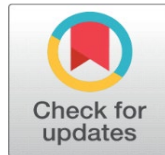


INFLUENCE OF ELECTRONIC WORD-OF-MOUTH ON CONSUMER BEHAVIOUR

Shikha Kansal ¹, Dr. Vineet Kaushik ²

¹Scholar, IIMT University, Meerut

²Professor & Dean, School of Commerce & Management, IIMT University, Meerut



DOI

[10.29121/shodhkosh.v5.i6.2024.3322](https://doi.org/10.29121/shodhkosh.v5.i6.2024.3322)

Funding: This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

Copyright: © 2024 The Author(s). This work is licensed under a [Creative Commons Attribution 4.0 International License](#).

With the license CC-BY, authors retain the copyright, allowing anyone to download, reuse, re-print, modify, distribute, and/or copy their contribution. The work must be properly attributed to its author.



ABSTRACT

Electronic word-of-mouth (e-WOM) is the exchange of experiences and information between consumers to help each other make purchasing decisions. Therefore, if consumers are satisfied with their experience, they are likely to pass on positive e-Wom. Similarly, businesses place great importance on consumer feedback, as negative consumer feedback can generate a negative WOM. Studies have shown that social media attributes, such as social presence and interactivity, affect the level of consumer e-business behaviour. There are credible reasons to believe that trust is a major challenge for organizations wishing to use e-commerce to achieve their objectives.

This paper focuses on a review of the literature on the influence of electronic word-of-mouth on consumer behaviour. We present our analysis in different aspects. First, we develop models of purchase behaviour including the theory of planned behaviour and models of consumer decision making, and second, the information processing of e-word including the characteristics and motivations of the recipient of the e-word message, the information processing models, and the evaluation and filtering process of e-word messages. Finally, we discuss the behaviour that follows the reading of electronic word-of-mouth messages.

Keywords: Electronic Word-Of-Mouth, Consumer Behaviour, Electronic Commerce, social media

1. INTRODUCTION

The way of learning about a product or brand has changed considerably. Traditionally, consumers consult professional critics or use their personal knowledge (DHAN and CHANG, 2009). Today, consumers refer to the comments or opinions of other consumers through online platforms.

The electronic word-of-mouth therefore has a major influence on consumers' choice decisions. Indeed, according to a study by (MÉDIAMÉTRIE NETRATINGS, 2012), 77% of internet users say they are influenced by online comments or messages before purchasing a product. Word-of-mouth is all the more influential for new products. Indeed, for most of these products, it is on the web that product awareness and knowledge is developed through online information.

Several studies show that consumers tend to prefer the opinions of other consumers to those of professionals (DELLAROCAS, 2007). Behavioral intention is therefore used as a variable to be explained in several works on electronic word-of-mouth (PARK and LEE, 2009; ZHANG and WATTS, 2008).

This article attempts to present a literature review on the influence of electronic word-of-mouth on consumer behaviour.

2. MODELS OF PURCHASING BEHAVIOUR

1) THE THEORY OF PLANNED BEHAVIOUR

According to the theory of planned behaviour (AJZEN, 2005), intentions and behaviour are a function of three fundamental factors: personal attribute, social influence and the perception of behavioural control. It assumes that individuals behave in a sensitive manner, they consider available information, implicitly or explicitly, and consider the consequences of their actions.

CHEUNG and LEE (2008) also explain that subjective norms such as social influences or electronic word-of-mouth recommendations are a way to influence consumer attitudes and behaviour.

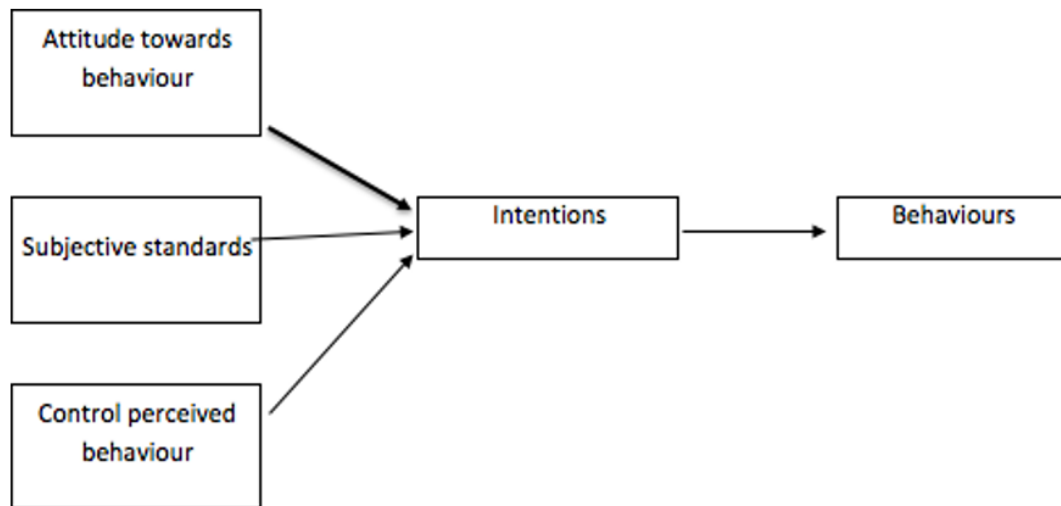


Figure 1 The Theory of Planned Behaviour
Source: AJZEN (2005)

The theory of planned behaviour (AJZEN, 2005) integrates perceived behavioral control. However, this theory does not explain situations where purchases are unplanned or impulsive. Therefore, the applicability of this theory is limited in many real-life situations where consumers make impulse purchases.

2) MODELS OF CONSUMER DECISION MAKING

In the model of ENGEL, KOLLAT and BLACKWELL (1968), consumer decision making is seen as a problem-solving task. The model has been improved by ENGEL, BLACKWELL and MINIARD, (2001).

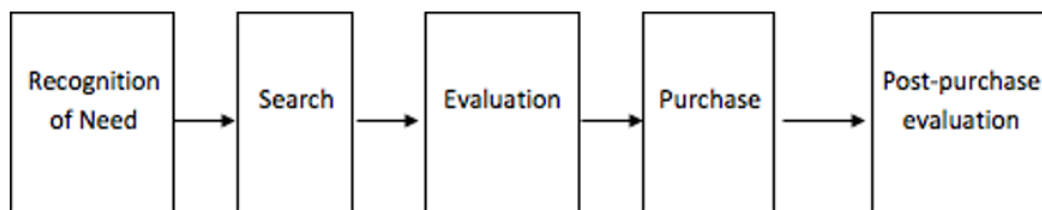


Figure 2 Consumer Decision-Making Model
Source Engel, Blackwell and Miniard (2001)

The advantage of the latter model is its generality and applicability in a wide variety of situations. In particular, it introduces memory, information processing and the results of buying and not buying.

Once their needs have been identified, research on consumer information begins. The consumer uses the information stored in memory and external sources. The consumer provides the criteria for evaluating and comparing variants. Finally, he decides to buy among the chosen variants. If the consumer has a good experience and is satisfied with the product or brand, he reproduces his action with the product and the purchase in the future. On the contrary, a bad experience will lead to dissonance after the purchase and will not lead to any purchase.

This model is the subject of several important criticisms that limit its application. Firstly, it assumes that consumers will research and evaluate all available options before buying. Due to time and convenience constraints, consumers rarely follow the model. Second, it assumes rational purchasing in all situations.

However, consumers often make impulse or irrational purchases. Furthermore, this theory does not consider external influences. Nevertheless, the consumer decision model has proven to be relevant and useful in explaining the electronic word-of-mouth communications that occur on social networking sites (SCHIFFMAN and KANUK, 2007).

During the purchasing process, online comment and opinion research allows consumers to form their own opinion on the product or brand concerned. This perception will ultimately lead to purchase or no purchase. In addition, this model may explain the intention to recommend. Indeed, if consumers are not satisfied, they will write down their negative experiences with the product or brand, in order to warn others of problems that may arise. On the other hand, if they are satisfied with their purchases, they may express a recommendation about a product or brand (SCHIFFMAN and KANUK, 2007).

In other words, in an online context, this theory is particularly relevant to show how electronic word-of-mouth is used in processing and evaluation.

3. ELECTRONIC WORD-OF-MOUTH INFORMATION PROCESSING

Characteristics And Motivations of the Recipient of the Electronic Word-of- Mouth Message

3.1. INVOLVEMENT OF THE RECIPIENT

Involvement covers the subjective meaning of the individual, encompassing concerns, personal relevance and the importance attached to an attitude (THOMSEN, BORGIDA and LAVINE, 1995). For some authors (MITTAL and LEE, 1989), it refers to a person's motivation towards an object or activity.

KAPFERER and LAURENT (1986) point out that "involvement is a hypothetical variable. It cannot therefore be measured directly, but must be understood through its causes. It affects both the constituent elements of the purchasing decision process and more sustainable behavioral orientations". This is why many behaviors are associated with it, such as the choice process, openness to information and interest in product information (KAPFERER and LAURENT, 1983).

Involvement has an influence on the motivation to seek and process information. OLSEN (2007) defines involvement as an unobservable state of motivation, excitement or interest in consuming (the activity) of a product category (the object). Implication is also related to the type of product. PARK and LEE (2009) examine the impact (positive and negative) of electronic word-of-mouth information according to the type of product, i.e. The research product or the experience product.

Perceived risk is a component of engagement (RATCHFORD, 1987; KAPFERER and LAURENT, 1986). In a word-of-mouth context, information can reduce the perceived risk associated with the purchase. Information is a means of reducing uncertainty and risk (COX, 1967; PERRY and HAMM, 1969). MAYER, (1995) argues that "potential gains and potential losses will be influenced by the interpretation of the risk involved". The perceived risk, resulting from the evaluation of gains and losses, would influence adoption behaviour. When the outcome of the choice of a product is only known in the future, the consumer is confronted with a degree of uncertainty and risk that can cause anxiety (VOLLE, 1995). According to uncertainty theory (BERGER, 1979), an individual who cannot control his or her relationships with certainty will seek to reduce the anxiety associated with this uncertainty through active and interactive strategies. Thus, searching for information on online platforms and the interactivity associated with these sites contribute to reducing this uncertainty. Indeed, reading the experiences of others, asking questions about products or the brand can mitigate perceived risks.

3.2. SUSCEPTIBILITY TO INTERPERSONAL INFLUENCES OF THE RECIPIENT

Two types of influences have been identified, normative and informational influences (BEARDEN, NETEMEYER, and TEEL, 1989). Normative influences refer to the tendency to conform to the expectations of others (BURNKRANT and COUSINEAU, 1975). Informational influences refer to the tendency to accept information from other consumers and to be guided in seeking information and thus in making choices (BEARDEN, 1989). Individuals who are sensitive to informational influences take the information that is conveyed into consideration and give it a value for decision making. Individuals who are more sensitive to normative influences focus on the information transmission process (LAROCHÉ, 2005). Thus, consumers who are more sensitive to interpersonal influences tend to adhere to the expectations of others in order to obtain social approval through the acquisition and use of the products and brands purchased. Consequently, they will tend to actively seek the opinion of other consumers. The electronic word-of-mouth messages are then perceived as an important source of information for their purchasing decision. From this perspective, sensitivity to interpersonal influences, both normative and informational, will affect the engagement and adoption of electronic word-of-mouth information (CHU and KIM, 2011).

4. INFORMATION PROCESSING MODELS

4.1. THE PROBABILITY OF DEVELOPMENT MODEL

PETTY and CACIOPPO (1981) elaboration likelihood model (ELM). The ELM assumes (FESTINGER, 1954) that people are motivated to have correct attitudes, measured as a set of cognitive, affective and behavioral responses to an object (e.g. A product or a brand).

The process of persuasion in the elm model revolves around two information processing pathways: the central pathway and the peripheral pathway (PETTY and CACIOPPO, 1981). In the central pathway, attitudes are formed and modified through careful consideration and integration of information relevant to the object. In the peripheral pathway, attitudes are formed and modified without active reflection on the object and its attributes, but rather by associating the object with positive or negative clues or by using cognitive shortcuts.

The ELM is defined on a continuum of cognitive development that individuals undergo when confronted with persuasive information. This continuum ranges from the full elaboration of information content to the total absence of elaboration of cognitive responses, which correspond respectively to the central processing pathway and the peripheral pathway. Cognitive elaboration (or cognitive processing) of the message (or arguments) is "the careful examination of arguments related to the subject matter contained in the persuasive communication" (PETTY and CACIOPPO, 1986).

The consequences are different depending on whether the central or peripheral channel is used. Persuasion through the central channel is both more durable and more predictive of subsequent behaviour than persuasion through the peripheral channel (PETTY and CACIOPPO, 1981).

The use of two different channels (CENTRAL and PERIPHERAL) depends on the motivation and ability of the receiver to process the message (PETTY and CACIOPPO, 1986).

4.2. THE HEURISTIC-SYSTEMATIC MODEL

The heuristic-systematic model (HSM) examines both the content of the message and the contextual aspects surrounding it. It focuses on two types of processing, heuristic and systematic, which represent the two modes of processing involved simultaneously in the acquisition and evaluation of the information received (CHAIKEN, 1980).

The systematic pathway, which is equivalent to the central pathway of ELM, evokes an analytical and attentive treatment of the message when motivation and capacity are strong. This mode of processing involves a 'global' and analytical orientation of processing available information according to its relevance and importance, so that the individual integrates all information to form judgments (CHAIKEN, 1989). This type of processing focuses on the semantic content of the message (e.g. the strength of the argument). Thus, the impact of the quality of arguments on attitude change is an operational index of more systematic processing. During systematic processing, the recipient carefully examines the new content and tries to integrate it with the information already acquired (CHAIKEN, 1989). Systematic processing requires the receiver to understand the arguments in the message while assessing the validity of the message (CHAIKEN, 1980).

The heuristic path is taken by unmotivated individuals who use simple decision rules. The heuristic processing mode is based on a limited number of mental or heuristic operations, i.e. Simplified ways of processing information. The notion of heuristics corresponds to judgments and decisions that are based on a limited number of mental operations, which are inexpensive and considered to be simplified ways of processing information. In the context of persuasion of a message, heuristic clues concern the distinct elements of the semantic content of the message. In the literature, the most studied clues (MEYER, 2000) are mainly the source of the message (identity, credibility, physical attractiveness), the behaviour and opinions of others, and non-semantic properties (the number of arguments, for example). Systematic processing often uses the quality of arguments to measure the strength or plausibility of arguments (EAGLY and CHAIKEN 1993; SUSSMAN and SIEGAL, 2003; ZHANG and WATTS, 2008). Quality

of arguments may also include checking the completeness, consistency or accuracy of information (SUSSMAN and SIEGAL, 2003).

5. THE PROCESS OF EVALUATING AND FILTERING ELECTRONIC WORD-OF-MOUTH MESSAGES

New means of communication increase the amount of information significantly (ALBA, 1997). It is therefore essential for the recipient to select the information that will enable him or her to decide. Thus, information filtering is a process by which the individual selects quality and relevant information (OARD, 1995). Information evaluation is the stage in the decision-making process where the consumer filters out the most relevant information (KOTLER and ARMSTRONG, 2006). With the very large amount of information that has become available on the internet. It has become essential today to devote a considerable amount of our time to extracting the appropriate information.

Filtering is a process of extracting relevant and quality information from an enormous mass of information. The most honest, useful and relevant message will be considered for the adoption of the information (XU and CHEN, 2006).

- 1) Engel (2001) explains the mechanisms for filtering stimuli in 5 steps:
- 2) Exposure: this is the sensory reception of stimuli,
- 3) Attention: selective, it determines the quantity and quality of the information retained.
- 4) Comprehension: it is carried out at the level of the temporary memory. There is a transfer of information in the temporary memory, a clarification of the meaning of the information and a selection of the information.
- 5) Rejection or acceptance: this occurs at the level of the long-term memory. Whether or not the information is transferred from the temporary memory to the long-term memory conditions the decision-making process. There is an evaluation based on criteria and the bringing into play of beliefs.

Storage: this is carried out at the level of long-term memory. It is the effective acceptance of the perceived message. There are 2 risks: distortion and partial memorization of the message (phenomenon of cognitive dissonance).

Trust in online platforms and their messages positively influences the adoption of information and therefore the behaviour of the receiver (MATHWICK, WIERTZ and de RUYTER, 2008). the adoption of a message is strongly linked to the perceived usefulness of the information it contains (CHEUNG, SHIFFMAN and KANUK, 2007). The adoption of a message is therefore a measure of individuals' recognition of the usefulness of the information (ZHANG and WATTS, 2008). The ELM model thus explains the notion of the quality of the argument or the validity of the message (SUSSMAN and SIEGAL, 2003). In this context, argument quality predicts the perceived usefulness of the information, which in turn influences the adoption of the message (ZHANG and WATTS, 2008). The following figure summarizes the different ways in which electronic word-of-mouth messages are processed and evaluated.

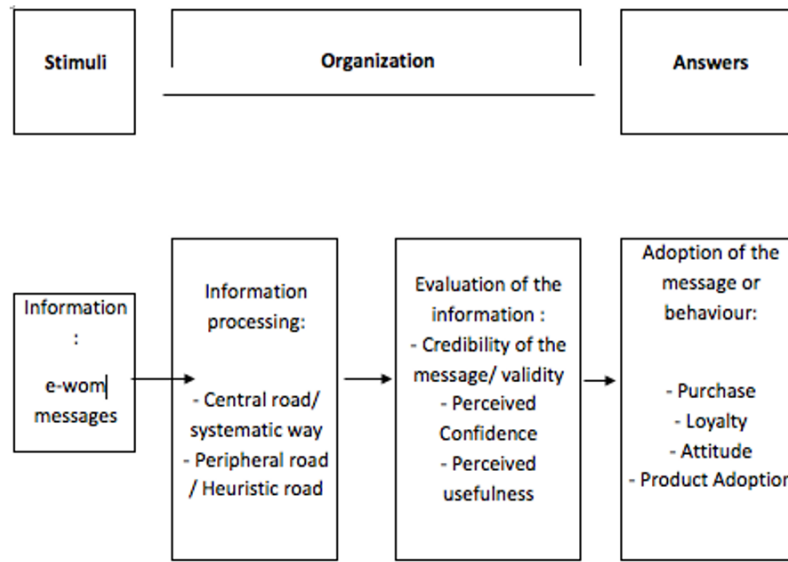


Figure 3 Processing, Evaluation and Adoption of an Electronic Word-of- Mouth Message

Source By the author

6. BEHAVIOUR FOLLOWING THE READING OF ELECTRONIC WORD-OF-MOUTH MESSAGES

1) The Intrinsic Variables of the Brand: Notoriety, Image, Perceived Quality and Brand Capital

Word of mouth affects the company's activity in terms of notoriety and image (DELLAROCAS, 2003). Brand awareness refers, in the context of online information, to knowledge of the existence of the product (DAVIS and KHAZANCHI, 2008). As far as brand image is concerned, the impact of word-of-mouth is at two levels: negative word-of-mouth and positive word-of-mouth. Negative word-of-mouth can considerably weaken a brand's image, unlike positive word-of-mouth, which can strengthen its image (DELLAROCAS, 2003).

Word-of-mouth is seen as a signal of the quality of a good; it then affects the perceived quality of a product or brand. The latter is defined as an overall judgment, an attitude, linked to the superiority of the service (PARASURAMAN, ZEITHAML and BERRY, 1988; CARMAN, 1990) or to the performance of the product. Brand value (AAKER, 1991; KELLER, 1993) is determined by several dimensions: notoriety, brand image, perceived quality, brand loyalty and other assets. Brand equity is the added value of the product, through associations with the brand name, design and symbols that reinforce the value of the product (KELLER, 1993; FARQUHAR, 1989). A negative (positive) electronic word-of-mouth negatively (positively) affects brand capital (BAMBAUER-SACHSE and MANGOLD, 2010).

6.1. PURCHASING BEHAVIOUR AND THE CHOICE PROCESS

1) ATTITUDE TOWARDS THE BRAND

Attitude is a key element in the study of consumer behaviour. KOTLER and DUBOIS (2001), an attitude: "summarizes evaluations (positive or negative), emotional reactions and predispositions to act towards an object or idea". This allows us to put forward the idea that attitudes enable the individual to adopt a certain behaviour towards a product or brand.

Attitude is a multidimensional variable with a cognitive, affective and conative dimension. The cognitive component refers to the set of beliefs about the brand, product or service. The affective component encompasses all positive or negative feelings. Finally, the conative component defines consumer behaviour; it is the consumer's reaction to the product, brand or service (BAGOZZI and BURNKRANT, 1979; KATZ and STOTLAND, 1959).

In an online context, it is the recipient's evaluation of the message. Online feedback provides information and recommendations about products and brands (Lee, 2008) that lead to a change in the attitude of the recipient of the message (DOH and HWANG, 2009; LEE, 2008).

2) THE PURCHASE DECISION

The power of the word-of-mouth to influence decision-making processes has long been known and recognized by researchers and practitioners, and recently the power of the word-of-mouth has become even more important with the advent of the internet (DELLAROCAS 2003; HENNIG-THURAU, 2004; SUN, 2006; BANSAL and VOYER, 2000).

Indeed, a study by MCKINSEY and company found that 67 per cent of product sales are based on personal information sources (TAYLOR, 2003). In another study, 60 % of respondents cited word-of-mouth as the main source of influence in their choice of products or brands (ENGEL, 1969).

3) BRAND LOYALTY

In the literature, fidelity is seen as a multidimensional concept: an attitudinal dimension (the cognitive and affective components) and a conative dimension (purchase intention, purchase behaviour and commitment, 1999; JACOBY and CHESNUT, 1978; DICK and BASU, 1994).

The link between electronic word-of-mouth and loyalty is twofold. On the one hand, electronic word-of-mouth affects consumer loyalty (LIBAI, 2010; GARNEFELD, 2010). A negative electronic word-of-mouth leads, for a regularly purchased brand, to a change in behaviour (brand change). On the contrary, a positive electronic word-of-mouth reinforces loyalty behaviour. Loyalty is then strongly influenced by positive word-of-mouth. A positive electronic word-of-mouth does not only influence the acquisition of new customers, but also the loyalty of existing customers.

4) THE ADOPTION OF THE MESSAGE

Adoption of the electronic word-of-mouth message is the process that individuals engage in when they use online information or comments about products, brands or services (CHEUNG, 2008; LEE and YOUN, 2009). It is then an indicator of content acceptance (ZHANG and WATTS, 2008). Subsequently, the adoption of a message may lead to a decision to purchase the product in question (PARK, 2007).

5) ADOPTION OF A NEW PRODUCT

The literature on the adoption of new products offers several theories:

- ROGERS' theory (1962), which is the foundation of the theory of diffusion of innovations. This behavioral approach, refers to innovators: "individuals who actually adopt innovations".
- BASS' theory (1969) describes how new products are adopted through the interaction of early adapters and potential adapters.
- ROGERS (1962) develops the first model of innovation diffusion which involves a five-step process: awareness, interest, evaluation, testing and adoption (ROGERS, 2003). Diffusion occurs through a series of communication channels, over a period of time, between members of a similar social system. The process of adoption and communication takes place through early adopters who successively contaminate other targets through the social system and/or word-of-mouth.

The dissemination of innovations can also be seen as a social process that involves interpersonal communication. ROGERS (1995) shows that there is a positive relationship between innovation and information seeking. As mentioned earlier, innovativeness is a characteristic of the recipient of the message that strongly influences the perception of e-word-of-mouth messages and their adoption.

The diffusion of innovations is the social process by which an innovation reacts in a social system through different channels over time (rogers, 2003). This is how BARROT and ALBERS (2008) present the social process of contagion as word-of-mouth in the diffusion of innovations. There are two types of influence: external (innovation coefficient p) and internal (imitation coefficient q). VAN DEN BULTLE and LILIEN (2003) conceptualize internal influence as a social contagion process consisting of information transfer (word-of-mouth). They set up an evaluation in relation to four stages: communication activity (the basis of any word-of-mouth is the exchange of information in networks where there are potential adopters), communication research (according to the bass model where each adopter has an influence on the new adopters), communication speed (the speed of information flow in th

CONCLUSION

In order to understand electronic word-of-mouth communication, the processing mode and the behaviour of the receiver following the reading of an electronic word-of-mouth message, we have mobilized two information processing models (the ELM model, the HSM model). These models allowed us to understand that information processing is done through two channels: the central (or systematic) channel and the peripheral (or heuristic) channel. These channels mobilize different variables or indices. For the first, the receiver takes into account the content of the electronic word-

of-mouth text message, such as arguments or validity. For the other processing channel, he focuses on the elements surrounding the electronic word-of-mouth message, such as the credibility of the source or the number of messages.

Electronic word-of-mouth represents a new form of communication between sender and recipient. We then consider stimuli as the characteristics of electronic word-of-mouth messages and the variables related to the sender of electronic word-of-mouth messages. The organism represents all the characteristics and motivations of the receiver, as well as the processing and evaluation of electronic word-of-mouth messages.

Our literature review shows that, in a new brand or product context, all electronic word-of-mouth messages are perceived as credible. The more credible the information is perceived to be on online platforms, the more likely the Internet user is to trust word-of-mouth messages and consider them useful for decision making. Thus, it is imperative to respect certain rules to ensure the credibility of the information in order to stand out from the competition.

Also, shows that electronic word of mouth has a significant direct and indirect influence on the consumer. Companies are therefore called upon to integrate electronic word of mouth into their communication strategy. They should set up an online monitoring system on social networks, discussion forums and blogs to follow comments and in particular negative messages that can negatively influence the intention to buy and recommend the brand.

CONFLICT OF INTERESTS

None.

ACKNOWLEDGMENTS

None.

REFERENCES

- AJZEN (2005), Attitudes, personality and behavior, Milton-Keynes, England: Open University Press.
- BLACKWELL, MINIARD AND ENGEL (2001), Consumer behavior, edition Mason.
- BERGER (1979), Beyond initial interaction: Uncertainty, understanding, and the development of interpersonal relationships.
- BEARDEN, NETEMEYER, R.G TEEL (1989), Measurement of Consumer Susceptibility to Interpersonal Influence, Journal Consumer Research.
- BANSAL AND VOYER (2000), Word-of-mouth Processes within a Services Purchase Decision Context, Journal of Service Research.
- BASS (1969), A new product growth model for consumer durables, Management Science.
- BAMBAUER SACHSE AND MANGOLD (2011), Brand equity dilution through negative online word of-mouth communication, Journal of Retailing and Consumer Services.
- CHANG AND MARCHEWKA (2004), American and Taiwanese perceptions concerning privacy, trust, and behavioral intentions in electronic commerce, Journal of Global Information Management.
- COX (1967), The audience as communicators, in Cox, Risk Taking and Information Handling in Consumer Behavior, Graduate School of Business Administration, Harvard University, Boston.
- CHAIKEN, S. (1980), Heuristic Versus Systematic Information Processing and the Use of Source Versus Message Cues in Persuasion, Journal of Personality and Social Psychology 1980.
- CHAN AND NGAI (2011), Conceptualising electronic word of mouth activity: An Input-process- output perspective. Marketing Intelligence and Planning.
- DELLAROCAS, AWAD, N.F. AND ZHANG, X. (2007), Exploring the Value of Online Product Ratings in Revenue Forecasting: The Case of Motion Pictures, Working Paper, Robert H. Smith School Research Paper.
- DELLAROCAS, ZHANG, AND AWAD (2007), Exploring the value of online product reviews in forecasting sales: The case of motion pictures, Journal of Interactive Marketing.
- DOH AND HWANG (2009), How consumers evaluate electronic WORD-OF-MOUTH Messages, Cyber psychology and Behavior.
- ENGEL, J.F, KOLLAT, D.T, AND BLACKWELLE R.D. (1968), Consumer Behavior, New York: Holt, Rinehart and Winston, 1968.

EAGLY, A. H., AND CHAIKEN S. (1993), The psychology of attitudes, Fort Worth, TX: Harcourt, Brace, Jovanovich.
EAGLY, A. H., AND CHAIKEN S. (1993), The psychology of attitudes, Fort Worth, TX: Harcourt, Brace, Jovanovich.
GOLDENBERG, J. LIBAI, B. MOLDOVAN AND MULLER E. (2007), The NPV of Bad News,