Electronic Word-of-Mouth: An Exploration into the Why, What, and How

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Abstract

This paper examines how the motivations of consumers to engage in electronic word-of-mouth (eWOM) impact the cognitive and affective qualities of their eWOM message. Data were collected from a survey and a usable sample of 201 was obtained. Regression analysis was used to test the model. Results show what for positive eWOM, four motivations had significant relationship with cognitive and affective aspects of the eWOM message. In contrast, with negative eWOM, only two motivations were significantly linked to both cognitive and affective elements of the message. Cognitive and affective aspects were both found to be positively related to message effectiveness.

Keywords: word-of-mouth, cognitive, affective, motivation, financial services
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Introduction
The proliferation of online communities such as discussion forums and blogs are evidence of the search for more credible market information. Word-of-mouth (WOM) is consistent with this need because information from a source that does not have any material interest in the product/service is more credible than information originating from one that does (Dichter, 1966; Herr et al., 1991; Murray, 1991; Silverman, 2001). However, WOM only exists if the sender is motivated to communicate it to the recipient, highlighting the importance of understanding WOM motivations. Hennig-Thurau et al. (2004) furthered our understanding of electronic WOM (eWOM) by testing a typology of motivations for consumers to post eWOM on the Internet, and encouraged more research in this area. Authors of the present study heed their call by investigating the influence of these motivations on the content and delivery of the eWOM message. In addition, they also determine whether these content and delivery aspects of an eWOM message influence its effectiveness. Results are useful to managers in understanding WOM activity online.

Literature Review

Cognitive and affective aspects of WOM
Westbrook (1987) defined WOM as “informal communication directed toward other consumers about the ownership, usage, or characteristics of particular goods and services and/or their sellers” (p. 261). Researchers have established that positive WOM can be a very persuasive, while negative WOM can dissuade consumers from buying a product/service (Arndt, 1967; Day, 1971; Holmes & Lett, 1977; Laczniak et al., 2001). Past studies have been useful in helping researchers understand and conceptualise WOM activity (Westbrook, 1987; Anderson, 1998; Harrison-Walker, 2001).

Mazzarol et al. (2007) and Sweeney et al. (2008; 2009) adopted a ‘micro’ approach and proposed that every WOM message can be analysed in terms of its content and delivery aspects, and specifically identify three dimensions, that underlie cognitive and affective message elements, namely cognitive content, content richness, and strength of delivery, the latter two reflecting the affective element. We concur with their approach and analyse online WOM messages in terms of these three dimensions. The cognitive elements of a WOM message are reflected through the reliability, detail, and clarity of information such as evaluations of product performance and service quality; while the affective elements are reflected through the richness of communication and the strength of its delivery or tone, which includes the use of vivid language and descriptive words (Mazzarol et al., 2007). Our interest is in examining how these cognitive and affective qualities are impacted by various WOM motivations.

Effectiveness of WOM message
Both cognitive and affective aspects of a WOM message may determine its effectiveness: Mazzarol et al. (2007) suggest that a WOM message is most effective when it is clear, informative, rich in context, and strongly delivered. Sweeney et al. (2008) developed a scale to measure the effectiveness of the WOM message, which will be utilised in this study.

Motivation to engage in WOM
Consumers who engage in WOM communication have different motives for doing so and Hennig-Thurau et al. (2004) developed a typology of eight eWOM motivations; seven of which are of interest in the present study: extraversion, social benefits, economic incentives,
advice seeking, concern for other consumers, helping the company, and venting negative feelings. *Extraversion* refers to the need of consumers to share their consumption experience to augment their own image as intelligent shoppers. *Social benefits* occur when a consumer transmits a WOM message for identification and social integration purposes. *Economic incentives* refer to the motivation that occurs when a consumer transmits a WOM message for financial purposes (e.g., reward from the community operator). *Advice seeking* is concerned with acquiring the skills needed to better understand, use, operate, modify, and repair a product. *Concern for other consumers* refers to the genuine help that a consumer offers to assist others make a better purchase decision. *Helping the company* refers to the desire to help the company because of a particularly pleasing consumption experience. *Venting negative feelings* relates to dissatisfying consumption experiences that result in the motivation to release frustration and anxiety in the form of a negative WOM.

**Conceptual Development**

We argue that the process of giving eWOM messages starts with the motivations of an individual consumer in sending the message. These motivations influence the cognitive and affective aspects of the individual eWOM message, which in turn, influence the effectiveness of the WOM message. This is summarised in the conceptual diagram below:

**Figure 1: Conceptual Diagram**

The motivation to engage in eWOM in online forums is typically the result of the post-purchase experience; therefore, what motivates a sender to write an eWOM message depends on whether the experience was a good one or bad one. This proposition helps classify the variety of eWOM motivations into three groups – universal (H1-5), positive (H6), and negative (H7) motivations. The hypotheses are examined briefly.

A goal of the ‘extraversion’ motivation is to improve one’s self image as an intelligent shopper (Hennig-Thurau et al. 2004, Sundaram et al. 1998). This suggests that consumers who are driven by this motivation are particularly likely to provide factual information while using rich and persuasive language. We propose that this applies to both positive and negative eWOM; therefore:

**H1:** The ‘extraversion’ motivation has a positive effect on the a) cognitive aspect and b) affective aspect of positive eWOM messages; and a positive effect on the c) cognitive aspect and d) affective aspect of negative eWOM messages.

Hennig-Thurau et al., (2004) stated that affiliation with a particular online community can represent a social benefit to its members for reasons of identification and social integration. These consumers would attempt to be informative in order to stand out from other members on the online community, hence resulting in a significantly cognitive eWOM message. They may also use persuasive language and emotive words to make a favourable impression; thus:

**H2:** The ‘social benefits’ motivation has a positive effect on the a) cognitive aspect and b) affective aspect of positive eWOM messages; and a positive effect on the c) cognitive aspect and d) affective aspect of negative eWOM messages.
The ‘advice seeking’ motivation is concerned with generating a comment to obtain feedback on skills to better understand, operate or repair a product by asking help from other consumers (Hennig-Thurau et al., 2004). This original message may in that case contain greater cognitive content, as the sender attempts to be as clear as possible in explaining their experience with a product. In the midst of frustration with the product, the message may also contain rich and powerful language. This applies to positive and negative eWOM; therefore, we postulate:

**H3:** The ‘advice seeking’ motivation has a positive effect on the **a)** cognitive aspect and **b)** affective aspect of positive eWOM messages; and a positive effect on the **c)** cognitive aspect and **d)** affective aspect of negative eWOM messages.

The ‘economic incentives’ motivation concerns consumers who contribute to an online community because they are rewarded for their opinions on a particular product. Some consumer review websites (e.g. ProductReview.com.au) reward lengthy reviews; consequently, such eWOM messages are likely to contain more factual information and/or persuasive language, both of which may make the message more presentable or credible. The following hypothesis is proposed:

**H4:** The ‘economic incentives’ motivation has a positive effect on the **a)** cognitive aspect and **b)** affective aspect of positive eWOM messages; and a positive effect on the **c)** cognitive aspect and **d)** affective aspect of negative eWOM messages.

The ‘concern for other consumers’ motivation possesses an element of altruism, which suggests that the altruist will attempt to be helpful as possible by providing factual information (Sober, 1988; Piliavin and Charng, 1990; Sundaram et al., 1998). Furthermore, Jeffries (1998) stated the altruist is impassioned to articulate an intense eWOM message when they are concerned with procedural fairness. Therefore, we propose that:

**H5:** The ‘concern for other consumers’ motivation has a positive effect on the **a)** cognitive aspect and **b)** affective aspect of positive eWOM messages; and a positive effect on the **c)** cognitive aspect and **d)** affective aspect of negative eWOM messages.

The positive motivation of ‘helping the company’ is a result of consumers, who have had a good consumption experience, wanting to reward the company by referring it to other consumers through eWOM. In the sender’s eWOM message, he/she is likely to express delight but also include factual information to substantiate his/her claim; thus:

**H6a-b:** For positive eWOM, the ‘helping the company’ motivation has a positive effect on the message’s **a)** cognitive aspect and **b)** affective aspect.

In contrast to helping the company, a consumer with an unfavourable consumption experience may want to hurt the company by engaging in negative WOM. This group of consumers is concerned with venting their frustration; consequently, displeasure may emerge in the emphatic tone of the message. The message is also likely to include detailed information about their experience to deter others from patronising the business. It is proposed that:

**H7a-b:** For negative eWOM, the ‘venting negative feelings’ motivation has a positive effect on the message’s **a)** cognitive aspect and **b)** affective aspect.

Finally, we concur with Mazzarol et al.’s (2007) proposition that an effective eWOM message is one that is articulated with objectivity and conviction, both of which are inferred from its cognitive and affective aspects, respectively. It is proposed that:

**H8:** There is a positive relationship between the **a)** cognitive aspect and **b)** affective aspect of an eWOM message and its effectiveness.

**Research Methodology**

The hypotheses were tested within the context of financial services because WOM is said to be particularly frequently-occurring and effective in the area of services marketing (Zeithaml, 1981; Allsop et al., 2007). The data were collected through an online questionnaire using a national online consumer panel service, which is appropriate for topics related to traditional
attitudes, opinions and lifestyle interests (Schillewaert & Meulemeester, 2005). The online questionnaire was assessed for its validity by marketing academics. Respondents are people who have left an eWOM message on financial services on the Internet in the last year. First, they were asked for details and valence (positive or negative) of their most recent eWOM message, then about their motivation in posting that message. Their assessment of the content and delivery aspects of the message was measured using five-point Likert scales in accordance with the original motivation measures by Hennig-Thurau et al. (2004) and WOM aspect and effectiveness measures of Sweeney et al. (2008; 2009). The final usable sample comprised 201 respondents.

Findings

Exploratory factor analysis was conducted on the seven sets of motivation items developed by Hennig-Thurau et al. (2004) and the original factor structure was replicated, with the exception of ‘concern for other consumers’. This motivation formed two new factors (‘help other consumers’ and ‘warn other consumers’) which better accounted for positive and negative eWOM. Each factor had a coefficient alpha of at least 0.62, indicating satisfactory internal consistency (Malhotra et al., 2006). As a result, Hypotheses 5a and 5b are modified to incorporate ‘help other consumers’ for positive eWOM and 5c and 5d ‘warn other consumers’ for negative eWOM. Two factors emerged from the factor analysis of Sweeney et al.’s (2008; 2009) measure of WOM message content and delivery: a cognitive aspect (coefficient alpha=0.849) and an affective aspect (combining ‘content richness’ and ‘strength of delivery’; coefficient alpha=0.865). Discriminant validity between these two factors was tested and supported, using Anderson and Gerbing’s (1988) chi-square test. The single-factor measure of message effectiveness was also replicated (coefficient alpha =0.818).

To test H1-7, the sample was split into positive and negative eWOM sub-samples. For each sub-sample, regression analyses were performed using the composite variables generated from the factor analyses. These results are displayed in Table 1 below.

Table 1: Standardised Beta Values from Regression Analyses (n.s. is not significant)

<table>
<thead>
<tr>
<th></th>
<th>Positive eWOM**</th>
<th>Negative eWOM**</th>
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<tbody>
<tr>
<td></td>
<td>Cognitive</td>
<td>Affective</td>
</tr>
<tr>
<td>H1a-b: Extraversion</td>
<td>0.45</td>
<td>0.40</td>
</tr>
<tr>
<td>H2a-b: Social</td>
<td>0.40</td>
<td>0.39</td>
</tr>
<tr>
<td>H3a-b: Advice</td>
<td>0.34</td>
<td>0.26</td>
</tr>
<tr>
<td>H4a-b: Economic</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>H5a-b: Help others</td>
<td>0.41</td>
<td>n.s.</td>
</tr>
<tr>
<td>H6a-b: Helping company</td>
<td>0.54</td>
<td>0.38</td>
</tr>
</tbody>
</table>

** all coefficients were significant at the p<0.05 level unless otherwise stated.

For positive eWOM messages, extraversion, social benefits, helping the company, and advice seeking were found to positively impact both cognitive and affective aspects. Results confirmed the hypotheses and are of little surprise. Any efforts to make personal gain from eWOM communication (extraversion, social benefits, and advice seeking) require the inclusion of clear factual information that is presented in a persuasive and emotional manner. The motivation to help the company is the quintessential positive eWOM motivation, where consumers want to reward the company by conveying how delighted they are (affective aspect) and why they are delighted (cognitive aspect) by including factual information. Results showed that helping other consumers only enhanced the cognitive aspect of the eWOM message. The altruistic sender is likely to articulate a eWOM message that is as helpful as possible without tainting it with emotion or vivid language, perhaps in an effort to
appear particularly objective or unrelated to the company that is being endorsed. Finally, results also showed that there was no relationship between economic incentives and the cognitive and affective aspects of the message. Upon closer inspection, the mean scores for this motivation were relatively low and offered little variance, suggesting that it may not be relevant for the sample obtained.

For negative eWOM messages, only venting negative feelings and warning other consumers had a positive impact on cognitive and affective aspects of the message. Both motivations capture the archetypical negative eWOM, where consumers have had a particular negative consumption experience with the company and want to either punish the company or do other consumers a favour by warning them. These eWOM messages are likely to convey how angry or unhappy the message givers are and why they are unhappy by including transaction details. None of the other motivations influenced the cognitive and affective aspects of eWOM; perhaps because they are less pertinent to negative consumption experiences. Items measuring motivations such as extraversion presume a positive consumption experience (e.g. “This way I can express my joy about a good buy”), which suggests that Hennig-Thurau et al.’s (2004) scale can be further refined to accommodate negative eWOM messages.

Finally, the relationship between cognitive and affective aspects of the eWOM message and its perceived effectiveness (H8) was tested using multiple regression analysis. Results showed significant positive relationships for both cognitive (beta = 0.76) and affective (beta = 0.17) aspects and the R-square is 0.75. This encouraging result confirms that the most effective eWOM message is one that contains clear and reliable information that is conveyed through vivid language and descriptive words. The findings also suggest that the informative aspects of an eWOM message is more useful; thus, reinforcing the integral role of objectivity in WOM.

Implications and Conclusions

The present study investigates how eWOM communication on financial services operates in online communities. Specifically, the study adds to our knowledge about WOM activity as it empirically explored the link between Hennig-Thurau et al.’s (2004) eWOM motivations and the content and delivery aspects of individual eWOM messages. Extending Mazzarol et al.’s (2007) and Sweeney et al.’s (2008; 2009) conceptualisation of WOM to the online forum is also an important contribution because eWOM messages are more tangible (Godes & Mayzlin, 2004) and are of a different nature to verbal WOM messages. These findings help managers understand the style of messages delivered by people with different motivations and wield some control over eWOM communication by creating a medium to channel these motivations. For example, companies can establish an official page in Facebook to promote consumer interaction and exchange of eWOM and enable them to interact with each other (social benefits), ask questions (advice seeking), provide tips and buying advice (helping other consumers, helping the company), and write product reviews on the company’s website. Negative eWOM on such sites offers opportunities for problem resolution, specifically those motivated to vent negative feelings or warn other consumers. Any positive outcomes from problem resolution can then be publicised on the website. Given the influence of cognitive elements of the message on its effectiveness, managers of review websites should encourage product reviews that are more informative and factual and less subjective (i.e. high in cognitive aspects). While the present research suffers from limitations, such as the non-probability sample used, and the reliance on recall, we hope it will encourage future research in this important area. Understanding the motivations for WOM activity, especially in online forums will further possibilities of leveraging the attractiveness of goods or services through this important communication mechanism.
References


