CHAPTER 2

LITERATURE REVIEW
CHAPTER 2
LITERATURE REVIEW

2.1 Introduction

Word of Mouth (WoM) communication, ‘a powerful force in the market place’ (Buttle, 1998; Carl, 2008; Samson 2010), is considered by companies as the ‘new means of marketing communication’ for improving customer satisfaction and loyalty, (Swanson and Kelley 2001; Magnini, 2011; Sweeney et al, 2012).

Social Media is a ‘phenomenal change’ in communication, (Dotson 2009; Kilian, 2012; Heinze, et al, 2012; Di Pietro, etal, 2012). It gives companies an opportunity to listen to their consumers, to engage them, participate in discussions and even influence their conversations, (Manfred, et al, 2012).

To utilise the potential of WoM companies are taking to Social Media (Haywood, 1989; Sashi, 2012). In fact, strong social communities or groups strengthen the relationship between the product/brand and consumers over a period of time, (Claro and Bortoluzzo, 2015).

WoM has a greater impact than other means of communication (Buttle, 1998), with a number of reasons for this rising significance. Firstly, marketing communication is losing its impact, (Bughin, 2010), buyers now relying on other ‘credible’ sources such as expert opinion and WoM from a source they consider unbiased.

Secondly, consumers are constantly flooded with number of advertisements, (Degraffenreid, 2006; Magnini, 2011) which addresses the ‘fast diminishing homogeneity of audience’, (Deloitt Technology, Media and Telecommunications Predictions, 2012; Ultimate Marketing Machine, Economist, July 2006). Variety in customer needs and as well as a greater range of products generates need for more specific communication.

Thirdly, Cost of traditional media has been increasing, whereas Social Media is a ‘free’ channel, (Fournier, 2010). Though debatable, Word of Mouth is perceived as a relatively cheaper means of communication when compared with traditional means of marketing.
Fourthly, WoM referrals have longer ‘carryover effects’ than traditional marketing, meaning they stay in the minds of consumers longer and therefore are more actionable (Trusov et al, 2009).

Word of Mouth thus has a huge and constantly increasing importance. But it the Social Media that has not only augmented its impact but also sealed its position as one of the most effective tool of Marketing Communication. Social Media has many benefits as an effective medium for proliferating Word of Mouth.

For one, Social Media is overall considered to be a less biased source of information as it is usually from a known person, and lesser so from a sponsored source (Dotson 2009). People not only listen but also believe in messages from a known source or a source perceived to be unbiased.

The free accessibility, tremendous reach, and transparency to all are aspects of the internet that have enabled marketers to influence and monitor WoM as never seen before (Trusov et al, 2009), especially the Social Media, with new marketing opportunities available on this platform, (Gong, 2007; Manfred, et al, 2012).

The ‘role of fun provided by the social network’ improves attitude towards engagement in Electronic-WoM communication (Di Pietro, et al 2012). WoM on the Social Media is easier to observe and measure; and easier to stimulate and influence because previously posted comments that are visible after a long time (Dellarocas and Narayan, 2006; Fay and Thomson, 2013).

WoM marketing strategies will benefit from research on what categories of customers are recommending the business, what are they recommending and what is prompting them to do so, (Stokes, et al 2002).

2.2 Methodology

The benefits of the detailed literature review presented in this chapter are two folds. One, though there is ample study on the WoM and e-WoM, few studies consolidate these researches into a comprehensive review of literature. Two, this study makes an attempt to
provide future researches direction and purpose by highlighting the gaps as well as providing a model for studying the cause-effect relationship between the drivers and effects of WoM.

Leading peer reviewed journals were scanned manually as well as from online data base sources to extract relevant articles/cases/research papers. The papers were shortlisted on the criteria of relevance to the topic, peer reviewed cases, conceptual/theoretical papers (throwing new light on the topic) and empirical researches. The papers date as back as 1989 and cover newer researches till 2016, spanning over two and a half decades.

Stages of research involved searching for relevant research papers in online data base sources such as Emerald, Ebsco, Proquest, etc. Following key words/phrases were used in the search, Word of Mouth, e-Word of Mouth, Word of Mouth on Social Media. Manual Search of leading journals was also conducted to ensure no major work has been left out.

The literature review has been categorized into the following heads: Word of Mouth, Social Media, Drivers or Causes of WoM, Measures of Word of Mouth, Effects of WoM, Further scope and Research propositions for future studies.

2.3 Word of Mouth

Word of Mouth communication is defined as ‘informal communications, directed at other consumers, about ownership, usage, or characteristics about particular goods and services and/or their producers/sellers’ (Matos & Rossi, 2008), which concerns evaluations and assessment of goods and services, (Anderson, 1998) and cannot be controlled or influenced (Daniasa, 2010) is between consumers who are not sponsored by companies, that is not commercially motivated, (Baker, et al, 2016). Also defined as ‘a firms’ intentional influencing of consumer-to-consumer communications by professional marketing techniques’, (Kozinets2010, Taufique 2011) or ‘any positive or negative statement …available to a multitude of people and institutions via the internet’, (Hennig-Thurau et al, 2003/4)

Not a new phenomenon, Word of Mouth was the only way to sell goods before the advent of the printing press and/or mass media, when people shared their experiences about a product
Aristotle too discusses WoM as influenced by ‘Ethos (ethical and personal appeal), Pathos (emotional appeal) and Logos (logical appeal)’ (Buttle, 1998).

Web 2.0, and has enabled customers to share information, (Shashi, 2012), has multiplied and increased the reach and speed of WoM from a personal one-on-one communication to a one-to-many basis thus shifting from a ‘linear mechanism of organic inter-consumer influence model, to the linear marketer influencer model, to the network coproduction model’ (Figure 1) (Kozinets et al 2010).

Research also interprets WoM through the traditional Communication Model, with communicator, stimulus, receiver and response (Cheung, 2010). Chan and Ngai, 2010 classify Word of Mouth elements on the basis of Input-Process-Output model.
2.4 Social Media

Social Media is an ‘increasingly influential media platform for communication’, (Zhang and Daugherty, 2009; Daniasa, 2010; Reinhard et al; Köbler, 2010; Sweeney et al, 2012) providing people huge, elaborate and instantaneous bits of information to make their choices of products easier (Di Pietro, et al, 2012). Its viral quality makes it worthwhile for corporates, (Steinman and Hawkins, 2010) and is largely used for online brand endorsements, Coca Cola, Unilever, and Starbucks being examples of companies using Facebook and Twitter, (Bruhn, et al, 2012). Further, Social Networking sites promote themselves; here users themselves spread positive word for the sites, (Steinman and Hawkins, 2010).

Tina Sakley is given credit for using the phrase ‘Social Media’ as co-founder of iVillage.com in 1995. Chris Shipley and Guidewire Group also used the term ‘Social Media’ to discuss the ‘incorporation of blogging, wikis, and social networks, into a new form of participatory media’, (Reinhard et al, 2012). Several terms like ‘virtual association’, ‘online community’ and ‘web community’ were used for online communities, (Reinhard et al, 2008).

There are a range of terms and definitions of the ‘virtual community’, which can be found in the literature (Reinhard, 2012). ‘Social media is a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content’, (Kaplan et al, 2010). Social Network is the ‘democratization of information’, (Evans, Social Media Marketing, Times Business Series), it is a medium generated by the user and centered around him as well, (Zhang and Daugherty, 2009), it is a virtual place where people team up due to a common interest or common problem, (Leimeister, 2002)

The growth of Social Media is owing to Word of Mouth. The social network founders will by means of invitations help procure new members for the site thereby increasing its reach, (Trusov et al, 2009).

Research also suggests that youth, often referred to as ‘millennial’, or ‘digital natives’, are more active on the social media owing to their technical ability to embrace new media better (Kilian et al, 2012).

Research works have been undertaken to study the use and impact of Social Media, especially commercial activities (Reinhard et al, 2012). They study the impact of Social
Media in the growth of employment opportunities and the development of cooperative relationships. In recruitment, for example, Social Media enhance the level of awareness of recruiters as well as potential employees in a cost-effective manner (Madia, 2011). Social Media has also been used widely in the education industry, (Cao, 2011).

Social Media is one of the best tools used for communication, during the times of emergency, (Bunce et al, 2012), and helps in ‘monitoring information; communication with individuals or organisations; seeking assurance in terms of safety and/or location; and developing or expanding awareness’.

*Although literature on WoM is abundant, research of e-WoM, particularly WoM on the Social Media is sparse* (Jo Brown et.al, 2007). *The current body of work has been segregated into three groups, namely Drivers of WoM, Measures of WoM and Effects of WoM.*

### 2.5 Drivers of Word of Mouth

Drivers of Word of Mouth are factors which drive or influence receiver’s WoM acceptance and further WoM generation.

Existing literature on drivers or motivators of word of mouth can be broadly classified under the following categories:

- **Perceived Source Credibility and strength of ties with source**
  
  This would further depend on-
  
  - **Sources of Word of Mouth**
    - Organic word of mouth generated by consumers
    - Company sponsored or seeded WoM
  
  - **Previous experience**
  
  - **Customer/ Receiver’s characteristics**
  
  - **Product Category being discussed**
  
  - **Medium of communication**
  
  - **Message content and Message Valence**
Perceived Source Credibility and Strength of Ties with the Source

In a study on the role of disclosure in organized WoM campaigns, impact of perceived source credibility (calculated in terms of Trustworthiness, Goodwill and Competence) on WoM is explored, (Carl, 2008). Consumers had fewer negative feelings about the agent’s corporate affiliation when the agent discloses her identity. Such results can help use company sponsored word of mouth campaigns to generate a positive impact.

Research points that consumer rely on WoM more from strong than weak tie relational partners, (Brown, 2007). One of the few researchers who have made a comparison between online and offline WoM, Brown et al, research online WoM to explore tie strength, source credibility and homophily, indicating that the idea of individual-to-individual social ties is less relevant in an online environment than an offline one. In online context the web site becomes the individual, taking its characteristic. Similarly, for source credibility, the web site is personified in the individual’s evaluation of source credibility.

Ennew, 2000, points out that service, such as financial services, that require high level of credence (of the source) and high level of service quality benefit more from WoM.

Organic WoM generated by consumers

Organic WoM is communication where the sender is independent of the market (Brown et al, 2007). WoM independent of corporate influence is perceived to be of greater value by receiver, (Buttle, 1998) with higher chances of relay owing to higher perceived reliability by the receiver, (Ennew, 2000).

Online identity of a person can be difficult to access (Brown et al, 2007) thus making it difficult to detect whether WoM is organic or sponsored impacting perception of the receiver about source credibility and trustworthiness.

Company sponsored/seeded WoM or WoM influenced by corporate activity

WoM planted by a company is called seeded or company sponsored WoM. Because of the growing importance of WoM, firms are often advised to manage/intertwine in WoM communication, (Stokes, 2002; Carl, 2008).
Sponsored WoM can take many forms. Magnini, (2011) identifies three types. One, companies may place sponsored messages in blogs without identifying the communications as being company generated. Also called Stealth Techniques, in which mostly undercover paid/compensated individuals generate WoM without disclosing corporate affiliation (Godes and Mayzlin, 2003). Two, the company may employ brand pushers. Three, celebrity endorsements disguised as organic WoM. Often marketing campaigns provide customers with a product to allow them to directly experience it. This ‘product seeding’ or trial is aimed at producing WoM and is a form of company sponsored WoM (Samson 2010; Carl, 2008). Another way is to plant company employees into the fabric of WoM conversation (Carl, 2008).

Research also points towards a relationship between advertising and word of mouth communication, thereby indicating an impact of corporate activity on WoM (Fay and Hutton, 2010; Graham and Havlena, 2007). Research which was previously undertaken by Keller Fay Group and later extended by Fay and Hutton, 2011, found that nearly 22 percentage of all Word of Mouth in the USA, 18 percentage in UK and 22 percentage in Australia is stimulated or supported by paid advertising appearing in print, online, television, and outdoors mediums.

Depending on whether the source of WoM is from a consumer (organic WoM) or sponsored/initiated by a company the recipient of WoM may react differently. Stealth Techniques are more effective than organic or genuine WoM messages (Carl, 2006; Godes and Mayzlin, 2003; Godes et al, 2005). The other school of thought suggests that when the company agent’s corporate affiliation is disclosed WoM receivers had fewer negative feelings about them (Carl, 2008). Research infers that if an individual person learns that he was targeted with a disguised sponsored WoM message, it will decrease his trust, and ultimately reduced commitment (Magnini, 2011). Study indicates that there is a strong preference for non-sponsored links as compared to sponsored links, with searchers viewing non-sponsored links first, more than 82% of the time (Jansen, 2006). ‘Promotional giveaways’ in WoM marketing campaigns lead to increased WoM, (Berger and Schwartz, 2011). It is also suggested that the best media strategy will combine professional and user-generated content (Daniasa, 2010).

Research has been done for both offline and online mediums. Jansen, 2006, studying WoM online use (e-commerce) 60 organic and 30 sponsored Web links, do not make a comparison
between online offline modes. Graham and Havlena, 2007, study the impact of advertisement on online searches and website queries, as well as online WoM, suggesting how advertising generates online WoM and builds brand advocacy across online and offline media. They also suggest an integration of offline and online strategies. Kozinets et al, 2010, has explored WoM on Social Media (blogs), and indicates that WoM is influenced by the nature of marketing promotional activity. Magnini, 2011 also studies WoM on blogs. Some of the studies were based in offline context, (Stokes, 2002; Carl, 2008).

**Previous Usage/ Experience**

Previous experience can be classified as *experience of usage of product*: frequency of use, range of use, etc. (Wee et al, 1995; Samson 2010) and *customers’ experiences with the company*: purchase experience, after sales experience, complaint handling experience, etc. (Bolfing, 1989; Söderlund, 1998; Teng, 2007; Jones, 2009; Swanson and Kelley 2001; Sandy Ng, 2011).

*Product usage* has effect on intentions to recommend and actual number of WoM conversations generated (Samson, 2010). On the other hand, loyalty, linking it to past usage, may not be an effective measure. Past users are not necessarily the best targets of WoM marketing campaigns (Samson, 2010). However past users are considered to be more credible than non-users (Wee et al, 1995).

*Previous experience* helps generate negative and positive WoM, (G Teng, 2007; Jones, 2009). Customer experience in terms of dissatisfaction and inefficient complaint handling by the company will lead to harmful negative WoM, (Bolfing, 1989; Söderlund, 1998). Söderlund attributes this behaviour to interactions with others will help the individual in the ‘cognitive burden of dealing with the negative event’. In case of negative service incidents for which customers attribute responsibility wholly or partly to themselves, apart from the company, customers will be more likely to complain anonymously through social media, and therefore generate negative WoM, (Svari et al, 2012).

A high level of customer satisfaction can lead to positive Word of Mouth, (File, Prince, 1992; Magnus, 1998; Ennew, 2000). Good customer relationship and good services generate more positive WoM than company incentives, (Ennew, 2000). Effective complaint handling can also lead to favorable WoM, (Gilly and Hansen, 1992). Similarly, when the company shows
‘stability’ in removing cause of complain, take responsibility for ‘recovery’ and has shorter
‘recovery’ of service time, it leads to customer sharing positive information, (Swanson and
other factors like likelihood of success when customer files complaint, behaviour of company
in terms of complaint handling, customers’ attitude towards complaining and product
importance.

Interactive marketing behaviours, i.e. client participation as part of service delivery process,
will lead to higher volume of WoM or client referrals (File et al, 1992). A higher intensity
and greater variety of client participation leads to positive WoM. The result of this study
brings out four key elements of service delivery participation, namely, tangibility, attendance,
empathy and meaningful interaction.

Relationship quality and service quality impact WoM behavior, (Ng, 2011). Chaniotakis et al
have used Parasuraman’s SERVQUAL variables identifying the effects of each variable to
satisfaction and WoM. The results suggest that in addition to “satisfaction”, the only service
quality dimension that directly affects WoM, is “empathy”. In addition, “empathy” affects
“responsiveness”, “assurance” and “tangibles” which in turn have only an indirect effect to
WoM through “satisfaction”.

**Customer characteristics**

Consumer loyalty is also tested as cause of WoM. Loyal users are not necessarily the best
targets of WOM marketing campaigns (Stokes et al, 2002; Samson, 2010). Stokes et al
conclude that relatively newer members of the club under study were more likely to generate
positive WoM than existing/older members. This study, thus, contradicts the implications of
relationship marketing that long-term customers are more loyal and generate more WoM.

Individual (self-confidence, social responsibility, attitude towards complaining, etc.) and
situational factors (proximity to others, purchase decision involvement) are responsible for
influencing WoM, (Teng, 2008). Research indicates that information seeker’s characteristics
effects WoM adoption and credibility assessments, (O'Reilly, 2011). Consumer’s tendency to
save time prompts him to articulate WoM, (Hennig-Thurau, 2003). Consumer involvement
with the brand is another important characteristic that can stimulate positive WoM, (Bruhn, et
Consumers’ loyalty towards the product/company on the internet is considered to be a driver of WoM, (Kim, 2005).

Dissatisfied consumers who had expected a high likelihood of success when complaining, and have a positive attitude towards complaining are less likely to generate negative WoM, (Blodgett et al, 1995)

Consumers generate referrals in order to look good, (Degraffenreid, 2006). They judge whether a particular referral/WoM can make them look good on the basis of four basic characteristics: *Novelty* (well-known items are not referred), *Utility* (satisfies a need of the party being referred), *Dependability* (extremely high confidence of performance or low risk of failure), and *Economy* (provides a reduction in time, cost complexity).

Online WoM is studied to explore homophily described as “the congruence between the characteristics of the actors in a social network, based on individual attributes such as gender, age, and education”, (Brown, 2007). Their findings suggest that homophily of an interpersonal relationship based on individual characteristics is not relevant for online context.

Consumers read others WoM articulations because of their tendency to save time and risk thus ‘reducing buying-related risks and decreasing search time’, (Hennig-Thurau, 2003). These factors help in obtaining buying-relevant information and determination of social position and dissonance reduction. Belonging to a virtual community, curiosity to learn what products are new in the marketplace and remuneration increase the chances of reading WoM messages.

According to the Year 2006 survey of users of Chinese online community conducted by iResearch (www.iresearch.com.cn), the most frequently mentioned intention for taking part in an online community is to share the joy of life (60.7%), the second most mentioned intention is to look for solutions for difficult situations at work (60.0%), (Huang et al, 2011).

In yet another study by Claro and Bortoluzzo, (2015), the characteristics of established buzz agents were tested to understand the correlation between their online activities and their personality traits. The authors profiled consumers on the basis of three key characteristics: the consumer’s position in the social community, nature of ties in the community and brand attachment. The study showed that buzz agents are popular in their social community of
friends and technology experts, carry dissimilar brands as target consumers and are product experts, (Claro and Bortoluzzo, 2015)

**Product Category**

There is increase in levels of WoM owing to higher level of consumer involvement and product usage rate (Samson, 2010). A. Samson’s research analyses the impact of brand usage range within a product category and frequency of product use on WoM. The usage range within a product category has an effect on pre-trial intentions in turn leading to recommending the product that has been tried and the actual number of WoM. The frequency of product use also affects the number of WoM conversations. Degraffenreid, (2006), indicates certain product characteristics like novelty, utility, dependability and economy of a product that increase the chances of WoM generation.

More ‘interesting’ products get more immediate WoM, (Berger and Schwartz, 2011). However, this WoM does not continue over a substantial period of time. In contrast products publicly visible and environmentally cued generate immediate and lasting WoM.

Contradicting Degaraffenreid’s findings on economy of products, Blodgett et al, 1995, establish that some products may be considered more important because they are relatively expensive or the consumer relies more heavily on them (i.e. functionally) or because the customer derives greater enjoyment from using that product. Further product importance has no effect on whether or not dissatisfied customer engages in pre-redress negative WoM.

In another research paper, Chrysanthos, et al, 2006, have accessed the product type, in this case movies, and tried to link it to online reviews. Their empirical findings imply that self-expression is one of the dominant forces behind online review contribution which in turn directly linked to the product type or movie type. For example, consumers are more likely to review very good and very bad movies as these movies trigger strong feelings that consumers feel the urge to express; controversial movies since then their review will be read with more attention by other consumers and so on.

WoM has greater impact and is more widely spread (thereby generating further WoM) for services than for goods, (Fang et al, 2011). This is true for categories that are more interesting or difficult to evaluate before purchase. Another research gives credit to quantity rather than
type of message shared by an individual as cause of ‘active information sharing’, (Köbler, 2010)

**Medium of communication**

Communication Forum in which WoM has been embedded is discussed as a key factor which influences the communication strategy of an individual, (Kozinets, 2010). Kozinets has identified blogs having characters like Mommy Forum, Technical forum and Relationship Forum, influencing WoM.

Bampo, 2008, studies the process of viral marketing investigating the formation of ‘the activated digital network as distinct from the underlying social network’. Networks are classified as random, free scale and small world, concluding that scale-free networks are more efficient for viral campaigns than the other two.

Research suggests Social Media primary ‘actors’ in online WoM, concluding that online communities act as a social proxy for individual identification where individuals behave as if websites themselves have a character, (Brown et.al, 2007).

Web site design have been found to influence consumer’s emotional and cognitive responses and contributes to satisfaction, which in turn helps generate WoM communication in an online shopping context, (Yong Ha, 2011).

Coulter and Roggeveen, (2012), compare ‘persuasive communication’ in online and offline contexts, concluding that message acceptance is less in online mode than off line mode. They also point out that despite this, corporates are using online social media sites to establish their marketing i.e. ‘Product Networks’. They suggest that the number of individuals in a ‘product’ network, as well as whether these individuals are also members of one’s friend network, are important factors that determine message acceptance.

**Message Content**

Message content, visual information in message, how the message is framed, the under tones of the message, etc. all are influential in forming Word of Mouth.

In an online study, visual information, pictures or videos, are found to be part of the content of a message, (Lin et al, 2012). The perception of receiver rates higher in terms of message
quality, credibility, product interest, and purchase intention if the message has visual information.

Sometimes there is ‘ripple effect of diffusion’ caused by the message contents posted online (Huang et al., 2011). These characteristics are quality, authority, authenticity and interestingness of the message. The results suggest that these characteristics have a “positive effect on re-senders” acceptance toward WoM, which, in turn, have a significant positive impact on “re-senders’ resending intention”.

Often WoM message is structured as a story, (Delgadillo and Escalas, 2004). Research shows two aspects of ‘story memory’ effecting brand attitudes, biased memory for story details and recall of story gist or summary abstraction of the story. The authors conclude that a story line increases the understanding of WoM communication and draws attention towards the story’s characters and/or brands.

Positive impacts of WoM characteristics on the acceptance level of reader, as well as his intention to generate further buzz is same no matter what the valence of the message, (Huang, et al, 2011)

### 2.6 Measures of Word of Mouth

Another set of literature determines ways to measure Word of Mouth. WoM has always been difficult to measure. Firstly, WoM often takes place in largely unmonitored personal settings and at all times, difficult to capture. Secondly, even in recorded WoM, the use of words, their depth, meaning, connotation and context might be largely different.

The first of these issues has been largely solved by the Social Media which can record, chronologically, conversations. Conversations on the Social Media can also be followed up to study further traffic it generates. Research has been undertaken to measure and analyse Word of Mouth on electronic media. The emergence of online communities has enabled firms to monitor WoM in real-time, (Dellarocas, 2006).

Variables to measure Word of Mouth can be categorised as Quantitative or Qualitative.
**Quantitative** variables include:

1. Word of Mouth Density (Chrysanthos, 2006);
2. Volume and frequency of message sent, dispersion of message and number of people/links involved, (Godes and Mayzlin, August 2003; Fogel, 2010).

**Qualitative** variables include:

1. Richness of content (depth, intensity, vividness of message) (Sweeney, 2010);
2. Strength of advocacy (implicit or explicit) (Sweeney, 2010);
3. Valence of WoM message (positive or negative) (Godes and Mayzlin, August 2003; Sweeney, 2010, Fogel, 2010).
4. Engagement, (Fogel, 2010)
5. Digital Footprint Index, (Fogel, 2010)

**Word of Mouth density** is defined as ‘the ratio of the total number of people who posted online ratings for a product during a given time period over the number of people who bought that product during the same period’, (Chrysanthos, 2006). The author shows how online ratings density increases the chances of post purchase WoM, and suggest the antecedents of online and offline WoM to be similar.

Unlike real time conversation, online discussions can be monitored for content and number of people participating, (Godes and Mayzlin, 2003; Fogel, 2010). **Volume** of mentions along with sales and profit is a good measure for comparisons at different times or to other brands, (Fogel, 2010). According to Godes and Mayzlin, to measure **frequency** of WoM use simple counts like number of times message is measured, number of times message is relayed, and so on. Another construct they provide is **dispersion** or the extent to which conversations about the product are taking place across a broad range of communities. Fogel gives measures of influence/authority derived from the **number of followers, subscribers, and links** for a given person.
Density of online ratings, (Chrysanthos, et al, 2006), defined as

“The ratio of the total number of people who posted online ratings for a product during a given time period over the number of people who bought that product during the same period”.

The density of online ratings is therefore an estimate of how a person who has purchased a product will rate it online.

Yet another way of measuring WoM lies in its impact, (Ferguson, 2008). This method can use variables like Return on Investment, Profit and Sales, when WoM is seeded and cost of investment can be measured easily. Bughin, et al, McKinsey Quarterly, (2010) have tried to develop word-of-mouth equity, defined as ‘index of a brand's power to generate messages that influence the consumer's decision to purchase’. WoM equity is the average sales impact of a brand message multiplied by the number of WoM messages, allowing marketer to test WoM effect on sales and market share for brand/company.

Qualitative aspects are difficult to measure and this ‘sentiment analysis’ is usually based on automated text-mining solutions, although sometimes employing human analysts. (Fogel, 2010). Qualitative variables are discussed below.

Richness of content: Richness of the message content refers to the depth, intensity, and vividness of the message itself. Richness includes aspects such as the language used and the level of storytelling and depth of information involved in the message, (Mazzarol et al, 2007, Anderson, 1998, Sweeney, 2010)

Strength of advocacy: Strength or power of the advocacy refers to the strength or power of the way the message is delivered. It deals with the manner in which the message is conveyed rather than with the content. It reflects the strength of intention of recommendation. This dimension reflects the power of advocacy, whether implicit or explicit, (Anderson, 1998, Mazzarol et al, 2007, Sweeney, 2010)

Valence: Most of Word of Mouth can be categorised as positive or negative. Authors have studied motivating factors of positive versus negative WoM and how message content may vary according to valence (Godes and Mayzlin, August 2003; Sweeney, 2010).
Engagement, (Fogel, 2010) is defined as ‘a function of how widely a conversation is shared and how long it is sustained’. She provides various measures of engagement, number of: comments on blog postings, reviews on retail and product evaluation sites, times items are forwarded/shared/liked, people with whom an item is shared and velocity and duration of the conversation.

Digital Footprint Index, (Zocalo Group, Fogel, 2010) combines different aspects of online brand conversation to assess effectiveness of WOM marketing efforts. This includes variables like volume of conversation, tone of conversation, breadth of conversation and resonance of message.

2.7 Effects of Word of Mouth

Effects of Word of Mouth have fewer research papers to its credit owing to following reasons. One, capturing WoM data is difficult. Even if we are collect online WoM data, we cannot record offline WoM in private settings.

Two, various metrics measuring WoM are recent and still being tested.

Three, Return on Investment and Sales can be calculated but cannot be purely attributed to WoM. Other Marketing Communication efforts have to be taken into account.

Various researches have been done to study the impact valence (positive or negative content of a message) of WoM. Negative WoM generates stronger negative behavioral intention than positive messages, (Chow Hou Wee et al, 1995). Positive impacts of WoM characteristics on the acceptance level of receiver and his forwarding the message remains largely same whatever the valence of the message, (Huang et al, 2011) Positive social media sponsored WoM messages increase online shopping value, (Christina Chung Kristine, 2010).

Buying behaviour is influenced by reading online WoM, (Hennig-Thurau and Walsh, 2003). Empirical findings suggest that online WoM have strong impact on the following: refraining from buying a product, generating further WoM, buying a recommended product.

Trusov, et al, have undertaken a study to examine the effects of e-WoM, proposing that e-WoM among consumers can influence brand image and purchase intention for the automobile
manufacturers. Through mobile Internet, customers can read the recommendations for the product they are interested in, directly at the point of purchase influencing purchase decisions, (Jalilvand, 2008). According to Graham and Havlena, (2007), online WoM can create brand advocacy offline, independent of an advertisers’ influence.

Often Social Media is not considered to be an effective means of marketing communication, as in the banking sector, owing to low customer demand of the media, safety concerns and lack of alignment with other relationship marketing efforts, (Mitic and Kapoulas, 2012)

Effects of e-WoM on buying behaviour have also been researched by Christodoulides et al (2010), comparing the purchase intention of consumers in UK and China. They analyzed the changes in purchase intention of consumers who are subjected to a WoM episode, and found that valence effects purchase intention in both countries.

Yet another research suggests that, ‘Product category involvement is increased by positive product specific WoM information, but not decreased by negative product specific WoM information’, (Giese 1996). In other words, the final purchase made by consumer may not be the brand about which positive WoM was generated.

Bruhn, et al, (2012), have conducted a research that compares the effect of traditional marketing efforts or advertising and social media marketing (which are generated by the company as well as the consumer) on Brand Attitude (brand awareness and brand image), and how it effects the purchase intention of consumers. The comparison of traditional and social media communications media, by the authors, shows that traditional media such as TV and print campaigns are better suited for increasing brand awareness, while corporate blogs or social networking sites are more apt for improving brand image.

Another study researches the quality of the message and the provider of the e-WoM and how they together their impact on purchase intentions, (Lim, et.al, 2012). ‘Low quality’ messages generated higher purchase intentions than ‘high quality’. Lastly, purchase intentions were greater for the organic WoM than sponsored WoM.

A WoM campaign may generate greater consumer involvement within a product category, resulting in more information-seeking and thus better-informed consumer, Giese 1996.
A study by Zhang and Daugherty, 2009, links third-person effect to behavioural consequences related to WoM on Social Media. The Third-Person Effect Theory of Davisons, (1983), proposes that individuals tend to expect mass media to have a greater effect on others than on themselves. This means that individuals may anticipate that social media will make the least impact on the first person, a moderate impact on second person, and the greatest impact on the third person. This study attempts to establish a relationship between WoM and interpersonal relations.

Few scholars have made an attempt to study the impact of WoM on sales. Sales, D'Silva, (2011), online can be tracked and any word of mouth preceding it analysed. There is an increasing trend among youngsters to buy products online through these websites. Dotson, (2009), suggests that not only does social media play a role in the sales cycle, but also effectively shorten the cycle by directly targeting customers who are motivated to purchase. File and Prince, (1992) also prove through their research that positive Word of Mouth is a strong factor in the purchase of financial services.

In another study, Carl, (2008), has tried to consolidate the outcome metrics as Inquiry Likelihood (Generating WoM); Use Likelihood (Demand related outcome); Purchase Likelihood (Demand related outcome); Pass-along Likelihood (Generating WoM). He has however used single item scales in the context of only in the context of studying the role of disclosure in a WoM episode. This study was limited to only one type of word-of-mouth marketing program.

Lack of sufficient research in measuring the outcome of word of mouth social media is a drawback in the existing body of literature. Whatever measures have been propounded so far are limited to one or two dimensions in most cases and are mostly not in the context of social media.

Based on the literature review, the key variables constituting the drivers and outcomes of WoM have been compiled. The variables of Drivers and Effects are summed up in Table 1.

The variables thus classified are given in Table 1.
Table 1
Drivers and Effects of WoM

<table>
<thead>
<tr>
<th>Variables Measuring Drivers and Effects of WoM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Drivers of WoM</strong></td>
</tr>
<tr>
<td>1. Perceived Source Credibility and strength of ties with source (Carl, 2008; Brown, 2007; Ennew, 2000)</td>
</tr>
<tr>
<td>2. Previous experience of receiver (Samson 2010; Wee et al, 1995; Jones, 2009; Teng, 2007; Ng, 2011; Bolfing, 1989; Swanson et al, 2001; Söderlund, 1998).</td>
</tr>
<tr>
<td>5. Medium of communication/social media type (Kozinets, 2010; Bampo, 2008; Brown et al, 2007; Yong Ha, 2011; Coulter and Roggeveen, 2012).</td>
</tr>
<tr>
<td><strong>Effects of WoM</strong></td>
</tr>
<tr>
<td>3. Product category involvement, (Giese 1996)</td>
</tr>
<tr>
<td>4. Consumer Involvement, (Giese 1996)</td>
</tr>
</tbody>
</table>
2.8 Research Gaps

Literature on Word of Mouth on electronic media is scanty, though literature on Word of Mouth Marketing is found easily, tracing its origin, evolution and significance in the field of Marketing Communication. Social Media is an opportunity for organisations and researchers to record and leverage WoM activity (Trusov et al., 2009).

Although from the current body of work a number of causes and drivers of Word of Mouth emerge but there is no evidence of a comparison of these drivers of WoM. These drivers need to be analysed further to understand and compare the impact of each one of them on WoM effectiveness. Moreover, not all of these drivers of WoM are tested on the Social Media.

Sweeny, 2010 urges researchers to consider not just WoM valence and volume, as has been typical in previous WOM research, but to also examine specific message details, including cognitive content, richness of the content and strength of delivery. Furthering research on WoM communication to an online context is also recommended by her.

Most of the existing research is based on consumers in American and European developed economies. Not much research is done in the Indian consumer context.

Another research gap which emerges in this analysis of literature is a syndication of the variables drivers, measures and effects of WoM under one study. Apart from Hennig-Thurau and Walsh, 2003, one of the few researchers that provide an end to end research, i.e. an empirical study showing causes to effects of WoM, no single study has done a comprehensive analysis. But this study is inadequate because the paper uses very few parameters like Social Orientation and Community Membership as causes for reading an online message, and link it to two outcome constructs, namely, change in buying behaviour and change in communication behaviour. It may be noted here that the two output constructs are similar to the constructs postulated by Walter J Carl. In other words, existing literature does not offer a comprehensive end to end (causes to outcome) study for Word of Mouth on Social Media. Mapping the impact of each of the different drivers of WoM to understand and assess their impact in terms of specific output variables is gap identified for future studies.

The field of Internet Communication Technology is dynamic. New technological advancements and various perspectives around them keep evolving, drawing further research
interests. Additional research is needed to supplement the bigger picture of online word of mouth communication.

Lack of literature in studying the effect of Word of Mouth and can be treated a potential research gap. A potential research can study the drivers of word of mouth in a particular marketing campaign and measure which driver leads to the desired effect of the campaign.

To sum up, from the current body of work, following gaps were identified

1. A comparison of the key drivers of WoM and their linkages to Word of Mouth Effectiveness

2. Analysis of most of these key drivers of WoM in the specific context of Social Media

3. A comprehensive measure of Word of Mouth effectiveness.

4. Research done in the consumer context of emerging economies

It is these gaps that will be addressed in this thesis.