

Electronic Word-of-Mouth

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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.

SOCIAL COMMUNICATION ON THE INTERNET

The Internet gives consumers many opportunities to share information and to give opinions. Thus, we would expect to find consumption-related elements embedded within the context of other cyber conversations occurring in e-mail, blogs, and listservs. This is analogous to the casual, unpremeditated word-of-mouth so common offline. Because what is transmitted on the Internet can be collected and preserved, researchers can perform content analysis of these cyber conversations to determine main themes and to detect trends in consumer behavior. Moreover, the deliberate seeking and giving of information and advice featuring opinion leaders and opinion seekers online constitutes a major aspect of e-commerce, an important source of information for consumers, and an opportunity for marketers to influence consumer behavior. The ability of consumers to receive the information and advice of other consumers online is part of a general shift of marketplace power from producers to consumers (Baker & Green, 2005; Donation, 2003; Kiecker & Cowles, 2001). As markets fragment, communications media proliferate, and traditional promotion tools such as advertising lose effectiveness, marketers increasingly turn to techniques such as WOM to influence consumers.

Why do consumers give opinions online? The extensive body of research and theory on social communication provides us with several key insights. Information givers can be motivated by their interest in the product category; they enjoy talking about it with other consumers. They like to exhibit their product knowledge and expertise, thereby also gaining status and respect. Advertisements can form the stimulus and content of conversations when they are particularly memorable, entertaining, or informative. Opinion givers can be genuinely motivated by a desire to help other consumers or by the analogous desire to help a favored brand. Negative WOM is often motivated by a desire to punish firms that have offended the consumer through insensitive, incompetent, or irresponsible behaviors, strategies, or products. Revenge is sweet. Online, some additional motives for giving opinions are a desire for social interaction and for economic incentives (Hennig-Thurau, Gwinner, Wlash, & Gremler, 2004).

The motives for seeking opinions are also many and varied. As sources of information, opinion leaders are sought out because it is simpler, cheaper, and easier to consult them than it is to locate and to examine marketer-dominated advertising, promotion, and sales personnel. As noted above, personal sources of information are trusted more than impersonal sources. Other people might have more direct and specific experience with a brand than any other source of information about it. Seeking pre-purchase information is an effective way to reduce the risk of buying and consuming, especially for big-ticket purchases or for “experience” products (those purchases consumers cannot evaluate prior to purchase, such as a vacation, entertainment, or restaurant) or “credence” products (purchases consumers cannot evaluate confidently even after they are consumed, such as financial products or medical/dental services). Finally, some consumers seek opinions from others because they are seeking contact with other people in addition to the information they receive, thereby satisfying some of their need for social interaction.

How do consumers share opinions online? Although it seems as if new forms of online communication continue to appear, at this point in time there are at least nine unique ways in which consumers can seek and give information and opinions online. While there is no unequivocal way to order or classify these communication modes, they are presented here roughly in order of how much they are controlled by consumers vs. how much they are controlled by marketers, recognizing that these are gray areas on the Internet and often these communication channels are integrated within each other.

The first avenue for online social communication was *e-mail*. Consumers talk about consumption online in

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