ABSTRACT

Marketing Communication is a demanding task today. With an abundance of medium and messages, marketers find it a gruelling task to initiate and build conversation, exist in the recall frame of the consumer and stand out when it comes to customer’s expectations, thus influencing his buying decision.

To bridge the gap between marketing communication efforts and the resulting outcome, Word of Mouth on Social Media becomes a useful tool. As per Nielsen Report, 2017, Return on Investment (ROI) for Digital Medium is twice as efficient as ROI for television. The report suggests that, ‘for most brands, digital marketing needs to be an integral part of the media’.

Indian youth is increasingly adopting Social Media. They are engaging in conversations, sharing opinions and experiences and connecting rapidly. They participate in community building and interacting with brands and companies. At present India has the largest share of youth in the world and will continue to do so for the next 20 years, (Ministry of Statistics and Programme Implementation, Government of India, 2017). It has become imperative for companies to tap this golden opportunity.

Many studies in literature suggest the power of Word of Mouth on Social Media, and the high rate of usage of Social Media amongst Indian youth based in the top four metros. Literature also throws light on a number of ways to explain the antecedents of Word of Mouth, both offline and online. There is however a dearth of literature measuring the effectiveness of Word of Mouth especially on the Social Media.

Ernst and Young’s Social Media Marketing India Trends, 2016, bring out top-three challenges faced for promoting a brand on Social Media. These are sustaining and increasing engagement percentage, designing engaging content, and most importantly measuring effectiveness.

There is also a severe paucity in literature to study a correlation between the antecedents or drivers of Word of Mouth and the effectiveness of Word of Mouth. Attempts that have been
made to bring out any causal relationship use at most one or two drivers of Word of Mouth and relate them to a single outcome. No comprehensive study could be found to establish correlation and relative effect between drivers and effects of Word of Mouth.

The first gap which has been covered in this thesis is therefore, the lack of a multi-item comprehensive scale for measuring the outcomes of Word for Mouth, or Word of Mouth Effectiveness. For this end, an established scale development procedure was used. A seven component, multi-item scale was developed using Exploratory Factor Analysis and Confirmatory Factor Analysis in LISREL 8.8. The scale so developed was tested for reliability and validity.

The second gap which was addressed in this thesis is establishing a relationship between the causes and effects of Word of Mouth. Using existing scales of drivers of Word of Mouth and the scale developed to measure the effectiveness of Word of Mouth path relationships were established using Structural Equation Modelling in LISREL 9.2.

The research has made the following contributions

- An extensive review and consolidation of literature on Word of Mouth (WoM) and electronic-Word of Mouth (e-WoM). The literature has been categorised into causes, measures and effects of Word of Mouth.

- With the help of Confirmatory Factor Analysis, a comprehensive scale has been developed, to measure Word of Mouth Effectiveness across industries. Word of Mouth Effectiveness can be measured by seven components: creating awareness, generating interest in the brand, generating buzz, creating inquiry- online and offline, liking and trial, and purchase intention.

- Using modelling technique, a framework was developed to establish the impact of each driver of Word of Mouth on the effectiveness of Word of Mouth. Research findings show that Social Orientation of the receiver explains his Attitude towards the message received. However, Receiver’s Attitude was not found to impact the Word of Mouth Output. The drivers of WoM which had the maximum impact on Message receptiveness were Message Content and Message Valence.