

CHAPTER ONE

INTRODUCTION AND OVERVIEW

This chapter intends to give the primary information for this thesis by introducing the background of the study, reviewing the associated literature, stating the problem statement, and providing a brief outline of the whole study, in order to clarify the front path for the reader.

Introduction and Overview

“A customer talking about their experience with you is worth ten times that which you write or say about yourself.” — Greer (2015).

1.1: The Prologue

Word of Mouth has been proclaimed for quite some time now as a major influence on how people behave and act in general. Customers have always valued opinions that are expressed directly to them. Marketing practitioners and theorists have in fact, routinely talked about the power of personal referrals and recommendations on buyer behaviour. (Herr *et al*, 1991). Companies therefore need to ensure they make it easier for their customers to spread positive word about their firm’s products and services to others. Even in research circles, word of mouth sprung up as a proper area of research only in the second half of the twentieth century.

Arndt (1967) was one of the earliest researchers studying the influence of WoM on consumer behaviour. He characterized WoM as oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a brand, product or service. Much later in 1992, Bone came up with a broader and more comprehensive definition that states that word of mouth is a group phenomenon – an exchange of comments, thoughts, and ideas among two or more individuals in which none of the individuals represents a marketing source. Simply put, word of mouth is essentially a C2C interaction between two consumers, current or prospective, wherein one narrates his/ her own experience of using a particular product.

Word of mouth comprises of diverse platforms and can spread in different forms, including personal interactions, mails, blogs, chat rooms, user forums, social networks and even viral videos on the internet (Xavier and Summer, 2009). When information about a product or service is transmitted to other parties in a face to face communication, it is known as personal WoM. On the other hand, when word of mouth involves transmission of information from one party to the other through emails, blogs, chat rooms and social networks, it is known as e-WoM. Hennig-Thurau et al. (2004) defined e-WOM as “any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet.”

Word-of-mouth includes discussions on goods and services as well as the sharing of promotional content relating to these goods and services. It includes direct recommendations from other consumers as well as casual mentions during conversations held with them. It includes personal discussions as well as online reviews and ratings. Buttle in 1998 stated that in this electronic age, WoM need not necessarily be face to face, direct, verbal or transient. With the emergence of the internet, electronic WoM has now become an all-important influence on consumer's product evaluation and decision. Now-a-days, product reviews are posted on online blogs and opinions are dispersed through social networks at a much faster rate than it used to be earlier. Electronic word of mouth can be both marketer-generated and user-generated, although the volume of user generated content is much higher. While the information available online is mostly supplied by company-generated sites, online communities are enabling people to share their views with others by creating media content in the form of pictures, videos or texts. In this internet age, where social media plays such an important role, the scope and dimensions of WoM has been made much wider. Popular articles have even dubbed this as word of mouse marketing (Helm, 2000).

From a theoretical perspective, there are three types of word of mouth that marketers must try to understand: *experiential*, *consequential*, and *intentional* (Bughin et al, 2010). Experiential WoM is the most common form of word of mouth that results from a consumer's direct experience with a particular product when his/her experience deviates from what's expected of that product and the customer goes on talking about the pros and cons of using that product. Consequential WoM occurs when consumers directly exposed to traditional marketing campaigns pass on messages about them. It's like a combination of traditional advertising and word of mouth as the consumers pass on messages created and curated by the marketer. Intentional WoM happens when celebrity endorsements are used to create buzz about the company's product offerings. For our study, we focus only on experiential WoM. The significance of experiential word of mouth on consumer behaviour cannot be ignored, more so in current times. Business houses might spend millions on promotional strategies, yet often what actually influences a consumer's mind is just a word-of-mouth reference from a reliable source. (Bughin et al, 2010; Sterling, 2015). This can be attributed to two main reasons – *Firstly*, there has been an increasing trend of consumers' distrust in advertising (Boush, Friestad & Rose, 1994). In the last few decades, many firms have been accused of indulging in

practices like comparative advertising, false advertising and advertising for hazardous products. This has led to the common belief amongst consumers that companies are losing their ethicality and can go to any extent just for the sake of maximising their revenues and profits. As such, they are becoming more and more sceptical towards advertising or any other information generated from the marketer's end and do not believe in them. (Aggarwal & Kadyan, 2014; Darke & Ritchie, 2007).

Secondly, over the years, the influence of word of mouth has gone up. Consumers now-a-days are more likely to believe someone who narrates his/ her own experience with the product rather than someone who is an employee or representative of the company (Mielach, 2012). They are seeking out more opinions on their own by contacting people within their social circle, as word of mouth message is perceived as originating from an unbiased third party. The product reviews narrated by the customer are perceived as genuine because neither does he represent the company nor is he being paid for the review (Buttle, 1998; Peak, 2012).

In today's times, word of mouth is the main reason behind most purchase decisions. (Stephen & Galak, 2012; Trusov et al., 2009). Its influence is supposedly highest when consumers are buying a product for the first time and when the product is relatively expensive and unique in nature. (Berger, 2011). This is because on these two occasions, people seek more opinions and deliberate much longer than they otherwise would. Research has shown that WoM is at least twice as powerful as traditional marketing in influencing sales, and given the rise of e-WoM, it is now some 50% more influential than it was thirty years ago. (Kirby & Marsden, 2006). According to another word of mouth study conducted amongst 9027 consumers from 35 different countries, more than one third of all consumers post information about the products in social media (Insites Consulting, 2011). This figure was in 2011, which must have increased manifold by now, as there has been an increase in internet penetration all over the world. In India alone, the number of internet users has grown by leaps and bounds, from a paltry 5 million internet users in 2000 to 462 million users in 2017. Social interactions have been blessed with the speed and scale of internet leading to faster and wider dispersion of messages. Before we delve any further, certain key terms that are used repeatedly in the study are discussed.

1.2: Key Terminologies

This section presents an explanation of the various key terminologies that are relevant to the study and find a mention throughout the thesis. A better understanding of these terms helps in gaining a perspective upon which the study is based.

i) **Word of Mouth:** It is a group phenomenon – an exchange of comments, thoughts, ideas and experiences among two or more individuals in which none of the individuals represent a marketing source. Simply put, it is a customer’s narrative of his product experience. Word of Mouth can be positive or negative, depending on the level of satisfaction or dissatisfaction of the consumer. According to Kimmel and Kitchen (2014), WoM is the action of a consumer generating and distributing marketing-relevant information to other consumers.

ii) **Electronic WoM:** Any positive or negative statement made by potential, actual, or former customers about a product, a brand or company, which is made available to a multitude of people and institutions via the internet, is known as electronic word of mouth (Hennig-Thurau et al, 2004). Traditional WoM characterized by face to face communication has evolved into a new form of communication, owing to the rise in internet usage and influence of social networks. A more thorough description of the various social media platforms is reproduced below:

Table 1A: Typology of Social Media

Social Media	Examples
Social Networks	Facebook, Google+.
Creativity work sites	YouTube, Flickr etc.
Job Networking sites	LinkedIn, Branch Out.
Collaborative websites	Wikipedia
Blogs and Micro blogs	Twitter, Tumblr
News discussion sites	Reddit, Quora

Source: *Gruen et al, 2006; Pitta & Fowler, 2005*

iii) **Referral Marketing:** According to Buttle (1998), there are two broadly split groups of referrals: customer referrals and reciprocal referrals. Customer referrals originate from current or former customers who have been satisfied or delighted with their experiences and act as unpaid advocates. On the other hand, when two or more

organizations agree to cross-refer customer to each other, reciprocal referrals occur. Referral marketing strategy involves giving customers incentives to loyalists who refer their friends and family members.

iv) **Viral Marketing:** It is a marketing technique that induces websites or users to pass on a marketing message to other sites or users, creating a potentially exponential growth in the message's visibility and effect (Dobele et al, 2005). Simply put, it is like a digitized sneeze that relays information at a faster speed. The evolution and growth of social networks in the last couple of decades has further contributed to increase in viral marketing practices by marketers.

v) **Word of Mouth Marketing:** It is a marketing strategy whereby marketers leverage the influence of word-of-mouth for reaching out to their prospective customers. Also known as Buzz marketing, it is the tactic of creating a process where interested people can market to each other (Shirky, 2000). The three most commonly followed WoM marketing strategies are *Evangelism Marketing* whereby existing loyal customers of the company are encouraged to spread good word about their product offerings; *Influencer Marketing* whereby people with a huge following are roped in to promote the company's offerings and *Cause Marketing*, whereby marketers get associated with social and charitable causes to contribute positively to the organization's image.

vi) **WoM Intent:** It refers to the reason as to why consumers indulge in word of mouth, i.e. what drives them to share their own product experiences with other consumers. The specific motives triggering WoM behaviour that have been identified through prior literature are Altruism, Personal interest, Self Enhancement, Helping the Company, Warning via negative reviews, Anxiety reduction, Vengeance against company, Opinion seeking behaviour of consumers (Sundaram et al, 1998; Walsh & Walsh, 2003, Henning-Thurau et al, 2004).

vii) **WoM Incident:** It's a customer's narrative of the word of mouth conversation that takes place between two or more consumers. According to Word of Mouth Marketing Association (2007), word of mouth incident involves four basic components:

WoM Participants, including creators, senders and receivers of conversation.

WoM Unit, denoting the message that is passed on during the conversation.

WoM Action, talking about how the participants create or respond to WoM.

WoM Venue refers to the location where the communication takes place.

viii) **WoM Valence:** By WoM valence, we mean the nature of the word of mouth conversation – whether it is positive or negative. Positive word of mouth stems from positive experiences whereas negative Word of mouth originates from unsatisfactory experiences that consumers face while using a particular company's product (Anderson, 1998).

ix) **WoM Effectiveness:** WoM as a source of product related information is considered effective if it leads to either of the following outcomes or a combination of them (Sanayei et al, 2013):

Increase in awareness about the company's product offerings.

Change in interest regarding the company's product offerings.

Change in preference level for the company's product offerings.

Change in perception about the reputation of the company.

Propensity to make enquiries about the company's products.

Propensity to go for product trial to gain more information.

Change in purchase intention, i.e., desire to buy or not to buy.

Results in actual purchase, i.e., act of buying the product.

Results in customer defection, i.e., act of switching to an alternate brand.

x) **Hierarchy of Effects:** Introduced in 1961 by Robert J Lavidge and Gary A Steiner, this marketing communication model suggests that there are six steps depicting the purchase behaviour of a consumer, starting from Awareness to Knowledge to Liking to Preference to Conviction to Purchase. The job of the advertiser is to encourage the customer to go through the six steps and purchase the product.

xi) **AIDA Model:** AIDA is an acronym that stands for Awareness, Interest, Desire and Action. First, the consumer becomes *aware* about the existence of the particular product or brand in the market. Then he becomes *interested* in it after learning about its features and associated benefits. Then a *desire* to procure the product gets created in his mind. Finally, the consumer *acts* on that desire, forms purchase intent and makes a purchase. In the context of effectiveness, an advertisement to be considered as effective has to attract attention, secure interest, build desire for the product and finally, obtain

action (Birch, 2010). The AIDA model, therefore, is essentially an applied stimulus response model.

1.3: Background of the Study:

Modern marketing research in the area of word of mouth started much later in the 1950s, when word of mouth as a means of communication started gaining more prominence. Researchers of those times quickly established it as a powerful marketing force that had a huge impact on consumer behaviour (Brooks, 1957; Katz & Lazarsfeld, 1955). Subsequent research in the area of word of mouth revealed that WoM impacts the likelihood of adopting products (Arndt, 1967), product judgments (Bone, 1995), brand attitudes (Herr et al., 1991), brand choice (East et al., 2005), and purchase intentions (Sundaram and Webster, 1999). A vast majority of the research in this area also focused on *motive, source, message strength, and receiver characteristics*. (Dichter, 1966; Gilly, Graham, Wolfenbarger & Yale, 1998; Bansal & Voyer, 2000). However, despite its importance and influence, there are various issues relating to word of mouth that have remain under-researched and are viewed as a neglected area of academic research. More research is needed to study what exactly happens after word of mouth has been received. The impact of WoM on a multitude of marketing-related outcomes such as attitudes, purchase intentions, and choice behaviour is also well documented. However, it should be noted that all marketing related outcomes resulting from word of mouth has not been discussed in prior literature.

Today, WoM is also an internet phenomenon. The gradual shift from traditional media to social media has presented marketers with a newer and faster alternative of communicating with consumers and prospects (Yeh & Choi, 2011). This, coupled with the increasing cost of traditional media and distrust in advertising, has led to a strong surge in Digital Word of Mouth marketing practices by businesses world over. This evolution of traditional WoM to digital WoM has created a need to study the effectiveness of both the mediums of word of mouth. A detailed analysis is required to help marketers understand which specific platforms, online or offline, are more effective, in terms of their impact on the purchase behaviour. There is also a lack of knowledge regarding the nature and influence of word of mouth cutting across different demographic, psychographic and netnographic segments. Finding out people from which

gender, age group, educational level, income group etc. are more susceptible to the influence of word of mouth is necessary for marketers in formulating promotional strategies. For this to happen, a close monitoring of consumers' social media activities is extremely important. There is a greater need to gain detailed insights into the nature and extent of influence, word of mouth wields on purchase behaviour of urban consumers.

1.4: Literature Review

Adequate literature is needed as a foundation for any consumer based research. This section helps us with that by summarising the relevant aspects of different areas of literature relating to Word of Mouth (WoM). Based on a systematic review, this section aims to:

- identify existing word of mouth studies,
- classify and describe word of mouth related research findings,
- identify specific research gaps for formulation of the problem statement,
- carve out potential needs for further research in this field; and
- develop a theoretical framework by identifying relevant concepts and theories.

However, the primary objective of the current section is to provide a systematic review of the existing literature on WoM communication. To this end, a systematic electronic search was conducted to identify relevant research works in the area. In the beginning, various databases such as Scopus, Emerging Sources Citation Index, Social Sciences Citation Index, Index Copernicus, ProQuest, Cabell's Directory, EBSCO and Google Scholar were scanned, followed by a specific search in top ranked marketing journals like Journal of Marketing, Journal of Service Marketing, Marketing Letters, Journal of Service Research, Journal of Consumer Research, Journal of Interactive Marketing, European Journal of Marketing and Journal of Marketing Research so as to ensure that no major electronic word of mouth articles are ignored in the review process. Academic networking sites like Research Gate and Academia were also looked into. The review of the selected journals included an analysis of the journal titles as well as abstracts. More than 130 abstracts and 85 journal papers were carefully read at the time of the review.

Following the guidelines of the systematic review methodology, detailed inclusion criteria was applied to identify relevant/ appropriate articles. The inclusion criteria for selecting the relevant research works was the following: (1) Word of Mouth was the

main focus of investigation in the study; (2) The publication was academic and peer reviewed in nature; (3) The publication dealt with investigation of Word of Mouth in C2C settings; (4) Publications focussing only on experiential word of mouth is to be considered for the review and (5) Publications, even with an entirely theoretical background are also to be included. Based on this criterion, a total of fifty-five research articles, twelve working papers, five books and multiple theses and dissertations are identified and reviewed. Concerning the applied methodology, a majority of the studies carried out involved surveys or interviews. Additionally, reviews and messages posted on online rating sites, online discussion forums etc. also formed the backbone of some of the studies that are analysed. An organized review of the identified literature on Word of mouth reveals that the extant literature on this topic can be classified into seven divergent streams of literature, which are discussed under separate sections:

Section 1.4.1 presents a detailed summary of the literature on word of mouth definitions given by various authors and researchers.

Section 1.4.2 gives a brief description of various theories relating to word of mouth.

Section 1.4.3 focuses on the consumers' motivations of going online, i.e. why consumers actively spread word of mouth about certain products and services.

Section 1.4.4 focuses on understanding the various platforms of word of mouth, both online and offline.

Section 1.4.5 talks about the extant literature relating to overall word of mouth factors like tie strength, homophily, message characteristics, source credibility etc.

Section 1.4.6 reviews the studies conducted in the area of word of mouth effectiveness, i.e., its actual impact on the buying behaviour of consumers.

Section 1.4.7 provides a summary of the literature relating to Word of Mouth Marketing concepts, challenges and strategies.

1.4.1: Word of Mouth Definitions:

Over the past few decades, word of mouth has been the object of multiple studies in the field of marketing. Authors have sometimes associated this concept with personal recommendations (Arndt, 1967), interpersonal communication (Godes & Mayzlin,

2004), informal communication (Silverman, 2001), and interpersonal influence (Brown & Reingen, 1987). One of the earliest definitions of word of mouth was given by Arndt in the year 1967. According to him, word of mouth is an oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a brand, product or service. This definition was an attempt to identify the characteristics of word of mouth. Much later in 1994, Stern came up with a new definition, stressing on the distinction between word of mouth and advertising. According to her, “Word of mouth differs from advertising as it involves the exchange of ephemeral oral or spoken messages between a contiguous source and a recipient who communicate directly in real life. Herein, consumers are not assumed to create, revise and record pre-written conversational exchanges about products and services. Nor do they ordinarily use poetry or song to discuss consumption. Finally, WoM communication vanishes as soon as it is uttered, for it occurs in a spontaneous manner and then disappears.”

Goldsmith et al. (2008) hold the belief that the information sources being independent from commercial influence is the key characteristic of word of mouth communication. Brown et al (2005) states that the basic idea behind word of mouth is that information about products, services, stores, companies, and so on can spread from one consumer to another. In its broadest sense, WoM communication includes any information about a target object (e.g., company, brand) transferred from one individual to another, either in person or via some communication medium. All the definitions which were published from the mid-1960s up until now are analysed in order to gain a better understanding of what word of mouth is all about.

Table 1B: List of Definitions

<i>Author, Year</i>	Definition	Focus
<i>Arndt (1967)</i>	WoM is defined as oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as non-commercial, concerning a brand, product, or service.”	Non-Commercial
<i>Richins (1983)</i>	WoM communication is defined as the act of telling at least one friend/acquaintance about the dissatisfaction.	Valence of word of mouth
<i>Brown and Reingen</i>	WoM exists at the macro level of inquiry (e.g., flows of communication across groups), as well as the micro	Information flow/ exchange

(1987)	level (e.g., flows within dyads or small groups)	
<i>Westbrook, (1987)</i>	In a post purchase context, consumer word of mouth transmissions consist of informal communications directed at other consumers about ownership, usage, or characteristics of particular goods and their sellers.	Informal Communication
<i>Haywood, (1989)</i>	WoM is a process that is often generated by a company's formal communications and the behavior of its representatives.	Formal Communication
<i>Singh, (1990)</i>	Word of mouth is the act of telling others about the unsatisfactory experience you had, i.e. negative WoM.	Valence of word of mouth
<i>Bone, (1992)</i>	WoM is conceptualized herein as a group phenomenon—an exchange of comments, thoughts, and ideas among two or more individuals in which none of the individuals represent a marketing source.	Consumer generated exchange
<i>File, Cermark & Prince (1994)</i>	Word-of-mouth, both input and output, is the means by which buyers of services exchange information about those services, thus diffusing information about a product throughout a market.	Information diffusion
<i>Anderson (1998)</i>	Word of mouth refers to information communications between private parties concerning evaluations of goods and services.	Private Exchange
<i>Mangold, (1999)</i>	WoM was far more likely to be initiated by receivers' need for information than by communicators' satisfaction level.	Need for information
<i>Silverman, (2001)</i>	WoM is communication about products and services between people who are perceived to be independent of the company providing it, in a medium perceived to be independent of the company. It is originated by a third party and transmitted spontaneously.	Independent medium
<i>Kim, Han, and Lee (2001)</i>	Word of mouth is the interpersonal communication between two or more individuals, such as members of a reference group or a customer and a salesperson.	Interpersonal communication
<i>Salzman, Matathia, O'Reilly (2004)</i>	Buzz is a WoM effect, a transfer of information through social networks. It frequently occurs in a spontaneous manner, without as much as a raised finger on the part of a marketing specialist.	No marketer involvement
<i>WOMMA, (2006)</i>	WOM is an act by consumers providing information to other consumers.	Consumer generated information

Based on the above definitions, one can easily identify the inherent characteristics that define what word of mouth stands for:

- (i) Word of Mouth acts as a source of information between two parties, individual or institutional, stemming from one party's need for information and the other party's need to share their individual product experiences wherein they share information about a particular product or service.
- (ii) Word of Mouth can be either positive or negative, depending on the level of satisfaction of the respondent. A satisfied or delighted customer will spread good word about the organization and its offerings. A dissatisfied customer will share his negative experiences within his circle.
- (iii) Word of Mouth, as compared to other traditional information sources, is user generated in nature, i.e. the message passed on is created, curated and distributed by the consumer himself. Since there are no costs associated with word of mouth, it is also known as "free advertising."

1.4.2: Word of Mouth Theories:

Word of Mouth borrows the building blocks for its foundation from theories such as *information adoption model*, *elaboration likelihood model*, *cognitive fit theory*, *social exchange theory*, *social contagion theory*, *social comparison theory*, *multi-step flow model*, and *expectation confirmation theory*. A brief discussion of these important theories that appear in literature and how they are relevant in the context of word of mouth is done below:

The *Information adoption model* helps in understanding how intentions towards a message are formed. Each of these messages may have different effect on people depending on contexts and settings. The usefulness of the information shared also depends on the quality of content and credibility of source. (Sussman & Siegal, 2003).

The *Elaboration Likelihood Model* states, there are two routes to persuade a person - central or direct cues and peripheral or indirect cues (Petty & Cacioppo, 1986). In the e-WoM context, when consumers are involved in low-involvement process of online consumer reviews, they engage in peripheral processing by focusing on non-content cues such as a signal showing the product popularity. On the contrary, consumers in high-

involvement process are more likely to process persuasion attempts via the central route as review content is important for them (Park & Lee, 2008).

The *Cognitive Fit theory* states that if individuals have high motivation and ability to understand a message, they can engage in effortful cognitive activity through the central route. However, when individuals lack either motivation or ability to process information, persuasion comes from the peripheral route. So, they tend to rely on peripheral cues or mental heuristics rather than focal messages (Vessey, 1991). Therefore, a message with many arguments can be accepted if one thinks that ‘more is better’ without a need to carefully evaluate those arguments. This explains the volume of message generated and its influence on consumers who believes that more is better.

Next, we have the *Social Exchange theory*. This theory articulated by Homans (1958), explains the reasons behind social interaction. It is widely used to explain why individuals share information and get involved in discussions to generate WoM. Cheung and Lee (2012) made use of it in investigating the factors that drive consumers to spread WoM in online consumer-opinion platforms. Munzel & Kunz (2014) used this theory to find out the different types of contributors and the underlying motives for generating social capital using online reviews.

Closely related to this theory, we have the *Social Contagion theory*. Originally proposed by Gustave LeBon in as early as 1896, this theory proposes that crowds exert a hypnotic influence on their members. This theory provides foundation for the spread of e-WoM among consumers. Trusov, Bucklin, and Pauwels (2009) use it to explain the formation and growth of online communities using Facebook. Libai, Muller, & Peres (2013) also used this theory to discuss the role of acceleration and expansion in the context of seeding programmes, which are used by marketers to spread information about a new product.

Leon Festinger (1954) in his *Social Comparison theory* gives reasons for consumers to use informal groups as a source of information while making buying decisions. He claims people possess an inherent need to compare themselves and their behaviour with others around them. Due to the non-availability of objective means of evaluation, people tend to evaluate their opinions with those of others such as reference groups. To this end, the *Attention-to-Social-Comparison-Information theory* developed by Snyder (1974) captures the level of social comparison that an individual indulges in. Individuals who

score high on ATSCI are aware of others' reaction to their behaviour and care a great deal about them (Snyder, 1974; Bearden & Rose, 1990).

The *multi-step flow model* states that most people form their opinions under the influence of opinion leaders, who are perceived as experts. (Katz & Lazarsfeld, 1970) In the context of e-WoM, Myers and Robertson (1972) proposed that opinion leadership is a 'two-way street', i.e. people who influence others are themselves influenced by others. Another word of mouth related theory is the *expectation confirmation theory* introduced by Oliver (1977) who states that expectations, coupled with perceived performance, lead to post-purchase satisfaction or dissatisfaction. If a product outperforms expectations (positive disconfirmation), then post-purchase satisfaction will result, leading to positive WoM. On the other hand, if a product falls short of expectations (negative disconfirmation), it will lead to negative WoM.

If you observe closely, you will notice that the concept of word of mouth is an extension of these theories on which the traditional WoM foundation is grounded. The various word of mouth concepts are embedded in these communication theories.

1.4.3: WoM Motives

Often a question comes up as to why people indulge in word of mouth conversations, i.e. what are its main motives. Motives are said to be the general drivers that direct a user's behaviour toward attaining their needs (Hennig-Thurau, Walsh & Walsh, 2003; Wei et al., 2015). WoM motives have been the subject of on-going enquiry for numerous researchers working in this field. However, only a few studies have addressed the specific motives explaining WoM behaviour (Sundaram et al., 1998).

In as early as 1966, Dichter identified four main motivational categories of positive WoM – Product Involvement, Self-Involvement, Other Involvement and Message Involvement. *Product-involvement*, which is the first motivation, refers to when the consumer is talking about a product or service since he or she strongly feels for this and therefore wants to share it with others. This motivation is followed by *self-involvement*, where the consumer is motivated by the desire to gain attention or to show that he or she is aware. *Other-involvement* is when the consumer feels the need to help others by sharing a positive experience. The last motivation, *message-involvement*, is when WoM results from advertising and other marketing initiatives.

Another significant study often referenced to, with respect to WoM motives, has been conducted by Richins (1983). In her study on the determinants of negative WoM communication, Richins identified three key factors that trigger word of mouth behaviour: *retailers' failure to provide appropriate complaint handling mechanisms, inadequate response to customer complaints, and inefficiency regarding product repair*. Much later, Engel, Blackwell, and Miniard (1993) updated Dichter's typology; renamed the categories and inserted a new motive entitled '*dissonance reduction*' which according to them is a trigger for expressing negative WoM. However, the most in-depth study on WoM motives till date is the one carried out by Sundaram et al. (1998). In this study, a total of 390 interviews were conducted to identify eight motives that lead to WoM - *Altruism, Personal interest in Product, Self Enhancement strategy, Helping the Company sell, Warning via negative reviews, Anxiety reduction strategy, Vengeance against company, and Opinion seeking behaviour*.

Moving on from personal WoM to online WoM, Hennig-Thurau et al. (2004) investigated what motivates consumers to make WoM recommendations online using mediums such as email, social networks and user generated content. They find evidence for eight different motives - *Venting negative feelings, Concern for other consumers, Self-enhancement, Advice seeking, Social benefits, Economic incentives, Platform assistance, and Helping the company*. Jason and Dempsey (2010) also examined the motivational factors that drives internet users to forward internet based content. According to them, *inclusion* and *affection* are significant predictors of forwarding behaviour. Again, of the two motivations underlying the concept of inclusion – need to belong and individuation, only individuation was positively related to forwarding of online content.

Furthermore, Rensink (2013) came up with another interesting finding that involvement in creating online reviews is primarily influenced by *social benefits*. In another significant study, Wolny & Mueller (2013) reported that *high brand commitment* and *fashion involvement* motivates people to engage in talking about and interacting with fashion brands. For a better understanding of online conversations, Luarn et al. (2016) conducted a detailed study with the objective of finding out the exact motivations that lead to participation in online word of mouth. The findings from this study reveal that *altruism, narcissism, image building, and achievement* have a positive effect on users' engagement in WoM on social networking sites. More recently, Filho, EJMA

& Barcelos, ADA (2020) have talked about how consumers indulge in post purchase negative WoM to retaliate against brands.

To summarize, although a number of research works has been carried out with respect to WoM motives, only a few studies have examined the drivers of WoM communication, linking it with word of mouth effectiveness. (Dichter, 1966; Richins, 1984; Sundaram, Mitra & Webster, 1998). These studies also appear to be limited in scope as they are fragmented in nature and have been carried out in specific contexts only i.e., either to find out the triggers of positive WoM or negative WoM. A closer look at the word of mouth motivation studies conducted until now reveals that:

- i) The study conducted by Hennig Thureau et al. (2004) is the most comprehensive study that has been conducted in context of motives triggering electronic word of mouth. Findings from the study show that motives for indulging in online WoM and traditional WoM are more or less the same.
- ii) There has been no categorization of motives according to their valence – positive and negative nature. Valence of WoM is defined as any positive or negative statement about a product made by potential, actual or former customer, which is available to a multitude of people and institutions. (Hennig-Thureau et al, 2004). WoM can be positive, neutral or negative (Anderson, 1998). Most of the research on WoM focuses largely on positive WoM, despite the often quoted belief that dissatisfied consumers engage in more WoM (Heskett et al, 1997; Mangold et al, 1999; Sweeney 2003).
- iii) We can classify the motives into two distinct categories – motives for positive word of mouth and motives for negative word of mouth. Going through the WoM indulgence literature, it has been noticed that, factors like product involvement, self enhancement etc. trigger positive WoM. On the other hand, factors like venting negative feelings, dissonance reduction etc. influence people to spread bad word about the product, brand or organisation. Such differences in positive and negative communication suggest that an investigation of differences in positive and negative WOM, beyond mere valence, is worthy of exploration. Table 1C classifies the WoM motives:

Table 1C: WoM Motives	
Positive WoM	Negative WoM
<ul style="list-style-type: none"> • Altruism • Advice/ Opinion seeking. • Fashion Involvement. • Helping the company. • High brand commitment. • Social benefits. • Economic incentives. 	<ul style="list-style-type: none"> • Dissonance Reduction. • Venting negative feelings. • Vengeance against the company. • Inefficiency regarding product repair. • Inadequate response to complaints. • Failure to provide appropriate complaint handling mechanisms.

Source: *Generated from literature review.*

1.4.4: Word of Mouth Platforms:

Word of mouth can be either offline or online. Offline word of mouth, also known as personal word of mouth, refers to the spoken word in a face-to-face situation between two consumers involving sharing of product or brand information (Schindler & Bickart, 2005). Word of mouth in offline mode has the unique ability to influence consumer decisions, owing to the flexibility of interpersonal communication and perceived source reliability (Tybout et al, 1981 & Bolting, 1989). Its interactions are immediate and involve intimate personal conversations (Steffes & Burgee, 2009). Furthermore, researchers have also revealed through their studies that offline word of mouth's influence on decisions appears to exert a more powerful influence on consumer behaviour than online WoM (Litvin et al., 2008).

Online word of mouth, also known as e-WoM, is defined by Hennig-Thurau et al. (2004) as “any positive or negative statement made by potential, actual, or former customers about a product or a company, which is made available to a multitude of people and institutions via the Internet.” It shares the elemental similarities of purpose with the traditional form of word of mouth (Steffes and Burgee, 2009), but it also differs in certain ways. E-WoM is transmitted via written words and a large number of consumers are able to receive and potentially spread the initial message through social networks and communities, which now act as the new medium of interaction and collaboration (Park and Lee, 2009; Chu and Kim, 2011; Shu, 2013). These sites have further become a new hybrid component of integrated marketing communication that allows organisations to establish strong relationships with their consumers (Gilly et al., 1998; Mangold & Faulds, 2009). E-WoM tends to diffuse faster than offline WoM (Prendergast et al., 2010; Cheung & Thadani, 2010). It has virtually an unlimited reach and due to its bi-

directional communication properties it is considered as a one-to-world platform rather than as one-to-one platform (Dellarocas, 2003). It can be communicated in different forms such as *online ratings, reviews, and recommendations*. Moore, S.G. & Lafreniere, K.C. (2019) suggest that the multiple players involved in online WOM (receivers, senders, sellers, platforms) each have their own interests, which are often in conflict. Thus, receivers of WOM are faced with a judgment task in deciding what information to rely on.

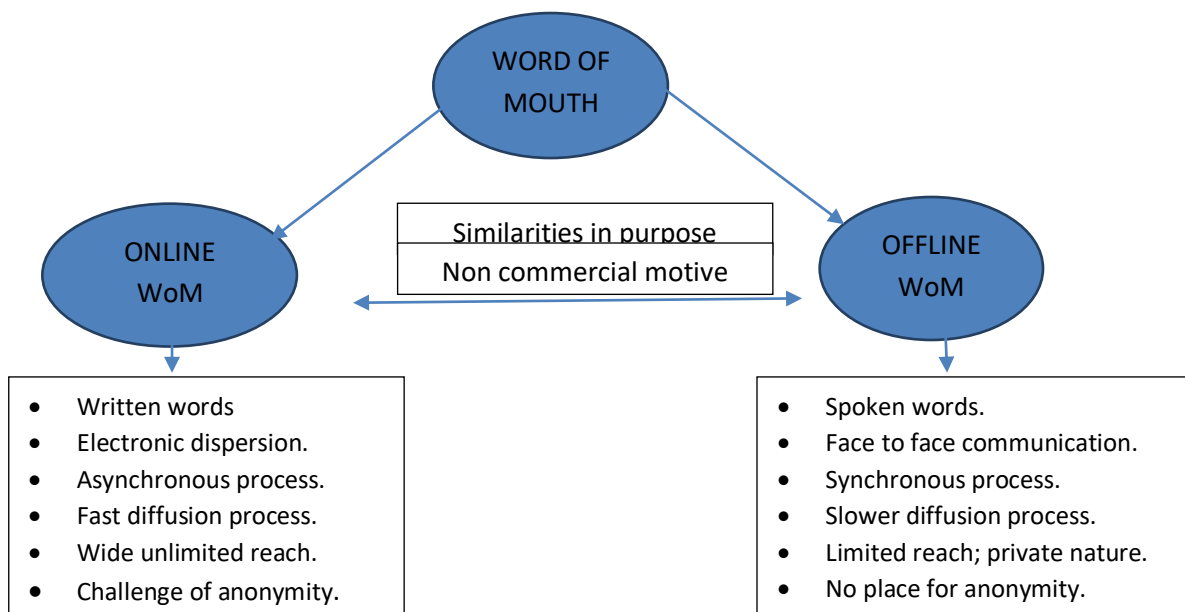


Fig 1.1: Online vs Offline WoM: A Comparison

Online media encompass a variety of online information-sharing formats including social networking sites (e.g. Facebook, MySpace), creativity work sharing sites (e.g. YouTube, Flickr), collaborative websites (e.g. Wikipedia) and micro blogging sites like Twitter (Mangold & Faulds 2009; Thomas, 2004). Social media enables word of mouth to spread like wildfire within a very short span of time (Pfeffer et al., 2014). This again poses new challenges for marketers as they have to manage both positive and negative feedback. Researchers have also made a clear distinction between the quantity and quality of word of mouth. Gopinath et al. (2014) state that what people say is way more important than how much people say. Time also plays a role in judging the effects of electronic WoM. Emotional word of mouth takes time to wear in before it is impactful and attribute based word of mouth wears out over time. Among the various types of social media, social networks have received most attention from researchers, educators, practitioners and

policy makers (Ellison et al. 2007; Thelwall 2008, 2009; Valenzuela, 2009). An increasing number of people are participating in online discussion forums (Andreassen et Streukens, 2009), which has eventually led to an upsurge in the volume of online businesses (Hoffman et al, 1996). These communication platforms are explained below:

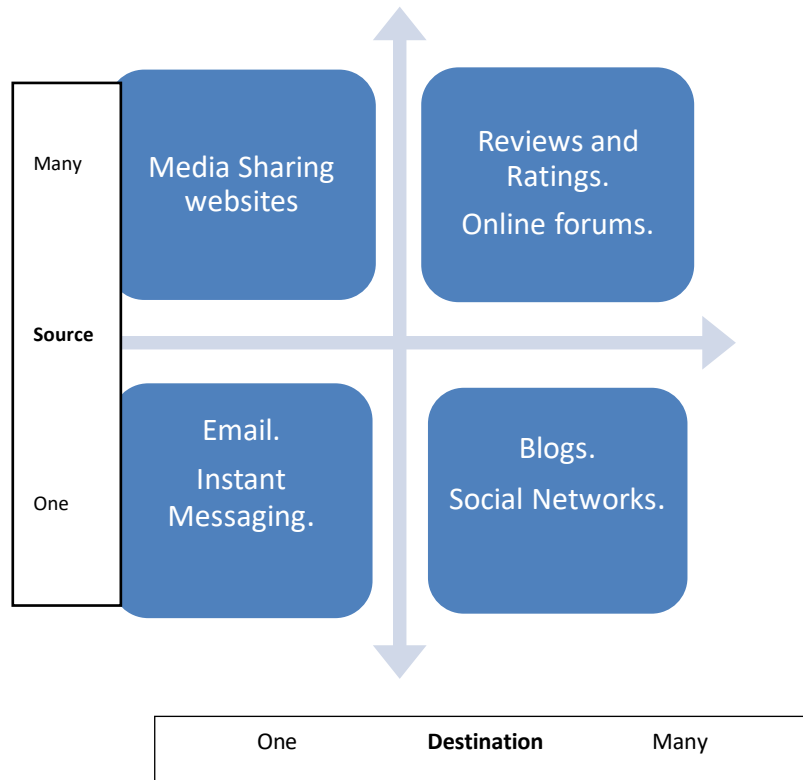


Fig 1.2: Social Media Platform Matrix
(Generated from literature review)

I) Online communities: An online community can be defined as: “a wide range of internet forums including markets and auction sites, electronic bulletin boards, list servers, social networking sites, blog hosts or sites, gaming communities, and shared interest websites.” (Miller et al, 2009). Interaction in online communities occurs as and when people connect with each other, via internet, with the intent of sharing information regarding buying, selling, and advice seeking. These interactions between the consumers are a major driver of the growth in online communities (Pitta and Fowler, 2005). Research has shown that people generally tend to trust the information originating from consumers as it is normally perceived as genuine advice. It has also been shown that participation in online forums has a considerable impact on consumer behaviour and is expected to increase purchases (Bickart & Schindler, 2001).

II) Virtual Blogs: Blogs represent an one-to-many medium of communication flow, generally utilised to share feelings, opinions and information (Huang et al., 2008). The number of bloggers has increased significantly over time and it has now become increasingly easy for consumers to read blogs, leave comments for the bloggers and interact with them. Usually, a single person writes blogs, or it might be a situation where a group of people are managing a single blog page, depending upon the exact nature of the blog. Corporate blogs are also a growing phenomenon, and serve as a useful interactive online advertising tool for companies to interact with their target audience on a more personal level (Cho & Huh, 2008).

III) Social Networking Sites: Social, derived from a Latin word ‘socii’ means ‘allies’. ‘Network’ denotes ‘a group of inter-connected people and things.’ Thus, social network means an extended web of circle, wherein users can communicate and interact freely. A social networking site can be defined as being initiated by: *“a small group of founders who send out invitations to join the site to the members of their own personal networks. In turn, new members send invitations to their networks, and so on”* (Trusov et al., 2009). It allows people to create their own profile, which generally includes a personal picture, a brief of the user, an updated list of interests and a section to share opinions. Social networking sites are one of the fastest-growing areas of the internet and have become enormously popular over time. A recent study revealed that more than 60 percent urban Indian internet users spend an average of four hours daily on social media. There are over 60 million active users of Facebook in India, third highest worldwide (Frost & Sullivan, 2013). Social media has provided “speed, scale and economies” to social interactions (Chui et al, 2012). As opposed to traditional media, social networks focus on both the user and user-generated content (Zhang & Daugherty, 2009). Nisar, T.M. et al (2020) shared in their study that electronic WoM via social media communities enhances a firm's reputation and thereby its performance.

IV) Online forums: Forums are online communities formed around a specific area of interest (Pitta & Fowler, 2005). Within each area, individual users then start threads about different topics and these threads can continue for years at a stretch, allowing newcomers to read previous communication within the forum and learn from a wider knowledge base. They can ask further questions themselves. In a way, forums represent

the one-to-many and many-to-many communication flow, although it is primarily the latter.

V) Reviews and Rating: Consumer review is the sharing of product related information among the consumers in the form of ratings and experiences. Reviews are often detailed comments, and many e-commerce companies, such as Amazon and Flipkart make it easy for their consumers to review products and share their opinions with fellow consumers. Most often, a review is frequently combined with a rating system, symbolised by stars. Reviews and ratings represent ‘many to many’ communication. Online consumer reviews are rapidly growing in importance and popularity, as a fairly new means of product related information (Chen & Xie, 2008). New research investigating online consumer behaviour revealed that 97.9 percent of a customer group participating in the study used customer reviews before making online purchases; and found them to be credible and accurate (Doh & Hwang, 2009). Nils, A & Hendrik, S. (2019) opined that product reviews have a slightly bigger effect than brand equity on the online purchase intent of consumers. Online reviews are also perceived as a “double edged sword” that, on one hand, can benefit the seller and, on the other hand, hurt the seller.

VI) Media Sharing: Content creation and hosting sites like YouTube and Slide Share allow consumers to create, upload and share multimedia content with the possibility of reaching a large number of consumers. Internet users can share content in the form of photos, videos and presentations about the products, very easily and swiftly (Kaplan & Haenlein, 2009). The best part about this medium is that such media sharing sites are not limited by any time constraints, and consumers can view the available content at any point of time, convenient to them (Haridakis & Hanson, 2009). On many of these media sharing sites like YouTube, channel owners having a large number of subscribers use their influencer status to advertise for several companies. Media sharing sites represents one-to-many and many-to-one communication flow.

VII) Electronic mail: Electronic mail or email, as it is commonly known, offers a quick and easy method for communicating with other people. Through email, it is possible to correspond with a large number of recipients at the same time. Therefore, email is considered extremely important for both organisational and interpersonal communication (Wang et al., 2009). Email represents primarily the one-to-one communication flow system. While email messages among internet users who know each other personally

resemble traditional WoM, email is forwarded easily with little time and cost compared to traditional WoM (Kiecker & Cowles, 2001).

VIII) Instant Messaging: Instant messaging can be defined as: “*a computer application that allows synchronous text communication between two or more people through the Internet*” (Huang & Leung, 2009). Companies cannot directly interact with their target audience through instant messaging, but it is a tool that many consumers from the younger segments use to interact with each other online and, as a result, instant messaging represents another way in which people generate online word of mouth. Instant messaging is a low cost medium that requires low set up effort and ensures instant interaction. Yahoo Messenger, AOL Instant Messenger, MSN Messenger are some of the most widely used instant messaging mediums on internet by people world over.

1.4.5: Word of Mouth Factors

There are a host of factors that are perceived to influence the effectiveness of word of mouth. These factors have been identified in the marketing and consumer behaviour research regarding their role in word of mouth behaviours (e.g. Brown & Reingen 1987; Brown et al. 2007). The pertinent literature pertaining to each factor is discussed as under:

I) 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). Technically, it is considered to be a multidimensional construct representing the strength of the dyadic interpersonal relationships in the context of social networks (Money, et al. 1998). The strength of an interpersonal tie is a combination of the amount of time, the emotional intensity, the intimacy, and the reciprocal services that characterize the tie (Granovetter, 1973; Frenzen & Nakamoto, 1993). As a consequence, the tie may range from strong to weak, depending on various factors such as the types of resources, the persons in the exchange process, the intimacy angle and the frequency of the exchanges (Marsden & Campbell, 1984). In brief, strong ties are characterized by a) “a sense that the relationship is intimate and special, with a

voluntary investment in the tie and a desire for companionship with the partner; b) an interest in frequent interactions in multiple contexts; c) a sense of mutuality of the relationship, with the partner's needs known and supported" (Walker et al, 1993). It is a commonly held belief that strong ties that bind individuals make them interact more frequently and exchange more information (Brown & Reingen, 1987) and have far greater influence on the receiver due to the frequency of social contacts (Bansal & Voyer, 2000).

Rogers' (1995) findings are in agreement with the same, as his study reveals that strong-tie sources are perceived as more credible and trustworthy than weak-tie sources. According to Banerjee (1992), *peer imitation*, *herding behaviour* and *brand congruence* among members of a social group are also indicators of the influence of tie strength. The increasing usage of internet has facilitated a shift in power in the marketplace from producers to consumers and this highlights the increasingly important issue of tie strength (Baker & Green, 2005; Kiecker & Cowles, 2001). A lot of the influence of word of mouth as a source of communication is attributed to the fact that many consumers trust communications from other people they know more than communications from marketers (Goldsmith & Horowitz, 2006). However, there has been very limited research on the impact of social ties on information evaluation and consumer purchase behaviour with the noted exception of introductory research on social ties conducted by Brown and Reingen, in as early as 1987. Their research, conducted in offline word of mouth area reveals that information obtained from strong tie connections are more influential in decision making than that from weak ties.

II) Homophily

People from different characteristics - genders, races, ethnicities, age groups, social backgrounds, educational levels, income groups etc. appear to have very different qualities. For example, women are generally perceived to be more emotional, educated people are perceived as more tolerant by nature etc. Homophily is the principle that a contact between similar people occurs at a higher rate than among dissimilar people (McPherson et al, 2001). In Aristotle's *Rhetoric and Nichomachean Ethics*, he noted that people "love those who are like themselves" (Aristotle, 1934). In a similar vein, Plato (1968) observed in *Phaedrus* that "similarity begets friendship." Social scientists who began systematic observations of group formations in the 1920s and 1930s (Bott 1928,

Wellman, 1929 & Hubbard, 1929) noted that school children formed friendships and playing groups at higher rates if they were similar in terms of demographic characteristics.

Previous researchers have studied homophily in relationships that range from the close ties like marriage (Kalmijn 1998) to friendship (Verbrugge 1977, 1983), to relationships at work (Ibarra 1992) to mere contact (Wellman 1996). Lazarsfeld & Merton (1954) talked elaborately on two types of homophily: *Status homophily*, which includes the major socio-demographic dimensions that create strata in society, like race, ethnicity, sex, age, and acquired characteristics like religion, educational level, occupation, or behaviour patterns, and *Value homophily*, which is based on the values, attitudes, and beliefs that shape our orientation toward future behaviour.

In his study, Marsden (1987) found that about 30 percent of personal networks were highly homophilous on education, with a standard deviation of less than one year. Louch (2000) found that interconnections among people were more likely when they had had the same education too, although this effect was less strong when compared to race and religion. Researchers have also found educational and occupational homophily in a large number of societies, but there are indications that its level varies from country to country (Wright 1997). Earlier literature on homophily also demonstrates the tendency of people, primarily teenagers, to associate with others who share their behaviour patterns. These patterns have been interpreted as evidence of peer influence.

Previous literature has also established how similarities in attitudes, beliefs, and value systems lead to attraction and interaction between people (Huston & Levinger, 1978). However, in certain cases, what appears to be homophily also stems from the misconception of people's beliefs as they tend to simply assume that their friends are like them, when in fact, various areas of disagreement exist but remain undiscussed (Jussim & Osgood, 1989; Huckfedlt & Sprague, 1995). There is also considerable tendency for adults to associate with those who share the same political ideology (Verbrugge, 1977, 1983; Knoke 1990), but it is unclear whether this homophily is due to actual political similarity or similarity on account of any other social characteristics that are related to political beliefs.

III) WoM Message Characteristics:

A review of existing literature reveals that most of the studies relating to WoM messages have focused on the *volume* and *valence* of word of mouth. Volume measures the total amount of word of mouth conversations. Valence captures the direction of word of mouth messages i.e., whether they are positive or negative. Authors like Bowman and Narayandas (2001) and Van den Bulte and Lilien (2001) have focused exclusively on the volume of word of mouth, the latter revealing through their study that the volume of word of mouth correlates significantly with consumer purchase behaviour. The reason marketers often put forward to explain why the volume of WoM matters is consumer awareness. Godes and Mayzlin (2004) suggest that the more conversation there is about a product, the more likely someone is to be informed about it, leading to greater spread of product related information. There is a flipside to this, as well. There are brands that have a strong online presence and garner thousands of reviews each day. Not only is it time consuming, a lot of resources and efforts will be required to manage and monitor this type of information (Dellarocas, 2003).

Valence of word of mouth is defined as any positive or negative statement about a product made by potential, actual or former customers, which is available to a multitude of people and institutions of the internet (Hennig-Thurau, Gwinner, Walsh and Gremler, 2004). Most word of mouth messages are either very positive or very negative; they are bereft of neutrality (Anderson, 1998; Maxham & Netemeyer, 2002). Sundaram et al (1998) highlighted how message content may vary according to valence. Some researchers have compared the relative impact of both positive word of mouth and negative word of mouth. Arndt's research in 1967 showed that negative word of mouth led to a fall in sales of a food product more than twice as strongly as positive word of mouth enhanced it. Richins (1983) articulated that negative word of mouth is communicated to a greater number of people than positive word of mouth. This finding is validated by Desatnick's study in 1987 where he found out that customers who switch from one service provider to the other, tell their story to at least nine other people. TARP (1986) talked on similar lines, revealing that disgruntled customers tell twice as many people about their negative experiences, while more recent studies of negative WoM in Canada and Singapore find that 80 percent of dissatisfied consumers tell at least three others about their experience (Lau & Ng, 2001). In terms of impact again, negative WoM

is believed to have a far greater impact on a receiver. However, there have been studies in the past refuting this claim, suggesting an equal impact across negative and positive WoM (East et al., 2007).

Anderson (1998) was among the earliest to recognize the importance of WoM communication aspects, suggesting these can vary in vividness, pleasantness, and novelty. Since then, the past couple of decades have seen an increasing recognition of the importance of message characteristics, including their rational and emotional dimensions (Allsop et al., 2007; Mason & Davis, 2007) and of the importance of words, content, and expressiveness in the WoM messages (Dichter, 1966; Gremler, 1994 and Gabbott & Hogg, 2000). Allsop et al. argued that people make decisions on the basis of both rational and emotional aspects and used a means-end chain framework to show how both aspects lead to persuasive outcomes. A few industry specific studies have also been identified that have worked on the influence of WoM messages on consumer purchase behaviour. Teng et al. (2017) in their study on the education sector revealed how argument quality, source attractiveness, source perception, and source style exerted varying influences on the users' attitudes and intentions to continue their study abroad. Morgan, Pritchard, & Piggott's (2003) research on word of mouth in the hospitality industry noted that negative word of mouth can have an overwhelming impact upon a destination's image. Similarly, Godes and Mayzlin (2004) noted the importance of word of mouth content, but did not address this issue specifically in their study.

IV) Source Credibility:

Credibility can be defined as the believability of information or the source of the information (Metzger, 2007). When someone is perceived as credible, this person is perceived to be believable. At this juncture, it is also important to note that someone's credibility is a perceived feature. Therefore, one cannot say with certainty that a particular source of information is credible or not. Credibility of a given source might vary for different people based on their prior experiences (Fogg et al, 2001). Research over the years has identified three recurring dimensions of credibility – *Source trustworthiness*, which means the level of truthfulness or biasness associated with the information source; *Source Expertise*, which refers to the perceived knowledge, experience and competence of the source; and *Message Credibility*, which talks about the quality of information passed on as a part of the WoM conversation (Greer, 2003). Further, Tseng & Fogg (1999) talked about four different types of source credibility –

Presumed Credibility, which is based on assumptions that the WoM receiver has; *Reputed Credibility* which refers to the label that a source has; *Surface credibility*, which is based on superficial elements such as trusting someone that is well-dressed and *Experienced Credibility*, based on the individual experiences of the WoM sender.

One of the earliest studies on source credibility was conducted by Hovland and Weiss in as early as 1951. They showed that the *communicator's credibility, attractiveness, physical appearance, familiarity, and power* can have an impact on the credibility of the message. Past studies have also indicated that source credibility influences the effectiveness of communication in the off-line world (Eagley et al, 1978) and also has a sizeable impact on the on-line environment (Lim et al, 2006). Eagley and Chaiken in 1993 found that communicators with *more positive attributes* were more persuasive than those with *less positive attributes*. People tend to believe information from a highly credible source and will readily accept that information. On the other hand, if the source has low credibility, the receiver is less likely to accept that information (Grewal et al., 2004). Wangenheim and Bayon (2004) indicated that when consumers perceive high social or psychological risk of a purchase, they search for credible information from a source they believe to be reliable. As evidenced by the large volume of research on the credibility in general, the most important focal point in the persuasion process is based on the source who communicates with consumers. His expertise, trustworthiness and credibility have been found to have strong relationship with consumer purchase behaviour (Laczniak et al. 2001; Self, 1996).

However, in electronic communication where messages are exchanged via email or texts, some attributes such as attractiveness and physical appearance of the source, are difficult to assess because the discussion being held is virtual in nature. In electronic WoM, the reviewer's credibility is rated by other online users, by providing ratings to their reviews. The level of the reviewer's rating is an indicator of the reviewer's credibility. (Cheung et al, 2009). Source credibility has always garnered a lot of attention from marketing researchers but it has come under more scrutiny now, due to the advent of social media. In the earlier days, information creation and sharing was limited to those who had the knowledge and the authority to spread information on a large scale. Now-a-days, the shift from traditional to digital media has led to generation of endless word of mouth conversations. This huge volume of WoM content makes it very difficult to separate the

honest reviews from the dishonest ones, especially on the internet where anyone can post anything under the garb of anonymity (Goldsmith et al, 2008). Anonymous reviews make it very challenging for the organization to reach out to customers and to recover from service failures. Online reviews are, therefore, seen as less reliable and something that can be manipulated to suit individual interests, since it is easy to change identities online (Dellarocas 2003; Hu, Liu & Sambamurthy, 2010; Hu et al, 2011). Ismagilova, E. et al (2019) highlighted through their study how source credibility enhances the usefulness of perceived electronic word of mouth. Abdelnour, W & Khan, I. (2020) identified how source credibility, expertise and knowledge are the main elements that affect consumer perception about the informational source.

V) Opinion seeking:

Opinion seeking is a more recent concept compared to the related concept of opinion leadership (Feick et al., 1986). It has also received less attention by researchers than opinion leadership. The two-step communication flow theory suggests that leaders obtain information from multiple sources and pass it on to their followers. These followers at the end of the flow are known as opinion seekers (Flynn et al., 1996). 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). Some researchers have gone on to use very proximate but related concepts for it. For example: Bansal & Voyer (2000) use the variable “*word-of-mouth actively sought*”.

Opinion leaders and followers can be differentiated on the basis of their activity levels in a social network (Piiro, 1992). Leaders generally express “authoritative” opinions to wield their influence within their social circle (Chan & Misra, 1990). On the other hand, opinion seekers imitate the consumption behaviour they admire, gather information about specific products from other consumers, and seek advice from others who have greater knowledge and experience (Flynn et al, 1996). A person can be an opinion leader in one communication setting and an opinion seeker in another (Tsang & Zhou, 2005). There have been a few studies that have tried to analyse the reasons behind opinion-seeking behaviour. Katz and Lazarsfeld in as early as 1955 came up with the finding that one such motivation is the desire to be a member of a group by adopting the beliefs of

the group's leader. Engel et al. in 1993 stated that one of the key motivations behind opinion seeking is the desire to obtain information in order to aid purchasing decisions. It is used as a risk reduction practice in making decisions. On the other hand, opinion leaders' motivations for search differ from those of other consumers. They do not search only to make optimal purchase decisions of their own. Rather, they find both information search and transmission to be intrinsically satisfying activities (Bloch, 1986). Hence, while information search is viewed as a kind of cost to most consumers, opinion leaders derive personal satisfaction from the same (Feick & Price 1984).

VI) Consumer Trust:

There are various definitions of trust that can be found across a large range of disciplines. Perhaps the simplest definition has been provided by Morrow et al. (2003), where trust is seen as 'the extent to which one believes that others will not act to exploit one's vulnerabilities.' Bellaby (2006) describes trust as 'reliance on another agent to deliver an outcome that is in one's own interests and reliance on the other not to take advantage of this dependence to achieve contrary goals.' 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 or entity is trustworthy. A more structured and operational definition of trust in communication studies is given by Renn and Levine (1991). According to them, there are five different components for trust and they include the *degree of perceived expertise of the source, lack of biases in information, fairness, consistency over time and good faith*.

However, one should not confuse between trust and confidence. Siegrist et al (2003) talks about the thin line of difference between the two. Trust involves judgement of similarity of values and intentions whereas confidence is a belief based on past experience that events will occur as expected. A few years later, Earle and Siegrist (2006) in an attempt to address the disjointed nature of trust and confidence literature, came up with a conceptual framework - *Trust, Confidence and Cooperation (TCC) framework* - that explicitly acknowledges the distinctions between these related concepts and brings them together in a single model. The model suggests that social trust is based on morality-relevant information, while confidence is based on performance-relevant information. Trust measurement can be studied in context of two factors, (i) the reporting

bias, which refers to specific trust in the credibility of the source of information and (ii) the knowledge bias, which refers to the perceived degree of expertise of the source. There has been more focus on reporting bias than knowledge bias in the extant literature (Henson, 2001).

VII) Social Influence: Normative and Informational

In the context of social influence, it is important to understand the dual process theory of Deutsch and Gerrard (1955). It is a psychological theory that talks about two unique types of influences on the persuasiveness of word of mouth messages: *informational influence* and *normative influence*. Informational influence arises from information obtained as evidence about reality. It is based on the receiver's self-judgment of the received information, and hence the relevant components of the information, like the content, source, and receiver, 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 have previously been known to the information seeker and is especially relevant in the context of social media, in which user-generated content is an important type of information, addressed to the mass audiences (Lee et al, 2011). To cite an example, informational influence may be derived from the power of the presenter, provided the presenter is considered to be more authoritative and knowledgeable about the topic at hand.

Normative influence, on the other hand, refers to the influence on the individual arising from the societal norms and expectations of others. 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. Examples of such covert influence are plenty in everyday life. For example: the *preference for branded clothes* in a bid to seek validation within a social group. Simply put, the difference between both the forms of influence is that informational influence is based on the actual content of the reviews whereas normative influence reflects the impact of others' opinions of your behaviour (Deutsch & Gerrard, 1955). Kelman (1985) is often cited as a major reference for fundamental analysis of normative social influence. In his study, Kelman clearly distinguishes between three sub-types of normative social influence: *Compliance, Identification and Internalization*. Compliance happens when an individual accepts the opinion of others hoping that this would in turn lead to a favourable reaction from them. Identification

means that the individual accepts others' opinions in a bid to maintain a desired equation with them. Internalization represents the strongest influence of the three and it is said to occur when an individual accepts and believes the opinion of other people both in public and in private.

The dual process theory has been studied in various contexts, such as neighbourhood settings, university settings and workplace environment, all of which have demonstrated the significant role of normative forces (Yang et al, 2011; Burnkrant & Cousineau, 1975; Kaplan & Miller, 1987). This theory gives us a basic understanding about how and to what extent social influences affect the persuasiveness of on-line consumer reviews and ratings (Deutsch & Gerrard, 1955). It is also useful in explaining communication effectiveness when group discussions are conducted. It would be appropriate in understanding electronic word of mouth communication because the internet is considered as an open arena for discussion and involves numerous participants. Thus, it has both informational elements from the discussion and normative influences from the participant opinions (Sia et al, 2012).

1.4.6: Word of Mouth Effectiveness

In the context of marketing, effectiveness is said to exist when marketing efforts lead to achievement of objectives in the target market within a stipulated time, using estimated resources. The objective might be anything ranging from increasing brand awareness to maximising product sales (Sanayei, Sahin and Amirosadt, 2013). Another associated fact is that sometimes even if the target audience knows about the product/brand and what it offers, yet they are not willing to consider it for usage. But there are other factors such as consideration, product trial, and purchase intention that reflect marketing effectiveness (Lenskold, 2011). In early 1961, Lavidge and Steiner articulated that advertising effectiveness can be measured in terms of Awareness, knowledge, Liking, Preference, Conviction and Purchase. Therefore, it can be inferred that WoM is effective if it leads to either of the following outcomes or a combination–

I) Awareness about the product, II) Creation of interest, III) Change in preference level, IV) Product Enquiry, V) Product Trial, VI) Change in organisational image, VII) Purchase Intention and VIII) Actual Purchase/ Customer Defection.

There have been a plethora of research works that have analysed the impact of word of mouth on consumer purchase behaviour in general. Ishida et al. (2016) revealed in their tourism related study that traditional word of mouth exerted greater influence on destination image, as compared to online word of mouth. Cheung et al. (2009), Burton & Khammash (2010), and Willemsen et al. (2012) believe that e-WoM has had a significant effect on consumers' decision-making process. Prior to that, Chevalier & Mayzlin (2006) examined the effect of consumer reviews on relative sales of books at e-commerce websites Amazon and Barnes and Noble. The authors found that an improvement in book reviews led to an increase in relative sales at that site and that the impact of one-star reviews is greater than that of five-star reviews, implying how negative reviews are far more impactful on consumer purchase behaviour than positive reviews. However, using data from the same website, Chen, Wu & Yoon (2004) found out in their study that more consumer recommendations improve the sales, but consumer ratings are unrelated to actual sales, thereby implying it is the volume that matters more and not the valence of word of mouth. Furthermore, Ahmad & Vveinhardt (2014) opine that a bad experience with any product and word of mouth (especially negative comments) can create a bad image in the minds of consumers as negative word of mouth about anything has a stronger influence than positive WoM.

Another key reference in the context of word of mouth impact is the study conducted by Lee & Youn in 2009. They explored whether different online platforms through which e-WoM communication is posted influence consumers' judgements of reviewed products and if yes, then how. The findings from their study reveal that, other things being equal, the effect of the e-WoM platforms on consumer purchase behaviour was noticeable only when the review was positive. However when the reviews were negative, there were detrimental effects on consumer willingness to recommend the product to friends regardless of the platform used for communicating. Very recently, Rosario et al., (2016) articulated as to how the increasing amount of e-WoM has significantly affected the way consumers make purchase decisions. Their findings reveal that electronic word of mouth is positively correlated with actual sales, but its effectiveness differs across platform, product, and metric factors. Zhu and Zhang's research work (2010) talked about the differential impact of consumer reviews across different products in the same product category and suggested that firms' online marketing strategies should be dependent on product and consumer characteristics. Han, J.A., Feit, E.M. & Srinivasan, S. (2020)

studied as to how negative reviews might lead to heightened awareness and increased purchase intent amongst consumers. Roy, G., Datta, B., Mukherjee, S. (2019) focusing on the valence aspect, revealed in their study that both mixed neutral e-WOM and rich e-WOM content positively affects online purchase intention.

In general, user generated information is considered as a more credible and influential source of information in comparison to the efforts created by a company as it is created by the consumers (Bickart & Schindler, 2001). It can help in acquiring customers who would not have bought the product in the first place but were persuaded through consumers. However, online reviews may be subjected to self-selection biases that impact consumer purchase behaviour, in the long run. The peculiar preferences of early buyers can affect long-term consumer purchase behaviour as early adopters of the products have a self-bias, eventually, influencing the ratings and reviews online (Li & Hitt, 2008). In contrast, Moe and Trusov (2011) show that although ratings behaviour is significantly influenced by previously posted ratings, the effects are relatively short-lived.

Researchers have taken different measures such as online reviews and ratings to measure the impact of e-WoM in terms of sales and profits. The interesting part is that few studies contradict each other, even though they have used the same industry and data for their study. A brief summary of research works on the impact of word of mouth is presented below:

Table 1D: Studies measuring impact of word of mouth

Research	Measures	Key Results
Villanueva, Yoo & Hanssens, 2008	Customer lifetime value	Customers acquired through WoM add two times the lifetime value of customers acquired through traditional marketing.
Chevalier & Mayzlin, 2006; Liu, 2006	Impact of WoM, consumer reviews on book sales	The number of reviews and mean scores are positively related to product sales.
Dellarocas et al. (2007)	Online product reviews in sales forecasting	There is a significant positive relationship among a movie's online review volume, gender entropy of online reviewers, and average valence of critic reviews.

Duan et al. (2008)	Persuasive effect of online user reviews on movies' daily box office performance	Online ratings and reviews has no significant impact on sales which means there is a very little persuasive effect on consumer purchase decision. Box office sales are influenced by volume of online posts, implying importance of awareness.
Lee, Park, and Han (2008)	Effect of negative e-WoM on product attitude (mp3 player)	High-quality negative online consumer reviews influence consumer attitude more than low-quality negative online consumer reviews thus impacting future sales.
Park and Lee (2008)	Dual role of consumers: informant and the recommender	Number of reviews increase perceived popularity of a product (the recommender role). Low-involvement consumers consider the recommender role as being more important than the informant role, but high-involvement consumers consider the informant role as being more important.
Whinston (2008)	Impact of user reviews on box office revenues	This study reveals that rating of online users has no significant impact on movies' revenues after accounting for endogeneity. However, sales are significantly influenced by the volume of online posting, suggesting the importance of awareness effect.
Zhu and Zhang (2010)	Effect of consumer and product characteristics using video games sales	Online reviews are more influential for less popular and online games. Online reviews are more influential when consumers have relatively greater internet experience (benefits of reduced search costs).
Ho-Dac, Carson, and Moore (2013)	Effect of WoM on Blu-ray/DVD players, Strength of brands	Positive reviews increase sales revenue of weak brands whereas negative reviews decrease it but no significant impact has been noticed on strong brands.
Gopinath et al. (2014)	Effect of e-WoM and advertising on sale of cell phones	The valence of the recommendation has a direct impact on sales revenue of the firm. Volume, on the other hand, does not have a significant impact on sales.

Most of the studies have been conducted to examine the impact of word of mouth in the following industries – Electronics, Movies, Gaming and Publishing; but one major shortcoming which is common in all these studies is that they have evaluated the impact of WoM in terms of only one marketing outcome variable, i.e. actual sales.

1.4.7: Word of Mouth Marketing:

Word of Mouth is simply a customer's narrative of his/ her product experience. However, it is not a new concept as people have always talked about their product experiences. With the arrival of social media though, the role of word-of-mouth changed considerably and people now share and receive a lot of product related information online. You just can't underestimate the influence of word of mouth in the modern day business, be it in any sector. WoM Marketing is a marketing strategy whereby marketers leverage the influence of word-of-mouth for reaching out to their prospective customers. Simply put, it is the tactic of creating a process where interested people can market to each other. (Subramani & Rajagopalan, 2003). Word of mouth marketing is used interchangeably with viral marketing as it is very difficult to clearly distinguish between these two terms due to considerable overlap. The motive for both sets of activities is to acquire customers, to create buzz and positivity about the brands and products, to add to the revenues and profits of the firm and to increase market share (Shirky, 2000).

There is an impressive body of research available on word of mouth marketing. WoM Marketing revolves around two principal strategies – Evangelism Marketing and Influencer Marketing. Evangelism marketing involves creating an experience that is so inspiring to consumers that they become committed to the company and share their enthusiasm with others around them. It can be implemented only through the identification and cooperation of a broad network of information disseminators that are in a position to take a leading role in spreading positive WoM. (McConnell & Huba, 2003). Influencer marketing, on the other hand, rests on the belief that the impact of word of mouth can be increased by tying up with celebrities and people who are quite popular on social media either because of the blogs or the pages they manage. Influencers are people who along with a great following also have a lot of knowledge about a topic. After all, influence is not just having a lot of followers. It's also driven by expertise and credibility on subject matter. (Gladwell, 2000).

There are other short term strategies too like Cause Marketing wherein institutions support social causes to earn respect and support from people so that they can create a good organizational image or Buzz marketing wherein firms take the help of high-profile entertainment sites to get people to talk about their brands and products or Viral marketing wherein entertaining and informative messages are designed to be passed

along in an exponential fashion, often electronically. By definition, viral marketing is just the traditional word of mouth where any marketing effort propagates itself like virus using digital media. Also many are of the opinion that the two works exactly the same way with the only difference that traditional word of mouth takes place in personal settings and viral marketing takes place online (Hendrix, 1999; Litvin et al., 2008). However, it needs to be understood that viral marketing is broader in scope than traditional word of mouth. Traditional word of mouth is a ‘decaying function’ in the sense that the campaign doesn’t get exponentially bigger with each iteration, whereas viral marketing is a ‘compounding function’ that grows with each iteration (Laycock, 2007).

Consumers feel that viral campaigns are entertaining, and in line with the current trends. According to them, social networks are the most preferred sites to share and spread viral campaigns within your social circle (Dufour, 2011). Thus, it is of paramount significance for the marketers to realize the potential of viral marketing and integrate it properly with other marketing techniques for better results. Care must be taken to introduce these messages into digital networks in a manner unlike spam. (Klopper, 2002). Viral marketing is extremely attractive to small businesses and start-up firms with a limited budget, as it costs very little but still delivers significant results in a short span of time (Nucifora, 2000). However, it should be noted that the success of viral marketing is dependent upon whether or not the viral messages are accepted and propagated. Though there are various platforms of social media available to the marketer, special attention must be paid to designing the viral messages in a unique and innovative way so as to attract a specific target market and to make it interesting enough for people to want to spread it. (Dobele, et. al., 2007).

From the detailed review carried out, a theoretical framework that explains the overall word-of-mouth (WoM) process is created, indicating the relationship between WoM indulgence, WoM influencers and WoM effectiveness, in a marketing setting. WoM indulgence talks about source characteristics and the word of mouth message that is passed on. WoM influence talks about the push factors that affect consumer judgement and WoM effectiveness reflects the various possible outcomes.

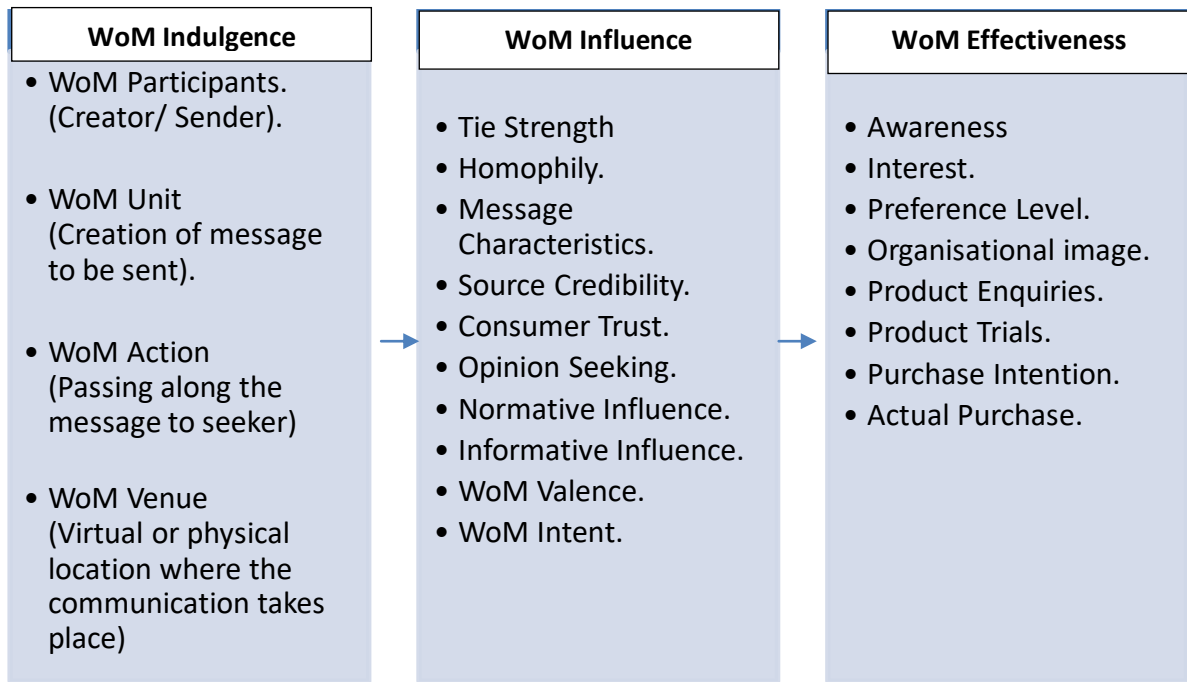


Fig 1.3: Word of Mouth Framework

1.5: Research Gap and the Research Problem

From the extant literature review carried out covering all streams of literature relating to word of mouth, the following research gaps emerge justifying our motivation for venturing into this relatively unexplored area:

1. There seems to be no real consensus as to which factors one should study when it comes to testing WoM effectiveness. There are a host of factors relating to the referrer and the referred which lead to WoM outcomes. It is important for us to explore which factors are of paramount significance and which are not.
2. Comprehensive studies couldn't be found that tried to make a quantitative assessment of the impact of e-WoM vis-a-vis personal WoM. More research is required to see which of the two mediums fares better performance-wise. There is a need to examine which kind of word of mouth the firm should create to impact sales. (Godes and Mayzlin, 2013).
3. Recent studies do not look at the consumer side of the transaction. It fails to identify whether there is any direct connect between a recommendation and actual purchase, i.e. whether the consumers actually base their purchase decision on the referral.

Therefore, more research is needed in accurately predicting buying behaviour of the consumers.

4. Apart from a chosen few like Mitsis and Foley (2009), Mihic, Anic and Milakovic (2017) and Kang, Hur and Son (2014) , most of the recent studies have not emphasised on the impact of WoM with reference to demographic and psychographic variables. More research work is to be done to study the impact of WoM across different demographic and psychographic segments.
5. Most of the researches have tried to find a direct link between word of mouth and actual sales. The lack of attention paid to the other various effects word of mouth has on receivers, i.e. increase in awareness, interest, preference, enquiry, trial, organisational image etc. seems to be surprising and represents a significant gap in research addressing WoM behaviour.
6. Most of the research work carried out in the field of WoM effectiveness has been conducted within university settings using students as the sample in major cities of Western economies. Even for WoM studies conducted in India, most of them were restricted to sample locations in central pockets of the country (Kala & Chaubey, 2018; Amini, 2017; Islam & Farooqi, 2014). No study has been reported to be carried out with respect to WoM effectiveness in urban centres of Assam.

Word of Mouth has always been a potent marketing force, given the influence it holds on the purchase decisions of consumers. However, despite gaining a lot of attention in research circles, there are still many gaps that have been identified in the current literature related to word of mouth. For example, research on the receiver side has been conducted to a lesser extent as compared to sender's side, partly owing to difficulties faced in studying received word of mouth. (Sweeney, Soutar & Mazzarol, 2008). This lack of attention paid to the effects WoM has on receivers seems surprising and represents a significant gap in research addressing WoM behaviour. Therefore, more research is needed in accurately predicting the impact word of mouth has on the recipients.

Again, with the increased usage of social media, diffusion of WoM among consumers has become faster than ever, and the market power of WoM has reached an unprecedented scale (Dellarocas et al, 2004; Datta et al, 2005). However, there hasn't

been any comprehensive study that has tried to make a proper assessment of the impact of e-WoM vis-a-vis personal WoM. This online versus offline debate represents a relatively new research area, resulting in several basic and important research questions that are yet to be answered. More research is required to see which of the two mediums fares better performance-wise, in terms of its impact on buyer behaviour. There is a need to examine which kind of word of mouth and specifically which platforms should the firm focus on to positively impact its sales and profits (Godes & Mayzlin, 2003). Another point that needs to be noted in this context is that most previous studies in the area of e-WoM have focused on the volume or the star ratings of online reviews and neglected any information contained in the actual text reviews (Lehto et al, 2007). However, text reviews contain rich consumer information that is vital in understanding the e-WoM communication process and its outcomes. Attempts have been made in this study to bridge this gap as the diary panel respondents are asked to recall and report the conversation they were party to.

It was also found that a vast majority of the recent studies have not emphasised on the impact of word of mouth with reference to different demographic, psychographic and netnographic segments. Therefore, more research work is to be done to study the impact of WoM cutting across different demographic categories such as different genders, age groups, income levels etc.; different psychographic variables such as social classes and value segments and different netnographic variables such as frequency of internet usage, duration of usage, purpose of usage etc. Moreover, no study has so far been reported to be carried out with respect to WoM effectiveness in urban centres of Assam. Despite the updated review, two significant research gaps which are at the core of this study remain intact and unaddressed. Firstly, that most of the literature on word of mouth impact has focused solely on purchase intent and ignored other relevant marketing outcomes or studied them in isolation. Secondly, no study was found that did a comprehensive assessment of which medium fares better performance wise between online and offline word of mouth. To summarize, this study aims to plug in all these gaps and bring new insights into the overall influence of word of mouth on marketing-relevant outcomes (Petty, Wheeler & Tormala, 2013).

1.6: Potential Contribution

There are several potential theoretical and practical contributions that may be expected from this research. From a theoretical perspective, the study advances the understanding of WoM effectiveness as it sheds light on the different layers of effectiveness and identifies critical factors that influence its effectiveness. From a managerial point of view, the study provides practical insights into the comparative performance of online and offline word of mouth, and into how the impact of word of mouth differs across different customer segments, thus helping marketers design more effective WoM campaigns and avoid costly mistakes in the marketing plan.

This study could be a step towards a deeper understanding of how consumers use WoM information in decision-making. With the power shifting from marketers to consumers on social media, where the valence of conversations can make or break brands, attempts are made to identify how word of mouth effectiveness is more influential for certain segments. Businesses trying to adjust their marketing plan to the country's changing demographic scenario might also find data relating to demographics quite useful. Demographic wise differences, if any, can be then analysed and used for effective design and delivery of marketing communications. The study aims to narrow the gap of what happens after WoM is received and positioning this study at the intersection of WoM intent, WoM antecedents, and WoM effects' literature streams.

1.7: Thesis Outline:

The remainder of the thesis has been carefully divided into seven more chapters.

Chapter Two talks about the aims and objectives of the study, describe the overall academic scope of the study, and highlight its limitations and assumptions.

Chapter Three outlines the general methodology of the study, introduces the research design adopted, and explains the research instruments to be used, in greater detail.

Chapter Four presents analysis and findings for the first objective of the study, which is to identify the critical factors that are considered as major influencers of WoM effectiveness.

Chapter Five presents the analysis and findings for the second objective, discussing how electronic WoM fares performance-wise when compared to personal WoM.

Chapter Six contains an updated analysis of how word of mouth behaviour and impact differ for people belonging to different demographic, psychographic and netnographic segments.

Chapter Seven is a short summary of the overall findings of the study. The major findings under each objective are highlighted in different sections.

Chapter Eight outlines the theoretical contribution of the study, describes the managerial implications of the study, lists the specific limitations of the study carried out and based on the latter, issues directions for future research in this area.

In addition to the above, a copy of the questionnaire and other research instruments which have been used in this study is added towards the end. Also, references to all books, articles, journals, websites, blogs etc. cited in the text have been listed in the final section of the study i.e., bibliography.

The next chapter discusses the objectives of the study, outlines its academic scope and talks up the possible limitations of the study.