CHAPTER 1
INTRODUCTION
Introduction

Background
Last decade has seen an enormous 566% increase\(^2\) in the world’s internet penetration. A third of the world’s population is internet user. This increase can be attributed heavily to newer usages of internet, social media being one of them. Consumption of social media has been growing remarkably. Globally, one out of every seven persons has a Facebook account and close to four in five active internet users visit blogs and social networking sites\(^3\). A recent study revealed that more than 60 per cent urban Indian users of internet are spending average four hours daily on social media for various gratifications. If total registered users on Facebook are any reflection of the increasing consumption of social media in India, there are over 60 million registered users of Facebook, third highest worldwide\(^4\). Interaction with the help of social technologies has spread across popular cultures globally. More than 1.5 billion people are members of these IT-enabled communities. Social media has provided “speed, scale and economies” to social interactions\(^5\).

Social, derived from a Latin word *socii*, means ‘allies’. Coupled with media it denotes a set of social tools heavily used today for communication and interaction. Countless users converse and interact through online communities, discussion boards, blogs and social networking sites. They turn to social media to socialize, broadcast their views, entertainment, share experiences and recommendations. For some users it may have supplemented, or even replaced, their existing primary and secondary reference groups (Bagozzi & Dholakia, 2002). Social media abundantly supports “online discourse”. User generated content is extensively shared because of the ease, convenience and speed provided by the social media platforms (Asur & Huberman, 2010). While interacting on social media, consumers have compelling stories to share about their brand experiences transforming social media into a web of brand-related conversations capable of influencing various aspects of consumer behaviour including awareness, information acquisition, opinions, attitudes, purchase intention, and post-purchase communication (Mangold & Faulds, 2009; Chu & Kim, 2011). Consumers indulge in brand related user-generated content as it helps them socialise with others and also express


themselves on their network. Brand related conversations may take place through Twitter tweets, Facebook posts and blogs, all of which is capable of shaping consumer brand perceptions (Smith, Fischer & Yongjian, 2012).

Today closely monitoring and listening to consumer opinion, experiences and sentiments on social media is extremely important. Technology has enabled marketers to gather word of mouth (WOM) exchanges in its absolute form. Facebook analytics allows marketers to closely track ‘People Talking About This’ (PTAT) and ‘Engaged Users’ to understand mind share different brands have amongst their customers\(^6\). Social listening tools and applications, such as Nielsen Blog Pulse, Hootsuite, Brandwatch, Viralheat etc., have empowered marketers with the ability to mine, monitor and draw insights from eWord of Mouth (eWOM) that is generated across the social media space\(^7\). Increasing number of brands have set up “social media command centres”, focused at tracking customer comments related to the brand and extending responses real time. For example Dell operates a “Social Media Listening Command Centre” where it closely monitors what customers are talking about the brand and also extend customer support. Therefore marketers are closely watching their brands on daily and hourly basis on social media (Klie, 2012).

**Statement of the Problem**

Social media has seen a significant growth of brand-related conversations. Consumer to consumer conversations taking place on social media has altered the flow of brand-related communication. Brand-related communication is no more exclusively under the powerful control of the marketer, rather shared by users on Facebook, Twitter and blogs. (Kietzmann, Hermkens, McCarthy & Silvestre, 2011). Christopher Vollmer and Geoffrey Precourt (2008, p. 5) in their book, Always On, noted “consumers are in control; they have greater access to information and greater command over media consumption than ever before” This change in information flow has empowered consumers greatly (Mangold & Faulds, 2009). Consumers have easy access to user-generated online product reviews, opinions and referrals of peers which is changing consumer decision making process and consumer information processing (Wang , Yu & Wei, 2012). Brand-related conversations on social media or eWOM have across countries begun to influence purchase decisions of different consumer categories:

---

\(^6\) [http://medigitsocial.blogspot.in/2012/10/understanding-facebook-analytics-no-of.html](http://medigitsocial.blogspot.in/2012/10/understanding-facebook-analytics-no-of.html) retrieved as on January 2013

home electronics; travel/leisure; clothing; food and beverage etc\textsuperscript{8}. Consumers indulge in eWOM behaviour to seek opinion and influence. More than 60\% of users believe other consumer’s opinion shared online. They rely on experiences and attitudes of other consumers on social media who have “been there, done that”. (Blackshaw & Nazzaro, 2006, p. 5). According to another study close to 71\% of users are more likely to purchase a product after reading suggestions from ‘friends’ on social media\textsuperscript{9}.

Despite the increase in display of eWOM behaviour, theoretical understanding related to the behaviour is based on traditional WOM or Face to Face (FtF) WOM behaviour; however two have some fundamental differences. According to the “cue filtered out” view point of Computer Mediated Communication (CMC) the utility derived from nonverbal cues during FtF interactions may be missed during the text based interactions via eWOM (Culnan & Markus, 1987; Walther & Park, 2002; Jansen, Zhang, Sobel, & Chowdury, 2009). Even though eventual consequences of CMC and FtF communication may be that of parity, based on the Social Information Processing theory (Walther, 1992), the process involved may differ (Walther, Loh, & Granka, 2005). In the absence of nonverbal cues users may rely on “different strategies to reduce uncertainty and to form impressions of each other” (Antheunis, Schouten, Valkenburg & Peter, 2012, p. 758; Ramirez, Walther, Burgoon, & Sunnafrank, 2002). In other words believability or credibility of a eWOM communication will be derived from a set of cues different from FtF WOM communication. Therefore the understanding of eWOM behaviour is limited and lacking in many aspects. For starters it is not clear why consumers indulge in this behaviour of sharing and seeking brand-related information on social media. Moreover there are network properties which facilitate WOM behaviour, significance of those network properties in the context of eWOM, where there is limited prior relationship and familiarity, is not well understood. Traditionally WOM is quite influential in altering consumption related behaviour as a consumer may easily be able to establish credibility of the source and information. Same may not entirely hold true for eWOM as it is a result of conversations between people who have no or limited prior relationship (Jansen, Zhang, Sobel, & Chowdury, 2009). Even though eWOM via social media is capable of influencing consumer’s thoughts and attitude, very little research has been done to understand the phenomenon to its entirety. Extant review of literature has not resulted in any prior research that studies, firstly, the persuasiveness of eWOM with varying degree of source and

\textsuperscript{8} State of Social Media: The social media report 2012, NM Incite retrieved as on June 2013
\textsuperscript{9} http://www.csestrategies.com/cse/2013/10/5-consumer-behaviors-changing-online-marketing-.html retrieved as on July 2013
message credibility and, secondly, explored the impact of different aspects of credibility. Therefore below are the fundamental research problems to be examined in this research:

1. Why do people indulge in eWOM behaviour and what the network-related enablers?
2. What are the aspects that influence the believability of eWOM behaviour?
3. To what extend is eWOM behaviour capable to inducing consumption related behaviour?

**Rationale of the study**

WOM is considered one of the most influential sources of marketplace information. Originally only interactions that take place face to face were considered as WOM (Arndt, 1967; 1968). However later, with the advancement in information technology, it is suggested that WOM may as well take place, via phone, email or any other means of communication that allows two individuals to converse (Silverman, 2001). The fundamental principles of human communication are changing with the popularity of internet and social media. Facebook, Twitter, MySpace and other such social networking sites are the new age platforms producing brand conversations (Reynolds-McIlnay & Taran, 2010). eWOM via social media has fundamentally changed WOM. Prior to eWOM, WOM was simply conversation between two people talking one-on-one, or in small groups, exchanging stories or information related to any product or experience. eWOM via social media has changed “the intimacy of word-of-mouth behaviour into a broadcast-like ability to communicate with the masses” (Blackshaw & Nazzaro, 2006, p. 3). Furthermore eWOM on social media varies significantly from the tradition face-to-face WOM. Traditionally WOM was considered to be more trust worthy and credible as it was generated from known and familiar sources (Herr, Kardes & Kim, 1991). Technology has enabled interpersonal communication to be visible on a more transparent public domain, simultaneously accessible to a very large set of audience. Therefore in eWOM people rely on the opinions of those outside their known circle (Jansen et al., 2009). Social media has provided multiple ways for consumers to interact with, “advocate for, discuss and rail against brands” (Fogel, 2010). Therefore current research hopes to fill the mentioned conceptual gaps, empirically test and contribute to the theoretical understanding of the phenomenon.

Following are the research gaps that will be addressed:

1. To understand the motivational antecedents significant to eWOM behaviour via social media
2. To recognize the social relationship properties significant to eWOM behaviour via social media

3. To understand the moderating role credibility perceptions, related to source and content, will play over the relationship of eWOM behaviour via social media and brand attitude

4. To test the various manifestations of credibility on the social media platform and to understand which form is more significant in social media context

5. To investigate whether eWOM via social media is capable of influencing consumption related behaviour- brand attitude and purchase intention formation.

Three studies are conducted to focus on the research gaps. Below is a diagrammatical classification of the research objectives:
**Potential Contribution**

There are several potential theoretical and practical contributions that may be expected from this research. Theoretically this research will help in greater understanding of eWOM behaviour that takes place via social media. With greater understanding of what are the drivers that lead to eWOM via social media marketers stand a better chance to be able to stimulate effective induced eWOM campaigns. For example if one the significant motivation is Altruism, “the act of doing something for others without anticipating any reward in return” (Sundaram, Mitra & Webster, 1998; Hennig-Thurau et al., 2004) marketers may develop an induced eWOM campaign in lines with what, for example, Sears International had done. Sears induced a eWOM campaign amongst female Facebook users whereby it invited them to help their friends select a prom dress form Sears (Zhang & Daugherty, 2009). Similarly
greater understanding of the underlying social relation properties that enable eWOM behaviour effective induced eWOM campaigns can be designed.

With the power shifting from marketers on social media, where peer to peer conversations can make or break brands, marketers are investing heavily on monitoring and controlling brands on social media. Hence finding effective “online influencers” or influencers who are perceived as credible and believable will allow marketers to practise greater control and spread eWOM campaign much more effectively (Aral, 2013). Therefore greater understanding on the manifestation of credibility in social media will lend great insights.

**Organisation of the study**

Chapters from here on are organised as follows. Chapter II is the review of extant literature on social media, WOM, eWOM, credibility, motivation and social relation properties. It identified the research gaps and research questions. Chapter III, Chapter IV and Chapter V are structured around three Studies. Chapter III contains Study I - Motivation and Social Relation Properties: Antecedents to eWOM Behaviour. Chapter IV contains Study II - Moderating Role of Credibility and Chapter V contains Study III - Self-generated Credibility Cues versus System Generated Credibility Cues. Chapter VI details the conclusions that are derived from this study along with managerial implications. Finally Chapter VII iterates the limitations that could not be avoided while conducting the studies and future researches that may be done to gain further understanding of phenomenon.