

Impact of Word of Mouth (WOM) on Customers

Mridul Trikha

Department of University Institute Applied Management Sciences Chandigarh, India

Abstract: *Word of mouth and consumer interaction has been the centre focussed approach in marketing now a days to overcome the barriers in marketing and retail sector. It leads to interaction between the buyers and it increases the image of the product consumed by the buyers. The main belief is that the word of mouth is the underlying thought of the consumer which is basically influencer's buying decision. It contributes towards buying decision and the marketing information enhancement. Thus it can affect the business positively and negatively. Word of mouth (WOM) has impact on several factors on customer such as or consumer-to-consumer interaction customer choice, service and brand switching, purchase decision, choice and alternatives analysis, perception about a product and facilitation of customer. Thus, it is more effective than traditional tools of marketing such as personal selling advertising and sales promotion. Customers pay more attention to thers now a days through various modes of marketing. The word of mouth is of two types mainly i.e negative WOM and positive WOM. Thus, in this paper main focus is to summarise the impact of positive and negative impact of word of mouth on the customer buying and perceptions. Positive WOM, leads to building loyalty and emotion and positive image of product in minds of buyers whereas, negative WOM refers to creation of gaps in minds of buyers, dissatisfaction among the wants and poor image building of the products.*

Keywords: word of mouth, positive and negative word of mouth, consumer buying decisions.

1. Introduction

Word of Mouth (WOM)

Word-of-mouth marketing (WOMM, WOM marketing), also called word of mouth advertising, also refers to the influence and the encouragement what we get to purchase and make a perception about a thing.

Buzz

Marketing buzz refers to the term used for word of mouth marketing which means the interactions of consumers and users of the product to satisfy the wants and desires of the customers. It is the hype among customers about the brand which may be vague in the minds of customers. It refers to the viral marketing, public relations, and even e marketing through digital marketing of products online.

Viral Effects

This refers to the viral words buzzwords referring to the marketing techniques that use social networks to produce brand awareness to achieve widespread marketing objectives. It refers to various video clips, social networking potential and other digital concepts such as electronic word of mouth, online WOM etc. There includes various e books, images, brandable texts, and other marketing social awareness mediums.

Maintains the age of brand at market place by maintaining long term relationships with the customers through stimulating and strengthening the purchases. This is done to maintain effective relationships and communication system is also improve. It overcomes the complexity by serving the purpose and need of the customers. It also provides knowledge about the brand by identifying the various positive outcomes from particular brand

Differentiation: It provides the experience of the different products by analysing the results obtained by providing solutions to the needs of the buyers. It overcomes the complexity by explaining effectiveness of the products. It will serve its purpose or need. Knowledge about a brand:

WOM is used to identify a company's positivity and negativity. Also, it helps in making corrective decision by analysing strength and weakness of brand.

Thus, there are basic three functions to control and manage WOM

- 1) Building a strong foundation
- 2) Managing direct and indirect foundation
- 3) Controlling, managing and persuading positively to persuade, it refers to perceptual mapping a product or a brand in the minds and eye of the customers

2. Literature Review

Mc Kinsey & company (2010)[1] explained the relevance of a brand to a broad audience by focussing on the branding strategies required for WOM.

Godes D ,Dina M (2004)[2] stated the concept of quality esteem given to a brand , packaging and after sales services. Yong . L. (2006)[3] shows the premium services and augmentation of products required in order to stimulate a huge amount of store traffic through public awareness.

Shi W, Tang L, Zhang X, Ghao Y(2016)[4] concentrated more on the excitement received from the customers after purchasing the products on the basis of word of mouth. He explained word of mouth as a positive outcome after making purchase decision

Richnis Marsh L (2001) [5] stated the visibility of the brand through publicizing the products through spread of WOM. Wangenheim Florian V Tomas B (2004) [6] focussed on the satisfaction retrieved by perceptually analysing the image set in the minds of customers which provides them satisfaction and meeting their desirable expectations.

O reilly K, Marx S (2011)[7] explained the impact of negative word of mouth and redressing the strategies by aiming at improving dissatisfaction and exploring the customers preferences.

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Audrain-Pontevia (2008)[8] focussed on the negative WOM received online from the people. Social media act as a tool for spreading the content and information which can be negative at times and can humiliate the product even.

Bachleda Catherine (2015) [9] explained the impact of word of mouth marketing by analysing the purchasing intentions of people and generation of demands for the product create,

Ben Ze'ev Aaron (2000)[10] explored the retail distribution and did consumer research in the retail sector, importance of visualising, visual merchandising and pWOM and nWOM regarding the stores and other retail outlets.

Beneke J de Sousa s, Mbuyu M.Wickham B(2015)[11] stated the damaging affect of negative word of mouth , try to avail the timely opportunities and attaining the competitive advantage for long term survival of business of excitement. An example of this could be new technology being released to the public and advances in medical technology and vehicles. These examples are best used to demonstrate excitement as a result of word of mouth marketing.

Pongjit C, Beize Zee R (2015)[12] explored the effects of the word of mouth on consumer brand attitude. The source focuses on evaluating the similar and dissimilar form of brands. The effects of word-of-mouth incentivization on consumer brand attitude.

Lim BC, Chung CMY (2014)[13] explained the changes in behaviour occurring due to spread of WOM and perception, differentiation received towards different products which strengthens the attitude towards the products.

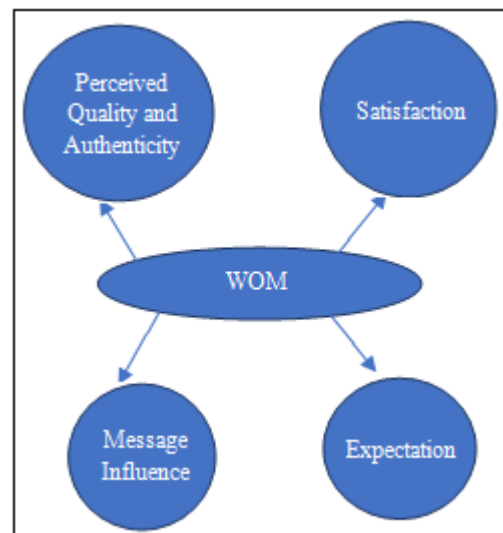
Gelbrich, katja 2009 [14][gave the concept of positivity and enhancement of profits by persuading and influencing customers to buy through developing positive attitudes

Grappi, Silvia, and Fabrizio Montanari (2011)[15] explained the role of social identification and hedonism in affecting tourist re-patronizing behaviours

Christy MK, and Matthew Ko Lee (2008),[16] stated online Consumer Review: Does Negative Electronic Word-of-Mouth Hurt More than the positive one.

3. Research Objectives

- 1) To study the impact of word of mouth on purchase intentions and affect of promotional strategies on the buyers
- 2) To investigate the concept of perceptual mapping on minds of customers to study positive and negative word of mouth.
- 3) Studying the behaviours, attitudes and perception of consumers and changing trends and preferences.
- 4) Identifying emotions and maximising interests of consumers through positive word of mouth.



Concept Framework of Word of Mouth (Figure 1)

Word of mouth basically depends upon the four main basic parameters:

- 1) **Perceived quality:** This is the basis of the WOM as the image set in the minds and the perception made by buyers depends upon the quality on a large scale. Authenticity is also eminent part as the originality depends upon the the brand and the sales volume increases with the originality which overcomes various fakeness of products,
- 2) **Message influence:** It influences the person who buys the products, peers family members and friend circle of the buyer persuades its purchasing decision. The message should have positive influence on people in order to maintain the image of the brand.
- 3) **Satisfaction:** The satisfaction is the internal contentment and the deep satisfaction of the the fulfilment of the desires of the buyers. The word of mouth is directly affected by the personal influence and the money worth which they are paying to buy a specific product to gain the benefit out of it.
- 4) **Expectation:** The expectation is also the source of the buyer as the expectation is generated from the purchasers regarding availing benefits of products. If the expectation is more then the WOM is mostly positive and vice versa. There are two side of WOM.
Positive and negative: It is concluded through these two and the concept of wom can be understood by these two separately. The relationship of these two with the WOM is direct and indirect. One has positive affect and negative affect .these are explained as follows:

4. Concept of Positive WOM

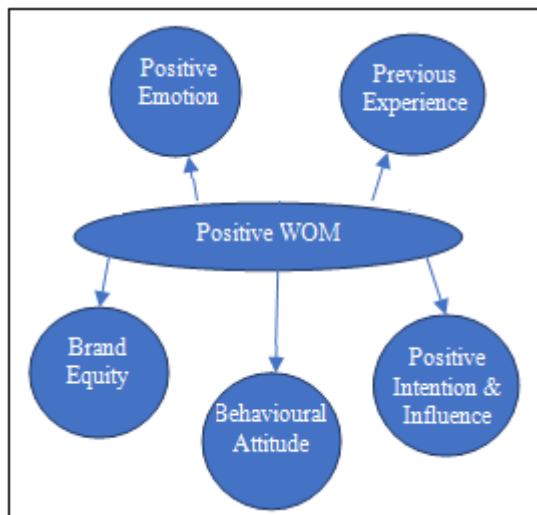
Positive WOM depends upon the level of contentment, satisfaction, interest achievement and desire fulfilment from the side of buyer regarding the product purchased. The positive wom depends upon the behavioural norm and positive attitude about the product and the necessity to buy and avail benefit from it.

Thus it depends upon:

- 1) **Positive emotion:** The emotion interpreted by the people are the main source of the person's persuasion. The

inculcated emotions can't be changed but can be modified through gaining trust worthiness of people. Thus, positive emotion depends upon the behavioural norms and aspects of people who makes the buying decision. It can be made positive by focusing on the sensitive points of consumers through proper enhancement and desire satisfaction

- 2) **Previous experience:** this relates to the past buying and consuming experience of people who are comfortable buying the proct. If they are totally contented they while buy it again and the attitude of buying will be positive towards the product as their desires are met totally.
- 3) **Brand equity:** Brand equity is the reputation goodwill and the image of the product developed in the minds of people. The product is thus perceptually mapped in the minds of people. The word of mouth is totally affected by the brand equity as the rapport building regarding the brands is must in order to survive for long term basis.
- 4) **Positive intention and influence:** The positive intention leads to loyalty towards a specific product. As the product is most suitable and desirable by the buyer the persuasion and influence on customers is deep and is acceptable with satisfaction and happiness. Also influence factor also plays an important role as the peer groups, environment have a great impact on the thinking and mentality of the customers.
- 5) **Behavioural attitudes and norms:** attitudes are the positive and negative insights of a person developed upon a specific deed. It refers to perception of an individual over something. Whereas norms are the beliefs and values of people which are rigid in nature and are hard to change. Therefore, the attitudes and norms have a great impact on the WOM as the individuals inner insights and beliefs plays a major role in moulding and interpreting positive or negative WOM.

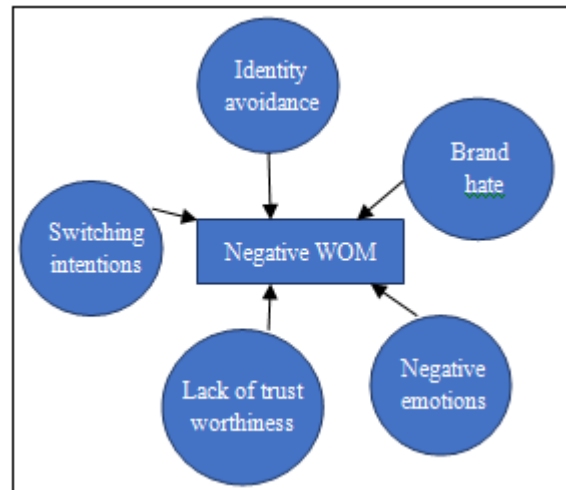


Positive WOM Figure 2

5. Concept of Negative WOM

Negative WOM is a consumer response towards dissatisfaction of the content ,The negative impact is more due to negative spread information. The reason may be interpersonal or intrapersonal. The negative attitudes, beliefs, thought process, changes in behaviour and trends, tastes and preferences changes are the main sources of negative Wom. The outcome is un acceptable and

unsatisfactory balance between thoughts culture or barriers of the content. Therefore, the negative behaviour depends upon these five constituents. Which are:



1) Identity Avoidance

Dissatisfaction and unmet expectations which have a negative influence on customers, from where relationship can end and affected adversely., leads to avoidance in behaviour of people. Rejection of brand as the consumer don't want to perceive and continue with it any longer is identity avoidance. Three types of identity avoidance can be:

- a) **Identity** (when consumers expectations remains unmet.
- b) **Experiential** (when the decisions are taken on past basis and image made is bad at the beginning itself)
- c) **Moral** (when the culture, beliefs and values does not permits individuals to continue with the brand. Their values do not match with that brand.

2) Brand hate

Emotions are exposed to environmental stimuli and can be triggered negatively by consumers when the feedback or response of a product is poor and not up to the mark. Negative emotions regarding a brand varies in intensity as the dislikeness, rejection, discontentment are received frequently from the other side. Thus, brand hate is an attitude and intense negative emotion and perception towards a brand which is not futuristic and have outcomes like poor behavioural and physiological aspects. It is indirect complaint or grievance which leads to reduction in contentment and extreme dislikeness towards a brand

3) Switching intentions

The negative testimonials obtained from surroundings, peer groups, social medias, websites, online etc have a major and influential impact on people nowadays as they gains reviews from these sources and makes a decision accordingly. The presence of adverse impact on the brand equity, goodwill and reputation plays an important role on deciding and switching on to another brand. The brands with low product involvement, poor promotional or advertising strategies lacks in sales volume. Also the quality and beneficiary offers plays an important role in moulding and changing views of people. Thus switching intentions are the indicator of lower levels of product and brand loyalty.

4) Lack of trust worthiness and confidence

The trust is eminent part of marketing and sales .the trust factor is the major indication given by the customers which acts as the source of feedback of a product. Trust should be build in order to maximise sales as well as satisfy customers adversely. The level of confidence to buy a product depends upon the quality as well as quantity of the brand along with the strategic promotions of the products. Therefore, the trust and level of confidence should be directly proportional to the brand equity and reputation of the brand. In order to maintain the sales and competitive advantage. To maintain the image of brand in the eyes of customer the competitors should be checked upon in order to cover the costs and maintain the feasibility and profitability of the brand.

5) Negative emotion

There are four basic emotions on the basis of which judgement is made by the people. These should be taken care of to keep up the spirit and working of a business. The major emotions experienced and generated by the people are: anger, fear, sadness and shamefulness. These are the basis of making judgement regarding a brand. The brand should emotionally touch the sensitive points of people so that the relations maintained are empathetical and long term.

Thus to increase pleasant experiences, interpersonal discussions and novelty in the products the people should always have apposite attitude towards a product rather than recurring the negative side of emotions, feelings and distress.

Thus, to conclude WORD OF MOUTH

WOM is basically social behaviour where there is direct relationship between the intention for positive WOM and sociability and it also reflects the loyalty towards brand. The more the level of agreeableness , the more is the warm relations with the customer, more is loyalty and more is the existence of business. is a social behavior and there is a direct relationship between the intention for positive WOM and sociability and this reflects loyalty the post sales and after delivery services also plays an important role in building the image of the business and word of mouth. There is good amount of information exchange between th thoughts and ideas of people through which the proper analysis of the products are done by customers which leads to forming of positive and negative word of mouth. The increased amount of interaction leads to forming healthy and long term relations and increase in strategies, innovation and novelties in products leads to positive behaviour, happiness, contentment and overcoming barriers of interests and beliefs regarding the products. Introducing distinctive features, uniqueness to products and overcoming the barriers of communication and promotions leads to generating a good and better wom amongst people. Hence, by following these strategies negative wom can be avoided in order to meet the expectations and desires of people.

6. Suggestion and Conclusions

Buyers tends to trust when they are happy and their desires are met by the company. Encouraging and facilitating word of mouth marketing helps in building trusts by relying on influential customers towards the particular brand. There

should be trust towards the specific brand and the feeling of contentment among the buyers so that they are interlinked and connected for long run in future.

Long term value

Positive WOM connects people for long run also. It maintains good and feasible relations with the people by offering them befits and promotional strategies are used to bind the customer for long run in order to survive longer. Existence of business for long run and maintaining the positivity of WOM the competitive advantage should be maintained by analysing the competitors and cutting the competition in order to maintain the brand equity. Thus happiness grows exponentially as the customers are satisfied and happy.

Building the brand

It involves procedures for dissemination of information about the brand in order to maintain the reputation and convey distinctiveness of the products through explaining the features and services of the product. The information and brand building can be done by sharing information via social media or otherwise which affects the WOM and the product is demanded more by the people as an outcome

Get the perception right

This means the image of the product should be perceptually mapped in the eyes of people. The legal and ethical ways should be used to promote the product so that they are willingly buying the product in the near future.

Potential abuse

The potential abuse means following of unethical and illegal ways in order to gain WOM. This should be avoided as the abuse towards product is not acceptable and is regarded as the dissonance behaviour of people, anxiety feelings and bad impressions about the brand upon the buyers. Potential abuse is negative side of coin which can be generated sometimes by the competitors strategy so that the business growth can be hampered by them. WOM is the primary source of marketing as the product grows well the sustainability should be there in order to maintain the present image of product,

Good content control

There should be proper content control while promoting the product as the marketing strategies used should be build with trust, contentment and positive emotions so that the sales volumes are maximized. The proper planning is important to cover the costs and the fulfilment of demands is done through proper planning and organising the product contents so that the buyers are pleased and purchase are maximized.

Relationship marketing

This marketing deals with maintaining long term relationships with the buyers as the brand loyalty and positive emotions should be enhanced time to time in order to run the business for long run. Also by getting benefits people gain the advantages and enjoy the leisures given by the brand. Relationships should be long lasting and the loyalty should be taken care off by studying and analysing the demands of consumers on large scale.

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