Chapter 7.21
Electronic Word-of-Mouth

Ronald E. Goldsmith
Florida State University, USA

INTRODUCTION

One of the most powerful and pervasive influences on consumer behavior is variously described as "social communication," "word-of-mouth," "opinion leadership," or "buzz." These terms all refer to the effects that consumers have on each other when they communicate. The importance of off-line social communication has long been recognized by social scientists (e.g., Lazarsfeld, Berelson, & Gaudet, 1944) and especially by marketing management (Dichter, 1966; Whyte, 1954). Good word-of-mouth (WOM), the term most often used in business, is still considered to be the most effective form of promotion, so it is highly valued by marketers (e.g., Dye, 2000; Walker, 1995). The advent of the Internet and the growth of the World Wide Web, however, have given consumers an entirely new realm in which they can communicate and thus influence each other (Negroponte & Maes, 1996). That they do so with a vengeance is evidenced by the sheer amount of social communication online, by the many forms these interactions assume, and by the grudging acknowledgment by marketers and managers that this has become a vital component of e-commerce (e.g., Kirkpatrick & Roth, 2005). This article explains some of the theoretical aspects of social influence, describes the many ways social influence operates online, and suggests methods by which marketers can manage this force to benefit their brands.

BACKGROUND

Social communication is distinguished from mass communication, the formal communications marketers and advertisers use to persuade consumers to buy their brands (see Schiffman & Kanuk, 2004). The elements of these marketer-dominated strategies consist of advertising in all its many forms, personal selling, sales promotion, public relations, and publicity, making up the Promotion

component of a marketing strategy. These communications are characteristically one way or unidirectional, highly scripted, impersonal, and use media, thereby permitting few opportunities for consumers to respond. These communications take the form of "one-to-many."

In contrast, social communication (see Gladwell, 2000; Weimann, 1994) takes place when consumers talk (face to face or at a distance) or write to each other. (Some social communication is non-verbal signaling using body language or symbols ("you are what you drive") or imitation, which occurs when consumers copy other consumers' behaviors. These topics are better discussed under the rubric of "reference group theory.") Like formal marketer-dominated communications, informal, consumer-dominated communications often include two elements: information and advice. Information refers to the objective, descriptive elements of communication that are factual or presumably fact based. Information answers the questions: "who, what, why, when, where, and how?" Advice refers to the opinions of others. Advice describes a subjective evaluation part of a communication relating to whether the topic is good, bad, worthwhile, valuable, and so forth. Advice is present when one party attempts to persuade or change the mind of the other party. It is the answer to the questions: "What did you think of it?" or "Did you like it?"

Social communication stands in contrast to formal communication because it is informal, personal, unscripted, encourages feedback and exchange of information, and does not require media to take place. Social communication is usually "one to one." We distinguish two principal ways social communication takes place. It occurs first in the course of ordinary, casual conversations in which the topics of shopping, buying, owing, or consuming arise without the participants deliberately broaching them. Information thus is exchanged, and one party of the conversation might attempt to influence the other, but there is no premeditated effort to seek or give opinions.

Social scientists have not directed most of their attention to this casual form of consumption-related social communication, but instead have focused on a more deliberate, premeditated, and purposeful type of social exchange. This is usually referred to as "word-of-mouth" or "opinion leadership." In this instance, some consumers seek out others whom they view as credible (knowledgeable, trustworthy, attractive) and solicit both information and advice. Thus, social communication can be taken as the broadest descriptive term for this phenomenon, and word-of-mouth can be considered an informal, generic term for either casual conversations or opinion seeking/opinion leadership. The slang term "buzz" is currently used to refer to any type of social communication, but most often today seems to refer to these communications when they take place online (Darlin, 2003; Dye, 2000; Rosen, 2000).

Social communication is powerful because people trust others more than communications from marketers, owing to a perceived lack of vested interest. Why would someone try to persuade you to buy a product when they do not benefit; but advertisers and marketers always benefit when you buy. The aspects of attractiveness, expertise, and trustworthiness (i.e., credibility) of information sources are of prime importance in deciding whether to place credence in a message, and personal contacts frequently are perceived to be superior to impersonal marketing messages in this regard. Consequently, social communication is a powerful influence on consumer behavior. Its extension to the Web, and even to other new forms of communication such as mobile commerce, represent a challenge to marketing managers who lose their ability to influence via promotion. It also gives public policymakers new opportunities to promote social goals by enlisting the influence of consumers online to spread socially beneficial information more efficiently and effectively than limited advertising budgets ever could. Thus, it is important to understand the types and nature of eWOM.

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