

Online Communicators - A New Tool of Modern Marketing

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Abstract

The role of digital revolution has accelerated and intensified such that online communicators can no longer act intimate. Millions and millions of users who depend on online information continuously for finding information on products and services and compare their price and quality on a regular basis. There are dedicated websites doing this activity regularly. This trend has been continuously increasing and does not seem to fade away in the near future. The study tries to identify the pattern and frequency of using the online sources for purchase of products & services, information sources used in purchase decisions online word of mouth influence and communication on purchasing decisions. A sample of 1000 respondents were selected for the study through social networking sites out of which 635 responses were found complete in all respects and were hence considered for the study. The reliability of the data was confirmed using Cronbach alpha. Descriptive statistics were used to briefly describe the data. F – Test ANOVA was used to find the kind of association among the identified demographics. It was found that the decision to purchase various products/ services were affected by the information/recommendations/reviews available online through WOM posts/advertisement/and other promotional activities. Online sources are being frequently used for purchasing products, collecting information, word of mouth facilitation and making purchase decisions. Online platforms have become a significant source which directly/indirectly affects the company's performance and productivity and thus organisations should focus on to market themselves by creating a positive influence on online communicators in this connected world.

Key words: Word of Mouth Communication, Digital revolution, online marketing, interpersonal communications, Performance, Purchasing Decision.

Introduction

A dominant force in the market place is the communications through the word-of-mouth which significantly influences the consumer's buying/purchasing behaviour. This influence for first time buyers/consumers or in the case of relatively expensive products where consumers research more on the product /service, seek more and better and opinions and deliberate more than they would do otherwise. This revolution in the digital space has really accelerated and enhanced its reach to a level where the online communicators could no longer act intimate/close or influence purchasing decisions. Netizens rely on the information available online for product searches and more importantly for price and quality comparisons. The power of WOM communication and the influence it has on the decisions made by consumers is well established in different kinds of academic and non-academic literature.

According to one of the reports of CNNIC, around 53.9% of the networked consumers have expressed that they would check the relative comments on various commodities when they would be buying products. Around 79% of citizens would read various comments on the commodities they are intending to purchase. Over 90% citizens have commented on the shopping websites regarding their purchase decisions and their related experience. The off-late adoption of online reviews/information/communications by consumers has fundamentally changed the already existing structure of various WOM experiences by exposing the buyers/consumers to upcoming electronic WOM (e-WOM) platforms rather than being just virtual strangers (Erin M. Steffes, Lawrence E. Burgee, 2009). The word of mouth mode of communication is not a new concept, has been in existence for long but has been avoided by organizations for the past number of years but off-late many companies have identified or uncovered their effectiveness & influence by means of various studies done similar to the ones referred to in the literature identified and reviewed by the authors. Online communications/ E -WOM can exist in diverse kinds of settings. Online purchasers/reviewers can post their opinions/comments/reviews on various products/services on various online platforms available like blogs, e-bulletin boards, forums for discussion (e.g. discussion.com), sites for reviewing websites (e.g. Opinions.com), newsgroups, social networking sites. Though e-WOM communications have a few features similar to the conventional WOM communication channels, they differ from them in several other dimensions which results in the uniqueness they possess. These e-WOM communications channels possesses unprecedented speed and scalability of diffusion which normally was not present in the other conventional WOM platforms. In case of the already existing WOM platforms the information is shared only between a small groups of individuals and that too only in a synchronous mode (Steffes and Burgee, 2009, Li & Hitt2008, Dellarocas 2003; Avery, Resnick, and Zeckhauser,1999). In contrast to the conventional WOM platforms, e-WOM communication channels are more easily accessible and can persist longer. According to various authors (Kardes, Herr and Kim, 1991) most of this text based information are archived on the internet so that they could further be made available for an infinite period of time and also these e-WOM communications channels are better measured than the available traditional WOM processes (Park and Kim, 2008; Lee, Park and Hen, 2008).

According to Microsoft advertising it was found that nearly 50% of the consumers between the age group of 18-54 years were likely to purchase goods/items based on the recommendations/reviews/comments received from the e-word-of-mouth platforms. Through tighter integration into the existing corporate communication channels, the marketing concept through e- WOM could optimally develop a better and a more positive effect thereby providing the companies with an image which could be acceptable for a longer term and have loyalty which comes out from deep rooted emotions along with the application of methods and images created by their brands (Oetting, 2005).

It is an open secret that the word-of-mouth channel is a powerful tool of influence. Marketing techniques have been continuously evolving and present day buyers/consumers are having a bigger and more significant role as they have been share marketing messages and also have been endorsing brands. As these comments/reviews sections are quite ubiquitous on various e-commerce sites and the easily availability of various digital social sharing tools, the buyers/consumers are increasingly reviewing these recommendations/reviews as critical inputs for their future purchasing decisions. The undergoing study would also help the organisations in assessing their impact and take better advantage of this buzz being created in the digitally connected world.

Review of literature

(Schindler, 2002) found that communication through word-of-mouth consisted of words spoken or exchanged with relatives or friends during face to-face-communications. In contrast the e-WOM is spread through the online mode consisting of transmission of personal opinions and experiences through written words and are shared online. An advantage of this new kind of word-of-mouth communication is that people could seek information relating to anything at the convenience of sitting at their home. (Hennig-Thurau, 2004) in his study had found that e-WOM communication referred to any kind of statement (positive/negative) made by potential, actual or/and former customers/consumers about accompany/product via the Internet. (Brown, 2007) in his study also found that communication through word of mouth (WOM) was also a major part of the consumer interactions, particularly within the online community environment. (D.Hoffman, 2013) reported that Word-of-mouth (WOM) was widely regarded as one of the most influential factors impacting consumer behaviour, but even then traditional models were constructed oblivious to the potential of electronic word-of-mouth (e-WOM) and social media and it was found that the valence of WOM messages interacted with the brand type to affect attention differently. Further it was found that consumer reviews online , a type of product information created by the online users was based on their personal usage experiences and could prove to be a new element in the marketing communications mix which could also work as free sales assistants helping consumers identify the products that best matched their specific usage conditions (Xie, 2008). Further (Dwayne D. Gremler, 2001) in his study found a significant correlation between employees/customers with customer WOM behaviour and also showed how these interpersonal relationships be used in order to increase the likelihood of customer WOM behaviour. (Chevalier, 2006) in his study suggested

new forms of customer communication on the Internet and found that they could have a significant impact on the upcoming behaviour of the customers. (Bayón, 2004) studied the effects of WOM in the context of the service provider switching and found that the strength of WOM influence was determined by perceived communicator characteristics. (E.Burgee, 2009) suggested that the influence of a strong referral source was weak on purchase decision making. (Norbert H. Meiners, 2010) in his study reported that the 'four P's' lacked a key ingredient that had been made apparent by the 'consumer revolution' i.e., the process of consumer involvement. In the emerging situations that the companies faced today, the consumers have seized control, audiences have been shattered into small slices /fragments, differences in the products have lasted only for a few minutes rather than years, and the new ecosystem consisted of many unstructured one-to-one and peer-to-peer conversations. Further (K.B.Murray, 1991) in his study stated that WOM was important in the marketing of services. Consumers were found to rely on WOM to reduce their level of perceived risk and uncertainty that was associated with servicing purchase decisions and concluded that personal sources had a greater influence on purchasers of services rather than on the purchasers of products.

Research Gap

Communication through e -Word of mouth (WOM) has become all the more significant with the proliferation of online WOM or e-WOM. A number of researches are being done to find ways of creating a positive word of mouth communication which could cement a bond between the organization and its customers. However, the review of literature indicated that not much has been prioritized on the word of mouth communication in spite of the fact that the brand value of the organization was created and maintained only if they were successful to influence consumers.

Objective of the study

- To study the impact of online WOM/e-WOM on the purchasing decisions of the consumers.
- To study the use of online sources for the purchase of products & services.
- To study the sources of information used in making purchase decisions.
- To study the product / service segments that are being effected by information / recommendations received through e- WOM.

Research Methodology used in the study

- A descriptive study was done using a structured questionnaire keeping in view the preferences and perception of the respondents. A pilot test was conducted to understand the validity and the reliability of the tool used to gather empirical data.
- The questions were closed ended and the respondents belonged to all the age groups who had been using/reviewing e -WOM irrespective of their gender, social status, income, etc. for making purchasing decisions.

- The questionnaires were sent to a 1000 respondents through online platform. We received a response from 810 respondents out of which 635 responses were found to be useful for the study after necessary filtering and imputation.
- The sample set consisted of respondents from all kinds of age groups - 18 – above 50 years and were users of e-WOM or have reviewed recommendations and reviews online before buying a product or a service
- Demographic statistics were used to study the profile of the respondents.
- Various descriptive statistics were used to describe and understand the data received.
- Association/ non association between the variables selected for the study was found using the F – Test ANOVA.
- Cronbach alpha was found to study whether the data collected was reliable or not.

Hypothesis framed for the study

H ₀₁	There is no influence of the frequency of using online sources for purchasing decisions across various demographics.
H ₀₂	There is no influence of various online sources of information for making purchase decision among the demographics.
H ₀₃	There is no significance influence of the recommendation / service information available through e-WOM communication on various segments of products/services.

Data Interpretation / Analysis

Table– 1: Demographic profile

		Frequency	Percent
Gender	Male	343	54.0
	Female	292	46.0
	Total	635	100.0
Age	18-25 years	265	41.7
	25-30 years	195	30.7
	30-40 years	114	18.0
	40-50 years	55	8.7
	> 50 years	6	.9
	Total	635	100.0
Occupation	Student	251	39.5
	Professional	193	30.4

	Business	102	16.1
	Job seekers	51	8.0
	Household	38	6.0
	Total	635	100.0

Interpretation: A sample of 635 respondents was selected out of which a significant proportion of the sample 54% members (343) were males. Majority of the respondents belonged to the age groups of 18 – 25 (41.7%). Maximum respondents were students (39.5%). The Cronbach alpha was found to be 0.729 thereby indicating that the sample taken for the process was adequate and confirmed the reliability of the data

Table 2: Frequency of going online for taking purchase decisions

	Always	Very often	Sometimes	Rarely	Never	Total
Search for opinions from product/ service experts	186	198	131	58	62	635
Search for the product/service on ratings websites	103	204	235	42	51	635
Search articles or blog posts about the product/service	102	228	223	60	22	635
Solicit opinions from friends/family added in your social networking site accounts	148	201	137	114	35	635

From the above table it can be interpreted that people sometimes search for opinions from product/ service experts and search for the product/service on ratings websites but they always search articles or blog posts about the product/service and take solicit opinions from friends/family added in your social networking site accounts

Table 3: Descriptive Statistics

	Mean	Std. Deviation
Search for product/service information on search engines/ company websites	2.01	1.151
Search for consumer/ user reviews	2.54	1.276

Search for opinions from product/ service experts	2.39	1.263
Search for the product/service on ratings websites	2.58	1.088
Search articles or blog posts about the product/service	2.48	0.985
Solicit opinions from friends/family added in your social networking site accounts	2.51	1.187

The above table shows that most of the respondents frequently search for consumer reviews, search for products and services on the rating websites and solicit opinions from friends for gathering information online on choice of products and services

H₀₁: There is no significant influence on the frequency of using the online sources for purchasing of products and services across the demographics.

Table 4: F-test ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Search for product/service information on search engines/ company website	Between Groups	26.220	3	8.740	6.778	.000
	Within Groups	813.679	631	1.290		
	Total	839.899	634			
Search for consumer/ user reviews	Between Groups	47.522	3	15.841	10.159	.000
	Within Groups	983.949	631	1.559		
	Total	1031.471	634			
Search for opinions from product/ service experts	Between Groups	68.221	3	22.740	15.221	.000
	Within Groups	942.702	631	1.494		
	Total	1010.923	634			
Search for the product/service on ratings website	Between Groups	13.974	3	4.658	3.990	.008
	Within Groups	736.600	631	1.167		
	Total	750.573	634			
Search articles or blog posts about the product/service]	Between Groups	8.245	3	2.748	2.860	.036
	Within Groups	606.331	631	.961		
	Total	614.576	634			
Solicit opinions from friends/family added in your social networking site accounts	Between Groups	20.362	3	6.787	4.909	.002
	Within Groups	872.356	631	1.382		
	Total	892.718	634			

Interpretation - The null hypothesis was rejected in all the cases indicating that there is a significant influence of the gathering information online on choice of products and services.

Table – 5: Online sources of information for making purchase decision

	Highly trustworthy	Trustworthy	Neutral	Less trustworthy	Not at all trustworthy
Friends added in your social networking site accounts	120	201	110	72	132
Family members/ Relatives added in your social networking site accounts	81	215	195	94	50
Colleagues added in your social networking site accounts	94	212	175	37	117
Experts having knowledge of the product/ service	110	193	175	81	176
Freelancers with large followers base	73	101	152	96	213
Forums/ Communities/ Fan clubs of the concerned product/ service	83	182	223	77	63
Product/ service company websites	102	204	183	81	62

The above table interpreted that people found their friends and added in their social networking site accounts most trusted among the various online sources of information for making purchase decision. On the another hand freelancers with large followers base were the least trusted among all the online sources of information.

Table – 6: Descriptive Statistics

	Mean	Std. Deviation
Friends added in your social networking site accounts	2.99	1.255
Family members/ Relatives added in your social networking site accounts	2.98	1.297

Colleagues added in your social networking site accounts	2.74	1.103
Freelancers with large followers base	2.83	1.412
Forums/ Communities/ Fan clubs of the concerned product/ service	2.97	1.15
Product/ service company websites	2.68	1.176

The above table states that friends and Family members/ Relatives added in the social networking site accounts are highly trusted by the respondents for taking opinions regarding the purchase of products / services.

H₀₂: There is a no significant influence of various online sources of information for making purchase decision among the demographics.

Table – 7: F test ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Friends added in your social networking site accounts	Between groups	136.245	3	45.415	25.419	.000
	Within groups	1127.392	631	1.787		
	Total	1263.638	634			
Family members/ Relatives added in your social networking site accounts	Between groups	66.451	3	22.150	19.834	.000
	Within groups	704.708	631	1.117		
	Total	771.159	634			
Colleagues added in your social networking site accounts	Between groups	178.415	3	59.472	42.242	.000
	Within groups	888.379	631	1.408		
	Total	1066.794	634			
Experts having knowledge of the product/ service	Between groups	105.187	3	35.062	25.673	.000
	Within groups	861.789	631	1.366		
	Total	966.976	634			
Freelancers with large followers base	Between groups	102.110	3	34.037	23.943	.000
	Within groups	897.030	631	1.422		
	Total	999.140	634			
Forums/ Communities/ Fan clubs of the concerned product/ service	Between groups	69.181	3	23.060	18.940	.000
	Within groups	759.730	624	1.218		
	Total	828.911	627			
Product/ service company websites	Between groups	98.664	3	32.888	26.657	.000
	Within groups	778.507	631	1.234		

	Total	877.172	634			
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Interpretation - The null hypothesis was rejected in all the cases indicating a significant influence of the various online sources of information on the choice of products and services.

Table – 8: Online word of mouth facilitation for purchase decision

	Always	Very often	Sometimes	Rarely	Never
Automotive and transportation	224	114	82	109	76
Food and beverage	112	235	182	45	61
Electronics and household appliances	77	260	96	92	110
Health and beauty	121	263	156	52	43
Consumer packaged goods	117	206	216	78	18
Retail	105	166	196	125	43
Footwear and apparel	169	171	167	81	47
Sports, media and entertainment	126	153	177	125	54
Telecommunications	167	220	155	40	53
Financial and professional services	165	132	195	94	96

Table – 8: Descriptive Statistics

	Mean	Std. Deviation
Automotive And Transportation	2.52	1.421
Food And Beverage	2.46	1.149
Electronics And Household Appliances	2.13	1.374
Health And Beauty	2.58	1.094
Consumer Packaged Goods	2.51	1.018
Retail	2.26	1.151
Footwear And Apparel	2.53	1.218
Sports, Media And Entertainment	2.73	1.225
Telecommunications	2.64	1.177

Financial And Professional Services	2.43	1.235
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Sports, Media and Entertainment, Telecommunications and health & beauty segments have highest mean indicating that most of the respondents felt that online words of mouth communication had the highest impact on the purchase decisions of the above mentioned products.

H₀₃: There is no significant influence of the recommendation / service information available through online word of mouth communication on the choice of products and services segment.

Table – 9: F-test ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Automotive and Transportation	Between groups	178.531	3	59.51	34.08	0
	Within groups	1101.932	631	1.746		
	Total	1280.463	634			
Food and Beverage	Between groups	68.114	3	22.705	18.62	0
	Within groups	769.612	631	1.22		
	Total	837.726	634			
Electronics and Household Appliances	Between groups	24.014	3	8.005	4.306	0.005
	Within groups	1172.875	631	1.859		
	Total	1196.888	634			
Health and Beauty	Between groups	14.901	3	4.967	4.213	0.006
	Within groups	743.99	631	1.179		
	Total	758.891	634			
Consumer Packaged Goods	Between groups	65.346	3	21.782	23.25	0
	Within groups	591.29	631	0.937		
	Total	656.636	634			
Retail	Between groups	16.327	3	5.442	4.168	0.006
	Within groups	823.799	631	1.306		
	Total	840.126	634			
Footwear and Apparel	Between groups	7.43	3	2.477	1.675	0.171
	Within groups	932.891	631	1.478		
	Total	940.321	634			
Sports, Media and Entertainment	Between groups	68.05	3	22.683	16.2	0
	Within groups	883.361	631	1.4		
	Total	951.411	634			
Telecommunications	Between groups	70.811	3	23.604	18.46	0

	Within groups	807.041	631	1.279		
	Total	877.852	634			
Financial and Professional Services	Between groups	48.458	3	16.153	11.09	0
	Within groups	918.739	631	1.456		
	Total	967.197	634			

Interpretation -The null hypothesis was rejected in all most all the cases indicating that there is a significant influence of the recommendations and service information available through online word of mouth on the choice of products and services. But in case of footwear and apparels the null hypothesis was accepted indicating no significant influence.

Conclusion

The decision to purchase products/services is affected by information/recommendation/reviews received through online word of mouth, advertisement and other promotional activities. Online sources are frequently used for purchasing products, collecting information, word of mouth facilitation and making purchase decisions. The study attempted to reveal the consumers' perception when taking purchasing decisions and forming relationships with particular products/services and how they affected the marketers of various products while taking crucial decisions to sustain in the competitive environment. Online platforms have become a jaguar which directly/indirectly affects the company's performance and productivity thus organisations should focus on to market themselves by creating a positive influence on online communicators in this connected world.

Future scope/ limitations

The study has been conducted in different parts of the world but has not yet prioritised in India where the business sector has been growing exponentially since the past few decades. The study could provide better insights on relationship marketing which cements a bond of loyalty with the customers who could protect organizations from the inevitable onslaught of competition and other certain and uncertain factors which affect the growth and success of organizations.

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