out the critical factors affecting WoM Effectiveness. The major findings of the study include:

I) If the referrer and the referee share a close relationship, if there is high mutual confidence between both the persons, and if their conversations tend to go on for longer duration, word of mouth will be more effective. Conversely, it can be said that WoM is less effective in case of weak ties and shorter conversations (Section 4.2.1).

II) Irrespective of the industry, word of mouth effectiveness is highest if the referrer and the referee both come from the same cultural and economic background. So, which group the

referrer actually belongs to and what his social standing is, wields a major influence (Section 4.2.2).

III) Message reliability, message clarity and message usefulness share a positive correlation and impact with WoM effectiveness, implying that if word of mouth messages are more reliable in nature, more clearly stated or expressed, and more helpful in decision making, these messages will be way more effective (Section 4.2.3).

IV) If the referrer is perceived as a person with more integrity or is considered as unbiased in nature or as someone with in-depth knowledge about the product being discussed, word of mouth effectiveness will be comparatively higher in these cases. This is mostly seen in the electronic goods industry (Section 4.2.4).

V)Word of mouth is most effective for consumers who have stated that they can easily trust an external source of information or if they believe it reduces their risk of making a bad choice. Those who have always relied on others opinions will most certainly act on them at one point (Section 4.2.5).

VI) If the consumer feels more comfortable seeking opinions prior to purchase, WoM effectiveness is likely to be higher as it fits into an earlier purchase pattern. Word of mouth effectiveness is relatively higher for consumers who have a habit of consulting quite often to make the best choice amongst products. According to the survey results, about 88 percent of the respondents who seek opinions prior to purchase end up buying the products (Section 4.2.6).

VII) Normative influence variables like ‘Important that others like my purchase’ (-.489) and ‘achieve belongingness by buying same products as others’ (-.145) have negative coefficient values and share a negative correlation with WoM effectiveness. Assuming all the other variables are constant, this implies that a unit increase in these factors will lead to a fall in WoM Effectiveness to the tune of the beta coefficient values. Simply put, this means that consumers do not actually seek others’ approval whenever they are making a purchase. It also means that consumers do not attempt to achieve a sense of belongingness by buying similar products as others in their social circle (Section 4.2.8).

VIII) Overall, it can be said that Source credibility, message characteristics, and tie strength are the most impactful factors whereas consumer trust, opinion seeking, normative influence and informative influence are relatively less impactful factors on Word of Mouth (WoM) Effectiveness.

IX) WoM conversations are more or less high across all industries, but it is more pronounced in case of electronics goods. More than 62 percent (957) of the word of mouth conversations covered in the survey have been about electronic goods.This is followed by the fashion industry, automobile industry and the healthcare industry. Word of mouth effectiveness is highest in accessories, beauty care products, and the electronic goods segment (Section 4.3).

X)The FGD findings as discussed in section 4.4 suggest that *tie strength, source credibility* and *message characteristics* are the most important factors affecting WoM Effectiveness. When you compare the FGD findings to the survey findings (Section 4.2.1 to 4.2.9), you will find that most of them are similar with respondents of both studies putting more emphasis on the message, the messenger and the messenger's credibility. Thus, both set of findings can be collated and reported together.

The next chapter covers findings and analysis of the second objective of the study, i.e. to see which medium of word of mouth performs better – online or offline WoM.