

Assessing The Influence Of Word Of Mouth And Its Drivers On Consumer Buying Behaviour

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ABSTRACT

Word of mouth refers to the informal dissemination of information between individuals through discussion, particularly regarding a certain business or product. The objective of this study is to evaluate the impact of word of mouth and its primary determinants on consumer purchasing behavior. The primary data was gathered from several sectors in Indore, India, including college students, entrepreneurs, service workers, and households, while secondary data was sourced from the Internet, historical patterns, prior research, and publications. The sample has 126 respondents. Principal Component Analysis utilizing varimax rotation was employed to evaluate the impact of Word of Mouth and its determinants on customer purchasing behavior. The findings indicate a total variance of 62.233%, comprising two factors identified in the study: Trust (43.059%) and Responsible Attitude (19.174%). The research revealed that the majority of consumers depend on word of mouth when making purchasing decisions. The respondents appear to impact consumer decisions alongside immediate family, close friends, and colleagues. Further findings indicate that two elements may contribute to the company's challenges: a poor experience with any product or service and negative remarks, particularly negative word of mouth, as such criticisms exert a greater influence than good feedback. The study indicated that individuals favor word of mouth over advertisements; nevertheless, with further inquiry, it was shown that word of mouth significantly influences a person's overall perception of a product.

Keywords: Word of mouth, Buying Behaviour, Personal Trust, eWOM.

INTRODUCTION

Many people don't realize how important word of mouth marketing is because it's been around for so long that no one has thought of a name for it. Word of mouth marketing has always been important, but it has changed over the years, and you need to come up with the right content plan to get the most out of it. Word of mouth is one of the oldest ways to get something to other people. Word of mouth can change the thoughts, feelings, and choices of other people. People can talk about any product or service for a long time if they know how to use word of mouth properly. It has the power to leave a strong impression on a person's thoughts. People can say good and bad things about each other. The process of word of mouth marketing, which also includes sending out advertising efforts, helps market influencers, trend-setters, and tastemakers. Word-of-mouth marketing campaigns are often used by innovators and people with a lot of impact who want to start consumer trends in areas like buying consumer goods, buying cars, entertainment, fashion, and drinking drinks.

Recently, many businesses and groups haven't looked into the best way to use "Word of Mouth" marketing to get people interested. As a result, they've wasted a lot of money on marketing activities that haven't given them enough of a return. Not only is it about getting the word out and making the product go viral, but marketers would also benefit from learning how and why messages work. This would help them create a coordinated, consistent response that gets the right people with the right content at the right time. That has an exponentially bigger effect on the brands that people suggest, buy, and stick with.

Word of Mouth Marketing Association (WOMMA) describes it as: 'Giving people a reason to talk about your products and services, and making it easier for that conversation to take place.' It is the art and science of building active, mutually beneficial consumer-to-consumer and consumer-to-marketer communications' (Walter, 2008).

If you use this meaning, "word-of-mouth marketing" includes strategies like "viral marketing" or "buzz marketing" (Kirby and Marsden, 2006). So, word-of-mouth marketing isn't about starting conversations between customers (those already happen), it's about making them more likely and making sure they fit into the general marketing plan (Walter, 2008). It's important to look at marketing as a whole because the theory of communication practice talks about marketing a lot of the time but only refers to marketing communication and not the whole marketing mix, which includes product, price, and place. (Mason, 2008). Consumer-generated product reviews have grown online, having a dramatic impact on electronic commerce, thanks to the introduction of Web technologies that emphasize online cooperation and sharing among users. According to reports, 85 percent of the world's online population has made a purchase, with 77 percent of online shoppers relying on user-generated evaluations and ratings to help them make purchases. Electronic word-of-mouth (eWOM) has emerged as the most powerful avenue for influencing consumers' online purchasing decisions. With the rise of consumer-generated media in recent years, information on items, including consumption-related advice, is now widely available, whether favorable or bad. Social media, review websites, and forums have risen in importance as a result of people exchanging information. People share information online for a variety of reasons. People enjoy networking and sharing their experiences in order to benefit others, as well as to be viewed as someone with extensive knowledge of the subject and a diverse network of connections. As a result, eWoM can be viewed as a chain in which one individual shares knowledge with his friends, who then shares the information with another friend, and so on. This is why eWoM has the potential to go viral.

Advancements in Word-of-Mouth Marketing synchronize advertising campaign messaging and product launches with local market influencers, trendsetters, and tastemakers to impact public perception and purchasing behavior. An effective word-of-mouth marketing strategy engages with influencers and trendsetters who catalyze consumer trends, such as those in fashion, automotive purchases, consumer products, entertainment, and beverage consumption, subsequently adopted by mainstream consumers. Consumers attribute double the significance to word-of-mouth compared to advertising. This study aims to evaluate the impact of Word of Mouth and its determinants on customer purchasing behavior using Principal Component Analysis with varimax rotation.

LITERATURE REVIEW

Initially, the study was carried out with the help of exploratory research method in which exhaustive literature review was done to understand the background of the problem. Hennig-Thurau, Gwinner, Walsh, and Gremler (2004) defined eWOM as "Any positive or negative

statement about a product or firm made by potential, actual, or past customers and made available to a large number of people and institutions via the Internet.”. Although eWOM originated from traditional WOM as an extended information source via the Internet, eWOM differs from classical WOM in a number of ways. The most obvious distinction is that it is accessible online, whereas WOM is accomplished through face-to-face communication, such as meetings and phone chats. eWOM is most commonly communicated through online discussion forums, blogs, and e-mail. Another significant distinction is that information sent via eWOM is frequently anonymous, as opposed to traditional WOM, which is typically communicated between people who know each other (Hoffman and Novak, 1996). Aside from these distinctions, eWOM is more accessible than WOM, which indicates that millions of people can communicate with one another and share information (Jeong and Jang, 2011).

Feick and Prince (1987) emphasized that the pre-digital era concept of word of mouth marketing (WOMM) refers to the situation in which a satisfied client (or prospective consumer) offers an oral or written endorsement of the brand. This previously encompassed conducting product-centric teleconferences, including client evaluations of a catalogue, flyer, television or radio advertisement, or any other conventional kind of outbound marketing. The advent of the internet signifies a pivotal transition from the old age to the new era of Word of Mouth Marketing (WOMM). As nearly every business established a website, social media proliferated, and the internet became fundamentally intertwined with our daily existence, WOMM transformed into an entirely other entity. Brand narratives, both positive and negative, are proliferating rapidly on the internet.

Garbarino and Johnson (1999) analyzed the evolution of word of mouth theory, noting a growth in the number of stakeholders participating throughout time. The paradigms of word-of-mouth marketing have evolved, along with their influence on brands. Brands must adhere to evolving models and trends to capitalize on this marketing strategy. Loudon and Della Bitta (1993) examined brand commitment and customer identification with a brand as indicators of loyalty and purchase intention. The objective of the research was to evaluate the impact of these characteristics on purchasing intentions and brand-related word of mouth. The results indicated that self-congruity does not exert a direct influence on commitment. The customer's identification with the brand influences affective commitment but does not impact continuance commitment. Nonetheless, dedication significantly influences both meaningful and continuation aspects of word-of-mouth marketing.

Mason (2008) has laid emphasis on importance of word of mouth marketing for business as well as consumer. It lays down figures how several campaigns involving low investment have done drastically well for the brands. Brands have nowadays started spending a considerable amount to remain in good books of consumer to increase consumer loyalty and brand equity. Larasati and Hananto (2012) focused on how word of mouth marketing has evolved over the decades. It lays down examples how brands have changed perception on word of mouth marketing and the importance has increased over time. It gives surprising statistics how the impact of several marketing techniques has drastically changed in matter of few years.

Khaniwale (2015) observed consumer behaviour is an abstract strategy that answers the questions of what, why, how, when, and where a buyer buys anything. The response to the preceding question leads to a purchase decision. This style of purchasing entails providing ideas for what

should be purchased, why it should be acquired, where it should be purchased, when it should be purchased, and why so much time and money should be spent. As quoted by Auf, Salleh & Yusuf (2016), Word-of-mouth is positive or negative feedback is related to the purchase of a specific product or service. These opinions have a significant impact on customer purchasing decisions. A negative comment, for example, can lead to a negative attitude about the product or service, whilst a positive comment/feedback can lead to a positive attitude toward the product or service.

Kolsaker, Kelley and Ching (2004) noticed that consumer trust is critical for developing positive relationships. Trust has been a crucial component in the consumer's decision to stay with the business, and gaining trust is equivalent to gaining a spot in the consumer's mind. As a result, many organizations have a management team in place to manage consumer trust. Giese and Spangenberg (1997) say that there are less interested in the frequency and types of word-of-mouth communication and, instead, concentrate on the effects of word-of-mouth behavior on product evaluation. They conducted an experiment using undergraduate students attending an introductory marketing course at a large Midwestern University. The students were asked to view a video and decide if the person making recommendations of a product on the video was credible. They found the most fascinating aspect of the study to be the occurrence of negative word-of-mouth information is apparently more influential on customers who are already familiar and involved with a product. Conversely, they found that positive information does not enhance familiarity with a product.

James G Maxham III (2001) studied the effect of varied levels of service recovery on satisfaction, buying intentions, and inclination to propagate positive WOM was investigated. According to the study's findings, moderate to high service recovery attempts significantly increased levels of satisfaction, purchase intent, and positive WOM.

Hong Youl Ha (2002) concentrated on pre-purchase information such as brand, word-of-mouth, and tailored information. The study's findings revealed that specialized information and WOM communication influenced customers more than any other type of information. Consumers relied on these two elements since they were based on consumer experience and were related to product buying. Nonetheless, brand has a huge impact on customer risk perception. Hogan et al. (2004) have discovered that it is possible to quantify how WOM frequently enhances and extends the effects of advertising. Individual customer behavior was mapped onto a long-term business value measure, producing 'Customer Life-time Value.' It was calculated as the expected net profit from a customer over a specified time horizon. However, it did not take into account a wide range of scenarios. Furthermore, only the condition in which the desire to spread WOM was uniform was evaluated.

Karpinski (2005) has concentrated on the utility of word-of-mouth marketing tactics utilised by marketing professionals in the business-to-business setting. He investigated the utilisation of existing methods in business-to-business WOM marketing, including as customer reference or advisory programmes, traditional, public relations, analyst outreach, and trade exhibitions. Lazar (2003) found that certain people selectively pay attention to people's opinions when making purchases. As a result, it is clear that many people base their purchasing decisions on an expert or perceived expert. Thus, it was discovered in this study that mass media does not affect the mass market, but it does influence individuals who then become advisors and WOM initiators.

Ekrem Cengiz and Hilmi Erdo Yayla (2007) have investigated the link between marketing mix and word-of-mouth communication. The study's findings demonstrated that marketing mix components such as pricing, product, promotion, and place had a favourable effect on WOM communication, with the product and promotion components having the most influence on WOM communication indirectly. Magnus Söderlund and Sara Rosengren (2007) have discovered that both negative and positive word-of-mouth from happy and disappointed consumers influenced potential customers. The study discovered that getting favorable WOM resulted in more positive ratings of the service firm in the WOM conversation and higher levels of purchase intent toward this firm. WOM from existing customers can have a big impact on potential customers.

Celso Augusto de Matos and Carlos Alberto Vargas Rossi (2008) discovered that WOM activity has a substantial impact on consumer commitment. As a result, the study discovered that customer happiness was more closely related to positive WOM than loyalty, but disloyalty was more closely related to negative WOM than customer disappointment. Glenn & Fudenberg (1995) individually researched how word-of-mouth transmission summarizes information. Two studies focused on how word of mouth creates "conformity and variety." Consumers were separated into two groups for this purpose: "conformity" and "diversity." They determined whether word-of-mouth communication supports their positioning. When customers obtain more comprehensive word of mouth information, they exhibit greater diversity than when they receive little and/or generic information.

RESEARCH METHODOLOGY

For the present study a combination of Empirical, exploratory and analytical research design is used. Information or data for this study were gathered from both primary and secondary sources. The respondents for this study were chosen at random from the Indore city region. Data sources are categorized as secondary and primary. Primary data was acquired by handing out questionnaires, and secondary data was collected via the Internet, previous trends, previous research and publications, and so on. Primary information is gained to solve the problem by gathering firsthand information, whereas secondary information is gathered to find solutions to the questions raised to deal with the issues. The research questionnaire is designed in such a way that every question is correlated to the others. A list of questions is prepared targeting mainly the people ranging from 18 to 50 years. The purpose is to receive fully transparent and unbiased responses. The questionnaire included demographic questions like age, gender, income, occupation, educational qualification etc. Multiple-choice questions were given to the respondents to fill their answers related to word of mouth. The sample size comprises of 126 respondents. Population under study, the sampling framework for the study comprised of sample respondents belonging to 18-50 years of age, having different gender, income and education qualification and varying business background. This study uses the random sampling technique. Every element of the population has an equal probability of being chosen as a subject in a random sampling process. It is sample is a subset of individuals chosen from a larger set thus ensuring equal probability of representation and controlling bias. The questionnaires were designed in a systematic manner. Each subject was asked to respond to open-ended and closed-ended questions in order to acquire reliable data for reliable analysis.

The research data is primarily collected through survey, through a floating online questionnaire. This is one of the easiest yet most accurate methods of gathering data from the public. It aids in

the preservation of heterogeneity and the accuracy of outcomes. Data collection is essentially the process of gathering, measuring, and analyzing correct insights for research purposes utilizing established approved procedures. A researcher can evaluate their hypothesis based on the acquired data, as well as the outcomes discovered and results generated. The study questionnaire is structured so that each question is related to the others. The respondents were asked questions about the relationship between word-of-mouth marketing and its impact on their purchasing decisions. The key benefit is that the researcher may collect all finished responses in a short amount of time. And any doubts that respondents may have about any question could be cleared up right away. A questionnaire is a pre-written series of questions to which respondents recode their responses, usually within a specific range of options.

DATA ANALYSIS AND FINDINGS

A statistical method called factor analysis can be used to explain differences between variables that are linked by a smaller set of unknown variables called factors. A way to reduce the amount of data is to use factor analysis. It does this by looking for factors that can't be seen (called "latent variables") but show up in variables that can be seen (called "manifest variables"). It's one of the most common ways to look at interdependence, and it's used when a group of variables is interdependent in a planned way and the goal is to find the hidden factors that link the variables. We used the Principle Component Analysis way of Factor Analysis with varimax rotation to look at how Word of Mouth and the things that cause it affect people's buying habits.

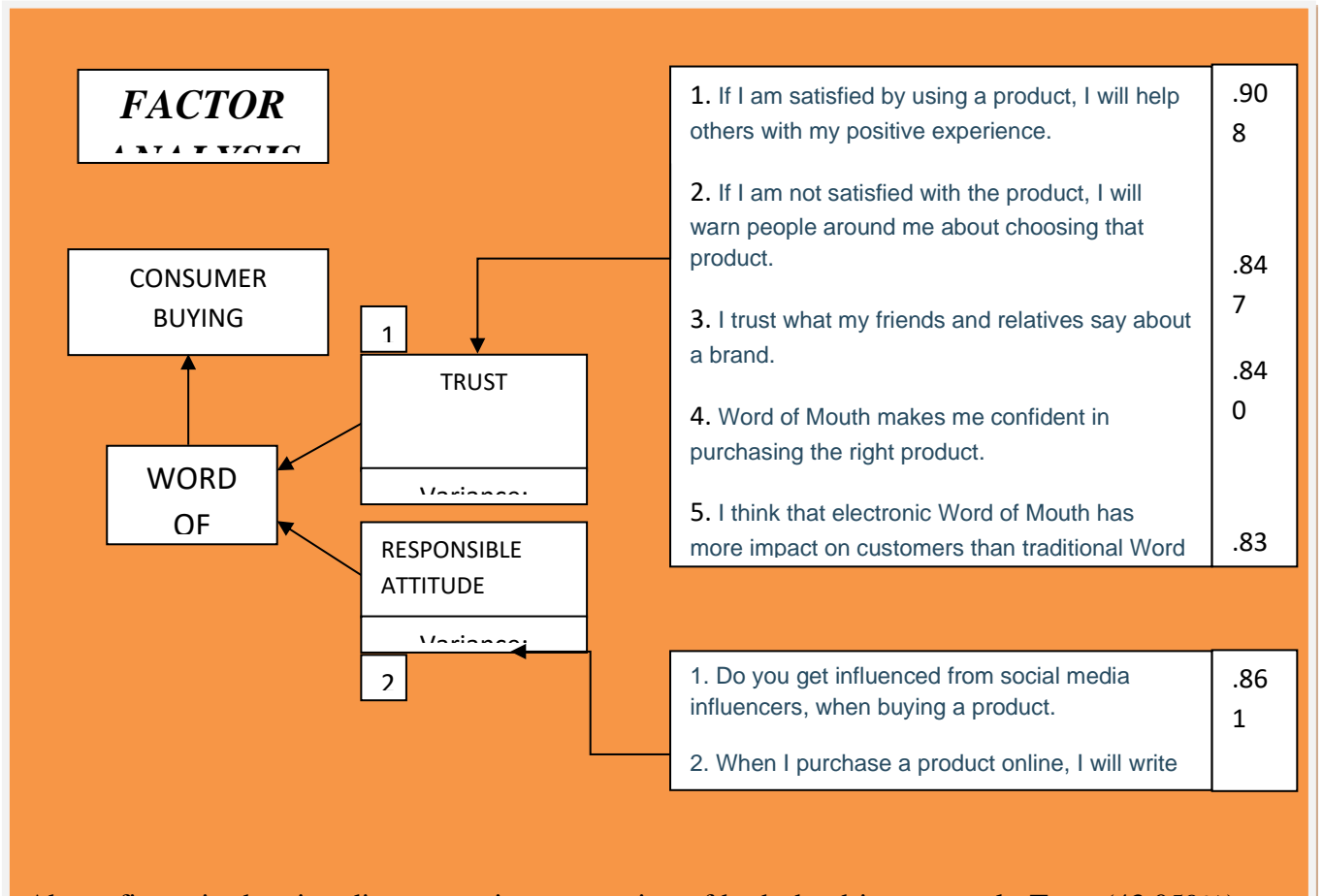
Correlation Matrix.

Correlation	Before buying a product, I often observe what others are buying and using.	1.000	.514	.506	.394	.402	.196	.325	.277	.295
	Word of Mouth makes me confident in purchasing the right product	.514	1.000	.643	.709	.615	.070	.003	.379	.359
	I trust what my friends and relatives say about a brand.	.506	.643	1.000	.708	.644	.159	.100	.404	.472
	If I am satisfied by using a product, I will help others with my positive experience.	.394	.709	.708	1.000	.764	.044	-.104	.440	.434
	If I am not satisfied with the product, I will warn people around me about choosing that product.	.402	.615	.644	.764	1.000	.102	.004	.397	.420
	When I purchase a product online, I will write a review about a product on social forum.	.196	.070	.159	.044	.102	1.000	.384	.241	.144
	Do you get influenced from social media influencers, when buying a product.	.325	.003	.100	-.104	.004	.384	1.000	.283	.170
	I think the sender of the review is genuine and honest.	.277	.379	.404	.440	.397	.241	.283	1.000	.403
	I think that electronic Word of Mouth has more impact on customers than traditional Word of Mouth.	.295	.359	.472	.434	.420	.144	.170	.403	1.000

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
TRUST	4.047	44.967	44.967	4.047	44.967	44.967	3.875	43.059	43.059
RESPONSIBLE ATTITUDE	1.554	17.266	62.233	1.554	17.266	62.233	1.726	19.174	62.233

Extraction Method: Principal Component Analysis.

Principle Component Analysis method of Factor Analysis with varimax rotation was applied to assess the influence of Word of Mouth and its drivers on consumer buying behaviour. The results shown in the above table depicts total variance of 62.233%, which is sum of two drivers revealed by the study namely Trust (43.059%) and Responsible Attitude (19.174%).



Above figure is showing diagrammatic presentation of both the drivers namely Trust (43.059%) and Responsible Attitude (19.174%) measuring WOM, which influence the consumer, buying behaviour with overall variance of 62.233%. The first driver revealed by the study is consisted seven items namely If I am satisfied by using a product, I will help others with my positive

experience., If I am not satisfied with the product, I will warn people around me about choosing that product., I trust what my friends and relatives say about a brand, Word of Mouth makes me confident in purchasing the right product, I think that electronic Word of Mouth has more impact on customers than traditional Word of Mouth, Before buying a product, I often observe what others are buying and using, and I think the sender of the review is genuine. The second driver consisted total two items namely are you influenced from social media influencers, when buying a product and when I purchase a product online, I will write a review about a product on social forum.

DISCUSSION AND CONCLUSION

Participants provided a variety of justifications for their preference for word of mouth when acquiring high-cost items. One primary factor influencing many individuals is their desire to acquire extensive knowledge about products and services prior to making a purchasing decision. Participants indicate that immediate family, friends, and acquaintances consistently facilitate decision-making processes, particularly in the context of purchasing decisions. Another factor that may influence many individuals is that the experiences of others can assist them in making decisions, as these experiences have already been relied upon and can therefore be deemed trustworthy. Individuals appreciate alternative perspectives as they assist in the decision-making process. Recommendations from trustworthy sources can significantly influence their decision-making process. Another observation from the data is that, when utilized effectively, word of mouth can significantly aid marketers in generating the essential momentum for their product or service, ensuring that people are well informed of its existence.

In the case of small amounts of money, the majority of individuals typically do not see the necessity to carry out a survey prior to making a purchase. However, when expenses escalate, the situation reverses entirely. The fundamental need for direct information or experience, conversely, should impact other participants seeking to gain a comprehensive understanding of others. The results indicate that word of mouth can be highly advantageous for marketers in generating the essential excitement for their products and services, ensuring that people are adequately informed of their existence. There remains a segment of the population that has yet to grasp the concept of electronic word of mouth. The internet and e-mail have taken on a transformative role in social media.

A crucial future issue for businesses will be to obtain authenticity, openness, and trustworthiness through individual consumer engagement (Bloemer et al. 1998). The modern marketing mix cannot be envisaged without word-of-mouth marketing, which is increasingly viewed as a crucial element in an enterprise's success (Bughin et al., 2010). Word-of-mouth marketing is essential for all businesses. Word-of-mouth marketing is no longer a consumer-driven methodology, but rather an organization-driven marketing strategy. No organisation can overlook the significance of word of mouth in determining success. Another fact as seen by the findings is that word of mouth has the potential to destroy any business, particularly a negative one. There is agreement that word of mouth is an important influence in the sale/promotion of products and services. The bad experience from a product to an individual results in negative mouth publicity.

RECOMMENDATIONS

The marketer should keep eye on each feedback given by the customer, because if the customer is not satisfied or he has bad experience from a product then it will result in negative word of mouth publicity. Before buying any expensive item, customers must carry out survey from Word of mouth. People have good and bad experiences with the product; through Word of mouth, others

can get benefit from this. Customers must share their true experience or opinion about any product or service.

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