Word-of-Mouth Communication Drivers and Moderators Shaping Consumer Behaviour: A Review and Directions for Future Research

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Abstract : People often tend to share opinions and information with their social ties and word of mouth has an important impact on consumer behavior. The purposes of this paper are to reveal the underlying motives for consumers engaging in both positive and negative word-of-mouth (WOM) communication and to examine the drivers and moderating factors that tends to shape the behavior of the people as a consumer. This paper tends to review and argue that word of mouth is goal driven and serves five key functions (i.e., impression management, emotion regulation, information acquisition, social bonding, and persuasion). The paper suggests these motivations are predominantly self- (rather than other) serving and drive what people talk about even without their awareness. This paper further reviews the five proposed functions and well as how contextual factors (i.e., audience and communication channel) may moderate which functions play a larger role. Taken together, the paper provides insight into the psychological factors that shape word of mouth and outlines additional questions that deserve further study.

Keywords: Word of mouth; Social influence; Consumer marketing, Consumer Behaviour

I. INTRODUCTION

Technologies like Face book, Twitter, and texting have only increased the speed and ease of communication. Thousands of blogs, millions of tweets and billions of emails are written each day. Such interpersonal communication can be described as word of mouth, or "informal communications directed at other consumers about the ownership, usage, or characteristics of particular goods and services or their sellers. Word of mouth includes product related discussion and sharing product related content. It includes direct recommendations and mere. It includes literal word of mouth, or face-to-face discussions, as well as "word of mouse," or online mentions and reviews. Word-of-mouth (WOM), a form of interpersonal communication among consumers concerning their personal experiences with a firm or a product and undoubtedly always has been a powerful marketing force. WOM has gained significance because of its high incidence rate in the marketplace as well as the persuasive role it plays in influencing consumers' attitudes and purchase decisions. Both positive and negative WOM communications can have a strong influence on consumers' behavior and on ensuing business performance (Arndt 1967). Studies show that positive WOM (PWOM) is likely to increase consumers' purchase intentions for innovative products by reducing risks, help create a favorable image toward the brand and the firm (Arndt 1967), and subsequently decrease a firm's overall promotional expenditures. Conversely, negative WOM (NWOM) is likely to dissuade potential buyers from considering a particular product or brand, thus damaging the company's reputation and financial position.

Therefore, it is imperative for marketers to create an environment that is conducive for positive WOM to develop and propagate. Further, marketing managers must understand how WOM operates in the marketplace and learn to manage it effectively. In an effort to provide managerial input to the marketers interested in stimulating positive WOM and decreasing negative WOM, this paper tends to investigates the critical forces driving and the factors moderating consumers behavior and consumption experiences that lend themselves to both positive WOM and negative WOM communications. Further, the paper attempts to explore consumers' motivations to engage in the dissemination of WOM communications and examine the nature of the relationship between consumption experiences and consumers' motivations to engage in unsolicited WOM communication.

Word of mouth has a huge impact on consumer behavior and shapes everything from the movies consumers watch to the websites they visit and such types of interpersonal communication increases product awareness and persuades people to try things. This paper addresses these, and related questions, as it integrates various research perspectives to shed light on the behavioral drivers of word of mouth. The author attempts to suggest that word of mouth can be understood in terms of five key functions that it serves for the word of mouth transmitter: impression-management, emotion regulation, information acquisition, social bonding, and persuasion. Further, this is argued that these functions tend to be self- (rather than other) serving and drive what people share even outside their awareness. In addition, the aspects of the audience and communication channel acts as moderator which play a relatively larger role at any given point in time. Finally, the paper closes with a discussion of fruitful

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areas for further research. As with any paper that attempts to review a large and diverse literature, choices must be made. Word of mouth strongly impacts consumer behavior, but a full review of its impact is beyond the scope of this paper. Similarly, a great deal of research has examined how social networks shape the spread of information and influence but this paper focuses more on micro-level (i.e., individual) processes of transmission. Finally, when considering audience and channel characteristics, this paper focuses on how they impact what people talk about and share rather than their selection. Future work is needed to understand how often people select who to share with and which channel to share through, and why people may select one option versus another.

II. LITERATURE REVIEW

Consumer behavior is a complex process involving the activities people engage in when seeking for, choosing, buying, using, evaluating and disposing of products and services with the goal of satisfying needs, wants and desires (Belch and Belch, 2004). The consumer's decision to purchase or not to purchase a product or service is an important factor for the marketers(Kotler and Armstrong, 2012). It can indicate whether a marketing plan has been successful or not. Hence, marketers are much interested in the consumer's decision making process. These days, for a consumer there is possibly more than one option or alternatives available for making decision. This reflects the complexity in the consumer decision making. Withthe passage of time, the purchase decision is becoming difficult for the consumers. Therefore, the marketers are in the continuous search to investigate the factors that influence consumer to make their purchase decision (Schiffman and Kanuk, 2010). This question is very important for marketers because they plan different strategies for the marketing of their services. The focus of research is to explore the factors that have great influence on consumer decision of choosing a service. In this perspective, consumer behavior has been defined as the actions of people engaged in actual use of market items-whether products, services, retail environment, or ideas.

Consumers can gather information about products or services through WOM. Besides, it also influences their expectations towards service or product delivered to them. In addition, it has been approved that WOM is an effective advertising medium and a convincing promotional strategy, besides being more proactive and controllable. Other than that, WOM has become a financial and marketing supporter to companies of varying sizes as it is used as a non-traditional method of promotion. Word-of-mouth communication is defined as the sharing of information from one person to another person though human communication such as face-to-face contact, telephone, or social media etc. The

term word-of-mouth was originated by Whyte (1954) and on the basis of observations he recommended that "People who talk about products and services together also show alike purchase behavior and have similar product preferences". Arndt (1967) defined word-of-mouth as oral communication between a sender and a receiver whether the receiver perceives as noncommercial regarding a brand, a product or a service. Furthermore Chaniotakis and Lymperopoulos (2009) argued that word-of-mouth offers customers to have ability or skill to make more familiar choices. Bansal and Voyer (2000) indicated that customers trust on informal communication in making purchase decision as compare to advertising campaigns. As in the service industry, customers may extensively rely on WOM messages, either positive or negative, to evaluate a service brand. There are three types of WOM: product news, personal experience, and advance giving. Product news means that the customers share or comment about the new features, technology, products or services. Personal experience is that customers make favorable or unfavorable statements about their purchase and explain their experiences while using that products or services. Advance giving means that the customers suggest WOM to other customers. Hence, WOM is an accessible and an effective marketing tool with lower spending of advertising budget.

WOM communication has received considerable attention in the marketing literature. However, the studies appear to be limited in scope as they have examined the consequences of WOM, the flow of WOM within the marketplace, and the moderating role of social and situational factors in the persuasiveness of WOM. Surprisingly, only a few studies have examined the antecedents of WOM communication. For the most part, these studies have simply concluded that product dissatisfaction is the root cause of negative WOM. Richins (1983), however, in her study of the determinants of negative WOM communication, identified several factors that trigger negative WOM communication: retailers' failure to provide appropriate complaint handling mechanisms, inadequate response to customer complaints, and inefficiency regarding product repair.

Another relatively unexplored area pertains to the motives underlying WOM communication. Over three decades ago, Dichter (1966) examined the motivations for engaging in only positive WOM. Based on anecdotal evidence, he identified four categories of motivations for engaging in positive WOM: product involvement (to relieve tension or excitement caused by the use of product), self enhancement (to gain attention, show connoisseurship, seek reassurance from others), other involvement (to help others), and message involvement (to share exposure to unique or intriguing advertisement

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or selling appeals). In view of the existing gaps in the WOM literature, two purposes of this study are to investigate the critical consumption experiences that lead to WOM communication and to explore the motivations underlying both negative WOM and positive WOM communication.

Findings from consumer behavior, sociology, and cognitive psychology studies suggest that consumption experiences produce affect (i.e., subjective feelings), which in turn acts as a powerful source of human motivation (Westbrook 1987). The resulting motivation determines the nature of post-consumption behavior such as WOM communication, complaints, and repurchases intentions (Westbrook 1987). Therefore, it is reasonable to speculate that consumption experiences and motivations are closely related in the process of WOM transmissions. Recognizing the possibility that consumers' underlying motivations to engage in WOM may differ depending upon the nature of consumption experiences, a third purpose of this study is to examine the nature of relationship between consumers' motivations and consumption experiences for both positive WOM and negative WOM communications.

III. SIGNIFICANCE AND OBJECTIVE

Word-of-mouth has been accepted as a powerful force affecting consumer choice, loyalty and switching a product or service. The results of this study improve our understanding of how word-of-mouth influences making decisions particularly in the service sector. Usually the Professional service providers have limited options to make their advertising so word-of-mouth may be useful and influential advertising technique for them. In addition, findings support to the literature on word-of-mouth effects and perceived word-of-mouth influence on the effective decision making. This study is helpful to the marketers and managers to craft an effective strategy to create their positive word-of-mouth in the society as research support that people make their decision on the base of word-of-mouth. This research will provide clear dimensions and guidance to advertise, retain and attract the new customers.

The stipulated objectives of this paper are to reveal the underlying motives for consumers engaging in both positive and negative word-of-mouth (WOM) communication and to examine the drivers and moderating factors that tends to shape the behavior of the people as a consumer. Further the paper tends to review the key functions of WOM i.e., impression management, emotion regulation, information acquisition, social bonding, and persuasion which tends to drive consumer behavior and explore how these motivations are predominantly self- (rather than other) serving and drive what people talk about even without their awareness. Further, how these drivers make predictions about the types of news and information

people are most likely to discuss. This paper further reviews the five proposed functions and well as how contextual factors (i.e., audience and communication channel) may moderate which functions play a larger role.

Why people talk and what they talk about

Early research on interpersonal communication examined what topics receive more discussion. Some researchers found that the prevalence of different topics varied with the situation: food was talked about in restaurants while clothes were talked about near store windows. More recent research found that people often talk about personal relationships and experiences (Dunbar, Marriott, & Duncan, 1997). Knowing what topics people talk about is interesting, but it says little about the drivers of discussion, or why people talk about some products and ideas more than others. Fortunately, however, pockets of research in psychology, sociology, communications, and consumer behavior have begun to consider this issue. Building on such research, the various research findings suggest that word of mouth serves five key functions: Impression Management, Emotion Regulation, Information Acquisition, Social Bonding, and Persuading Others.

Impression management: One reason consumers share word of mouth is to shape the impressions others have of them (and they have of themselves). Social interactions can be seen as a performance where people present themselves in particular ways to achieve desired impressions. Consumers often make choices to communicate desired identities and avoid communicating undesired ones. Similarly, interpersonal communication facilitates impression management in three ways: (1) self-enhancement, (2) identity signaling, and (3) filling conversational space. How impression management drives what people share taken together, these underlying components (i.e., self enhancement, identity-signaling, and filling conversational space) provide some suggestion about how impression management shapes what people talk about and share. In particular, findings suggest that impression management tends to encourage people to share (a) entertaining, (b) useful, (c) self-concept relevant, (d) status related, (e) unique, (f) common ground, and (g) accessible things while also (h) leading incidental arousal to boost sharing and (i) affecting the valence of the content shared.

Information acquisition: - Another function of word of mouth is to acquire information. Consumers are often uncertain about what to buy or how to solve a particular problem, so they turn to others for assistance. They use word of mouth to actively seek information. To obtain the information they need, they talk about that product or idea themselves (i.e., bring it up). Sharing should enable information acquisition via (1) seeking advice and (2) resolving problems.

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The underlying components (i.e., seeking advice and resolving problems) provide some suggestion about how information acquisition shapes what people talk about and share. In particular, findings suggest that information acquisition should drive people to talk about (a) risky, important, complex, or uncertainty-ridden decisions and (b) decisions where (trustworthy) information is lacking. In sum, information acquisition motives may lead people to talk more when (1) decisions are risky, important, complex, or uncertainty-ridden or (2) alternative sources of information are unavailable or not trustworthy.

Separating functions from conscious deliberation

This paper argues that word of mouth serves a number of key functions, but this does not mean that a conscious, deliberate choice process is involved. Research often talks about word of mouth as motivated action, wondering why consumers pick certain things to talk about and what goals they are attempting to achieve by doing so. But this way of framing the discussion suggests a more active and conscious process than May actually be involved. The fact that exercise increases sharing or that anger-inducing things are more likely to be passed on could be driven by conscious motivations, but a more automatic process seems more likely. Feeling physiologically aroused may lead people to share even though they are unaware that they are aroused, or that this arousal encouraged them to share.

Consequently, it is important to separate motivation from conscious awareness. Word of mouth may serve a variety of functions, and those functions may drive people to share particular things, but this does not necessarily mean that people are aware of those functions or that they actively pick things to share to achieve those goals. There are certainly some situations, however, where conscious choice plays a role. Thus particularly in face-to-face interactions, accessibility may play a larger role in what people discuss. Further, some of the word of mouth functions discussed may involve more conscious involvement than others. As noted above, people may sometimes actively choose particular things to talk about in service of impression management goals.

Similarly, consumers may consciously bring up certain topics in the hopes of persuading others or acquiring information. There seem to be fewer situations, however, when consumers consciously choose what to talk about to service emotion regulation. People may sometimes be aware that they are venting, for example, but are less likely to realize that they are talking about something to encourage rehearsal, reduce dissonance, or make sense of their feelings. It is even harder to think of situations where people actively share emotions to attempt to bond with others.

Future research might more directly examine when what people talk about involves more deliberate selection, and which word of mouth motives are more versus less deliberate in nature.

How does the audience and channel shape word of mouth?

So far we have focused on why people talk and share, but situational factors may moderate when different word of mouth functions have a greater impact. Two key moderators are the audience, or whom people are communicating with, and the channel, or how people are communicating. While not a lot of work has examined these moderators, the findings from the available researches outline a few key characteristics of these factors, some potential ways they might shape word of mouth, and possible directions for future research.

Communication audience: - Consumers communicate with a variety of different audiences depending on the situation. They may talk to friends or acquaintances, just one person or a large group, and people that are higher or lower status. Thus three key aspects of the communication audience are (1) tie strength, (2) audience size, and (3) tie status.

Research distinguishes between strong and weak ties; people we know well, trust, and/or speak to often, versus acquaintances whom we do not have as strong a connection. Good friends, family members, or close colleagues are strong ties, whereas acquaintances are weak ties. Tie strength should impact which word of mouth functions play a larger role and what people end up sharing. Further some research has focused on audience type (i.e., tie strength), but mere audience size also matters. Sometimes people talk to a large audience (e.g., a group of co-workers) and other times they talk to a small audience (e.g., just one co-worker). The former can be described as broadcasting, while the latter can be described as narrowcasting. Audience size should impact which word of mouth functions play a larger role and what people end up sharing.

Audiences also vary in status. Sometimes people communicate with high status others (e.g., one's boss or a popular friend), while other times they communicate with low status others (e.g., a subordinate or a less popular friend). While this particular dimension has received almost no attention, it should moderates what people talk about and share and why. Some work, for example, suggests that people may share more positive information with those that are higher in the social hierarchy One might also imagine that people try harder to bond with higher status others than low status others. At the same time, people might be more reticent to use high status others for emotion regulation and may attempt to persuade low status others more often. The effect on information acquisition is less clear. Overall, audience characteristics should have an important

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impact on which word of mouth functions are more important.

Communication channel: - Beyond audience effects, consumers also communicate through different channels. They talk face-to-face, on the phone, and in chat rooms; through blogs, on Face book, and over text. While channels differ in a number of ways, some key dimensions are (1) written vs. oral, (2) identifiability, and (3) audience salience.

One important dimension of communication is the modality through which it occurs. Sometimes consumers use oral communication (e.g., talking face-to-face, over the phone, and Skype), while other times they use written communication (e.g., email, online posts, and texting). Communication modalities differ in their synchronicity. Oral conversations tend to be rather synchronous, with little break in between conversational turns. Most written communication is more asynchronous, where people tend to respond minutes, hours, or even days later. This difference in synchronicity, in turn, provides time to construct and refine communication. Research has only begun to examine how communication modality shapes interpersonal communication, however, and much more remains to be done.

Communication channels also differ in the degree to which communicators are identifiable. People often post reviews or tweet anonymously. In other situations, identities are disclosed, and people know who they are talking to. This should have a number of implications for word of mouth motives.

A third way communication channels differ is whether the audience is salient during communication. Compared to face-to-face discussion, for example, the audience is often less salient in online communication, in part because sharers often neither have a look nor hear each other (though web chats may increase the feeling of social presence).

This should have a number of implications for word of mouth motives. While audience salience is distinct from identifiability, it may often have similar effects. The more people are aware of their audience, the more they should recognize that what they are sharing acts as a signal of the self. This in turn, should lead impression management to play a larger role. In sum, the communication channel and the audience play an important role in moderating the functions of word of mouth and what consumes talk about. While a few papers have empirically tested the ideas mentioned here, much more work remains to be done, and this is an open area for further investigation.

When is word of mouth context versus content driven?

As discussed above about audience and channel, word of mouth is often shaped by the context. If someone is talking face-to-face with a friend, for example, they might talk about different things than if they were talking online with an acquaintance. In these and other situations, the context is exogenously imposed. Both the channel (i.e., face-to-face), and the audience (i.e., a friend) have already been set, and the communicator must now decide what to share in that situation. In other situations, however, people can actively choose who they talk to and the channel they communicate through. People that find a particular online news story, for example, can decide who they want to share it with and whether they want to pass it along online or through some other channel.

The former can be described as context-driven word of mouth, while the latter is more content driven. Though the distinction between content and context driven is intuitive, it likely has important implications. Is context driven word of mouth, the key questions are (1) do people talk and (2) if so, which of the things that could be mentioned are actually discussed. Context driven word of mouth should depend a lot on accessibility, where the audience and other surrounding factors act as triggers to bring up certain things to discuss. In these instances, the key question may be given that something is top-of-mind, should it be talked about or held back.

In content driven word of mouth, the content itself compels people to share. Consequently, it seems like the key question is whether the content is above a certain threshold of interest, utility, emotion, or some other factor that drive people to pass it on.

That said, content driven word of mouth also raises additional questions. How do people decide who to share something with? What role does the strength of tie or frequency of interaction play? And how do people decide what channel to share the content through? Is channel selection simply driven by convenience? Further research might delve into these issues more directly.

Technology and word of mouth

It is also interesting to consider how technology shapes word of mouth. While only 7% of word of mouth is currently online, this fraction is only growing. New communication technologies have made it faster and easier to communicate with a large number of others. While some communications research has begun to consider how computer-mediated communication shapes interactions, much more remains to be done. Some insight, however, may be gleaned from moderators discussed above. Most online communication (e.g., Face book status updates or Watsup posts or post on Twitter)

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involves (1) written communication to share with (2) a large audience of (3) weak ties. Further, unlike face-to-face communication, (4) the audience is not physically present. All of these factors should lead impression management to have a greater impact. People can take the time to curate whatever identity they prefer through what they share.

IV. CONCLUSION

In conclusion, word of mouth is both frequent and important. But while researchers have shown that word of mouth has important consequences for consumer behavior, we have only begun to understand its causes. What drives people to talk and share? Why do some things get shared more than others? And how do the audience and the communication channel shape what people share? These are only a few of the overarching questions that deserve further research. Hopefully this review will spur more researchers to delve into this exciting area.

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