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A Study on Influence of eWOM: Consumer Buying Behavior

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Abstract:
Social network are world-wide connected meeting places wherein customers express and exchange their opinions, spread news, and diffuse information, which considerably influences other customer's attitudes and behaviors. According to a study on online activities in India by comScore, Indian internet users are spending a whopping 25.2 percent of their online time on social networks, that's 1 out of every 4 minutes spend online. As the number of online social network participants widely spreads, facilitated by various social network websites, WOM has become increasingly meaningful and powerful. The need of the hour is to understand the new trends of markets which influence consumer buying decision. The eWOM becomes one of the most influential channels of communication in the market place. In an online environment, consumers never touch the product and depend on electronic word of mouth (eWOM) to help them in making purchase decision. This study aims to determine the importance of eWOM through social networking sites in consumer decision-making process.

Keywords: eWOM, SNSs, Consumer Buying Behavior

1. Introduction

eWOM refers to electronic word of mouth. Word of mouth recognize as the influencing source of product information for consumer. Word of mouth helps the consumer to know about the different products available in the market. Word of mouth refers to positive or negative statement made by potential or actual customer about a particular product or a brand name of the company. eWOM refers to the influence of different statement of the customers about a product or a brand name of the company through internet. With the help of internet, customers can post their opinions, comments, reviews of a product on different sources of internet like webpages, weblogs, discussion forms, review websites, newsgroup, e-bulletin, social networking sites, etc. eWOM communication refers to any positive or negative statement made by potential, actual, and former customers about a product or a company via Internet. eWOM communication can take place in various settings.

While eWOM communication has some characteristics in common with traditional WOM communication, it is different from traditional WOM in several dimensions. The presentation format, quantity and persistence of eWOM communications have made them more observable. Word-of-mouth information available online is far more voluminous in quantity compared to information obtained from traditional contacts in the offline world. It will help the marketers to project the perceived impact of such word of mouth on their purchase behavior. Besides it will help them to understand the youth perceptions towards electronic word of mouth and offer useful implications regarding the same.

1.1. Social Networking Sites (SNS)

One of the fastest-growing areas of the World Wide Web is the space of so-called social networking sites. A social networking site is typically initiated by a small group of founders who send out invitations to join the site within the members of their own personal networks. In turn, new members send invitations to their networks, and so on. Social networking is a free way to promote oneself or one's business as well as a great way to keep in touch with friends and family. Social networks operate under an autonomous business model, in which a social network's members serve dual roles as both the suppliers and the consumers of content (Satya, 2012). They enable consumers to read the opinions and experiences of other consumers relating to a wide range of product and service categories and to write their own reviews. It is found in the United States, South America, Europe, and China. As of November 2003, the two largest German opinion platforms, ciao.com and dooyoo.de, had fast-growing archives of more than 6 million articulation that consumers can view at any time at no charge (Thurau et al, 2004).

As social networking sites mature, they may further endorse the effective use of traditional marketing tools. Social networking is a free way to promote yourself or your business as well as a great way to keep in touch with friends and family. Marketing is most powerful if you can keep your name in front of your audience on a regular basis. Social networking is an effective marketing tool for both businesses and individuals.

Social Networking has always been popular among the human society. But such interaction was only that within the reach. Hence, close friends, family members and some business partners were part of the community. But the online social networking has

created a larger world to interact. The phenomenal reach of Internet has made it possible to create a larger sphere of friends and associates on social platforms. Due to this reason, the popularity of online social sites has been increasing day by day.

1.2. Major Player in Social Networking Sites

Today, world is shaped by social media and the free-flow of conversations that the observable fact enables and endorses. This fast-paced change on business, marketing, communication, research and content, however, is not seamless. There are no clear-cut transitions in the real world. There is no starting point and finishing point of the effect of eWord of Mouth. Now, in today's world there are three most important source of influence of eWord of Mouth on social networking sites. These are stated as follows:

Figure 1: Showing different Social Networking Sites

1.3. Facebook

Founded in 2006, Facebook has become the most popular social networking website. Although not the first online social network, Facebook has transformed the value of social media websites through the sheer volume of users it has attracted. Facebook has over one billion active users more than half of them using Facebook on a mobile device. Facebook has over 845 million monthly users and 2.7 billion daily likes & comments. From those 845 million, 161 million came from the U.S., while 46 million from India and 37 million from Brazil. Facebook provides connectivity for users and facilities for creating and sharing content in the form of pictures, post, comments, videos and even check-ins. Facebook has also provided a platform for development, allowing developers to create apps that integrate with Facebook.

1.4. Twitter

Twitter is an extremely popular online micro blogging service, which has gained a very large user base, consisting of more than 500 million users. However, the number of active users is far lower, estimated to be around 140 million active users. Each user submits periodic status updates, known as tweets, which consist of short messages limited in size to 140 characters. These updates typically consist of personal information about the users, news or links to content such as images, video, and articles. The post made by users are automatically displayed on the user's profile page, as well as shown to his followers.

1.5. You Tube

YouTube began in 2005 as a crowd-sourced video uploading service. In 2006, it was acquired by Google. It has retained its popularity over the years with 800 million unique users visiting every month. It contains enormous amount of video content as well as comments. It is estimated that 72 hours of video are uploaded every minute and 4 billion hours are watched every month. It has global reach, similar to the other two services, with 70 percent of traffic coming from outside the US. Users watch and rate videos, through likes or comments. Users can also subscribe to particular channels to view content generated and shared by other users.

Although YouTube has become popular as a crowd-sourced video streaming service, it is a powerful free tool for businesses and organizations to engage an audience with online video. Businesses can leverage the mass appeal of YouTube by creating their own public channel that their fan-base can subscribe to. They can then upload video promotions on their channel. This can be particularly beneficial for small businesses. YouTube also offers free analytics that can provide information on who are the viewers, their demographics and the most useful "discovery" data info on how users came across the video, including the popular links they followed to get there.

1.6. Consumer Buying Behavior

Consumer Behavior is a branch which deals with various branches a consumer goes through before purchasing products or services for his use. It is a decision making process of buyers both individually and in group. It studies characteristics of individual consumers such as the demographic factors and behavioral variables in an attempt to understand peoples want. It also studies to assess the influences on the consumer from groups such as family, friends and society.

Consumer behavior attempts to understand the buyer decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioral variables in an attempt to understand people wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.

Now these days, the influence of various factors on consumer buying behavior regarding assessment towards purchase of various products affected by the most important source of information eWOM through various social networking sites. So, this is the need of hour to study most important factor i.e. eWOM, which influence the customer's decision making process. The various studies shows that the personal view of a person towards selection of a particular brand or a product is very affected for another customers.

2. Impact of Ewom on Consumer Buying Behavior

Word of Mouth campaigns have become a standard part of many marketing plans (Berger and Schwartz, 2011; Zamil, 2011). Word of Mouth had greater impact on brand choice behavior than advertising or personal search relating selection of a product (Trusov et al, 2009). There are three most important factors that have an indirect impact on positive word of mouth namely perceived quality, perceived value and customer expectations (Shirsavar, et al, 2012). In new era of marketing, the terrific flows of information and revolution through communication technology with the help of internet have pivotal impact on the world community and global business (Das, 2012). The effect of repeated advertising with entertaining and informational value could increase, not decrease, advertising effectiveness. But these days the effect of electronic word of mouth has increasing compare to repeated advertisement on their T.V. screens. The strength of users of social networking sites are increasing day by day. Consumers have a tendency to depend on online reviews for purchasing products especially for electronics. For purchasing an experience product, however, more elaborate interpersonal communication would be needed to affect customer's decisions (Jung and Kim, 2012; Vimaladevi & Dhanabhakaym, 2012). Today's customers were educated and they know their rights related to the different issues of the products. We assume that they have full knowledge about the market. They know which product is famous in the market and what benefits they receive from buying a product of a brand or a company.

Electronic word-of-mouth (eWOM) in the form of a blog is a new form of advertising to share one's viewpoints and engage constituents (Thorson and Rodgers, 2006; Kim et al, 2011). This is the new source of advertisement and influece the customers on their demand of a product. Through electronic word of mouth the users of social etworking sites makes web pages, blogs, discussion form, review pages, etc. on different sources or websites of social networking sites. Then they post their views, reviews, suggestions, and complaints, against and in the fauvor of a product on these websites or web pages. Customizing messages across sites also help the message to spread but it keeps users from receiving multiple identical communications (Bajpai et al, 2012). These posts about the product help the customers about the selection of product and it also affects the consumer buying behavior. The information gained from the electronic word of mouth forum is more influential in their decision than speaking with friends in person (Steffes and Burgee, 2008). The choice of the products is also changing with different gender, so gender differences have also significant effect on electronic word of mouth credibility (Fan and Miao, 2012). The quantity of electronic word of mouth has a positive influence on the perceived credibility of consumers (Brown et al, 2007; Casalo et al, 2008; Rehmani and Khan, 2011; Yoon, 2012; Fan et al, 2013). Advertising and Word of Mouth exert dynamic, yet diverse, influences on demand for new products. The quantity of electronic word of mouth has a positive influence on the perceived credibility of consumers. Advertising and Word of Mouth exert independent yet interdependent influences on demand (Bruce et al, 2012).

From the above discussion, we can conclude that now these days the role of electronic word of mouth and social networking sites are increasing day by day. The customers refers the reviews of existing or old customers views before the products purchase which influence the decision making process. We saw that there were various problems of the customers especially related to electronic products but there was no proper platform for solving these issues which greatly harms the image of brand or a company. Customers post their problems on social networking sites or official website of the company which becomes the threat for the company of loosing new as well as existing customers. The eWOM greatly harms the company image and vice-versa. So, companies should need to more focus on electronic word of mouth.

3. Suggestions

- The companies need to focus more on social networking sites like Facebook, twitter, MySpace, LinkedIn because Facebook is the world's biggest social networking sites; MySpace, which concentrates on music and entertainment; LinkedIn, which targets career minded professionals and Twitter, which allows members to network via 140 character messages or tweets (Kotler et al, 2013). Most of young generation is attached with these SNSs. They spend more time on Social Networking Sites and they referred these sites as information tool for any purchase decision.
- Social Networking Sites provide an essential channel for building a consumer brand relationship. Marketers should try to identify 'social influencers' in SNSs encourage users to spread positive eWOM regarding selected brands and discourage them from sharing negative information with their personal networks.
- Facebook allows businesses to create pages called Fan pages. Those users who subscribe and become fans of particular companies by liking the page, company need to give them feedback so customer can share their voices.

- Company can get access to the demographic information about users. This is also useful for viral marketing when companies need to select specific users to target for the message to propagate through the network.
- Companies of all types have to be aware that word of mouth is an important part of the marketing strategy. So, companies need to create their own image according to their performance and spread positive as well as negative word of mouth.
- Companies must build good relations with its customers to earn their loyalty and ensure their commitment to talk about the virtues of the company and its products in all forums.
- Company must understand that the satisfied customer can attract new customers through word of mouth. So, companies need to increase the satisfaction level of their customers by providing them various benefits.
- Companies should listen and try to understand their own products/services being discussed online by consumers, or even topics of some particular brands.
- Company should need to improve corporate image continuously. Consumers can realize different levels of trust from different types of corporate image, which influence their purchase intention.
- Company needs to emphasize the use of critical relationship marketing, because consumers trust a company, and obtaining the benefits of customized service from relationship marketing will help encourage their purchase intention.
- Company needs to realize the nature and importance of the moderating effect of word-of-mouth. When products and related messages from the market become excessive and noisy, they will confuse consumers and making choices becomes difficult. Thus, word of mouth plays an important role in making purchase decision. It is important for the companies to realize the nature and importance of the moderating effects of word-of-mouth.
- The company can establish discussion zones or forums according to different types of products on their website, giving customers a place for Word of Mouth communication.
- The perceived impact of trust in SNS use is significant. People think that trust is the most important thing in use of SNS. Companies have to create trust about their product and services and capture the customers through eWOM.
- Companies have to make more promotion in SNS which can be easily approached by the customers.
- The trend is changing now these days the most of the customers have purchased their products through the referral of social networking sites. So companies have to attract more people by advertising and creating more trust on customers by providing right information related to their products.

4. Conclusion

From the above discussion we can conclude that internet based electronic word of mouth (eWOM) transmitted through social networking sites (SNSs) has become a determining factor that drives return on investment. The need of the hour is to understand the insights provided by the present study and initiate relevant steps to capitalize the immense potential in electronic word of mouth and social networking sites are likely to play a leading role in this regard. The value of electronic word of mouth as well as word of mouth is increasing day by day in the marketing. Word-of-mouth can enhance the popularity of an enterprise. The influence of the internet is far reaching because the information can be quickly spread out anywhere and anytime with the help of internet. To draw up a marketing strategy effectively, marketing managers have to consider which type of strategy should be used in addition to making good use of word-of-mouth. It is suggested that the companies should make efforts to establish more positive electronic word of mouth to attract more customers for higher profits and to achieve a win-win result.

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