

DEVELOPMENT OF A STRATEGY TO STUDY THE EFFECTS OF ELECTRONIC WORD OF MOUTH MARKETING ON BRAND CREATION, SUSTENANCE & BRAND MANAGEMENT

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Abstract— Internet and social media have brought a revolutionary change in the marketing strategy of various companies. Nowadays consumers want to know reviews regarding products and they opt for the platform that is easily accessible to them and where multiple reviews can be obtained. The electronic word of mouth marketing (eWOM) has gained significant value over the years. The aim of the research work is to investigate impact of brand loyalty, C2C know-how and brand image on eWOM. The research work is carried out in the context of people of Khyber Pakhtunkhwa Province in Pakistan. Quantitative research study is carried out in the research work. Data collection is carried out through distributing questionnaires amongst the target population. 229 questionnaires were distributed and the data was analyzed using SPSS. The results indicate that a positive relation exists between eWom and brand image, eWOM and brand loyalty and eWOM and C2C know-how exchange.

Key Words— Electronic word of mouth marketing, social media marketing, brand loyalty, brand image, C2C know-how exchange

1 INTRODUCTION

Amongst the 7.6 billion people around the globe, 2.62 billion of the people make use of smartphones and social media (Statista, 2018). This has enhanced the day to day communication as there is ease of access. This has also brought a change in our daily activities as people tend to make use of smartphones and social media more often.

Research indicates that people have become interested in knowing the reviews and experiences of the people regarding the products they use. Local consumer review survey (2016) indicates that 91% of the people look online for reviews regarding products. The conventional way of marketing is slowly and gradually fading away (Sweeney et al., 2008). People make use of word of mouth marketing more often. Wirtz and Chew (2002) state that people are more interested in personalized reviews regarding the products. Consumers now tend to prefer word of mouth marketing rather than the old techniques.

Internet has brought a revolution in the world of marketing and the traditional marketing techniques are changing due to diverse digital marketing strategies. These have enabled different companies, organizations and brands to interact efficiently with their consumers. Any positive reviews regarding products or services on the internet is known as positive eWOM whereas any negative reviews are known as the negative eWOM. Negative eWOM has the ability to harm the reputation of a business in the market (Van Noort et al., 2014). This enables different companies to go for a continuous check. Companies ensure the consumers are provided with the best output to avoid any kind of negative reviews (Einweller & Steilen, 2015). Therefore, Breitsohl, Khamash and Griffith (2010) conclude that online communication has become integral for the organizations. Consumers also tend to feel privileged when the company responds to their reviews and concerns.

Social media marketing has gained importance overtime due to low cost of the marketing technique (Kaplan and Haenlein, 2010). If the social media marketing technique is good, then customers across the globe can be

reached successfully. Specific groups of people can also be targeted through social media marketing making the reach to the target population easier. Rialti et al (2016) conclude that content on the internet can be viewed by millions of people in a short time span and therefore it can have a potential impact on the consumers. Social media has now become an integral part of the global marketing strategies.

The diffusion of social media in marketing has impacted the traditional paradigms of marketing greatly (Tuten and Solomon, 2015). The research aims at finding the electronic word of mouth (eWOM) impact on the brand loyalty, C2C know-how and the brand image.

2 LITERATURE REVIEW

Kaplan and Haenlein (2010) define social media as a source on which ideological foundations are built and enable exchange and creation of use regenerated content. Tuten and Solomon (2015) conclude that social media can now be considered as one of the main tool for marketing purposes. Kaplan and Haenlein (2010) define social media as the platform where experiences, perspectives, opinions and information are shared. Social media empowers the consumers to express their expressions and perceptions regarding different services and products publicly. Social media impacts the engagement of the consumers, decisions of the consumers, marketing communication and strategies of branding (Rialti et al., 2016). The base theory of Social Media Brand Based Communities (SMBBC's) is the social identity theory which explains the decision of a consumer regarding joining a community (Ashforth and Mael, 1989). Marketing strategies help in enhancing the business and attracting more consumers (Spencer et al., 2014). Buying a product on online platforms has become a science therefore tactical marketing is required to successfully sell products.

Aaker (1991) defines brand image as value creation and impression of a consumer regarding the specific brand. The perception of the product is often obtained from the brand image of a product (Richardson et al., 1994).

Jalilvand and Samiei (2012) studied electronic word of mouth marketing

and concluded that eWOM impact the brand image in a positive manner. Consumers tend to use eWOM often and these eWOM contribute to the purchase intention of the consumers. Zaglia (2013) states that Social Media Brand Based Communities (SMBBCs) have a contribution towards the branding strategies and significant information can be obtained from the consumers regarding image of the brand and the perception of the consumers regarding the brand. Jansen et al (2009) conclude that consumers are greatly influenced by the eWOM through different social media networks.

Therefore, based on the above literature, we conclude three hypotheses:

Hypothesis 1: eWOM is positively associated with the brand image

Some researchers also argue that eWOM can be compared to the word of mouth marketing as it has considerable impact (Gruen, Osmonbekov and Czaplewski ; 2006). EWOM creates value for the consumers as it can take different forms. Customer to Customer (C2C) know-how is also considered as a source of data that encourages competency and upgrades information of the people. Customer to Customer (C2C) know-how exchange enables the consumers to know take different aspects of know-how trade into account.

Burton and Khammash (2010) state that if there is undirected marketing, it can produce unproductive results. Therefore, this issue needs to be addressed. The right target market needs to be targeted for this purpose; this can include specific area, activity or association (Henke, 2011).

Therefore, based on the above literature, we conclude three hypotheses:

Hypothesis 2: eWOM is positively associated with C2C know-how Exchange

Social media branding strategies enables organizations to obtain an important data from various individuals and this helps in building the image of a brand. Online branding strategies enable to foster the loyalty of the brand as it impacts the loyalty level of the customer (Habibi et al., 2014). Organizations are able to build up a relation with the customers as online purchases indulge in brand delegation creating a connection with the brand. Online purchasers are also proactive and contribute towards the client products substance (Burmans, 2010). Loyal consumers are closely associated with a brand. Habibi et al (2014) concludes that SMBBC members tend to help in the process of loyalizing the consumers as the consumers engage in constructive dialogues with other consumers as well as the representative of the brand and also that Social-media based brand communities (SMBCC) actively contribute in creating brand loyalty. eWOM also engages the consumers in promotion of the brand (Henning-Thurau et al., 2004). The more optimistic the users are towards the brand, the more loyal the customers will be towards the brand (Yoo, Donthu and Lee, 2000). Therefore, based on the above literature, we conclude three hypotheses:

Hypothesis 3: eWOM is positively associated with brand loyalty.

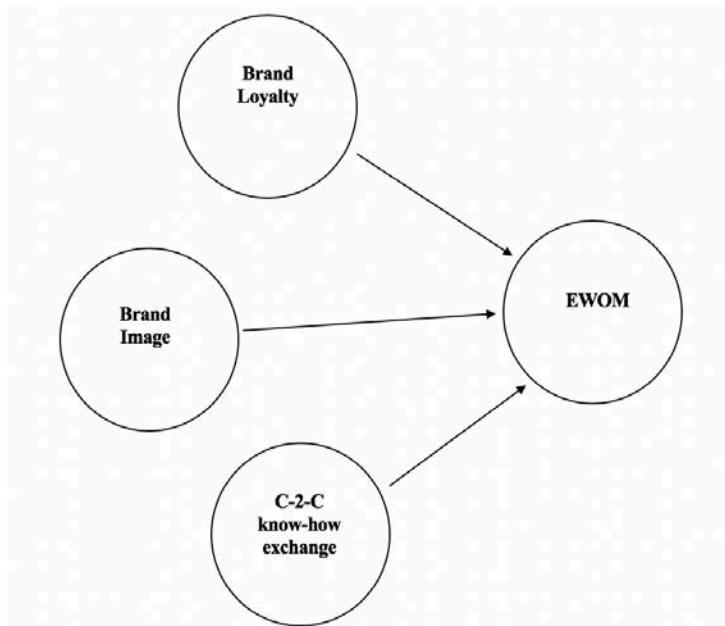
3 METHODOLOGY

Quantitative research work is carried out and an explanatory study is adopted in the research. Explanatory study helps in examining why things happen and also enable to obtain better conclusions regarding different phenomenon. Simple random sampling technique is adopted for the purpose of data collection. Data from 229 questionnaires have been collected. The questionnaire is based on 5-point Likert scale. The questionnaire for eWOM has been adopted from Abubakar (2016) research work. The questionnaire for C2C know-how and brand loyalty has been adopted from the research study of Gruen.Osmonbekov and Czaplewski (2006). The brand image questionnaire is adopted from research study of Lee (2014). The data was collected from people in Khyber Pakhtunkhwa province.

First part of the questionnaire contained information regarding name, age group, gender, usage of social media platform, usage of internet. The next part contained 5 questions regarding eWOM, 3 regarding brand loyalty and 4 regarding C2C know-how exchange and 4 regarding brand image.

The conceptual framework of the research study is as follows:

Figure 1. Conceptual Framework



eWOM is the dependent variable in the study, whereas website image, C2C know-how exchange and brand loyalty are the independent variables of the study.

4 ANALYSES

Analysis is carried out using SPSS software. 54.1% of the respondents belonged to 12-25 age group, 33.6% of the respondents belonged to 25-35 age group, 5.7% of the respondents belong to 35-45 age group, 4.8% of the respondents belong to 45-55 age group and lastly, 1.7% of the respondents belong to 55+ age group as shown in table 1. 72.1% of the respondents were females whereas 27.5% of the respondents were 63 as shown in table 2.

Table 1. Age group

		Age_Group			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	15-25	124	54.1	54.1	54.1
	25-35	77	33.6	33.6	87.8
	35-45	13	5.7	5.7	93.4
	45-55	11	4.8	4.8	98.3
	55+	4	1.7	1.7	100.0
	Total	229	100.0	100.0	

Table 2. Gender

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid female	165	72.1	72.1	72.1
male	63	27.5	27.5	99.6
prefer not to say	1	.4	.4	100.0
Total	229	100.0	100.0	

The tables 3.2 shows that 72.1% of the respondents were females where as 27.5% of the respondents were male.

Table 3. How often you use internet

How Often You Use Internet

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid daily	215	93.9	93.9	93.9
weekly	13	5.7	5.7	99.6
monthly	1	.4	.4	100.0
Total	229	100.0	100.0	

The table 3.3 shows us that 93.9% of the respondents daily use internet, 5.7% of the respondents use the internet weekly, 0.4% of the respondents use the internet monthly.

Table 4. Social media platform usage

social_media_platform_usage

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid facebook	142	62.0	62.0	62.0
instagram	54	23.6	23.6	85.6
twitter	5	2.2	2.2	87.8
other	28	12.2	12.2	100.0
Total	229	100.0	100.0	

62% of the respondents of the research study used Facebook, 23.6% made use of Instagram, 2.2% made use of twitter and 12.2% made use of other platforms.

Normality test was carried out and the results show that a significant relation exists with normal distribution as shown in table 5.

Table 5. Normality test

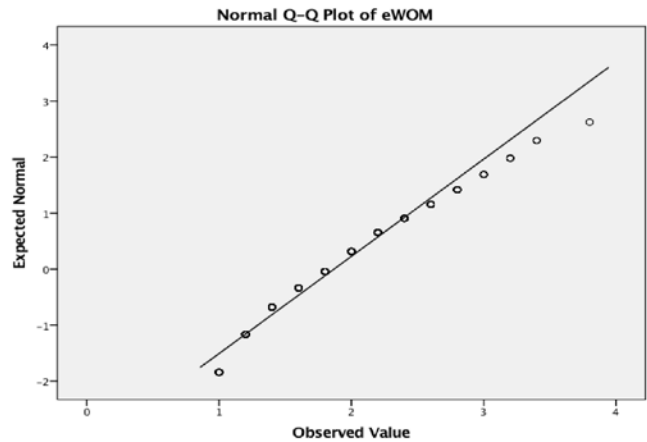
Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
eWOM	.113	229	.000	.954	229	.000

a. Lilliefors Significance Correction

The normality plot is shown in Figure 2.

Figure 2. Normality Plot



3.1 CORRELATION OF EWOM, BRAND IMAGE AND BRAND LOYALTY

The correlation analysis results (Table 3.1) reflect that a significant positive relation exists between eWom and brand image, eWOM and C2C know-how and eWOM and brand loyalty

Table 3.1. Correlation

		eWOM	Brand_image	C2C	Brand Loyalty
eWOM	Pearson Correlation	1	.189	.167	.116
	Sig. (1-tailed)		.002	.006	.040
	N	229	229	229	229
Brand Image	Pearson Correlation	.189	1	.090	.010
	Sig. (1-tailed)	.002		.088	.443
	N	229	229	229	229
C2C	Pearson Correlation	.167	.090	1	-.007
	Sig. (1-tailed)	.006	.088		.458
	N	229	229	229	229
Brand Loyalty	Pearson Correlation	.116	.010	-.007	1
	Sig. (1-tailed)	.040	.443	.458	
	N	229	229	229	229

** . Correlation is significant at the 0.01 level (1-tailed).

* . Correlation is significant at the 0.05 level (1-tailed).

3.2 REGRESSION ANALYSIS

Table 3.2 Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.268 ^a	.072	.059	.55875

Predictors: (Constant), Brand_Loyalty, C2C, Brand_image

Model summary (Table 3.2) shows that the variation occurs in dependent variable (eWOM) due to independent variables (Brand loyalty, C2C, Brand image). The R shows that 7.2% variation in dependent variable is due to independent variable. The R² is the coefficient of determination which gives more precise value and most precise value is given by adjusted R² that shows 5.9% change in dependent variable that is occurring due to independent variables.

3.3 ANOVA

Table 3.13 ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.424	3	1.808	5.791	.001 ^b
	Residual	70.246	225	.312		
	Total	75.670	228			

a. Dependent Variable: eWOM

b. Predictors: (Constant), Brand_Loyalty, C2C, Website_image

ANOVA shows the significance of model. The model is significant because the value of F test is 5.791 that are significant at .001 levels because significant value is less than 0.05. Significance value 0.001 indicates that the relation is significant. Df shows the number of degrees of freedom is the number of values in the final calculation of a statistic that are free to vary. Value of F is 5.791 which indicates that there is a small relation between eWOM, brand loyalty, C2C know how and brand image.

3.6 DEDUCTION OF ANALYSIS

Correlation, normality and Regression tests were carried out in the chapter using SPSS. According to the results, we accept our entire alternate hypothesis and reject the null hypothesis. We conclude that there is a positive relation between eWOM and brand loyalty, eWOM and Brand image and eWOM and C2C know-how exchange.

4 Conclusions

EWOM is regarded as a worldwide promoting instrument. eWOM has a distinguished impact on the C2C know-how exchange, brand loyalty, and website image. Brand image has become a priority for many companies/organizations and these organizations struggle for better outcomes. A positive significant relation is found between eWOM & brand loyalty, eWOM and website image and eWOM and C2C know-how exchange. A customer who is loyal promotes the brand image through eWOM process. If the image of the website is good then the organization's eWOM is also enhanced as a result. The research analyzed the predecessors of brand sustenance, eWOM and maintenance.

Our results are in line with various previous research works which include Lee and Youn (2009) and Yeh and Choi (2011) who found a strong positive relation between eWOM and brand loyalty. The results are also in line with the findings of Gruen, Osmonbekov, Czapslewski (2006) who state that eWOM is linked with the C2C know-how exchange.

Organizations can adopt marketing strategies such that to promote eWOM. Many organizations in the developed countries have adopted eWOM to promote their products and concentrate specifically on customer satisfaction for this purpose. Moreover, developing countries are still in the process of adopting eWOM. The study adds to the thin existing literature regarding eWOM. Organizations can use the results to their advantage and adopt such policies, rules and regulations that promote eWOM. Managers can make use of the result and can promote their brand through gaining satisfaction of the customers.

The same model can be tested for a multi-brand setting in the future. Moreover, the future research work also needs to contrast the gender-related differences. The behavior of both males and females need to be investigated. Qualitative approach can also be used along with quantitative and focus group discussions can be arranged for better results.

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