



## INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE AND MANAGEMENT

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## WORD OF MOUTH MARKETING (WOMM): A CONCEPTUAL FRAME WORK

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### ABSTRACT

*Word of Mouth Marketing (WOMM) is a form of promotional campaign which operates through an individual's personal recommendations of specific brands, products or services. Despite the interest in WOM, no research to date has summarized the factors that contribute towards WOM's significance. Based on a synthesis of the literature, this paper develops a conceptual framework of the factors that contribute towards the significance of WOM. Eleven factors are identified that contribute towards WOM's significance. The eleven factors can be summarized under two headings: WOM's pervasiveness and persuasiveness, both of which are thought to be interdependent, rather than independent of each other.*

### KEY WORDS

Word of mouth (WOM), Pervasiveness, Persuasiveness

### INTRODUCTION

Word of Mouth Marketing (WOMM) is a form of promotional campaign which operates through an individual's personal recommendations of specific brands, products or services. Like its literal meaning, word-of-mouth marketing spreads from one person to another outside of a formalized setting, without heavy intervention by advertisers. A recommendation from someone familiar and trust-worthy is the easiest path to a product sale, link or new subscriber. Why because recommendations are generally perceived as incentive-free, unlike the obvious motivation of advertisers, who may over-promise in a bid to increase sales. Word of Mouth (WOM) is a concept of strong interest to both marketing academics and practitioners. From an academic perspective, WOM has attracted research attention during the past six decades. Thus, WOM is an area of sustained research enquiry and the intensity appears to be increasing. Practitioners also have a growing interest in WOM; whether it is cooking oil, cars, music, books, Internet telephony, or handheld video games, marketing practitioners are increasingly shying away from traditional mass communication tools in favour of WOM campaigns.

To promote and manage word-of-mouth communications, marketers use publicity techniques as well as viral marketing methods to achieve desired behavioral response. Influencer marketing is increasingly used to seed WOMM by targeting key individuals that have authority and a high number of personal connections.

It appears that both marketing academics as well as practitioners would benefit from a better understanding of WOM and the reasons why it is so significant. A 'deconstruction' of the factors that make WOM so important may allow marketing practitioners to develop more diagnostic ways of measuring the effects of (potential) WOM campaigns. This would echo researchers' calls for greater use of WOM in market research. Thus, the overall goal of this article is to develop a parsimonious conceptual framework of the factors that contribute towards WOM's significance.

Word of mouth (WOM) can be described as informal communication between consumers about goods and services without either party being formally rewarded for this communication. While early definitions focused on oral WOM, more recent research includes non-personal communication via electronic channels, such as email, mobile phone text messages, bulletin boards and other means that would comprise what may be called 'digital WOM'.

### THE PHILOSOPHY BEHIND WORD-OF-MOUTH MARKETING

Word of Mouth Marketing is a prismatic discipline. Conversations online or offline are often multiple, non-hierarchical, horizontal and mutational. The message is not controllable by the advertiser, although they can attempt to manipulate buzz flow by devising campaigns to structure dialog and conversation.

Dave Balter, in his Manifesto on Word of Mouth suggested that Word of Mouth is the desired end result, one that is achieved through viral or buzz marketing.

It's a medium made up of the conversations and communications between people. Word of mouth can go viral...But in order for that to happen, you must have actual brand advocacy, and people must be willing to go out of their way to share an opinion, an experience, or their passion about a product. The reason that word of mouth is so powerful is that it is a mutual conversation. You can't find it with a hundred other messages waiting to be deleted from your inbox.

Word of Mouth marketing doesn't exist in a vacuum and it can certainly develop without any efforts on your part if your product or website is seen as extremely helpful, interesting unique or valuable by a specific niche market.

More often than not, you will need to kick start some promotional method to initialize word of mouth buzz. While there are many strategies available, it's important to focus on producing an excellent product or bait as this will greatly facilitate the word of mouth process.

### WORD OF MOUTH'S IMPORTANCE

Researchers have recognized that WOM is probably the most powerful force shaping consumer behaviour, which lead researchers to describe WOM as "almost irresistible" and a response that "may be among the most important".

How persuasive WOM is, particularly in comparison with more traditional marketing communication channels such as advertising, has long been a topic of inquiry. Research has found that informal information, such as WOM, was a more important source of information compared to mass media such as print or television Advertising. WOM has even been found to be more important in influencing consumers compared to independent third party reviews such as "Consumer" reports. Lastly, WOM can also be more powerful than the consumer's own attitude toward a product.

While it has become clear that WOM can dominate other information channels, no research has summarized why WOM has such a significant impact on consumers. This is what this paper wishes to investigate. Thus, this paper will now turn to a synthesis of previous research to fill this gap.

At the most fundamental level, one could think of two fundamental factors that fuel WOM's significance. The pervasiveness of WOM, that is its 'reach' or the number of consumers exposed to it, and the persuasiveness, that is its 'impact' on consumers' attitudes and behaviours. The following two sections synthesize findings from the literature regarding the pervasiveness and persuasiveness of WOM and build a conceptual framework consisting of eleven drivers that contribute towards the significance of WOM.

### THE PERVASIVENESS OF WOM

Based on extant literature, seven factors can be thought of as contributing towards the pervasiveness of WOM. Firstly, WOM is a **global phenomenon**, although individualist and collectivist cultures may engage in WOM to a different extent. WOM has been found to be of importance in western countries such as the UK, the US, Canada, Germany and Sweden, Asian countries such as Japan, South Korea and Singapore and developing nations such as India and the former Soviet Union. Thus, WOM can be seen to be effective across geographical borders. Secondly, WOM operates **across all industries**. WOM's importance stretches across diverse industries encompassing corporate services, personal services, basic goods and complex goods. Thirdly, **the proportion of consumers engaging** in WOM has been found to be very high. Data from the Swedish and US customer satisfaction barometers indicate that more than half of all consumers engage in WOM. Similarly, 57% of people who had initiated contact with a manufacturer (e.g. email, phone, and web) talked to at least one other person about their experience and more than 70% of consumers had engaged in WOM after product consumption (i.e. watching a movie). Other research findings have suggested that as many as 80% of consumers engage in WOM. Thus, a sizeable proportion of consumers engage in WOM, across a variety of industries. Fourthly, **the proportion of consumers relying** on WOM has been found to be very high. While the precise proportion is disputed, it is clear that the majority of consumers often rely on WOM for decision-making. The proportion of consumers who rely on WOM as the main source of information can vary from nine percent to 65%. A number of other studies support the notion that at least half of all consumers rely on WOM when making purchase decisions. Fifthly, WOM can **spread quickly**. In a study of how many people an innovator had spoken to a few days after trailing a product, 90% of innovators had told at least one person about their experience, while 40% of people had told two or more people. Importantly, the speed with which WOM is re-transmitted is even greater for digital WOM. Sixthly, one of the key factors in allowing WOM to spread quickly is the fact that WOM may be **re-transmitted**. That is, WOM may be received by a consumer who then passes the message on to another consumer and so forth. Early research called for an investigation of this phenomenon with subsequent inquiries showing that re-transmission is a real world phenomenon in traditional settings as well as for digital WOM.

Lastly, one of the most powerful facets of WOM is that it can be shared with more than one person, i.e. **multiple dyads**. Some research has found that WOM is 'only' shared on average with a relatively low number of three people. Using Swedish and US national customer satisfaction barometers, it was found that those who engaged in WOM, talked to an average of 9.5 people (Sweden) and 7.9 people (US). The number of people talked to by each WOM sender can vary considerably from zero to up to 35 in a traditional WOM context. Digital WOM appears to vary even more substantially, ranging between one and 177 digital episodes in a month. After having discussed the pervasiveness, or 'reach', of WOM, the following section discusses the persuasiveness or 'impact' of WOM.

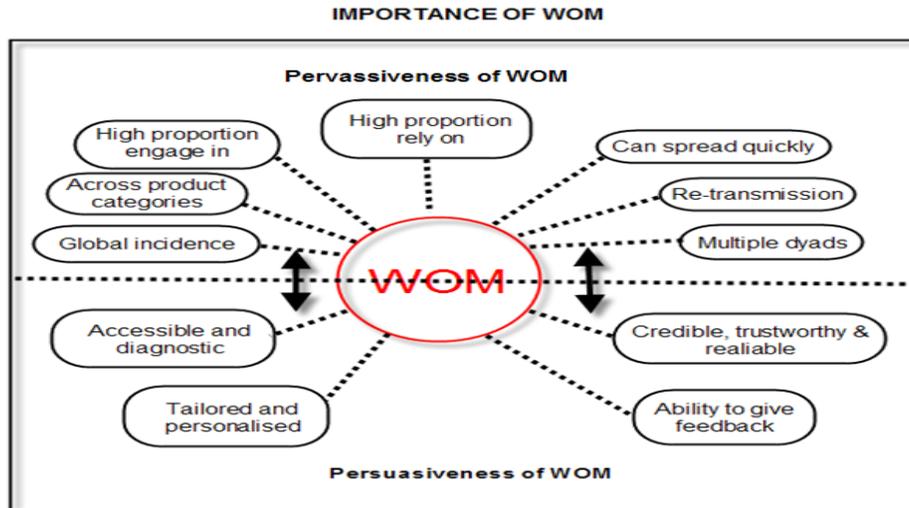
### THE PERSUASIVENESS OF WOM

Based on the extant literature, four factors have been identified that contribute towards the persuasiveness of WOM. Firstly, it is generally agreed that the persuasiveness of WOM is mainly due to WOM being seen as **credible, trustworthy and reliable**. Secondly, WOM has been found to be highly persuasive due to the **receiver's ability to give feedback**. Thirdly the sender's ability to deliver **tailored or personalized information** in which information may be added or filtered or one's own interpretation is added makes it more relevant to the receiver, thus making WOM highly persuasive. Lastly, research has identified that more **accessible and diagnostic information** has a greater impact on consumers. Diagnosticity in this instance refers to how useful information is for making a purchase decision, for example, how much brands differ and whether certain brands are judged 'better' than others. Importantly, WOM fares well in both accessibility and Diagnosticity compared to non-personal sources of information such as advertising, thus making it a highly persuasive communication channel.

### DISCUSSION OF CONCEPTUAL FRAMEWORK

So far this paper has distilled eleven factors that contribute towards the significance of WOM. Figure 1 integrates these factors into one framework. The following section discusses the interrelationship between the pervasiveness and the persuasiveness of WOM.

Figure 1: Conceptual Framework of Factors that Contribute Towards the Significance of WOM



The labels pervasiveness and persuasiveness appear conceptually clear cut. That is, one is concerned about the 'reach' of WOM, while the other is concerned about the 'impact' of WOM upon consumers once they are reached. However, one should consider the pervasiveness and the persuasiveness of WOM not as two independent factors but rather as two interdependent factors. Furthermore, both factors appear interdependent upon each other. Firstly, the pervasiveness of WOM impacts on the persuasiveness of WOM. The greater the number of people who utter consistent WOM to a consumer, the higher the chances of that consumer following the collective advise of WOM senders. Thus, the sheer pervasiveness of WOM can contribute towards the persuasiveness of WOM. Secondly, the persuasiveness of WOM can impact on the pervasiveness of WOM. As discussed earlier, the pervasiveness of WOM is in part driven by the presence of multiple dyads and consumers' ability to re-transmit WOM to other consumers. Research has found that message content, including its persuasiveness, can influence consumers' intentions to share WOM with other consumers (i.e. multiple dyads) and consumers' intention to re-transmit WOM. Thus, the persuasiveness of WOM can also impact on the pervasiveness of WOM.

This discussion suggests that each of the eleven factors may be powerful individually, but that a combination of two or ideally more of these factors would yield stronger synergistic effects. In this sense, the framework may be seen as a checklist for an 'ideal WOM campaign'; the more factors that apply, the more powerful the WOM campaign is likely to be. Thus, the framework may be used by practitioners to assess a WOM campaign's likely impact prior to its implementation.

## CONCLUSION

In summary, the first conceptual framework of the factors that contribute towards WOM's significance has been proposed. The framework was developed by synthesizing WOM research from the past six decades. Two higher order factors, the pervasiveness, or reach, of WOM and the persuasiveness, or impact, of WOM were identified. Eleven factors were found to have contributed towards these two higher order factors. Lastly, the pervasiveness of WOM and the persuasiveness of WOM were conceptualized as two interdependent factors.

It is hoped that this framework serves as a useful framework for both academics and practitioners. For practitioners, this framework could serve as a diagnostic tool to assess the appropriateness of WOM to a particular situation. For example, the tool could be used by companies to assess how fully the eleven factors apply to a given situation. The more fully the factors apply, the more appropriate WOM may be as a communications tool in that particular situation. For instance, if the content of a WOM message is highly engaging, then multiple dyads and re-transmission rates are likely to be high, thus resulting in higher pervasiveness and persuasiveness of the message. It is also hoped that the framework presented in this paper is of use to academics. During the past six decades, significant progress has been made but some questions remain unanswered. This paper wishes to fill one of these gaps by making the significance of WOM more explicit. It is also hoped that the proposed theoretical framework will stimulate discussion and highlight WOM's significance even further.

The extensive review of the literature is a good starting point for building the framework. However, this has restricted the research to being purely inductive in nature. A logical next step would be to engage in a test of the framework, or, in other words, a deductive step. Such progression would result in a more developed understanding of a phenomenon that has caught the imagination of both marketing academics and practitioners, in itself a rare occurrence as often academics and practitioners priorities are not closely matched. WOM maybe one of the few exceptions to this. Thus allowing for both Relevance and theory development.

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