

Chapter 33

The Impact of Social Relationships on Online Word-of-Mouth and Knowledge Sharing in Social Network Sites: An Empirical Study

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ABSTRACT

This study provides insight into how social relationships perspective influence on online Word-of-Mouth and knowledge sharing on social networking sites (SNSs). By using the sample from 385 Egyptian college students - who spend more time on SNSs, this study investigates the relationship among the use of SNSs, users' social Relationships, online Word-of-Mouth, and knowledge sharing. Partial Least Square (PLS) was utilized to examine the hypotheses through a questionnaire designed on the Likert seven-point scale. The results indicated that the intensity of usage of SNSs is a positively related with social relationship factors which has a positive effect on online WOM; in addition, online WOM has positively significant influence on knowledge sharing. The results also indicated that male students are found to have more social relationship than female counterparts do. Male students feel more strongly about knowledge sharing when they perceive that online WOM communication is good.

1. INTRODUCTION

Social media has become an integral part of digital marketing (Heinonen, 2011). The marketing tools and approaches for communicating with customers have changed greatly with the emergence of social media. With the rapid growth in web users and everyone migrating online, companies are realizing the importance of having a social media presence to reach those millions of consumers (Parsons, 2013). Kaplan and Haenlein (2010, p. 61) defined social media as “a group of Internet based applications that

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build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of user generated content". In terms of history, the first social networking site (SNSs) was launched in 1997. In 2004, the most successful current SNS, Facebook, was established as a part of a suite of Web applications and virtual community for Harvard students where users can create individual public profiles, interact with real-life friends, and meet other people based on shared interests. With the enormous interest in social media, SNSs are increasingly used to participating in discussions, share information with other peoples, to create relationships with others, and to keep up with close social ties. All these activities have established the phenomenon known as electronic word-of-mouth or online word-of-mouth (Brown, Broderick, and Lee, 2007; Dellarocas, 2003; Dwyer, 2007; Goldenberg, Libai, and Muller, 2001; Goldsmith and Horowitz, 2006) and knowledge sharing of products or brands (Choi and Scott, 2013).

Online WOM refers to a particular type of WOM which occurs in the online setting (Dwyer 2007); it is defined as "any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet" (Hennig-Thurau, Gwinner, and Gremler, 2004, p. 39). Through a rigorous search of several mainstream IS and Marketing journals, as well as key electronic databases, Cheung & Thadani (2010) identified 25 papers using the individual-level analysis in the investigation of the effectiveness of electronic WOM communication; electronic WOM is comprised of four major elements: communicator, stimulus, receiver, and response which provides us with an overview of the current status of knowledge sharing. Knowledge sharing can be defined as "the combination of one or both parties seeking knowledge in response to the request, such that one or both parties are affected by the experience" (Ghosh and Scott, 2007, p. 4). Therefore, recently online WOM could take place via many different social media channels such as microblog, microsite, video sharing, social bookmarking, photo sharing, mobile apps, audio sharing, wikis, social games, virtual world and the social networking sites (e.g. Facebook, Twitter, and Myspace) (Goldsmith 2006; Goldsmith and Horowitz 2006; Vilpponen, Winter, and Sundqvist 2006). These sites can give people unlimited access to a great amount of information and a variety of brand choices (Negroponte and Maes, 1996). As a result, it has become apparent that people use the SNSs to exchange their experience and share their knowledge (Goldsmith and Horowitz 2006).

Researchers from various disciplines have examined SNSs, they have found that social relationships perspective is observed in SNSs (Shu-Chuan and Sejung, 2011; Choi et al., 2011; Burke, 2011; Utz, and Beukeboom, 2011; Di Gennaro and Dutton, 2007). The unique applications of SNSs provide marketers with various opportunities to maintain existing personal networks or to expand them, which simultaneously promote social relationships. Therefore, some researchers have examined the influence of social capital (Hung and Li, 2007); tie strength (Panovich et al., 2012; Steffes and, 2009); trust (Awad and Ragowsky, 2008); and interpersonal influence (Shu-Chuan and Sejung, 2011; Chu, 2009) on online WOM in SNSs. In addition, they have examined the influence of social capital (Huysman and Wulf, 2005; Inkpen and Tsang, 2005); tie strength (Coenen, 2006); and trust (Chow and Chan, 2008) on knowledge sharing in SNSs. In recent literature, Shu-Chuan and Sejung (2011) examined social relationship variables as potential predictors of electronic WOM communication in the online social channels between the United States and China. Moreover, Choi and Scott (2013) investigated the relationship among the users' social capital, knowledge sharing, and electronic WOM in SNSs. Despite such contributions from these studies, the relationship between online WOM and knowledge sharing has not been studied directly (Choi

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