FACTORS INFLUENCING EFFECTIVE ELECTRONIC WORD-OF-MOUTH MARKETING

By

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DECLARATION

I, Lauren Kristin Bhana (210028262), hereby declare that the treatise/ dissertation/ thesis for Masters in Commerce to be awarded is my own work and that it has not previously been submitted for assessment or completion of any postgraduate qualification to another University or for another qualification.

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EXECUTIVE SUMMARY

Marketing serves to satisfy customer needs and wants while building strong customer relationships in an effort to gain value from customers in return. On understanding that customer satisfaction is needed for a business to survive and grow, the important role marketing plays within a business is emphasised as it contributes to overall business performance. Building relationships also emphasises the importance of communication within marketing. Traditional person-to-person word-of-mouth communication has always played a role in marketing a product or service. The evolution of technology over recent years has enabled electronic word-of-mouth (eWOM), which is frequently carried out and has proven to be another effective marketing tool. Due to the fundamental role that marketing plays within a business and the frequent use of electronic word-of-mouth as a marketing tool it is important that business owners and marketers are aware of the factors influencing the effectiveness of it.

This study explores eWOM from a marketing perspective, through investigating the factors that contribute towards the effectiveness of eWOM as a marketing tool. Therefore the primary objective of the study was to investigate the factors influencing effective eWOM marketing. A quantitative research approach was followed to empirically test the hypotheses and determine whether relationships exist between the four independent variables (factors influencing eWOM) and the dependent variable (effective eWOM marketing). A self-administered, five-point Likert-scale style structured questionnaire was used to obtain the data. The sample for this study comprised of 360 consumer respondents within the Nelson Mandela Metropole.

An exploratory factor analysis extracted four valid constructs namely feedback, trustworthiness, social status and networking as the factors influencing effective eWOM marketing. Cronbach's alphas confirmed the reliability of all extracted constructs. Most correlation results indicated moderate associations between the variables. However, effective eWOM marketing proved to have a strong correlation with social status. The results of the multiple regressions for the factors influencing effective eWOM marketing identified three statistically

significant relationships between feedback, social status, networking and effective eWOM marketing.

MANOVAS confirmed eleven statistically significant relationships of which only three were of practical significance. Practical significant relationships exist between ethnic affiliation, current position, years working experience and social status. In addition to identifying the three specific factors influencing effective eWOM marketing, namely online feedback, the need to obtain social status and the desire to engage in online networking, this study has made several contributions, specifically to eWOM marketing.

This study has recommended specific online marketing strategies to increase effective eWOM for online feedback, for individuals to obtain social status and to engage in online networking. The hypothesised model developed from the study, illustrating the three factors that influence effective eWOM marketing for South African consumers, can now be used by other researchers in other countries as a framework for further testing or for businesses/marketing organisations to obtain information on the attributes to pay attention to increase the effectiveness of their eWOM marketing.

The role that demographics such as ethnic affiliation, position in the business and years working experience play in satisfying the need of individuals to obtain social status in an online setting via eWOM marketing, were also confirmed. Furthermore, this study has provided practical advice to businesses/marketing organisations on how to utilise this knowledge to their advantage when wishing to stimulate eWOM conversations about their products and services. The findings of the research will also assist businesses/marketing organisations to initiate eWOM engagement and communicate more effectively with consumers online to obtain information on how to improve on and change existing products/services or the need for new product/service offerings to retain customers, ensure continuous consumer satisfaction and increase business turnover.

CHAPTER ONE
OVERVIEW OF THE STUDY

1.1   INTRODUCTION AND BACKGROUND TO THE STUDY

Businesses are continually in search of ways to achieve their desired business goals and to improve the benchmarks for each set of goals. These goals include that of customer satisfaction and profits (Harter, Hayes & Schmidt 2002:268-279). Marketing works towards achieving such goals as it aims to satisfy customer needs and involves building strong customer relationships in order to gain value in return (Kotler, Armstrong & Tait 2010:15-16). Marketing refers to the management of profitable customer relationships. In other words, marketing works towards fulfilling customer needs and wants and involves building strong customer relationships in order to attain value from customers in return (Kotler *et al.* 2010:18-19).

On understanding that marketing involves the building of customer relationships, the important role of communication in marketing is emphasised. When understanding that business survival and future growth depend on satisfying the needs and wants of customers, the importance of the marketing function within a business becomes visible (Hellriegel, Slocum, Jackson, Louw, Staude, Amos, Klopper, Louw, Oosthuizen, Perks & Zindiye 2012:75). All businesses have learned that success is realised through being able to communicate effectively and efficiently with their target audiences (Gregory 2010:1). It is thus of utmost importance to focus on communication when aiming to best market a product or service, and build relationships with customers.

When taking into consideration that customer satisfaction is needed for business survival and future growth and that the success of a business is realised through efficient and effective communication with its target audience, it is evident that marketing is an essential business function as it has an influence on the performance of the business as a whole (Hellriegel *et al.* 2012:75). It is thus important that the forms of marketing communication which appeal most to the public, are the ones tended to by businesses.

Over the years, it has been noted that consumers' purchase decisions are based less on the information made available by businesses through traditional advertising and marketing channels (Menkveld 2013:6). Gregory (2010:1) affirms this by stating that consumers are no longer just responding to traditional forms of advertising. Brands and businesses are now finding that they have to deal with numerous opinions and reviews (either positive or negative) from customers. These opinions and reviews from word-of-mouth marketing create a need for brands and businesses to compete with their own customers regarding the availability of information (Menkveld 2013:6). This need for competition by businesses and brands with customers' word-of-mouth (WOM), suggests the power of WOM communication as a marketing tool. Even though WOM has never been recognised as commercial by the consumers, it actually plays a very important role with regards to the purchasing decisions of consumers as it occurs among acquaintances, friends and family members (Akyüz 2013:159). Santo (2006) confirms the power of WOM by stating that it cuts through and exceeds the message noise as it is received from a source, such as a friend or colleague. Although WOM, in the form of person-to-person communication, may form an effective and powerful marketing tool, this traditional form of word-of-mouth (WOM) has evolved into another form which also serves as a marketing tool, namely electronic word-of-mouth (eWOM).

Baruah (2012:4) states that the most dynamic and revolutionary changes of any era, in the history of marketing, transpired when the millennium came about. Advances in technology and developments that led to the speedy increase in communication via interactive media, the internet in particular, were the causes of changes in marketing. From the early 2000s it was said that the internet revolution is in progress and that the online audience is expanding at a rapid rate. Taking these advances in technology into consideration, particularly the internet and the forms of interactive communications media that are available through it, a means was provided for eWOM marketing to take place.

This study will explore eWOM from a marketing perspective, through investigating the factors that contribute towards the effectiveness of eWOM marketing.

In the next section, the concepts used in the study will be clarified.

1.2. CLARIFICATION OF CONCEPTS

In this section, the concepts used in this study will be defined and clarified.

1.2.1 Marketing

Kotler *et al.* (2010:18-19) define marketing as the management of profitable customer relationships. Marketing thus aims to fulfill customer needs and wants and involves building strong customer relationships in order to capture value from customers in return. Hellriegel *et al.* (2012:75) confirm this definition by stating that the key in marketing is in identifying customer needs and wants and to enable this, long-term relationships with customers must be established.

1.2.2 Traditional Word-of-Mouth

Traditional WOM is defined as unpaid promotion in which satisfied customers tell other individuals how much they like a business, product or service (Small Business Encyclopedia 2016). Lee and Youn (2009:473), describe WOM as the interpersonal communication between consumers concerning products, brands and services. This involves a receiver and a communicator, where the communicator is perceived by the receiver as non-commercial. In this study traditional WOM will be regarded as informal interpersonal contact from one satisfied customer to another based on their experience of a business, product or service.

1.2.3 Electronic Word-of-Mouth

Cheung and Thadani (2010:329) state that eWOM communication evolved from traditional WOM, due to the advancement in technology over recent years. The most comprehensive definition of eWOM is provided by Hennig-Thurau, Gwinner, Walsh and Gremler (2004:39) as any positive or negative statement provided by potential, current and previous customers regarding a product, service or company, via the internet. Hennig-Thurau *et al.* (2004:38) further state that through web-based consumer opinion platforms, the internet allows customers the opportunity to express their opinions and share their experiences on goods and services with many other consumers. These expressions form

part of eWOM. In this study, effective eWOM marketing is defined as any positive or negative customer opinion regarding a product, service or company via web-based consumer opinion platforms.

In the following section the changing role of marketing and strategic marketing with the emergence of powerful technology for communicating directly with customers and collecting and screening information about them, is highlighted.

1.3 THE CHANGING ROLE OF MARKETING AND STRATEGIC MARKETING

When thinking of marketing, mainly selling and advertising come to mind for most individuals. However, selling and advertising form only a part of it (Kotler *et al.* 2010:19). This impression of marketing held by most people, is due to the fact that marketing arose from an issue concerning sales and thus initially held sales as a focal point. Over time, however, the focus of marketing has shifted from having a sales focus where the objective was for a transaction to be realised, to a relationship focus where direct communication with customers and forming individual relationships is the aim (Molenaar 2011:6-7). Rust, Moorman and Bhalla (2010:1) stress the necessity for this shift in marketing's focus. These authors further mention that those continuing to identify which broad market segments to target, set prices and promotions and plan mass media communications when developing a marketing strategy, are stuck in the 1960s.

The millennium has brought with it powerful technologies for communicating directly with customers, collecting and sorting through information about them, and tailoring their offerings accordingly (Godes & Mayzlin 2009:725). However, even with such technology, the situation cannot be improved as long as businesses aim to market products rather than gain customers. Therefore, to compete in this aggressively interactive environment, businesses must shift their focus from driving transactions to maximising customer lifetime value, and take into consideration the value of customer referrals, in other words, making products and brands subservient to long-term customer relationships (Rust *et al.* 2010:1).

The fundamentals of marketing however, have remained the same. Among these is a strong transaction orientation meaning that generating transactions is still of importance. When determining the success of marketing efforts made, the traditional methods of measuring results are still some of the most important. Sales revenue, unit volumes, profit margins and market share thus remain important indicators for determining the success of marketing efforts (How to measure marketing results: Modern rules 2014:1; Molenaar 2011:7). The marketing instruments of price, place, product, and promotion are still revealed through assessing the market circumstances. These circumstances include collective demand, competitive advantage and the targeted sales and profit per product (Molenaar 2011:7). It can be understood that the focus of marketing is now on building relationships with customers, which involves the intention to satisfy customer needs. Kotler *et al.* (2010:19) thus state that marketing must now be understood not in the old sense of making a sale, but rather in the new sense of satisfying customer needs.

When considering the importance of marketing a product or service to satisfy customer needs and ultimately achieve successful business performance, it is essential that a strategy is developed, to best market the product or service. Molenaar (2011:8) states that the strategic objective of marketing is to position the product or service in the market in such a manner that a positive association results. The objective is to establish a priority position and good preconditions for the product or service, for the sale to transpire. Davies' (2011) definition of strategic marketing proves to be in alignment with the strategic objective of marketing by describing strategic marketing as the approach applied by a business to market a product or service in a way that makes it different from its competitors. This differentiation would be achieved by the business through enhancing its strengths in order to establish a competitive advantage.

In working towards establishing this priority position for the product or service, one must not only take into consideration the actual product, but also the market, target group, distributors, the communication and the competition (Molenaar 2011:8). According to Fill and Jamieson (2006:4) the aspect of communication is especially important in enabling this position, as marketing

communications can act as a differentiator, particularly in markets where there is little separating competing products and brands. In such cases, the image depicted by marketing communication distinguishes one brand from another and positions the product or brand in such a way that the development of the consumer's purchasing confidence and positive attitudes results.

According to Molenaar (2011:8), the focus of marketing has developed further within the concept of strategic marketing. This strategic marketing concept involves:

- a sound competitive advantage;
- the customers' long-term interests (i.e. developing a continuous relationship with buyers);
- achieving a high market positioning for the product within the defined market (here the value associated with the product or business, along with the value in terms of external sources' perceptions, must be taken into consideration);
- continuous efforts made to encourage or further the relationship with individual buyers or the defined market as a whole, and
- a good supply of information within the business to enable awareness in terms of market changes and customer preferences.

In addition to the traditional marketing approach, electronic-marketing has become an important marketing outlet due to the powerful technologies available for interacting directly with customers. The need to utilise information technology and the internet so as to maintain the relationship with the market and business contacts has thus grown enormously (Molenaar 2011:8, Rust *et al.* 2010:1).

From the above information, it can be understood that the development and maintenance of customer relationships is an essential marketing component. The achievement of such relationships forms part of any marketing strategy, especially since the focus of marketing has shifted to one of a relationship focus. It is, therefore, important that businesses make relationships their focus in an attempt to enable customer need satisfaction. Forming such relationships

will subsequently have a positive effect on the WOM that results. The availability of the internet also allows for the forming and furthering of these relationships through electronic-marketing, which includes eWOM. Traditional WOM thus has become a competing marketing tool as a result of information technology and its advancements, such as eWOM. The following section discusses the importance of WOM.

1.4   THE IMPORTANCE OF WORD-OF-MOUTH IN MARKETING

Word-of-mouth may take the form of traditional WOM or eWOM. According to Molenaar (2011:225), WOM has always played an important part in the formation of people's opinions. The power held by WOM communication is suggested by the fact that brands and businesses are finding that they have to deal with numerous opinions and reviews (either positive or negative) from customers, creating a need for brands and businesses to compete with their own customers regarding the availability of information (Menkveld 2013:6). Molenaar (2011:225) affirms this by stating that the influencer providing the information is a more reliable source as no marketer intervention occurs (Allsop, Bassett & Hoskins 2007:398). Bughin, Doogan and Vetvik (2010) confirm the power of WOM marketing and mention the positives resulting from it. The authors state that the rewards of working towards obtaining excellence in WOM marketing are great and that excellent WOM marketing can provide a sustainable and considerable competitive edge that many other marketing approaches are unable to match.

Word-of-mouth has thus direct effects on consumer behaviour, and can change a consumer's needs and attitudes, through informal interpersonal contact with another consumer as stated by Molenaar (2011:225). WOM has direct effects on consumer behaviour, and can alter a consumer's needs and attitudes. The influence of WOM includes direct effects on the behavior of a consumer through informal interpersonal contact with another consumer (Daugherty & Hoffman 2014:82). This also applies to eWOM communication which affects consumers in the same way. The response of the consumer to eWOM is indicative of the consumer's perceived value of the message and is thus representative of its effect as a marketing tool (Sweeney, Soutar & Mazzarol 2008:355).

As a result of WOM being relatively free of vested interest and thus unbiased, the adviser of WOM is seemingly more credible than most advisers (Molenaar 2011:2225; Silverman 2011:51). Allsop *et al.* (2007:398) are in agreement by stating that consumers perceive WOM as reliable in comparison to the communication efforts made by marketers as information is relayed to them by means of another consumer's objective comment. As a result of this information being provided by a consumer, WOM is perceived as reliable as information is being provided to them through the objective comment of another consumer and no marketer intervention takes place.

With regards to WOM, the influencer is perceived as more reliable as intervention by a marketer is non-existent. Silverman (2011:51) affirms this by stating that central to the concept of WOM is the idea that the producer of the product holds no control over the information shared. This information is consequently presumed to be more relevant, trustworthy and thus more accurate than commercial information. Furthermore, as the influencer holds no commercial interest in providing either positive or negative information about a product or service, they will feel free to expose both the negative and positive aspects regarding the subject of their advice. The evolution of Web 2.0 technologies has transformed traditional WOM a great deal by bringing it into the digital realm via eWOM (Cheung & Thadani 2010:329; Fang 2014:67).

In the next section, the problem in question will be highlighted.

1.5   PROBLEM STATEMENT

Due to the development and advancement in technology, eWOM has advanced and become a frequently used marketing tool (Cheung & Thadani 2010:330). Not only is information communicated by multiple sources in an online setting, but it is also made available to many consumers as eWOM makes use of bidirectional communication properties and the unlimited reach of the internet to share opinions and experiences on a one-to-world platform as opposed to the one-to-one platform used in traditional WOM (Steffes & Burgee 2009:43). When eWOM is carried out to market a product, brand or service, it is communicated with the aim of being effective in marketing that product, brand

or service. The availability of other consumers' personal thoughts, reactions, opinions and evaluations in online virtual communities gives rise to another positive feature of eWOM, namely the fact that the online environment does not only serve consumers seeking information regarding a product, brand or service, but also provides the opportunity for the consumer to express their opinion or share their thoughts on a product or service, through carrying out an evaluation, for example (Menkveld 2013:10). For this reason, it is essential that one is aware as to what measures eWOM effectiveness.

Although the above information portrays eWOM as superior to traditional WOM with regards to their features, eWOM does have its negative aspects. Among them is the fact that consumers encounter various opinions and evaluations online, thus burdening consumers by making the process of going through and filtering out information in an effort to reduce uncertainty a lot more difficult and time consuming (Menkveld 2013:10; Steffes & Burgee 2009:43). Furthermore, the fact that consumer opinions and views are easily accessible by internet users, could serve as a disadvantage in the case that a brand becomes known for a certain activity or event that would damage their reputation. As this negative information would remain accessible long after the event or activity has occurred, eWOM may be harmful to the brand in such a circumstance (Menkveld 2013:10). This indicates the importance of having knowledge of the factors influencing the effectiveness of eWOM marketing.

The most commonly investigated studies on eWOM communication include factors related to a receiver's psychological state such as purchase intention, attitude, information adoption and trust (Cheung & Thadani 2010:333). Therefore, it appears that the response of the consumer to eWOM communication determines its effectiveness. Factors relating to one's psychological state are not the only determining factors of eWOM effectiveness as traditional measures of marketing's effectiveness would apply to eWOM communication in the same way. Therefore, sales revenue, unit volumes, profit margins and market share would also indicate the effectiveness of eWOM marketing (Bughin *et al.* 2010; How to measure marketing results: Modern rules

2014:1; Molenaar 2011:7). This study wishes to determine the measures of eWOM effectiveness.

As a result of eWOM becoming a powerful marketing source (Cheung & Thadani 2010:330), many studies have been conducted on eWOM as a marketing tool. These studies have been done on the effectiveness of eWOM communication, the determinants of consumer engagement in eWOM in social networking sites, and conceptualisation of eWOM on the whole (Brown, Broderick & Lee 2007; Cheung & Thadani 2010; Chu & Kim 2011). However, the scope of published studies on eWOM communication, fail to establish the factors influencing effective eWOM, indicating that the studies completed on eWOM communication are relatively fragmented and inconclusive.

As previously stated, WOM takes on two forms: traditional WOM and eWOM. Due to the evolution of traditional WOM into eWOM as a result of technology and its continual advancements, eWOM has developed into a powerful marketing source (Cheung & Thadani 2010:330). Zhang, Craciun and Shin (2010:1336) affirm eWOM's effectiveness by stating that this new form of WOM has received increased attention due to it possibly affecting the business bottom line. It is thus important that businesses work towards having this marketing tool create a positive message regarding their product or service. This indicates the need for businesses to become aware of the factors which make eWOM an effective marketing tool.

Previous research regarding WOM has concentrated on either WOM or eWOM individually. The focus within these studies has been with regards to their impact as a marketing tool (Brown *et al.* 2007; Cheung & Thadani 2010; Chu & Kim 2011; Roberts 2009; Sweeney *et al.* 2008). Although previous research has been done on the impact of WOM as a marketing tool with respect to each form individually (WOM and eWOM), little information is available on the factors influencing the success of eWOM as a marketing tool.

This has led to the research in question:
Which factors influence effective eWOM marketing?

By determining which factors influence effective eWOM marketing, this study will serve to assist businesses (particularly marketers within the business) in their application of eWOM as a marketing tool, as to improve the effectiveness of their eWOM communication. In turn, this improvement will help build and strengthen customer relations, increase sales and ultimately improve overall business performance.

In the next section the research objectives of the study are highlighted.

1.6   RESEARCH OBJECTIVES

The primary objective of the study is to investigate the factors influencing effective eWOM marketing. In order to address the primary objective of the study, the following secondary objectives have been formulated:

- To conduct a secondary literature overview of WOM as a marketing tool with a focus on eWOM, as well as factors influencing the success of eWOM as a marketing tool through investigating theories developed in relation to these factors;

- To develop and test a hypothesised model on the factors influencing eWOM marketing effectiveness;

- To empirically identify the factors influencing effective eWOM marketing, and

- To provide businesses (marketers within these businesses particularly) with recommendations on which factors influence effective eWOM marketing and how to go about increasing sales and building customer relations when using eWOM marketing.

In the next section, the conceptual models supporting the study will be elaborated on.

1.7   CONCEPTUAL MODELS SUPPORTING THE STUDY

The following models will be used to compile the hypothesised model of this study:

- Bughin's *et al.* (2010) model on the effect of WOM messages,
- Lang and Lawson's (2013) model on factors contributing towards WOM's effectiveness; and,
- Cheung and Thadani's (2010) models on:
    - Network for the impact of eWOM communication and,
    - Framework for examining the impact of eWOM communication.

These models will be discussed in the sections following.

1.7.1 Bughin's *et al.* (2010) effect of WOM messages model

In order to better understand WOM and the features affecting its possible success, Bughin's *et al.* (2010) model on the effect of WOM messages on a product, service or brand will be considered.   Bughin *et al.* (2010) wanted to understand the impact of the different components of WOM communication, and subsequently a method was developed to calculate what is known as WOM equity. Impact, which refers to the ability of the sender's positive or negative WOM statement to alter the receiver's behaviour, is reflected in what is said, who says it and where it is said. WOM equity can be calculated by multiplying the average sales impact of a brand message by the number of WOM messages. This suggests that by taking into consideration impact as well as volume, the effect of WOM messages on sales and market share for brands, individual campaigns and businesses as a whole, can be measured more accurately.

For the purpose of this study which focuses on effective eWOM marketing, the aspect of WOM effectiveness within WOM equity will be seen as the factor dependent on the impact and volume of WOM messages, rather than WOM equity as a whole. Figure 1.1 illustrates that by taking into account impact as well as the volume of marketing messages, marketers can measure the effects of WOM messages more accurately.

Figure 1.1: Bughin's *et al.* (2010) effect of WOM messages model
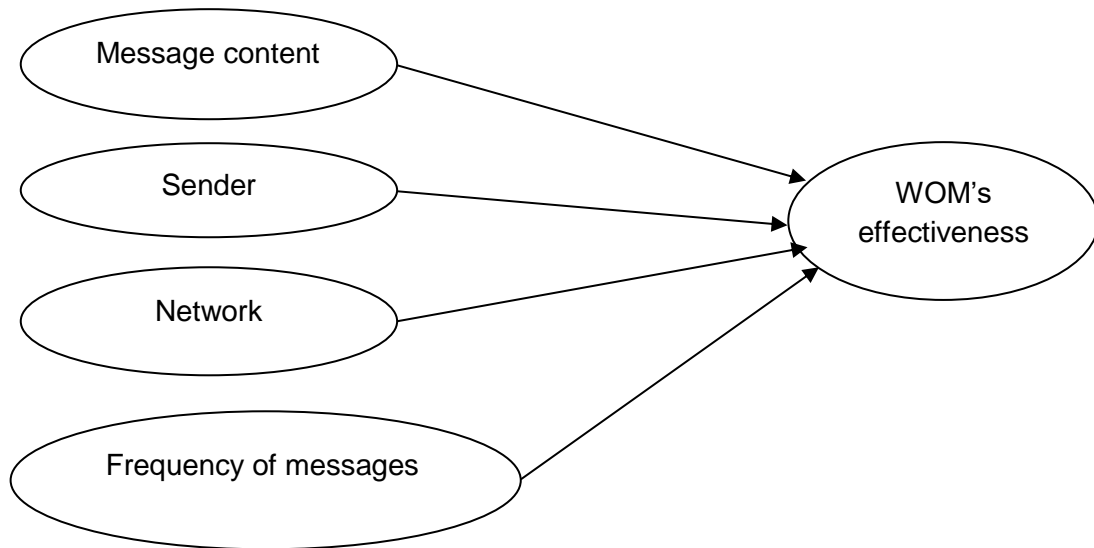
Source: Adapted from Bughin *et al.* (2010)

The components affecting the impact of WOM within this model are as follows (Bughin *et al.* 2010):

- *Message content* refers to what is said, which is the main driver of WOM impact. Across the majority of product categories, it was found that in order to influence a consumer's decisions the content of the message must pay attention to product or service features which are recognised as important depending on the product or service. For example, when looking at a mobile phone, the design is more important than battery life.

- *Sender* refers to the identity of the one providing the message. This is another vital driver of WOM. Trust becomes important as the receiver of the message must trust the sender and believe that they are competent, in terms of how well they know the respective product or service, to be influenced by their words.

- *Network* refers to the environment in which WOM is spread. In other words, whether the network in which WOM is circulated in, is a tight, trusted network or a dispersed one. In the case of a tight, trusted network the message being spread may have less reach, but will have a greater impact than in the case of a message circulating in a dispersed community. Small, close-knit networks of trusted friends will thus have a real influence.

- *Frequency of messages* refers to the volume of messages provided regarding the respective product or service. This would ultimately influence WOM's effectiveness, together with the factors driving WOM impact.

Although the above model was created with regard to WOM, the above four factors impacting WOM's effectiveness, affect eWOM in the same way and thus also apply to eWOM, on which this study will focus, as they are both marketing forms which are just executed through different channels or platforms.

1.7.2 Lang and Lawson's (2013) factors contributing towards WOM's effectiveness model

While studying factors that are fundamental in facilitating WOM's effectiveness, Lang and Lawson (2013) identified personal impact as an important factor. Personal impact refers to the impact that WOM has on consumer attitudes and behaviours. This factor captures why WOM has such persuasive power over consumers' attitudes and behaviours. Lang and Lawson (2013) have established the drivers of WOM's personal impact. The three drivers that are applicable for this study are illustrated in Figure 1.2.

Figure 1.2: Lang and Lawson's (2013) factors contributing towards WOM's effectiveness model
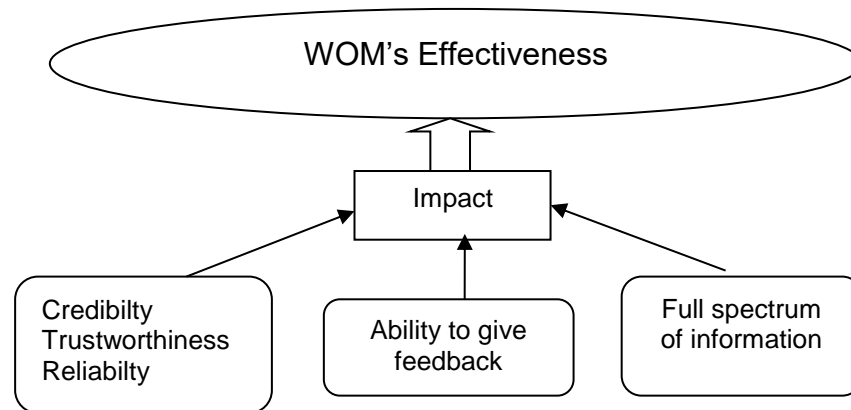
Source: Adapted from Lang & Lawson (2013)

As depicted in Figure 1.2 the three drivers of WOM effectiveness are as follows (Lang & Lawson 2013):

- Credible, trustworthy and reliable WOM is a general view held that the persuasiveness of WOM increases when it is perceived as credible, trustworthy and reliable;

- The ability of the receiver to give feedback makes it possible to persuade other individuals as the receiver has the ability to provide feedback on the information gained, and

- The full spectrum of information provided through WOM differentiates it from other marketing communication channels. This information thus includes statements ranging from highly positive to highly negative regarding the respective product, service or brand. This is, however, not the case when information is relayed through marketing channels such as advertising, public relations or personal selling as here, the product, brand or service is promoted from a solely positive standpoint. This aspect of WOM makes WOM especially relevant for the purposes of consumers as it can encourage behaviour, make one neutral or discourage behaviour regarding the product, service or brand.

The above model was created with regards to WOM, but these three drivers impacting WOM's effectiveness also apply to eWOM and are thus applicable to this study.

1.7.3 Cheung and Thadani's (2010) impact of eWOM communication models

According to traditional communication theories, four major elements play a part in social communication. These include the *communicator* of the message (sender), the *stimulus* (message delivered by the communicator), the *receiver* of the message and the *response* made to the message communicated (Cheung & Thadani 2010:332). These four elements apply to eWOM, as it is an online form of communication between a receiver and sender (Cheung & Thadani 2010:332; Hennig-Thurau *et al.* 2004:39). In an effort to classify previous studies based on the four elements of social communication, Cheung and Thadani (2010:332) constructed a figure (Figure 1.3) to depict the conceptual framework for their study.

Figure 1.3: Network for the impact of eWOM communication
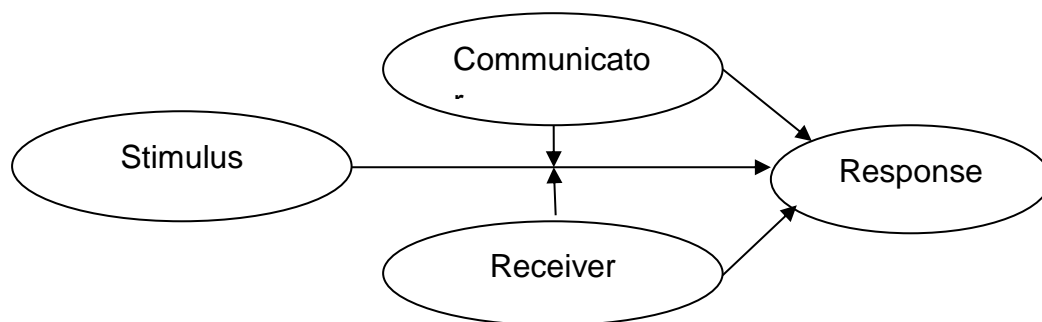
Source: Cheung & Thadani (2010:332)

Within this framework, the relevant factors falling under each of the four major elements of eWOM communication were integrated in an effort to examine the impact of eWOM communication. Many factors were encountered in the study, but the factors applicable for this study appear under three of the elements (communicator, stimulus and receiver) and are depicted in Figure 1.4.

Figure 1.4: Framework for examining the impact of eWOM communication
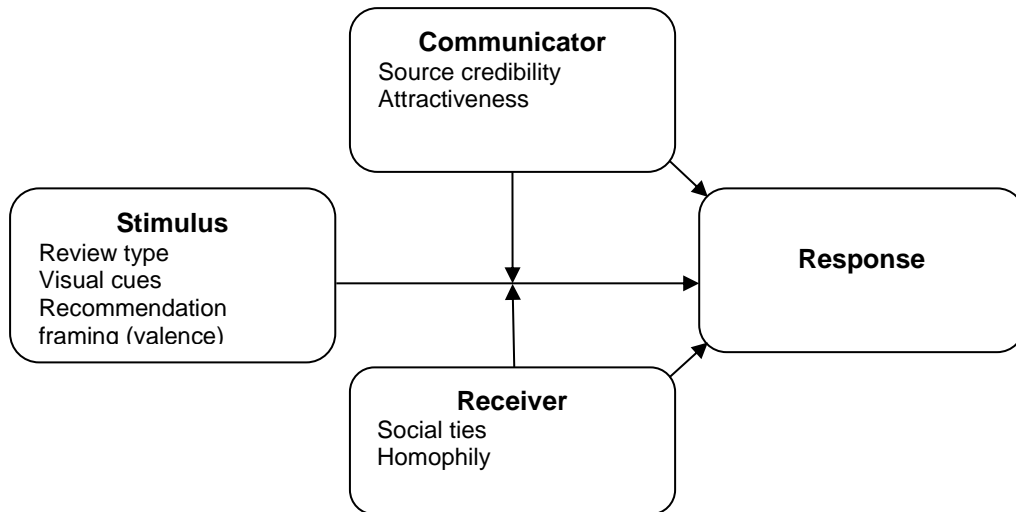
Source: Adapted from Cheung & Thadani (2010:340).

According to Molenaar (2011:225) WOM has direct effects on consumer behaviour, and can alter a consumer's needs and attitudes. The resulting effect or outcome of WOM is thus the response. In studies on eWOM communication, factors related to a receiver's psychological state such as purchase intention, attitude, information adoption and trust have been the most commonly investigated outcomes (responses) of eWOM communication (Cheung & Thadani 2010:333). In summary, the fourth element, *response*, is a representation of the impact of the factors associated with the other three elements, on eWOM and ultimately eWOM's potential effectiveness. The factors influencing an individual's response as depicted in Figure 1.4, are defined in Table 1.1.

Table 1.1:   Factors influencing an individual's response to stimulus

Element	Construct	Definition
Communicator	Source credibility (expertise and trustworthiness)	The perceived ability (expertise) of the message source or their motivation to impart accurate and truthful information (trustworthiness)
	Attractiveness (similarity, familiarity, likeability)	Attractiveness encompasses similarity, familiarity and likeability and is a reflection of the degree to which the receiver identifies with the source • *Similarity*-commonality between receiver and source • *Familiarity*-knowledge of the source gained through exposure or past association, enabling a level of comfort with the source for the receiver. • *Likeability*-affection for the source due to physical appearance, or other personal traits such as talent, personality etc.
Stimulus	Review type	The orientation of a review
	Visual cues	Any image (a means of communication) made available by a reviewer and directed at consumers when evaluating the attributes of the respective good or service
	Recommendation framing (valence)	The valence of eWOM messages and whether they are positive or negative
Receiver	Social ties	The level of intensity existing in a social relationship between individuals
	Homophily	The extent to which similarities in age, gender, education and social status occur in a pair of individuals

Source: Adapted from Cheung & Thadani (2010:334, 336-337)

The proposed hypothesised model of this study which is based on the conceptual models discussed in the preceding sections will be presented in the following section.

1.8   PROPOSED HYPOTHESISED MODEL

Based on the previous conceptual models the proposed hypothesised model for this study was constructed and is presented in Figure 1.5.

Figure 1.5: Hypothesised model of the study
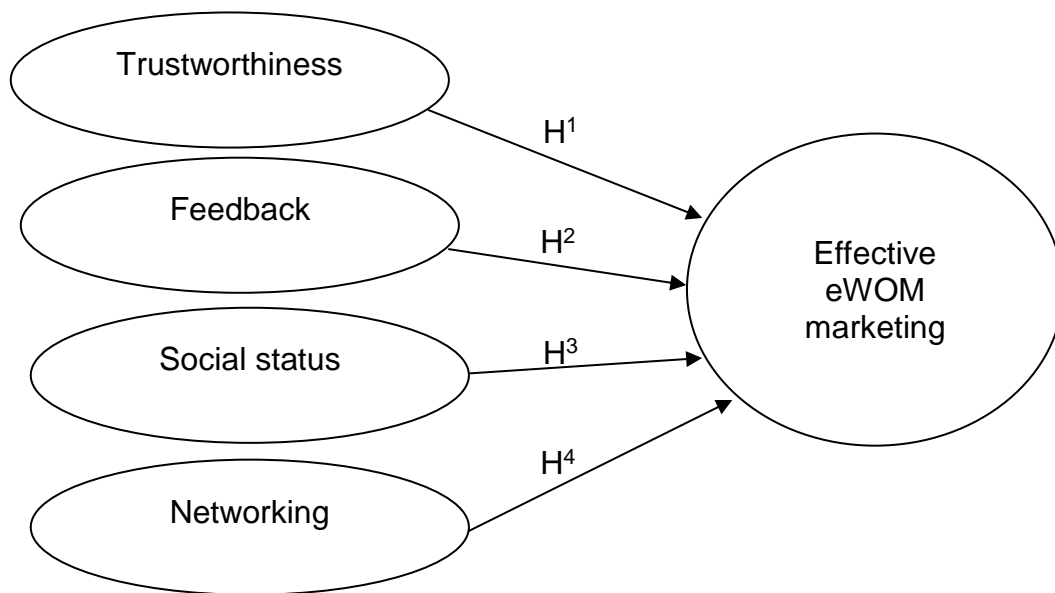
Source: Researcher's own construction

Figure 1.5 indicates the variables which may influence effective eWOM marketing. The models of Bughin *et al.* (2010), Lang and Lawson (2013), and Cheung and Thadani (2010), provide information on the factors impacting WOM effectiveness and thus indicate the factors playing a role in effective eWOM. The hypothesised model (Figure 1.5) proposes the factors influencing effective eWOM marketing including trustworthiness, feedback, social status, and networking. A brief discussion of these factors follows.

Trustworthiness (and credibility) is recognised as a factor influencing effective eWOM due to Lang and Lawson (2013) having stated that WOM is persuasive in the case that the source of information provided is perceived as trustworthy, credible and reliable. In the case of a website, the site must thus be seen as reliable and safe. Bughin *et al.* (2010) also state that the identity of the sender or the website impacts WOM effectiveness. Cheung and Thadani (2010) affirm this recognition through including source credibility as a factor influencing the receiver's response to eWOM.

Another factor recognised as influential in achieving effective eWOM, is *feedback*. This is due to Lang and Lawson (2013) having mentioned the fact that WOM provides positive and negative feedback, which impacts WOM's effectiveness. Recommendation framing (valence) which refers to positive and negative feedback, is also acknowledged by Cheung and Thadani (2010) as a factor influencing one's response to eWOM.

Social status is recognised as a factor influencing effective eWOM as Cheung and Thadani (2010) acknowledge attractiveness (which includes the aspects of similarity, familiarity and likeability) of the source as a factor influencing one's response to eWOM. The perception that the communicator is attractive impacts one's response, gives reference to social status being an influential factor in effective eWOM. Cheung and Thadani (2010) also mention social ties between the receiver and communicator as a factor influencing one's response to eWOM. The factor of social ties also gives reference to social status impacting eWOM's effectiveness in the sense that an intense relationship would suggest that those in the relationship would be concerned as to what the other thinks and thus feel the need to live up to their standards and expectations.

Networking is also seen as a factor influencing effective eWOM. Cheung and Thadani (2010) acknowledge homophily as a factor influencing one's response to eWOM. As homophily refers to the occurrence of similarities, the aspect of networking can be recognised as a factor impacting effective eWOM, as it is in cases when similarities exist that people feel comfortable networking with others and thus gain the desire to do so.

The research hypotheses have been constructed in line with the hypothesised model, problem statement and thus pertain to the relationship between the independent variables (four influential factors) and the dependent variable (effective eWOM). The following hypotheses have been developed to test the relationships in the proposed hypothesised model:

- H_1: *Trustworthiness* of online information influences *effective eWOM marketing.*
- H_2: Online *feedback* influences *effective eWOM marketing.*

- H$_3$: The need to obtain *social status* in an online setting influences *effective eWOM marketing.*

- H$_4$: The desire to engage in online *networking* influences *effective eWOM marketing.*

In the sections to follow, the research design and methodology is outlined.

1.9   RESEARCH DESIGN AND METHODOLOGY

Limpanitgul (2009:4), states that the research design of a study provides an overall guidance for data collection and analysis. In the following sections, the research paradigm and approaches will be indicated for this study. The sampling strategy for collecting data will also be discussed, the data analysis procedures will be elaborated on, and how to ensure reliability and validity will be discussed.

1.9.1   Research paradigm and approaches

Quantitative- and qualitative research are the two research paradigms available to be used in the study at hand (Collis & Hussey 2014:54). When information cannot be examined through the use of mathematical techniques, it is identified as qualitative in nature (Bryman & Bell 2014:31). In contrast to qualitative research, quantitative research is objective in nature and entails the measuring of phenomena through collecting and examining numerical data, and carrying out statistical tests to summarise and make deductions from the data gathered (Collis & Hussey 2014:55). Furthermore, large representative samples of the population are used to test the formulated hypotheses in quantitative studies. A quantitative approach was followed as the study required the measuring of the selected influential factors in quantitative terms as well as the fact that the data could be obtained by making use of a large representative sample of the population (Bryman & Bell 2014:32).

Two research approaches exist, namely exploratory and descriptive. Exploratory research clarifies problems, gathers data and establishes initial hypothesis and theories about subjects. The primary aim of exploratory

research is to provide researchers with the necessary important information to assist them in forming initial hypotheses about the subject. Descriptive research is performed with a specific research question in mind. In this approach, a set view of the subject, population, market segment or problem is given (Exploratory research and descriptive research 2011). For the purpose of this study, both exploratory and descriptive research were used. The study is exploratory as it aimed to acquire insight and develop an understanding into which factors influence effective eWOM marketing. The study is descriptive as it describes these predetermined factors influencing effective eWOM marketing.

1.9.2 Population and sample

A target population is defined by Bryman and Bell (2011:176) as a group of objects or determinants relevant to the research project. The population for this study comprised of consumers in the Nelson Mandela Bay. A sample is defined as a subset of a population (Fowler 2009:4; Nardi 2006:109). Consumers within the Nelson Mandela Metropole were the sample for this study. A sampling frame is a list of sampling items forming a population from which a sample may be selected (Lohr 2010:3; Miller, Strang & Miller 2010:28).

There are two kinds of sampling methods which can be used to obtain a sample. These are probability sampling methods and non-probability sampling methods. Within probability sampling, every unit of the sampling frame has a chance of being selected as part of the sample, and this probability can be accurately determined. In non-probability sampling a sampling frame is not used and for this reason the probabilities of selection are unknown. (Miller *et al.* 2010:27; Nardi 2006:110-120). For this study the non-probability sampling techniques, convenience and snowball sampling were used. Creswell (2005:590) states that convenience sampling is a procedure in which the researcher selects participants that are conveniently available to be studied. Zikmund, Babin, Carr and Griffin (2012:353) state that snowball sampling involves the initial selection of respondents by probability methods, after which the respondents provide the researcher with additional respondents.

A sample of 400 consumer respondents was approached within the Nelson Mandela Metropole. Some of these respondents were conveniently selected including tertiary student and staff member consumers from the NMMU, forming the convenience sample. The other respondents were obtained from the snowball sampling as they included family and friends of the respondents. The questionnaires were also distributed to these consumers for completion.

1.9.3 Data collection

To determine the factors that influence the effectiveness of eWOM marketing, secondary and primary sources were used to gather data and information. Secondary research was conducted by researching websites, journals, textbooks and newspapers, in order to obtain information concerning the factors influencing successful eWOM marketing. These sources provided fundamental information and literature on establishing the necessary determinants influencing eWOM marketing's success. This information was used in constructing the questionnaire.

Primary data is collected empirically by means of questionnaires, surveys and interviews. For the purpose of this study, the researcher constructed a self-administered questionnaire to gather the required primary data. The empirical investigation quantitatively assessed and evaluated the influence of the four factors (independent variables) on effective eWOM marketing (dependent variable).

A self-administered structured questionnaire was the principle means of data collection, where the respondent, namely consumers in the Nelson Mandela Metropole were approached to complete the questionnaire. A five-point Likert-scale style was used in the questionnaire to obtain data pertaining to the four influential factors (independent variables) and effective eWOM marketing (dependent variable). The degrees on the scale of the questionnaire range from 'strongly disagree' (1), 'disagree' (2), 'undecided' (3), 'agree' (4), to 'strongly agree' (5). The questionnaire encompasses four major sections. Section A explores the sources of eWOM marketing used by respondents as a means to pass on information, as well as their favourite source. Section B explores the

factors influencing eWOM marketing by means of a 5-point Likert scale. Section C explores eWOM marketing and what encourages respondents' engagement in it by means of a five point Likert scale. Finally, Section D canvasses biographical data of the respondents using a nominal scale.

1.9.4   Data analysis

The computer programmes Microsoft Excel and Statistica Version 12 were used for the data analysis. Descriptive statistics including the mean, standard deviation and frequency distribution were used to analyse the biographical data. The correlations between the predetermined influential factors (independent variables) and effective eWOM marketing (dependent variable) were quantified through the use of Pearson Product Moment correlation coefficients (hereafter referred to as Pearson correlation coefficients). The final method undertaken to analyse the data was a multiple linear regression analysis, carried out to establish whether the formulated research hypotheses should be accepted or not.

From an ethics perspective, ethical considerations have been made for data collection and analysis and the Nelson Mandela Metropolitan University ethical clearance Form E was completed.

1.9.4.1   Validity and reliability

Validity is concerned with the degree to which the measure reflects the concept it has been designed to measure (Hair, Black, Babin, Anderson & Tatham 2006:113). Different approaches exist to determine if the measures one uses are valid. These include content-, face-, construct- and criterion validity (Nardi 2006:58-60). A pilot study of 30 respondents was conducted to determine the face- and content validity and initial reliability of the measuring instrument. Once data collection had been completed, an exploratory factor analysis was conducted to confirm construct validity to identify the underlying relationships between the measured variables. Here, a cut-off point of 0.5 was used meaning that a factor loading greater than or equal to 0.5 indicates that the item and factor is valid.

Reliability refers to the degree to which measures are without error and produce results which are consistent, and it is expected that different findings will not result each time the same measures are used (Cooper & Schindler 2007:321). Cronbach's Alpha correlation coefficients were used to determine the reliability of the instrument. Although coefficients of more than 0.7 are considered to be very reliable, 0.6 denotes fair reliability, according to Zikmund *et al.* (2012:302). For this study a coefficient of not less than 0.6 is regarded as reliable.

1.10   SCOPE OF THE STUDY

This study focuses on the Nelson Mandela Metropole which includes the city of Port Elizabeth as well as the neighbouring towns of Uitenhage, Despatch and surrounds. Through investigating the factors influencing effective eWOM marketing in the Nelson Mandela Metropole, a larger area as opposed to just the city of Port Elizabeth, it is felt that a more accurate set of conclusions can be made due to attaining empirical results from the respondents in different regions of the Metropole. Furthermore, the study was conducted amongst business owners within the Nelson Mandela Metropole.

1.11   PROPOSED STRUCTURE OF THE STUDY

Chapter One serves as the introduction to the study and includes the problem statement, literature overview, research objectives, research hypotheses and an overview of the methodology to be adopted in the study. Chapter Two focuses on eWOM and addresses issues such as the establishment of eWOM as a powerful source of marketing over recent years, and the resultant importance of this form of marketing in the business world at present. The factors influencing eWOM marketing are also discussed and elaborated on in this chapter. Chapter Three entails operationalisation of the factors to be tested in the hypothesised model. The methodology used in the study is discussed in Chapter Four and the empirical results reported on in Chapter Five. The final chapter, Chapter Six, presents the summary, conclusions and recommendations of the study.

CHAPTER 2
EWOM AND THE FACTORS INFLUENCING ITS EFFECTIVENESS

2.1   INTRODUCTION

Chapter One presented a discussion on the overall layout of the investigation. Insight into WOM as a marketing tool was provided in this chapter. As this study investigates the factors influencing effective eWOM marketing, it is important that eWOM communication and its role as a marketing tool is understood and that the factors possibly attributing to effective eWOM are explored.

While WOM has always played an important role in forming consumer opinions, over the past decade it has developed into an even more powerful force, due to a technology-driven expansion in the variety of informal communication channels available. The sharing of information and opinions is made easier than ever before as a result of e-mail, the internet, instant messaging and the like (Allsop *et al.* 2007:398). The advancement in information technology has, therefore, created fertile ground for eWOM communication.

The importance of eWOM, as a marketing tool, is realised when recognising the powerful force of eWOM communication on consumers, along with its ability to reach an extensive number of consumers through the many web tools available. The benefits and marketing potential of WOM will be elaborated on as well as the role of internet in eWOM. The forces driving social technology usage, as well as different types of social media that can be utilised for eWOM, is indicated. The chapter concludes with the factors which may possibly influence effective eWOM.

2.2   THE   ROLE   OF   WORD-OF-MOUTH   IN   MARKETING   COMMUNICATION

Word-of-mouth may take the form of traditional WOM or eWOM. Due to the advancement in information technology, traditional WOM has evolved into a new form of communication, namely eWOM communication (Cheung & Thadani 2010: 329). According to Molenaar (2011:225), WOM has always played an important part in the formation of people's opinions and has direct effects on

consumer behaviour, and can change a consumer's needs and attitudes, through informal interpersonal contact with another consumer.

The trend towards consumers generating their own forms of marketing communication is increasingly diminishing the power held by marketers to attract customers (Ahrens, Coyle & Strahilevitz 2013:1034). When it comes to 'marketer-dominated' communications such as branding and advertising, consumers, especially younger groups, are increasingly cynical. Businesses are increasingly considered less trustworthy, and their marketing communications are potentially less effective as a result. Being the ultimate WOM vehicle, consumers are empowered by consumer-generated media. Consumers have established a position of control with regards to online marketing communications through eWOM, leaving sellers to patrol the digital highway. A significant element of consumer-generated media is the sense of community created through the mutual exchange of information or ideas. The vast majority of online users now consider consumer-generated media to be the most trustworthy form of recommendation (Richardson, Gosnay & Carroll 2010:74).

In an effort to retain existing customers, as well as maximise new customer acquisition, marketers are confronted with the challenge of how to best apply new technologies to enable customer acquisition and retention (Ahrens *et al.* 2013:1034). This trend, suggests a marketer's need for the internet, to generate eWOM communication regarding a product, brand or service through consumer-generated media, in an effort to gain and retain customers. It also evokes the power eWOM has gained over traditional marketing. Keller (2009:141) affirms this power in stating that internet-based advertising is growing while traditional advertising media, such as television, radio, magazines, and newspapers, may be losing ground to the web. Miller (2012:8) further emphasised this view in stating the need for a business to invest in digital marketing to remain competitive. The significant advancement in technology has positively affected the way consumers use communications in the sense that rapid and efficient information exchange and interactivity is enabled (Miller 2012:7,9; Richardson *et al.* 2010:11). Such communications are largely attributable to social media.

2.3 THE INCREASING MARKETING POTENTIAL OF ELECTRONIC WORD-OF-MOUTH COMMUNICATION

Although eWOM has gained a high level of success as a marketing tool, there is always room for improvement. According to a Nielsen study published at the end of January 2010, consumers around the world increased 82% of their time spent on social networking sites (SNSs) in comparison to the previous year. More than five hours and thirteen minutes was spent on SNSs such as Facebook and Twitter. SNSs have become a phenomenon in the world (Solis 2010). Chu and Kim (2011:49) state that SNSs are an important part in the everyday life of internet users. The Pew Research Centre (2014) looked at the frequency of SNS users' activity and found that of the 71% of internet users on Facebook, 70% engage with the site daily (and 45% do so several times a day), a seven percent increase from those who did so in 2013. Furthermore, almost half (49%) of Instagram users and 17% of Pinterest users, engage with their respective platforms daily.

A significant 36% of Twitter users visit the site daily, and although the 13% of LinkedIn users who engage with the platform daily remained as is since 2013, the proportion of users who use the site weekly or less often increased significantly, meaning more users log on less frequently (Petrescu 2012:3). In addition, in March 2010, YouTube publicised on its blog that it reached a record number of hours of video uploaded per minute. With each minute, 24 hours of video footage was uploaded. Furthermore, at the beginning of 2011, Facebook was counting 500 million active users, with 50% of users logging in on the website every day.

EMarketer looked into the video footage aspect of social media and projected that the number of online viewers would increase to 188 million by 2013 (representing 85% of internet users), up from 135 million in 2008 (or just 70%). Further projections by the firm indicated that online video advertising in the United States would rise from $1.1 billion in 2009 to $4.1 billion in 2013, with spending towards online advertising rising from 4.3 percent to 11 % of the overall advertising expenditure (Tsai 2009). The above statistics confirm the

unlimited marketing potential for eWOM, beyond the success which it has already cultivated and suggest its promising future as a marketing tool.

Already in 2006 and 2008, it was clear that there is a promising future for eWOM marketing. Figure 2.1 depicts the differences in Rubicon's 2008 and Reigner's 2006 data values based on consumers' electronic purchase decisions, amongst others, buying movies. Reigner's "no touch retail" and "no touch services" category values are compared with Rubicon's "buying clothing" and "planning for a vacation" category values respectively. The last two categories compared are less meaningful, but can serve as indicators for future developments with regards to eWOM's influence in these respective categories (Heyne 2009:103-104).

Figure 2.1:   Rapid growth of eWOM influence between 2006 and 2008
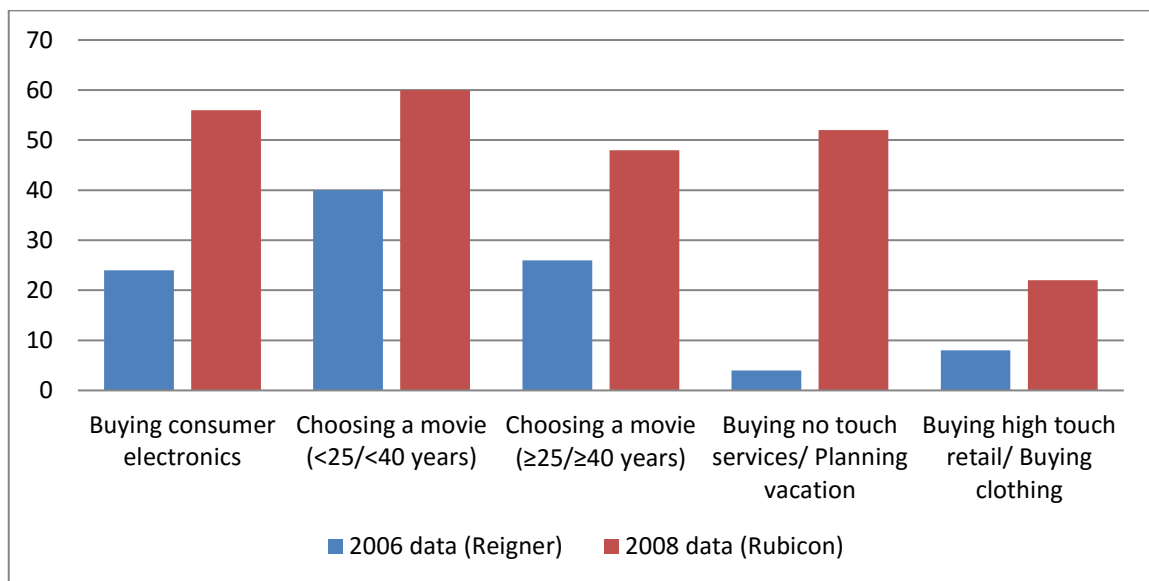
Source: Adapted from Heyne (2009:104)

When recognising the success eWOM has gained as a marketing tool already as far back as 2006 and realising the influence it exerts on consumers, it is apparent that eWOM has a competitive advantage over other forms of marketing. This competitive advantage is revealed through the benefits eWOM communication offers. The benefits of eWOM in comparison to traditional WOM are particularly significant. These benefits are attributable to the World Wide

Web and the internet itself. The role of internet technology in eWOM communication is discussed in the following section.

2.4 ROLE OF INTERNET TECHNOLOGY IN ELECTRONIC WORD-OF-MOUTH COMMUNICATION

This section explains the vital role played by the internet in eWOM. It covers the features inhibited by the internet that are highly beneficial to eWOM from a marketing perspective, forces that are driving social technology usage and lastly, how social media is utilised in eWOM.

2.4.1 The role of the internet in eWOM

The World Wide Web together with the internet, possess unique characteristics which distinguish it significantly from traditional commercial communication environments (Hoffman & Novak 1996:i). Furthermore, eWOM offers many different conveniences in comparison to traditional WOM, which result from the nature of the internet, being a communication platform. In the following sections these unique characteristics are highlighted.

2.4.1.1 Non-linear communication

To begin with, in comparison to traditional WOM communication which is linear, online WOM is a form of non-linear communication. In other words, eWOM possesses an interactive characteristic allowing for information to be sent back and forth between sender and receiver as opposed to one way communication (Huang, Cai, Tsang & Zhou 2011:1282; Robert 2013). This characteristic of interactivity, as well as eWOM's high capacity of reach, were regarded as the main benefits of online marketing leading to marketing efficiencies (Petrescu & Korgaonkar 2011:209; Rust & Oliver 1994:73).

2.4.1.2 Voluntary advertising

Another aspect which is significant in this context is the evolution of advertising from involuntary to voluntary. Consumer control, with respect to not only the media, but also the delivery process of advertising, is continually increasing (Keller 2009:142; Rust & Oliver 1994:74). The internet enables higher levels of

interaction, targeted communication, increased reach and better evaluation of the results, all at minimal cost (Petrescu & Korgaonkar 2011:209).

2.4.1.3 Twenty-four hour access

In addition to these beneficial features, Sankatsing (2007:27) considered some of the medium's most significant characteristics to be its 24-hour easy access to the most updated information, its global coverage, its availability of an unlimited amount and sources of information on products, brands or even competitors and its facilitating role in ordering, customising and paying for goods. Furthermore, marketers may also benefit from eWOM in the sense that, relative to offline environments; online discussion forums can provide not only a better environment for social interaction, but greater opportunity for marketers to manage WOM information (Huang *et al.* 2011:1282).

2.4.1.4 Availability of different communication platforms

Another beneficial characteristic of eWOM is the fact that it enables the availability of different communication platforms. These include posted review websites, mailbags, discussion forums, electronic mailing lists, personal e-mail, chat rooms and instant messaging (Schindler & Bickart 2005:38).

2.4.1.5 Anonymity

The internet also allows for anonymity of the eWOM communicator. In many instances, the eWOM communicator's identity remains unknown or is withheld due to use of a nickname. This anonymity encompasses three facets. First is the socio-cognitive facet, which refers to the ability of everyone to take part in the internet dialogue. Anyone has the ability to form part of the discussion at any point in time. In contrast to face-to-face group discussions, anonymity is not deemed impolite, but perceived as normal as most of those involved in the conversation are unknown to each other (Granitz & Ward 1996:161).

Authenticity is the second facet attributable to anonymity. Being anonymous allows for the communicator to deliver their genuine, unfiltered opinion without having to regard who it may offend, creating a setting in which ratings and discussions can be more positive or negative than in a real face-to-face

situation. Furthermore, the communicator's identity is not constrained by factors such as background, appearance, status, neighbourhood or workplace (Schindler & Bickart 2005:37). Protection is the final facet of anonymity. Those participating in internet dialogue can share their experiences and knowledge despite civil liabilities or industrial law consequences (Heyne 2009:21).

2.4.1.6 Unlimited people access

In contrast to WOM, eWOM can be accessed by an unlimited number of people for an unlimited period of time. This phenomenon is known as temporal consistency and makes eWOM highly referable. For example, incidents of product failures are placed on record and thus remain accessible indefinitely. eWOM, therefore, enables the comment to influence more receivers than originally targeted (Granitz & Ward 1996:161; Schindler & Bickart 2005:39). In this way the effect of eWOM is multiplied (Helm 2000:159). In this instance, the internet serves as disadvantageous as harmful eWOM cannot be removed. Electronic word-of-mouth is especially detrimental in the case of negative or (intentional) false eWOM (Heyne 2009:21).

In recognising the differences between traditional WOM and eWOM, it is clear that the internet has paved the way for a new marketing environment. This new marketing environment is driven by social technology usage.

2.4.2 Forces driving social technology usage

It is important that one has an understanding of the opportunity eWOM has presented to consumers, so marketers are aware as to how best to use eWOM to achieve the desired effect. This opportunity refers to the ability of consumers to connect with one another via social networks. Li and Bernoff (2008:9) have termed the social trend of connecting via social technologies the "Groundswell". This results in the content online being shaped largely by the users, meaning that users start getting what they need from each other, as opposed to traditional institutions like businesses. This social trend is attributable to the collision of the forces of people, technology and economics (Fyfe 2009:181; Li & Bernoff 2008:9-10). Maymann (2008:30) appears to be in agreement with these three major driving forces.

2.4.2.1 People as a driving force

People have always depended on and drawn strength from one another (Li & Bernoff 2008:10). This indicates the human desire to remain in contact with and support one another. The democratisation of information over the internet has enabled this opportunity as information can be communicated via social media, taking care of people's need to communicate and engage with others (Maymann 2008:30). The advent of social technologies has also served to decrease the general rebellion of people against institutional power through social movements like labour unions and political revolutions (Li & Bernoff 2008:10).

2.4.2.2 Connections between people as a driving force

Connections between people are fast and ever-occurring due to their online connectivity. Such ubiquitous connections facilitated by technology, have led to a different kind of software that is far more interactive and people-aware in the sense that it allows people to connect directly with each other all the time through applications like Facebook or MSN Messenger. However, as powerful as technology appears, it is merely an enabler, it is the fact that it is in the hands of almost-always connected people that makes it so powerful (Li & Bernoff 2008:10-11; Maymann 2008:30).

2.4.2.3 Economics as a driving force

The final driving force is economics. Traffic on the web indicates that consumers spend their time and attention online. Having recognised this, advertisers act to translate this attention into advertising power. It can thus be said that traffic due to time and attention spent by users online creates revenue. It is for this reason that Maymann (2008:1) refers to this force as the attention economy. By 2007, online advertising had reached a turnover of $14.6 billion in the United States alone and reached almost €7.5billion in Europe. Such success is achieved as a result of users being able to access information through media that can be consumed, when, where and how they want it (Li & Bernoff 2008:10-11; Maymann 2008:30). As long as this is possible, marketers will gain the attention of online users and generate the desired revenue.

All in all, the groundswell and its driving forces indicate the power held by consumers as a result of being able to connect with one another online, with regards to influencing the outcome which marketers of businesses wish to achieve. For example, Li and Bernoff (2008:12) state that brands may be under threat in the sense that consumers' perception of what the brand signifies may differ from that of the image being projected. The consumers then communicate their perception of the brand with one another and ultimately redefine for themselves' a brand that has spent millions on creating. In this way, social networks could become tools that are used to drive away customers. (Fyfe 2009:181; Li & Bernoff 2008:12).

The groundswell has thus changed the balance of power. The power is no longer in the hands of businesses marketing online, but rather in those of the consumers whom they reach (Li & Bernoff 2008:13). It is for this reason that it is essential to engage with and get inside the minds of consumers through participation marketing. Participation marketing should enable a better understanding of them and subsequently get them to communicate the business' ideas as hoped for. Ultimately, the consumers become actively involved in helping the business develop new products and services. By using eWOM to market in this way, the groundswell should be defeated (Li & Bernoff 2008:13; Rosenspan 2015).

A detailed discussion of the role of social media in eWOM communication follows.

2.4.3 Social media and electronic Word-of-Mouth communication

Internet-based advertising takes place through social networking using social media. Social media is the collective of online communication channels creating a domain for community-based input, interaction, content-sharing and collaboration (Rouse & Wigmore 2015). It encompasses a wide range of online WOM forums including blogs, business-sponsored discussion boards and chat rooms, consumer-to-consumer e-mail, consumer product or service ratings websites and forums, internet discussion boards and forums, moblogs (a mobile blog, which refers to a blog maintained through the use of mobile devices i.e.

sites containing digital audio, images, movies, or photographs), and social networking websites, to name a few (Howard & Rouse 2011; Mangold & Faulds 2009:358).

Social media has changed the power structure in the market place (Constantinides 2014:40). Mangold and Faulds (2009:357-358) consider social media to be a hybrid element of the marketing promotion mix, because, as in traditional forms of marketing, it enables communication between businesses and their customers, while in a non-traditional sense it enables customers to communicate directly with one another. In forming part of the promotion mix, it can thus be included as an essential part of a business' integrated marketing communications (IMC) strategy which serves as a guide for organisations to communicate with their target markets. Constantinides' (2014:40) study affirms social media's position in marketing in recognising its possible roles as part of the corporate marketing strategy and identifying various ways of engaging it as marketing tools.

The key social media activities in which consumers participate include blogs, user-generated content, social networks, forums, ratings and reviews. Such participation is made possible through websites and applications such as Facebook, Twitter, YouTube, the blogosphere, Instagram, TripAdvisor, Yelp and Epinions, to name a few. The websites and applications listed are seemingly most applicable for eWOM marketing. These social media activities and the websites/applications facilitating it, will be elaborated on below.

2.4.3.1 Blogs and user-generated content

According to Kerpen (2011:245) a blog is a website or part of a website featuring articles or entries displayed in reverse chronological order, therefore from most recent entry to least. The tools and software available today allow for one to create and edit text, audio, videos and other content on their personal computer (PC) and publish it on blogs or user-generated content sites. In this way, "bloggers" are able to express themselves and display their work which can then easily be viewed by other users online (Li & Bernoff 2008:19).

In order for the blog to be a success, valuable content must be provided for the target audience, entries must be made frequently (at least twice a week) and an interactive atmosphere must be established. Some of the best blogging platforms include WordPress, Tumblr, Posterous and Blogger. (Kerpen 2011:245). "Blogosphere" is the term used to describe the many interconnected blogs or user-generated sites on the internet collectively (Boswell 2014).

2.4.3.2 Social networks

Social network sites such as Facebook, Twitter, Instagram, LinkedIn, Pinterest and Youtube, enable their members to maintain personal sites by creating and making use of a "profile" or "account". These networks make it possible for users to connect and interact with one another (How LinkedIn can help you 2015; Kavulla 2012; Li & Bernoff 2008:21).

a)   Facebook

Facebook and Twitter are two of the most established social networks existing. The connection between members is established through what is known as "friending" on Facebook (Kerpen 2011:228, 235). Facebook membership is obtained through signing up for a free account and creating a profile. One can then find other members through the Facebook directory to connect with people they know. Once connected, you are able to communicate with other members, upload pictures, post Youtube videos, share blog- or Twitter feeds, join Facebook groups that appeal to you or create your own group (Facebook review 2013; Gunelius 2015). This social network provides business marketers with the opportunity to make use of eWOM and connect and engage with the target audience via Facebook (Kerpen 2011:228, 235).

b)   Twitter

The connection between members is established through what is known as "following" on Twitter (Kerpen 2011:228, 235). With regards to Twitter, after signing up and creating a Twitter account, the user is able to construct messages consisting of 140 characters, called tweets. One can start off by finding and following other Twitter accounts of interest. Tweets of the accounts followed will appear on the user's home page for reading (Getting started with

Twitter 2015). Hashtags, denoted with the "#" prefix, are included in tweets, allowing twitter users to recognise trends and participate in the conversation through "tweeting" using the particular hashtag (Sturk 2014). This social network provides business marketers with the opportunity to provide consumer insight, customer service and real-time communication via Twitter (Kerpen 2011:228, 235).

c) Instagram

Instagram, an image and video clip sharing application allowing users to assign filters to images and share these images or videos with those following their account, can also be used by business' marketers to diversify ways in which prospects and customers conceptualise the business' brand (Good 2013). Instagram is a social network where you can use images to share any moment of life with your friends. It is the first social platform created specifically for mobile devices. This social network stands out because it is fast and easy to use. You just take a picture, add filters, add a title, and share; that's how easy it is to use Instagram (How to Create an Instagram Account 2016).

d) LinkedIn

LinkedIn is a professional network aiming to connect professionals around the world in order to contribute towards their productivity and success (How LinkedIn can help you 2015). Once their professional profile has been set up, they can build their professional identity online, reconnect with colleagues and classmates, locate other professionals in the same industry, and discover career opportunities and new ventures (What is LinkedIn? 2013).

e) Pinterest

Pinterest can be described as "a visual bookmarking tool that helps you discover and save creative ideas" (All About Pinterest 2016). It allows you to "pin" things online, in the same way that you would on a real life bulletin board (Andrews 2012; Kavulla 2012). Pins can be described as little bookmarks people add to Pinterest that always direct you back to the sites they came from. These "pins" could include quotes, recipes or other images (Andrews 2012). Once an account is created, all that you "pin" will be saved on your account for

access at a later stage. One can also follow friends on Pinterest and "repin" things that they have already "pinned". When looking for inspiration you can also look through a live feed of "pinnings" done by other Pinterest users (Kavulla 2012).

f)   Youtube

Finally, Youtube is a video sharing website on which users can upload, view and share videos. Although one may post videos of any kind, including tutorials or entertainment related videos, this website is especially advantageous for businesses allowing them to showcase their corporate culture, products and services, and expertise at a low cost. In this way, when people search for keywords related to the business, these videos will appear (Feldman 2007; Kerpen 2011:238-239).

2.4.3.3 Forums, ratings and reviews

Forums, ratings and review sites have also made their appearance online. Users of these sites are able to post comments, questions or may respond to comments made or questions relayed by other users (Li & Bernoff 2008:26). Forums specific to almost any topic are available on the web. Examples of review and rating sites include TripAdvisor, a review site for travel; Yelp, a review site for restaurants and other local service providers which can be used as a search engine to assist online users in finding the best local businesses; and Epinions for almost anything (Heyne 2009:40; Kerpen 2011:249; About Us, 2016).

Another site offering review and rating features is Google My Business," a free and easy-to-use tool for businesses, brands, artists, and organisations to manage their online presence across Google, including Search and Maps." Through verifying and editing the business' information, customers can find the business and discover its story. The business can also keep customers in the know by posting photos showing off what they do. Customers are also able to provide reviews and ratings which the business can then respond to. Businesses could also get listed on "Yahoo! Local" which provides a

comprehensive business directory complete with ratings, reviews, maps, events and more (Google My Business Help 2016; Get listed on Yahoo! Local 2007)

In addition to the above, the business could join "GetFiveStars", the online platform which integrates 45 online review sites including Google, Facebook, Yelp, TripAdvisor and Foursquare. This powerful platform enables businesses to obtain customer feedback, measure their Net Promoter Score and is a means to encourage online reviews (GetFiveStars 2016). GetFiveStars is an automated platform that starts with just the customer's email address and completes the rest of the process for the business (How it Works 2016).

Users share their experiences with brands, products or services on these sites. Apart from these sites which are made particularly for sharing reviews and ratings, built-in review and rating functions are available on shopping sites such as Amazon, for example (Heyne 2009:40).The view of traditional marketing losing ground to eWOM marketing is further strengthened in recognising the role played by social media. This view reveals the significant influence eWOM must have on consumers' purchasing decisions.

2.4.3.4 Comparison of popularity of social media sites

Figure 2.2 displays the percentage of American online adults (internet users 18 years and older) making use of the social media sites Facebook, LinkedIn, Pinterest, Instagram and Twitter, by year, from 2012 to 2014 (Pew Research Centre 2014).

Figure 2.2:   Social media sites 2012-2014
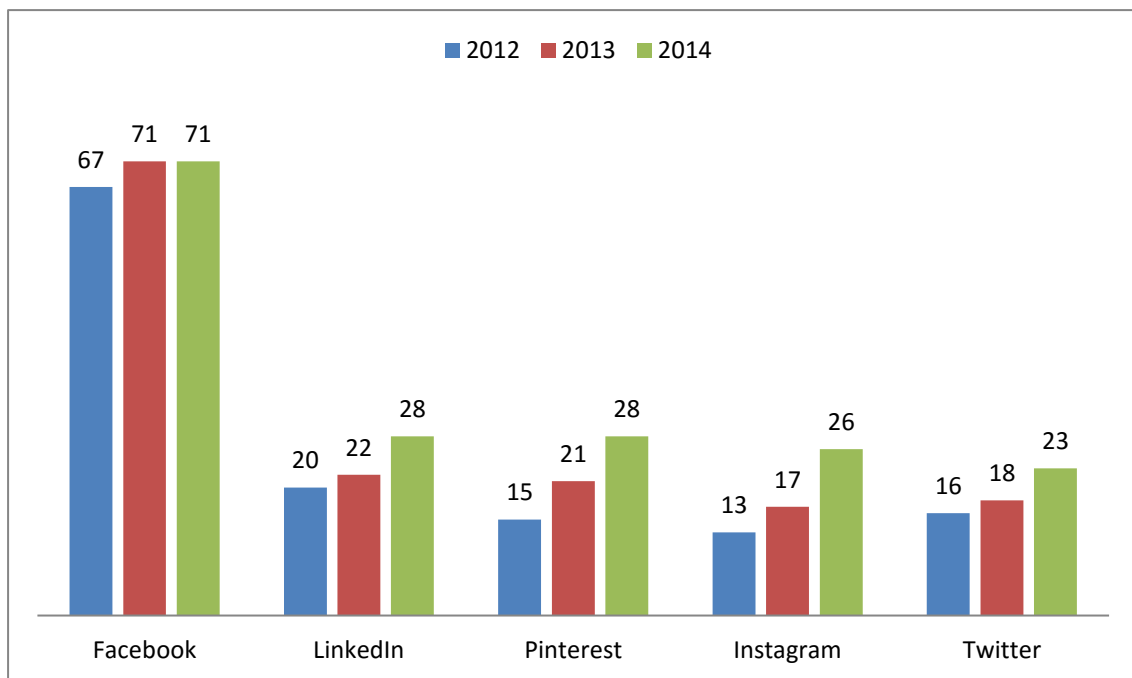
Source: Pew Research Centre (2014)

From Figure 2.2, it is evident that Facebook is by far the most popular social media site in America. Although it has not experienced growth between 2013 and 2014, Pew Research Centre (2014) states that the level of user engagement with the platform has increased. The remaining social media platforms saw significant increases since 2012 and 2013, more so from 2013 to 2014, in the proportion of online adults who are now using their sites.

Table 2.1 shows the adult usage figures of the five social media platforms in 2014 as a proportion of the total American adult population. Similar trends have been observed in South Africa.

Table 2.1:   Social media users among adults in 2014

Social media site	Percentage of adults using
Facebook	58
LinkedIn	23
Pinterest	22
Instagram	21
Twitter	19

Source: Pew Research Centre (2014)

The usage figures of the five social media platforms indicated in Table 2.1 are presented as a proportion of the total American adult population. It is once again evident that Facebook is the most popular social media site in America as depicted in Table 2.1. The percentages presented for the remaining social media sites indicate that a number of Americans make use of other sites as well.

When taking into consideration the figures presented in Figure 2.2 and Table 2.1, which show the increase in social media usage by year and the percentage of persons using social media respectively, its popularity is evident. This affirms the role played by social media in eWOM marketing and reinforces the fact that eWOM must have a significant influence on consumer's purchasing decisions. In the next section an indication is given how to engage consumers in this new marketing environment.

2.5   ENGAGING CONSUMERS IN THE NEW MARKETING ENVIRONMENT

In recognising the shift in the balance of power, marketers have to work through consumers to defeat the groundswell. This would mean, attempting to better understand consumers so as to use eWOM to conquer the groundswell.

2.5.1   EWOM and its effect on consumer buying behaviour

The extensive capacity reach of eWOM communications and the high level of acceptance shown by consumers suggest that eWOM exerts a considerable influence on consumer buying and communication behaviour, and, consequently, on the success of product sales in the market (Sussman & Siegal 2003:47). Hsu and Tran (2013:22) suggested that online communication or social networking services could significantly influence consumers' brand perceptions and purchasing decisions due to consumers finding more information, insight and opinions from the trusted sources prior to brand or product choice selection. Along with the extent of information, insights and opinions available online, comes the aspect of trust.

2.5.1.1 Trust of online environment

For eWOM to yield the influence on consumers that it seemingly does, consumers must exhibit a high level of trust in eWOM in comparison to other marketing forms. As stated by Lusky (2012), according to a Nielsen study (a global provider of insights about consumer watching and buying preferences), 70% of consumers worldwide trust online reviews, while only 47% believe traditional broadcast and print advertisements. The same study determined that consumer trust of online reviews has increased by 15% between 2008 and 2012. In terms of traditional marketing, however, the believability of paid television, newspaper and magazine advertisements had declined. Murphy and Auter (2012:1) affirm this decrease in stating that the credibility, which speaks to believability, of traditional news media has displayed signs of decline. Such figures suggest the potential for online marketing to become even more widely used and consequently, becoming more influential.

With the advent of the internet, Web 2.0 applications and social media, a new marketing environment has transpired (Heyne 2009:27-28). As indicated above, the internet avails many advantages over traditional WOM when it comes to eWOM marketing. Although marketing would seemingly be more effortless in this new marketing environment, this new marketing environment brings with it the task of pursuing new marketing techniques to best market a product, service or brand and amplify eWOM's effect. These marketing techniques will be explained and compared with those used in the traditional marketing environment.

Traditional WOM marketing took place in the conventional marketing environment where the technique of push marketing was used. The three I's of marketing as depicted in Figure 2.3 can be used to describe formerly used marketing techniques (Heyne 2009:27; Maymann 2008:69; Sundar 2006).

Figure 2.3:   The three I's of marketing
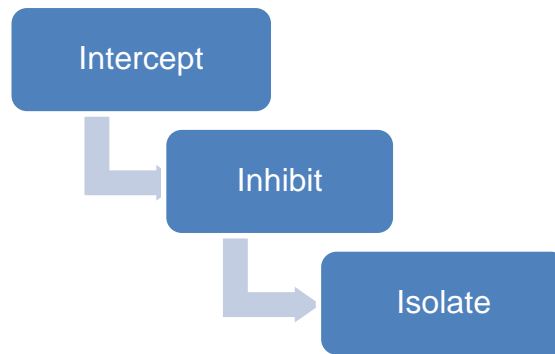
Source: Adapted from Heyne (2009:27); Maymann (2008:69)

In the intercept phase the message is relayed to the targeted customer as often as you can find them (Maymann 2008:69). According to Heyne (2009:27), in the inhibit phase the ability of the customer is restricted to only engage with vendors of similar products or services and when the isolate phase is reached, a direct relationship is formed with the customer, excluding all third parties.

Over time, this approach to marketing has changed dramatically as the importance of relationship management has been realised. The new marketing environment resulting from the use of the internet and social media, aids marketers in building strong customer relationships in an effort to make the customer their focus as opposed to the product or brand. In order to provide customers with the attention they require and gain their attention in return, the three As of attention can be used (Koch 2007; Maymann 2008:69; Weinberger 2006) as shown in Figure 2.4.

Figure 2.4:   Three As of attention
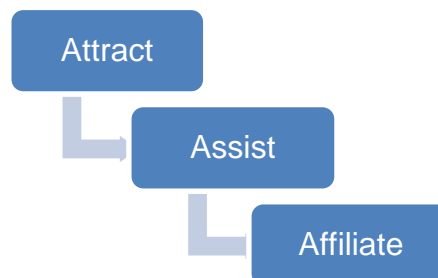
Source: Adapted from Koch (2007); Maymann (2008:69); Weinberger (2006)

As can be seen in Figure 2.4, in the first phase (attract) a situation is created whereby the business makes customers want to seek the business out (Koch 2007). In the second phase (assist) customers are not provided with irrelevant information, but rather helped to develop an understanding of both pre- and post-purchase occurrences and their concerns are seen to (Maymann 2008:69). In the last phase (affiliate) the business finds other services and values to provide to customers, tailored to their individual needs (Weinberger 2006).

The change from the "Three I's" to the "Three A's" represents a transition from product-centric brands where promises are made regarding products or retailers, to customer-centric brands which promise an understanding of the individual customer with the aim being to meet individual customer needs in the best way possible (Maymann 2008:69). In other words, customer-centric brands promise that through giving customers the attention they demand, they will provide a better return on that attention than anyone else (Hagel 2005).

Although the need for a customer-centric approach has been identified and marketing techniques for the new marketing environment communicated, many businesses still have to work towards applying these new techniques. This requires switching from the techniques of push and pull marketing, to participation marketing. Push marketing refers to providing traditional content and commercial advertising, and pull marketing entails delivering value adding content as an incentive to engage the audience, encourage a response and thus achieve interactivity (Maymann 2008:12).

2.5.2 Participation marketing

Participation marketing is about encouraging internet users to take part in the business's digital campaigns. At the same time, it is just as much about the business' brand participating in the online experience (Wegert 2010). Henshaw (2009) outlines participation marketing as a five step process as illustrated in Figure 2.5.

Figure 2.5:   Participation marketing process
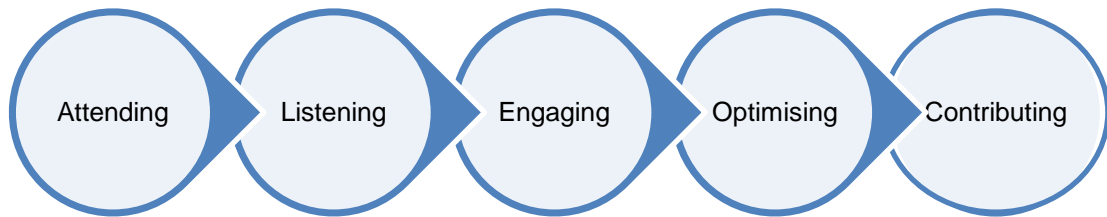
Source: Adapted from Henshaw (2009)

According to Henshaw (2009), *attending* refers to participating by simply being present. One can "attend" by joining social networking groups, discussion forums, chat rooms, and private networks.   *Listening*, achieved through *attending,* involves listening to what is said in forums and groups; and paying attention to what customers are saying they want and need to enable better communication of the business' intended message. *Engaging* involves asking questions, leaving thoughtful comments on blogs, starting and taking part in discussion threads, reaching out to thought leaders for advice and opinions and making one's self easily accessible on behalf of the business so people can reach out and engage directly with you, for example, via Twitter or Facebook. *Optimising* and growing the business' contacts means following up and maintaining engagement with them. This can be carried out via email, mobile applications, Twitter and more. Optimisation of the site can be achieved through improving navigation, labels, and site structure. One should continuously test and improve lead capture flows, and make an effort to provide more compelling content.   *Contributing* is the final step in this marketing process and can be done by means of guest blogging, blogging on the business' own website about case studies and research, and conducting free educational webinars.

According to Maymann (2008:12), consumers are increasingly turning to the web to assist them in selecting products, brands and services and as a result, engage with their peers to a greater extent in sharing and discussing online. This is a display of participation marketing as businesses market their product, brand or service via the internet and social networks and engage with the

customers, bringing about discussion among peers. Li and Bernoff (2008:69) affirm participation marketing's importance in proposing that talking is the new marketing and stating that it reveals the change from outbound push communication with the customer, to participation and the stimulation of two-way conversations between consumers. In this way businesses are able to recognise their audience and gain the necessary insight regarding their needs and wants, allowing consumers to become involved in creating their own product or service offerings (Balter 2008:9).

The above discussion indicates that being able to use eWOM as a result of the internet and social networks, makes participation marketing easier to carry out and seemingly makes marketing more efficient and effective. Electronic word-of-mouth thus encourages those businesses that are still making use of old marketing techniques, to make the fundamental shift from push and pull marketing, to participation marketing. The insight provided above also points out how more and more consumers are turning to the internet to assist them with their decisions regarding products and services and subsequently communicating about them online. This signifies the increasing demand for eWOM and the declining effectiveness of traditional marketing messages.

However, with this great reception of eWOM, come consequences for marketers. Electronic word-of-mouth marketing is no longer just WOM marketing on the internet; and thus calls for a new understanding regarding consumers and their motivation to use technology to post eWOM messages.

2.5.3 Consumer motivation to post eWOM messages

On understanding the effect that consumers can create with eWOM communication, the need for consumer-generated eWOM messages is made known. For this reason, consumers' motivation to post eWOM messages, as well as read consumer-generated content, will be discussed below. Understanding why people engage in eWOM communication might reveal pointers which could help encourage consumers communicating online to post positive eWOM messages.

According to Sernovitz (2006:12), three basic motivators drive WOM conversations as can be seen in Table 2.2. These motivators would drive consumers online to communicate using eWOM in the same way.

Table 2.2:   Motivators of eWOM communication

Source of motivator	Resulting motivator
The business and its products	• Consumers love the business and its "stuff" • Consumers dislike the business • The business has given consumers something to talk about • The business has made it easy for consumers to talk about the business
The communicator of the message: Makes the communicator feel good	• Consumers feel smart • Consumers feel important • Consumers want to help people • Consumers want to express themselves
The group: Consumers feel connected to the group	• Consumers are part of the brand family • Consumers belong to a community • Consumers are part of a team

Source: Adapted from Sernovitz (2006:12)

From Table 2.2, it is evident that the feeling resulting from or brought about by the sources mentioned, manifest as motivators of eWOM communication. This trend of feelings is continued in the motivators explained below.

2.5.4 Electronic Word-of-Mouth communication motivators

A study by Hennig-Thurau *et al.* (2004) provided a more theoretical based approach to the motivations of eWOM communication. A number of utilities were identified as benefits for engaging in eWOM communication on web-based consumer opinion platforms, some of which are parallel to Sernovitz' (2006:12) motivators. Sernovitz' (2006:14-15) WOM engaging motives of feeling smart, feeling important, wanting to help people, and wanting to express themselves are parallel to Hennig-Thurau *et al.* (2004) approval utility motive as they all yield self-enhancement. According to Kotler *et al.* (2010:6), Abraham Maslow assists in identifying the trend in the motivators of eWOM communication mentioned above, through what is known as Maslow's needs hierarchy. Maslow recognised that individuals always want what they do not have, and that motivation results from an individual's want to satisfy these needs. Motivation

reduces once a specific need has been fulfilled, therefore, new needs must surface to bring about motivation. In the following sections these utility and needs motivators are discussed.

2.5.4.1   Utilities as electronic Word-of-Mouth motivators

The five different utilities that can act as motivators for eWOM are highlighted in the next sections.

a)   Focus-related utility

Focus-related utility refers to the utility that the consumer attains on adding value to the community by their contributions. This utility is based on the assumption that "adding value" to the community is an important goal of the individual. Four motives falling under focus-related utility were identified. These include *concern for other consumers*, *helping the company*, *social benefits* and *exerting collective power over a company* (Hennig-Thurau *et al.* 2004:42). The motive of *concern for other consumers* falling under focus-related utility, is parallel to that of Sernovitz' (2006:12,15) motive of *the want to help other people*. Sernovitz' (2006:15) states that some people are so passionate about what they know that they want others to share in their product, brand or service enjoyment. It upsets them to see someone purchase the wrong brand and have to stick with an inferior product post-purchase.
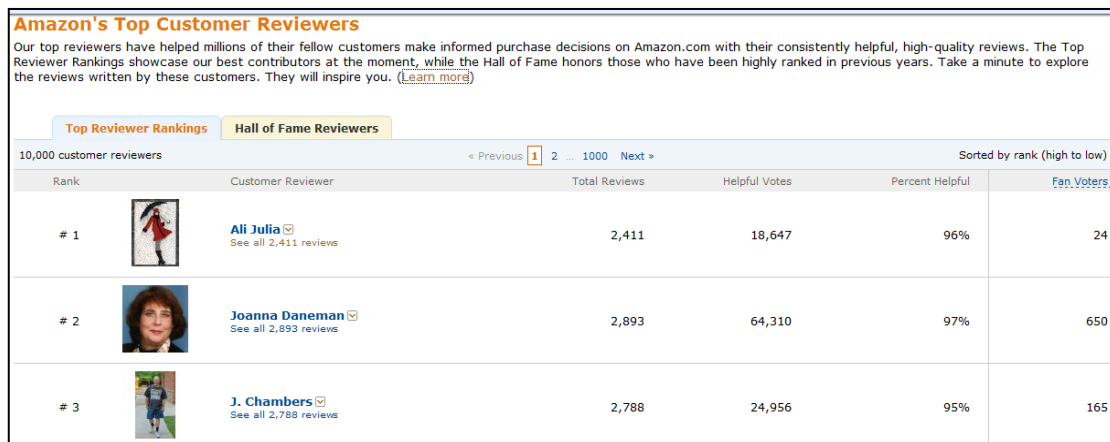
b)   Consumption utility

Consumption utility refers to consumers gaining value by direct consumption of the contributions of others (Aardenburg 2013:11). It is a post-purchase advice-seeking motive concerned with attaining the skills necessary to better understand, use, operate, modify, and/or repair a product. This eWOM engagement occurs through reading product reviews and comments written by others which motivate consumers to post comments about their product experiences and solicit problem-solving information from others. (Hennig-Thurau *et al.* 2004:42-43).

c) Approval utility

Approval utility is concerned with a consumer's satisfaction that results when others consume and approve of their own contributions (Johnson, Liljenberg & Dahlgren 2015:7). Matta and Frost (2011) identified two motives that are associated with approval utility. *Economic rewards* refers to the remuneration received by the eWOM information provider from the platform operator in certain instances, while *self-enhancement* is brought about by one's desire for positive recognition from others (Tong, Wang, Tan & Teo 2013:562). It can be assumed that the WOM communicator will not contribute without receiving a reward in return. This applies to eWOM in the same way. Matta and Frost (2011) identified that this reward could be in the form of informal feedback from a user where they praise the contributor's contribution, or formal feedback where "contribution rankings" are given by opinion platform operators as is the case of Amazon.com. Information on "Amazon.com's Top Customer Reviewers" is provided in Figure 2.6.

Figure 2.6:   Amazon.com's top customer reviewers

Source: Amazon's top customer reviewers (2014).

Figure 2.6 is a representation of approval utility in the sense that reviewers are provided with both informal and formal feedback. Informal feedback is provided in the form of, "Helpful Votes", given by other users online in the case that they find the review helpful. Formal feedback is indicated by "top reviewer rankings" which are determined by the platform operators based on the overall

helpfulness of all their reviews, factoring in the number of reviews they have written (How ranking works 2014).

d) Moderator-related utility

Moderator-related utility results when the act of making a complaint is made easier for the consumer by a third party. In the case of a web-based opinion-platform, this would involve the platform staff interacting with a business on behalf of the consumer. Two eWOM communication motives identified to be associated with this utility are *convenience* and *problem-solving support*, enabled by the platform operator (Aardenburg 2013:12). Social media such as Twitter make the complaint process of the consumer more convenient and offer the problem-solving support needed (Dugan 2012). Through the platform operator, who forwards complaints to the business, consumers are able to express dissatisfaction with low financial and psychological risk and the need for other third party institutions such as attorneys, advocacy groups and news media, is eliminated (Hennig-Thurau *et al.* 2004:44).

e) Homeostase utility

Homeostase utility is based on the view that people have a basic desire for balance in their lives. According to the balance theory, individuals will work towards restoring equilibrium once their previously balanced state becomes unbalanced. The two motives identified to be associated with homeostase utility are *expressing positive emotions* and *venting negative feelings.* This is due to imbalance resulting from either a strong positive or negative purchase experience (Johnson *et al.* 2015:10)*.* An unbalanced state would be particularly common for those with a low level of emotional stability as they experience emotions more negatively and more intensely. Furthermore, such individuals struggle to regulate their emotions internally by themselves (Buechel & Berger 2012:7).

Posting a comment on an opinion platform can thus restore imbalance. In the case of a successful purchase experience, individuals express positive emotions attributable to the experience to reduce the psychological tension within, resulting from a strong desire to share the joy of the experience (Hennig-

Thurau *et al.* 2004:44)*.* Venting negative feelings attributable to unpleasant purchase experiences can help lessen the frustration and reduce the anxiety associated with the event (Buechel & Berger 2012:6).

2.5.4.2   Maslow's needs hierarchy

Five main categories of human needs were identified by Maslow. These needs form a hierarchy of importance which individuals strive to satisfy (Kotler *et al.* 2010: 6). In other words, the lower needs are those most essential, they form the foundation, and those higher are less essential. The categories of needs include (McLeod 2014):

- Physiological needs fundamental for a human to survive, for example the need for food, water, sleep and heat;

- Physical shelter and the need for psychological security and stability falls within the need for safety;

- The need for love, acceptance and friendship from other people can be described as the need for belonging and love;

- Esteem needs relate to a person's self-esteem and self-respect as well as respect, recognition and appreciation from other people; and,

- The ultimate motivator and highest level need is self-actualisation which is the individuals' need for self-fulfilment by achieving their full potential.

Individuals will only be motivated to satisfy the following higher level need once the lower order needs have been satisfied (Schultz & Schultz 2010:183).

When taking Maslow's needs hierarchy into consideration, along with the motivators of eWOM communication stipulated, one can see that these motivators speak specifically to the three last needs in Maslow's needs hierarchy, including belonging and love, esteem and self-actualisation. Therefore, one can deduce that online users with needs falling within the three last categories of Maslow's needs hierarchy are likely to be motivated to communicate via eWom. This corresponds with the findings of Sernovitz (2006:12) that feelings manifest as motivators as a result of needs to be

satisfied. However, these feelings must result in a motivation to read the eWOM message.

2.5.5 Motivation to read electronic Word-of-Mouth messages

In continuing to attempt getting inside the minds of consumers to essentially improve the effect of eWOM on consumers, the section to follow will look into what motivates consumers to read eWOM messages. These motives are important as online marketers need to be aware as to what motivates consumers to read eWOM messages to enable the provision of relevant eWOM content, before considering what can be done to ensure that eWOM is effective in terms of consumers adopting it and having it affect their buying decision. Schindler and Bickart (2005) as well as Hennig-Thurau and Walsh (2003) took a look at what drives consumers to read eWOM and their findings appear to be in parallel. The motives identified and discussed below are:

- Risk reduction;
- Learning about new products and how to consume it;
- Dissonance reduction;
- Receiving rewards, and
- Belonging to a community.

The first motive is based on risk-reduction. Schindler and Bickart (2005:39) refer to risk reduction as a basic motive for consumer's to attend to eWOM and state that it is expected that along with reducing decision time and effort, eWOM could possibly contribute towards the attainment of a more satisfying decision outcome. With regard to the second motive, curiosity and novelty-seeking are the reason behind consumers' need to learn what products are new in the marketplace, and driving them to read eWOM messages (Hennig-Thurau & Walsh 2003:54). It was also implied that consumers read product-related eWOM on opinion platforms in order to evaluate the product as well as its associated social prestige, to determine their social position. Vimaladevi and Dhanabhakaym (2012:92) affirm that social benefits are also one of the aspects motivating consumers to read eWOM messages.

Shindler and Bickart (2005:40) support the dissonance reduction motive for reading eWOM messages in stating that consumers read online contributions as a result of their desire to decrease dissonant cognition and increase cognitive consistency. Cognitive dissonance arises when consumers experience post-purchase concerns as a result of an uncertainty surrounding their purchase, relating to information regarding the alternative offers they have rejected (Jobber & Fahy 2006:63). It was further noted that this incongruence may also be the result of conflicting information from other sources such as a friend's recommendation compared to an advertisement. Incongruence can be reduced by neutral or unbiased information that confirms the consumer's assessment of a consumption situation or the soundness of their choice. As online opinion platforms offer unbiased information on a variety of products, consumers may read eWOM to reinforce their decisions or to boost their confidence regarding the views they already have (Schindler & Bickart 2005:40).

Many online opinion platforms reward consumers, either directly or indirectly for reading their contributions. Numerous psychological studies reveal the motivational character of monetary incentives. Yoo, Sanders and Moon (2013:670) state that economic incentives serve as motivation for eWOM contributions as opposed to reading and usage of eWOM, Bronner and de Hoog (2011:17) state that there may be similar motivations behind contributing information and reading and utilising information and vice versa. One can therefore surmise that Yoo *et al.* (2013) are in agreement with remuneration as a motive for reading eWOM.

The community membership motive arises from applying social-psychological internet-related community research to readers of contributions, who become members of an online user community (Hennig-Thurau & Walsh 2003:54). Becoming a member of an online community, which involves the exchange of product opinions, is usually the result of an intrinsic motivation. Schindler and Bickart's (2005:46) found that informants use online discussion forums in an effort to find a community of consumers sharing similar concerns and product interests. This motive can thus be expressed as belonging to a community.

One of the reasons for investigating what motivates consumers to post and read consumer-generated eWOM was an attempt to have a better understanding of consumers as they are largely influential in developing the views of other consumers. The all-encompassing reason, however, is due to the powerful effect of eWOM itself. The influence held by consumers and marketers online would not be that which it is without the internet and eWOM. The importance of eWOM increases as growth in access to and usage of the internet continually takes place (Schindler & Bickart 2005:35). Taking eWOM's effect into consideration, along with the growth of internet usage, the question of what makes eWOM effective in terms of it impacting on consumers' buying decisions comes to the fore.

2.6   FACTORS INLUENCING EFFECTIVE EWOM

Considering the role of eWOM in marketing and the power it has gained regarding consumer decision-making over time, it is important that the factors influencing effective eWOM are identified and understood. Electronic word-of-mouth can be seen as "effective" in the case that it is influential in establishing a high chance of the receiver acting on the eWOM provided. The factors that are likely to increase the chances of a receiver acting on eWOM will be elaborated on below.

2.6.1 Credibility (source and message)

Flanagin and Metzger (2008:8) state that credibility refers to the believability, of a source or message, encompassing two primary dimensions of trustworthiness and expertise. Whether the source is credible can thus be determined by considering the message source's perceived ability (expertise), as well as the source's motivation to provide information which is accurate and truthful, in other words trustworthiness (Cheung & Thadani 2010:334).

Cheung, Luo, Sia and Chen (2007:71,76) explained that the online user will adopt information from a review and use it for making purchasing decisions in the case that the product comment/advice is perceived as credible. On the contrary, if the product comment/advice provided is perceived as less credible, the individual will not take the review into consideration in order to avoid

possible risks. Trustworthiness and reliability as an information source were identified as factors associated with the sender that contributed towards effective WOM (Sweeney *et al.* 2008:351-352).

2.6.2 Experience of online review usage

Park, Wang, Yao and Kang (2011:75) state that online shoppers who frequently use online reviews are more willing to use and act on the information provided in the online review. Cheung and Thadani (2010:337) have also identified that prior knowledge of the review platform (e.g. discussion forum) affects the impact of eWOM on the consumer, thus supporting the belief that one's experience of online usage is a factor influential in achieving effective eWOM.

2.6.3 Customer susceptibility to interpersonal influence (CSII)

According to Iqbal and Ismail (2011:56), CSII involves the need to identify or enhance one's image with significant others. Customer susceptibility is revealed through the acquisition and use of products and brands, the willingness to conform to the expectation of others with regards to their purchase decision, as well as the services used as a result of observing others or seeking information from others. It is further said that a significant factor responsible for an individual's behaviour is the influence of other individuals such as the use of prominent/attractive spokespersons for product endorsement.

Mourali, Laroche, and Pons (2005:307) found support for a positive relationship between consumers' informational susceptibility to interpersonal influence and a preference for personal sources when seeking product-related information. This suggests that the more easily a consumer is influenced, the more they favour WOM sources when acquiring product-related information (Frederix 2008:25). Having been received from personal sources, the information is trusted to be accurate. However, when taking into consideration the ease with which WOM can be accessed on the internet and the low cost of finding information, it is suggested that such benefits may outweigh the possible disadvantages perceived by consumers. It is thus considered that consumers who are highly

susceptible to interpersonal influence are more likely to be affected by eWOM (Park *et al.* 2011:75).

2.6.4 Message content characteristics

According to Bughin *et al.* (2010), what is said by the source is the primary determinant of WOM impact. Across most product categories, it was found that important product or service features must be addressed in the content of the message if it is to influence consumer decisions. In other words the information needs to be relevant. Relevance refers to how applicable the message is and the extent to which it is useful for decision-making (Cheung & Thadani 2010:335). Although marketers have the tendency to build campaigns around emotional positioning, Bughin *et al.* (2010) found that consumers actually tend to talk and generate buzz about functional messages creating what is known as buzz marketing. This can be described as the amplification of marketing messages by third parties (Peltavuori & Westrin 2014:3,9).

In addition to the content of the message, Sweeney *et al.* (2008:356-357) explained that the way in which the message is delivered and the nature of the message also impacts on WOM effectiveness. This refers to the richness of the message and how vividly the message is portrayed. Such vividness is revealed through the usage of wording which enhances the WOM response. Although both of the studies above focused on traditional WOM, one can surmise that all of the above information applies to eWOM in the same way, as it speaks to the content and characteristics of the message provided as opposed to focusing on the channel through which it is provided.

Many other message characteristics can be taken into consideration, such as argument quality, timeliness, accuracy and comprehensiveness. Argument quality refers to the persuasive power of the argument within an informational message (Bhattacherjee & Sanford 2006:811). Timeliness is concerned with whether the information relayed is current, timely, and up-to-date. Accuracy refers to the reliability of the message/argument which signifies the online user's perception that the information is correct (Wixom & Todd 2005:90-91). Comprehensiveness is concerned with the completeness of the message

(Cheung & Thadani 2010:335). All of these aspects affect the response of the user and thus contribute towards eWOM's effectiveness.

Consistency between one's existing knowledge and the information online is important when it comes to eWOM communication. This is because message content which is aligned with one's previously held understandings and beliefs could enhance eWOM's effect and prevent one from being sceptical about acting on the information (Cheung *et al.* 2007:73). Features of the recommendations available online such as the recommendation consistency and recommendation rating also play a part in achieving effective eWOM. The extent to which the current eWOM recommendation regarding a product or service is consistent with that of other contributors' online, would affect eWOM's effectiveness, again highlighting the importance of consistency in this regard (Cheung & Thadani 2010:336; Sweeney *et al.* 2008:356). The overall rating on an eWOM recommendation current review given by other online users would also influence effective eWOM. Therefore, the higher the ratings, the greater the chance of eWOM being effective (Cheung *et al.* 2007:73-74).

In addition to recommendation ratings, websites are available where online users are provided the opportunity to rate reviews, services or postings on online discussion boards (Cheung & Thadani 2010:336). Such ratings would apply to one's purchase decision and thus influence effective eWOM in the same way. The orientation of the review, style or use of visual cues such as images posted by reviewers, is also seen as an influential attributes.

2.6.5 Homophily

Homophily refers to the degree to which individuals who interact with one another are similar in certain attributes such as age, beliefs, values, gender, education and social status (Steffes & Burgee 2009:47-48). Prior research indicates that friends and members of social networks tend to share socio-demographic characteristics such as gender, race and age, as well as perceptual attributes such as values, preferences and lifestyle (Boucher 2015:235). Therefore, consumers with a higher level of perceived homophily may be more likely to engage in eWOM with each other in an effort to make

product choices. This suggests the influence homophily has on the decisions made by online users and consequently on eWOM's effectiveness.

The factor, homophily, can be seen as an extension of the factor credibility in the sense that the amount of weight put on the message in terms of it being credible and from a credible source, depends on how much the individual shares the other party's views and how much they respect the party's general judgement (Sweeney *et al.* 2008:353). In recognising that the degree of similarity between individuals influences one's perception regarding the credibility of the party providing the information, it can be understood that homophily contributes towards effective eWOM. This same view on the influence of homophily is indicated in the results of Wang, Walther, Pingree and Hawkins' (2008:364-365) study, where it was indicated that homophily plays an important role in determining one's perception regarding the credibility of the information and influencing the persuasive process on both websites and online discussion groups. Cheung and Thadani (2010:334,337) affirm this view by indicating homophily as a factor impacting on the effectiveness of eWOM communication.

2.6.6 Tie strength

Tie strength refers to the level of intensity of the bond between individuals (Steffes & Burgee 2009:45; Mittal, Huppertz & Khare 2008:196). Social ties facilitate the finding of information regarding diverse topics (Pigg & Crank 2004:67-68). In terms of eWOM, because personal networks exist through SNSs, one is able to view information from close or distant friends via these networks without effort. Consumers' product choices may thus be influenced by either intimate 'strong tie' interactions or remotely connected 'weak ties' (e.g. mere acquaintances). Although strong ties are perceived to create a greater impact than weak ties at the individual and small group level, the asynchronous and connective characteristics of eWOM and SNSs, allow weak ties to increase their potential influence by extending consumers' personal networks to external communities or groups (Chu & Kim 2011:53-54).

Sweeney *et al.* (2008:353) indicated that although WOM seemed to be more effective when a close relationship based on trust and mutual respect existed between the sender and receiver. WOM could be favourably received from within a "weak-tie" (i.e. more distant) relationship but one's reception of the WOM is seemingly dependent on the nature of the opinion. This may apply to eWOM in the same way. Both strong and weak ties developed via SNSs stimulate consumers to pass on product-related information among one another, thereby encouraging eWOM engagement and ultimately affecting the influence of eWOM on the individual (Chu & Kim 2011:54). Cheung and Thadani (2010: 334,337) affirm that tie strength is influential in eWOM's effectiveness by including "social tie" as a factor affecting eWOM's effectiveness.

To conclude, due to eWOM possessing asynchronous and connective characteristics the resultant influence of eWOM on an individual when taking into consideration the strength of the tie (strong or weak), is not yet ascertained as has been indicated by previous studies, but from these studies, it is made evident that the strength of the tie does have an influence on eWOM's effectiveness.

2.6.7 Information receiver's need to search

Chang, Lee and Huang (2010:1) state that senders and receivers of WOM are independent participants in the communication process. Receivers often initiate discussion regarding products by asking senders for information. For this reason, the receiver's action of seeking information is perceived to be an important factor in WOM communication and its effectiveness.

With regards to internet communication, it appears that eWOM messages are more influential on one's purchase decision, and thus effective, in the case that online users seek the product information. Cheung and Thadani (2010:337) affirmed this belief by including "focused search" as a factor contributing towards eWOM's effectiveness. In other words, the extent to which members have specific information needs in mind during their active search for topic-related information was seen as influential in eWOM's effectiveness. Sweeney

et al. (2008:356) also stated that WOM had more of an impact when the information was sought by the receiver.

2.6.8 Perceived value

Value refers to the price of the product. The attributes or benefits of a product determine the perceived value (Kotler *et al.* 2010:298). Consumers place value on product benefits according to the extent to which they are directly related to their wants or needs. The perceived value of the consumer is important because it can bring about brand loyalty and consequently, create customer life time value (Richardson *et al.* 2010:49-50). Kamtarin's (2012:58) study of reasoned action supposes that a customer's positive perceived value of a product or service can lead to trust in the product or service source and result in intentions to maintain a long-term relationship with an online retailer.

Changed consumer behaviour tends to take place through learning. For example, consumers who have had an unpleasant experience with a restaurant are likely to avoid it, as well as those restaurants that have been given negative reviews or those found to be very crowded (Voight 2007). Such a perspective is supported by empirical results which demonstrate that perceived value leads to purchase intention (Chu & Lu 2007:148-149) and the dissemination of information via word of mouth (Babin, Lee, Kim, & Griffin 2005:137; Pihlström & Brush 2008:745,748). Internet-based media such as email, weblogs, chat rooms, discussion boards and, online social communication will help consumers share interests, experiences, and ideas in the shopping and purchase process. Consumers' shopping behaviour will then be relative to what they have learnt through online social communication (Darban & Li 2012:10).

The above information indicates that the perceived value of online customers has an effect on their online purchase intention and, therefore, the effectiveness of eWOM. In other words, the greater the perceived value attributable to the eWOM message and source, the greater the effect of the eWOM message.

2.7   SUMMARY

This chapter discussed eWOM in great detail by indicating its importance within the marketing world, future potential as a marketing tool, as well as the role of the internet in eWOM. The new marketing environment enabled by the internet was elaborated on and compared with that of the conventional marketing environment known for its use of traditional marketing methods. Getting consumers to engage in eWOM in the new marketing environment using social technology was discussed by looking at what motivates consumers to post and read eWOM. The various major social network forms and their characteristics, for example, blogs, Facebook, Twitter, YouTube and Instagram, were also briefly discussed. EWOM's effect on consumer buying behaviour was also indicated. The factors perceived as influential in generating effective eWOM were identified as source and message credibility, experience of online review usage, customer susceptibility to interpersonal influence, message content characteristics, homophily, tie strength as well as perceived value.

The information included in this chapter reinforced the importance of eWOM communications in marketing by highlighting the advances in technology and availability of social networks enabling two-way interaction between the sender and receiver of information. All of this brought attention to the importance of achieving effective eWOM, hence the influential factors listed and discussed.

The factors influencing eWOM's effectiveness were also covered in this chapter to improve one's knowledge and understanding on what may be contributory to eWOM's effectiveness prior to the following chapter in which an operationalisation on the predetermined factors for this study will be carried out.

CHAPTER 3
HYPOTHETISED MODEL OF FACTORS INFLUENCING EFFECTIVE ELECTRONIC WORD-OF-MOUTH MARKETING

3.1   INTRODUCTION

In the previous chapter eWOM was discussed. The aim of Chapter Two was to investigate and establish the factors influencing the effectiveness of eWOM as a marketing tool.   Chapter One presented the hypothetisised model supporting this study.

In Chapter Three, the factors influencing effective eWOM in the hypothetisised model will be operationalised from a marketing perspective. The chapter will form the framework on which the questionnaire will be based. A framework of the set of hypotheses on the factors that influence effective eWOM, developed from the hypothetical model (see Chapter One), will be substantiated by secondary sources. The conceptual models on which the hypothetical model of this study is based will be highlighted in the following section.

3.2   CONCEPTUAL MODELS SUPPORTING THE STUDY

The following models were used to compile the hypothetical model of this study:

- Bughin's *et al.* (2010) model on the effect of WOM messages,
- Lang and Lawson's (2013) model on factors contributing towards WOM's effectiveness, and
- Cheung and Thadani's (2010) models on:
    - Network for the impact of eWOM communication and,
    - Framework for examining the impact of eWOM communication.

These models as discussed in Chapter One formed the foundation of the hypothesised model regarding the factors influencing effective eWOM from a marketing perspective. The hypothetisised model supporting the study, Figure 1.4 in Chapter One will now be presented as Figure 3.1.

Figure 3.1   Hypothesised model supporting the study
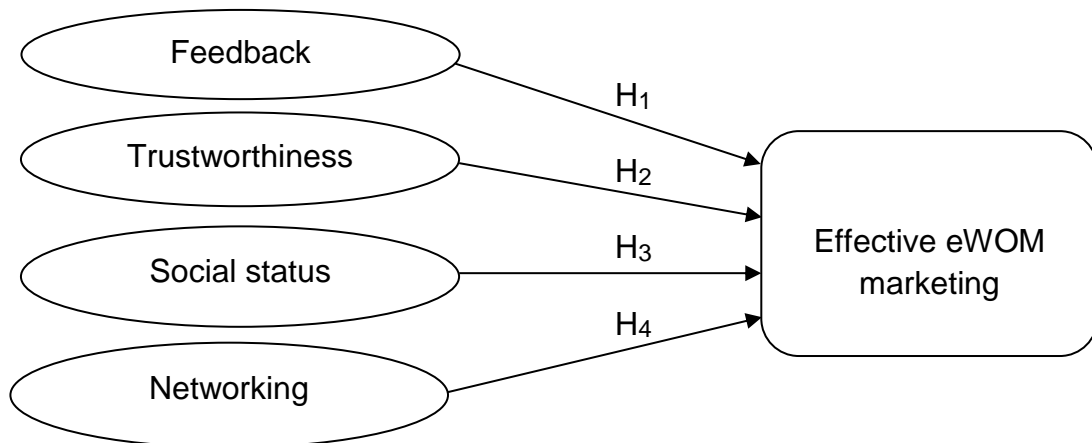
Source: Researcher's own construction

The above-mentioned factors identified in Figure 3.1 will be elaborated on in the sections to follow.

3.3   FACTORS INFLUENCING EFFECTIVE ELECTRONIC WORD-OF-MOUTH AS A MARKETING TOOL

Four factors were identified to influence effective eWOM, namely feedback, trustworthiness, social status and networking. In the following sections these four factors will be operationalised and put into the context of the statements to be tested in this study,

3.3.1 Feedback

Feedback refers to information provided by consumers based on the satisfaction or dissatisfaction experienced from the use of a product or service. Feedback, in the form of comments or complaints, received by businesses serves as an important resource for addressing the consumer's needs and wants (Customer Feedback 2014; Suttle 2014). In addition feedback guides, motivates and reinforces effective behaviours and reduces or prevents ineffective behaviours. In the context of the online environment and eWOM, a form of consumer feedback, growing in popularity, is online consumer reviews (Lackermair, Kailer & Kanmaz 2013:1). Park, Lee and Han (2007:125) concur in stating that online reviews are increasing in popularity and importance.

The online consumer review is defined as any positive or negative statement made by potential, current or former customers regarding a product or service and made accessible to a number of people and institutions via the internet (Park & Kim 2007:401). The popularity of this form of consumer feedback is suggested due to the availability of many online feedback mechanisms, also known as reputation systems (Peitz & Waldfogel 2012:344). These feedback systems make use of the internet's bi-directional communication capabilities to establish large-scale eWOM networks creating a platform for individuals to share opinions and experiences on a wide range of topics, including businesses, products and services (Lackermair *et al.* 2013:3).

The proliferation of online feedback mechanisms is subtly affecting people's behaviour in important ways by stating that anecdotal evidence suggests that people now increasingly rely on opinions posted on such systems in order to make a variety of decisions ranging from what movie to watch to what stocks to invest in. In addition, Park and Kim (2007:401) state that the results of previous studies reveal that consumers use the choices and evaluations of others as cues for making their own choices. Furthermore, it was found that the recommendations of other consumers influence the choices of consumers more effectively than recommendations from experts, further affirming the contribution of feedback to eWOM's effectiveness.

The aspect of eWOM valence should also be taken into account as the positive or negative nature of the consumer feedback affects its persuasive impact on consumers' purchase decisions. It can thus encourage behaviour, bring about neutrality or discourage behaviour regarding a product, service or brand (Cheung & Thadani 2010:335; Lang & Lawson 2013; Zhang *et al.* 2010:1). Zhang *et al.* (2010:5) found that for products on promotion, positive reviews are more persuasive than negative reviews. Conversely, for products to not be bought, negative reviews are more persuasive than positive reviews. Cheung, Lee & Thadani (2009:502) however, state that although consumer decisions are influenced by both the positive and negative information about products relayed by fellow consumers, positive messages have a greater chance of encouraging a purchase decision if it is from individuals they know. These researchers

furthermore state that positive eWOM communication has been recognised as a valuable means of product and service information.

The information suggests that irrespective of whether positive feedback is more persuasive of consumers' decisions than negative feedback or vice versa, it is evident that consumers seek both kinds of feedback, indicating eWOM's effectiveness in both forms. In addition to the aspect of feedback valence contributing to eWOM's effectiveness, the quantity of feedback provided is also said to affect consumers' purchase decisions and thus eWOM's effectiveness.

According to Duan, Gu and Whinston (2008:1009) online user reviews can influence product sales such as movies through the effects of either awareness or persuasiveness. Awareness effects illustrate the fact that reviews convey the existence of the product, thus earning a place in the choice selection available to consumers. Furthermore, it was found that the number of user reviews online is to a large extent driven by movie sales, confirming that user reviews do not only influence, but also indicate sales. Chen and Xie (2008:487) concur with this view in stating that the number of online consumer reviews of a product is indicative of the product's popularity due to its relation to the product's sales volume. In recognising that purchasing intention will increase in accordance with the number of online consumer reviews, it is evident that the quantity of online consumer reviews contributes to eWOM's effectiveness.

The e-service experience may also affect individuals' purchase intentions (Lee & Lin 2005:164). For example, in the case that the consumer is satisfied with the e-service experience from the point of eWOM engagement to the receipt of the goods/services purchased thereby, a return to the site may occur and an increased willingness to use and act on the information provided via the same e-service will result (Park *et al.* 2011:75).

Another element related to consumer feedback is that of an individual's experience of online review usage. Cheung *et al.* (2007:71) explained that the online user will adopt information from a review and use it for making purchasing decisions in the case that the product comment/advice is positive.

On the contrary, if the product comment/advice is negative, the individual will not take the review into consideration in order to avoid possible risks. Park *et al.* (2011:75) state that online shoppers who frequently use online reviews are more willing to use and act on the information provided in the online review. This suggests that due to receiving comments online about products or services in the past, consumers would engage in eWOM to consider the information provided in current reviews, ultimately indicating eWOM's effectiveness in this circumstance.

Based on the above discussion *online feedback* can be defined as when individuals read or have read positive comments online about a product or service, on more than one online source, over a period of time.

Subsequently the following hypothesis is formulated:

H_1:   *Online feedback influences effective eWOM marketing.*

3.3.2 Trustworthiness

Trustworthiness in an online setting can be defined as well-intentioned and unbiased knowledge that is regarded credible based on the source's perceived knowledge, skills and/or experience (Jessen & Jorgensøn 2011:2). According to Cheung and Thadani (2010:334), trustworthiness depends on the motivation of the information source to provide information which is accurate and truthful. Therefore, information perceived as accurate and truthful will be seen as trustworthy information received from a trustworthy source. Metzger and Flanagin (2013:211) state that trustworthiness is one of two primary dimensions of credibility, which refers to the believability of a source or message, and is thus a contributing factor in discerning the credibility of the message or source. As source credibility is a basic factor which helps the consumer create a judgement regarding online information (Jessen & Jorgensøn 2011:2), it can be understood that trustworthiness helps to ascertain this judgement. These researchers further state that one of the tasks online users performed in an effort to make a judgement, is when rating the source, the expertise or competence of the source is considered.

Another aspect that influences trustworthiness of the message is the relationship between the communicator and the receiver. Information provided by personal sources, in other words someone well known such as friends or family, is trusted to be accurate (Akyüz 2013:160). This suggests that an individual may also deem a site trustworthy in the case that someone they know is a member of or has an account with the site.

Further, seemingly influential message content characteristics include understandability and consistency, indicating an element of credibility and thus trustworthiness perceived in the message content adhering to these characteristics (Cheung *et al.* 2007:71,76; Cheung & Thadani 2010:335; Manthiou & Schrier 2012). Understandability refers to the extent to which the information is clear and conceivable (Manthiou & Schrier 2012). Consistency refers to the consistency between an individual's existing knowledge and the message content online. This contributes towards a consumer's response and thus decision regarding the product or service because message content aligned with one's previously held understandings and beliefs could enhance eWOM's effect and prevent one from being sceptical from acting on the information (Cheung *et al.* 2007:73). This factor gives reference to the fact that individuals engage in eWOM to gain additional information to supplement traditional information, and then make their decision based on the consistency perceived between the traditional and online information (Willemsen 2013:9).

Web vendor interventions also contribute to an individual's view regarding whether or not the source and information provided, is trustworthy. Web interventions are the actions vendors may take to assure consumers with regards to the vendor's site. These interventions assure consumers that the particular vendor site is safe despite deficiencies existing in the web environment (Faja & Trimi 2006:596). Furthermore, examples of web vendor interventions include the use of privacy policies, third-party seals and reputation building, all of which are said to bring about consumer behaviours such as purchasing and sharing of personal information, indicative of an individual's trust in the vendor's site. If a vendor posts a privacy policy or uses a third-party seal to indicate that the site has a privacy policy, the consumer will perceive the

vendor as ethical in terms of capturing personal information with this vendor, once again indicative of trust in the vendor and a sense of security (Faja & Trimi 2006:611). With regards to the site's reputation and consumer trust, if the vendor improves its reputation, the individual's trust in the vendor will increase (Connoly 2007:5). The above discussion suggests eWOM's effectiveness in the case that the site is perceived as safe and consumers feel a sense of security in the vendor, to be able to share information.

Sweeney *et al.* (2008:351) affirm that credibility is influential in eWOM's effectiveness. When participants were asked to think about situations in which WOM may be most effective, one of the themes that transpired concerned the perceived credibility of the sender, the sender's expertise and, as a consequence, the risk associated with taking the advice. These issues point to the trustworthiness of an information source.

Based on the preceding discussion, *trustworthiness* of online messages can be defined as when an individual perceives the online message to be clear and understandable, true and correct and either has previously bought similar products or services or obtained additional information from the internet on products or services from a reputable, safe and secure website that has a privacy policy that they regarded as credible. In addition, they may have also read positive comments about the products or services posted by people they trust, regard knowledgeable or experienced, or know well, such as family, friends, those who are members or have an account with the site.

Subsequently the following hypothesis is formulated:
H_2: *Trustworthiness* of online information influences *effective eWOM marketing.*

3.3.3 Social status
Social status is reflective of the rank held by individuals based on honour or prestige acquired through their achievements, or innate attributes such as birth or ethnicity (Pujari 2014). On the contrary, Brown and Prinstein (2011) looked at social status from the angle of pre-adolescent peer groups, and stated that

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social status is attributable to likeability, and is thus a summary of the measure of the extent to which a group member is liked or disliked by peers as a whole. Perceived popularity was another factor suggested to be linked to social status. This is due to prior research finding popular students of all ages to be socially central, prominent and prestigious members of a peer group.

In the context of eWOM, it appears that the definition of social status applying to online users would encompass the factors of likeability and perceived popularity. This is due to Cheung and Thadani (2010:334) including likeability of the communicator of eWOM as a factor contributing towards eWOM's effectiveness. In the same way, an individual could engage in eWOM communication to gain such likeability in an effort to enhance their social status. With regards to perceived popularity, Park, Kee and Valenzuela (2009:731) give reference to this factor in finding that individuals are likely to participate in Facebook Groups for several reasons related to seeking and maintaining their personal status through online group participation. One of the responses from the respondents was that they joined groups as they wanted to "make themselves look cool".

It is apparent that social networking is performed as a result of an individual's desire to achieve social status. Chu and Kim's (2011) research suggests how social status may be achieved through social networking. eWOM engagement through social networking sites occurs as a result of an individual's desire to establish social relationships, increasing one's social network. Furthermore, Cheung, Chiu and Lee (2010:1338) affirm the contribution of social status to eWOM's effectiveness in finding that social enhancement contributes to an individual's desire to participate in social networking sites.

Social enhancement refers to the value a participant derives from the acceptance and approval received from other members, and the enhancement of an individual's contribution to it. For example, seeking confirmation from or adopting information displayed by peers on social networks regarding a product or service is indicative of an individual's efforts to attain acceptance and approval. In the case of sources being non-personal, likeability, which refers to

the affection for the source based on physical appearance, behaviour or other personal traits, is identified as a factor associated with the communicator which contributes to eWOM's effectiveness (Cheung & Thadani 2010:334). This suggests that likeability could also be a factor attributing to a source and its information being seen as worthy of adoption in order to attain social status through acceptance and approval. Likeable sources would include celebrities or those admired by online users (Kutthakaphan & Chokesamritpol 2013:5). From a contribution standpoint, individuals may feel the need to become more known for their expertise.

The concept of consumer susceptibility to personal influence seems to be a component of social enhancement, and consequently social status, as Iqbal and Ismail (2011:56) state that there is the need to identify or enhance one's image with significant others. It is said that a significant factor responsible for an individual's behaviour is the influence of other individuals. The use of prominent spokespersons such as celebrities, for product endorsement is representative of this. As the need for social enhancement influences an individual's desire to participate in social networking sites, it can be understood that social status contributes to eWOM communication and ultimately its effectiveness.

The elements of approval, acceptance and likeability which may be achieved through online eWOM engagement as explained above, are indicative of a sense of comfort experienced by individuals engaging in eWOM. It can thus be said that eWOM engagement reduces possible discomfort by sharing an opinion online as opposed to sharing the opinion in person. Doing so, an individual that may be shy could ultimately attain an online social status (Cheung *et al.* 2010:1338; Cheung & Thadani 2010:334).

Based on the above discussion the need to obtain online *social status* can be defined as when individuals use an online medium to become known for their expertise as they are uncomfortable to share their opinion in person and wish to fit in with or increase their popularity on a social network as the product or service they are interested in is endorsed by a celebrity or someone they admire.

Subsequently the following hypothesis is formulated:

H_3:   The need to obtain *social status* in an online setting influences *effective eWOM marketing.*

3.3.4 Networking

Prior research (Chu & Kim 2011; Sernovitz 2006) suggests that networking refers to the act of interacting with others in order to exchange information and develop professional or social contacts.   In the context of eWOM and the online environment, networking is made possible by social networking sites as these sites enable consumers to connect with others (Chu & Kim 2011:48) by exchanging information, opinions and thoughts about products and brands and their experiences with them, which could be of interest or beneficial to others (Sernovitz 2006:12).

Social network sites thus serve as an ideal tool for eWOM communication, as consumers are given a platform to create and disseminate brand-related information at their disposal in their established social networks. According to Chu and Kim (2011:48), individuals participate in social networks in order to connect with others by exchanging information such as the latest trends, opinions and thoughts about products and brands.   Electronic word-of-mouth behaviour within social networking sites may be initiated because of the users' desire to establish and maintain social relationships (Chu & Kim 2011:49).

From the above one can surmise that because the online environment allows for networking, users may engage in eWOM as a means to network, with the intention of establishing and maintaining relationships.   Electronic word-of-mouth would potentially be effective due to the fact that networking appears to take place in the case of homophily existing between individuals.   Homophily refers to the degree to which individuals who interact with one another are similar in certain attributes such as age, beliefs, values, gender, education and social status (Steffes & Burgee 2009:47-48). In other words, as individuals have the tendency to socialise with those who share similar characteristics often termed social homophily (Mouw 2006:79), it is more likely that interpersonal

communications take place between individuals who are alike. The more similarities exist between individuals, the greater the ease of communication among them and thus the greater the chances of networking taking place. Thus, suggesting that if consumers have many similarities between them, they will engage in eWOM.

From the preceding discussion, the desire to engage in online *networking* can be defined as the desire of an individual to share what they have read or heard about products and services that may be of interest, beneficial or relevant with many friends or other individuals simultaneously be it information, their experience or latest trends.

Subsequently, the following hypothesis is formulated:

H₄: The desire to engage in online *networking* influences *effective eWOM marketing.*

3.4   MEASURES OF ELECTRONIC WORD-OF-MOUTH EFFECTIVENESS

As previously stated, eWOM refers to any statement made by potential, actual or former consumers regarding their experience with a product, service, brand or company. This communication is made available online through the likes of websites, social networking platforms, instant messaging or news feeds (Kietzmann & Canhoto 2013:147-148). In this way consumers generate their own form of marketing communication (Ahrens *et al.* 2013:1034).

According to Goldsmith and Horowitz (2006:1, 9) one of the factors motivating consumers to seek the opinions of others online is the ability to access information easily. It allows for the consumer to research the product from the convenience of their home, work or school and enables a comparison of different products with ease. This demonstrates the convenience created for the consumer through accessing opinions online. In addition, Sussan, Gould and Weisfeld-Spolter (2006:649) reinforce the convenience element in stating that consumers are now able to access both marketing and interpersonal communications at the same time and at the same space on numerous websites which was not the case with traditional WOM marketing. The above

indicates eWOM effectiveness in the sense that in the case that the consumer lacks time and has to make a quick purchasing decision, information can be obtained via eWOM relatively easily anywhere.

From a social enhancement standpoint, Cheung *et al.* (2010:1338) affirm eWOM's effectiveness in finding that social enhancement contributes to an individual's desire to participate in social networking sites. Social enhancement refers to the value a participant derives from the acceptance and approval received from other members, and the enhancement of an individual's contribution to it. For example, seeking confirmation from or adopting information displayed by peers on social networks regarding a product or service is indicative of an individual's efforts to attain acceptance and approval.

Incentives can be used to write online reviews. Some online shopping platforms and virtual communities provide consumers with incentives such as discount or coupons, to encourage them to share their shopping experience (Chen, Zhang, Yang, Wang & Chen 2014:262). Consumers wishing to purchase would disseminate the information in these reviews to make an informed purchasing decision. Dropbox, whose referrals helped build their ten billion dollar empire, is proof of this effectiveness of offering incentives for referrals (How Referrals Built The $10 Billion Dropbox Empire 2016). Dropbox offered users the incentive of getting up to 16 gigabytes of free space by inviting friends to the Dropbox platform and 500 megabytes extra (up to a limit of 16 GB) for every friend they get to join and install Dropbox on their computer. This incentive created an increase from 100,000 to 4,000,000 users in 15 months. Founder/Chief Executive Officer of Dropbox, Drew Houston stated that referrals increased sign-ups by sixty percent permanently.

Furthermore, Goldsmith and Horowitz (2006:8) identify risk reduction as a factor motivating consumers to seek opinions online. Consumers want to hear from people who have already purchased the product in order to decrease the chances of making a bad decision and thus prevent regret. Chen and Xie (2008:487-488) affirm this in recognising that purchasing intention increases in accordance with the number of online consumer reviews. It is thus evident that

the more online opinions or reviews are available the more it may influence a consumer's purchasing decisions and contribute to eWOM's effectiveness. In the same way, one can deduce that number of hits on a website would have the same effect on consumers and ultimately drive eWOM's effectiveness.

Baruah (2012:4), along with Hsu and Tran (2013:22) suggest that interaction with the sender to obtain more information plays a part in eWOM's effectiveness. Through the interactive environment made available by the internet, eWOM marketing has been made possible (Baruah 2012:4). In addition, Hsu and Tran (2013:22) suggested that online communication or social networking services could significantly influence consumers' brand perception and purchasing decisions due to consumers finding more information, insight and opinions from the trusted sources prior to brand or product choice selection. When taking the elements of interactivity and the ability to obtain more information online from trusted sources, which may include peers, one can deduce that interaction with the sender to obtain more information contributes to eWOM's effectiveness.

Based on the previous discussion, in this study *effective eWOM* can be defined as when an individual needs to make a quick purchasing decision, but lacks time; the individual can interact with the sender or peer group on their social online network to obtain more information or confirmation about a product or service, or relies on information from a website that has a high number of hits or that offers incentives for referrals to make an informed purchasing decision.

3.5 SUMMARY OF THE OPERATIONALISATION OF THE FACTORS IN THE HYPOTHESISED MODEL

Table 3.1 provides a summary of the operationalisation of the variables in the hypothesised model as discussed in the preceding sections.

Table 3.1: **Summary of the operationalisation of the factors in the hypothesised model**

Definition of factors	Sources
Online *feedback* can be defined as when individuals read or have read positive comments online about a product or service, on more than one online source, over a period of time.	Chen & Xie (2008:487); Cheung & Thandani (2010:335); Cheung *et al.* (2007:71); Cheung *et al.* (2009:502); Customer Feedback (2014); Duan *et al.* (2008:1009); Lackermair *et al.* (2013:1,3); Lang & Lawson (2013); Lee & Lin (2005:164); Park *et al.* (2007:125); Park *et al.* (2011:75); Park & Kim (2007:401); Peitz & Waldfogel (2012:34); Suttle 2014; Zhang *et al.* (2010:1, 5)
Trustworthiness of online messages can be defined as when an individual perceives the online message to be clear and understandable, true and correct and has either previously bought similar products or services or obtained additional information from the internet on products or services from a reputable, safe and secure website that has a privacy policy that they regarded as credible. In addition, they may have also read positive comments about the products or services posted by people they trust, regard knowledgeable or experienced, know well such as family or friends, those who are members or have an account with the site.	Akyüz (2013:160); Cheung & Thandani (2010:334, 335); Cheung *et al.* (2007:73, 76); Faja & Trimi (2006:596, 611); Connoly (2007:5); Jessen & Jorgensøn (2011:2); Manthiou & Schrier (2012); Metzger & Flanagin (2013:211); Sweeney *et al.* (2008:351); Willemsen (2013:9)
The need to obtain online *social status* can be defined as individuals using an online medium to become known for their expertise as they are uncomfortable to share their opinion in person and wish to fit in with or increase their popularity on a social network as the product or service they are interested in is endorsed by a celebrity or an individual they admire.	Brown & Prinstein (2011); Cheung & Thandani (2010:334); Cheung *et al.* (2010:1338); Chu & Kim (2011); Iqbal & Ismail (2011:56); Kutthakaphan & Chokesamritpol (2013:5); Park *et al.* (2009:731); Pujari (2014)
The desire to engage in online *networking* can be defined as when an individual want to share what they have read or heard about products and services that may be of interest, beneficial or relevant with many friends or other individuals simultaneously be it information, their experience or latest trends.	Chu & Kim (2011:48, 49); Mouw (2006:79); Sernowitz (2006:12); Steffes & Burgee (2009:47)
Effective eWOM marketing can be defined as when an individual needs to make a quick purchasing decision, but lacks time; the individual interacts with the sender or peer group on their social online network to obtain more information or confirmation about a product or service, relies on information from a website that has a high number of hits or that offers incentives for referrals to make an informed purchasing decision.	Ahrens *et al.* (2013:1034); Baruah (2012:4); Cheung *et al.* (2010:1338); Chen *et al.* (2014:262); Chen & Xie (2008:487-488); Goldsmith & Horowitz (2006:8, 9); How Referrals Built The $10 Billion Dropbox Empire (2016); Hsu & Tran (2013:22); Kietzmann & Canhoto (2013:147-148); Sussan *et al.* (2006:649)

Source: Researcher's own construction

3.6   SUMMARY

In this chapter the hypothesised model supporting the study was presented. The four variables identified as influencers of effective eWOM marketing, forming part of this model, include trustworthiness, feedback, social status and networking, with effective eWOM marketing being the dependent variable. All of these variables were operationalised by defining it and brought into context of eWOM marketing.

It can be concluded that eWOM can be a vital marketing tool for businesses due to its reach and that a lot of information can be obtained in a relative short space of time. Businesses thus need to understand which factors influence effective eWOM marketing, as this could lead to increased sales and ultimately business growth. Literature indicates that reduced time, eWOM being available on one's social network, product confirmation from peer groups and referral incentives play a role in making eWOM effective and can thus be used as measures of eWOM's effectiveness.

The following chapter will discuss the research design and methodology followed in this study.

CHAPTER 4
RESEARCH DESIGN AND METHODOLOGY

4.1   INTRODUCTION

A comprehensive literature review was conducted and discussed in Chapter Two. The aim was to provide background information on WOM, with particular focus placed on eWOM and the factors seemingly contributing towards its success from a marketing perspective. Chapter Three discussed the hypothetisised model and the factors influencing eWOM marketing effectiveness. A framework was presented of the set of hypotheses formulated and substantiated by secondary sources on the factors that influence effective eWOM marketing.

Research is defined as a systematic investigation, involving research development, testing and evaluation, carried out with the objective of developing or contributing to generalisable knowledge (IOWA State University Institutional Review Board 2009:1). It includes studies intended at generating and testing hypotheses (NHS Health Research Authority 2013:3). In accordance with the above references to research, Kothari (2004:8), states that research refers to a search for knowledge and describes it as a scientific and systematic search for information relevant to a specific topic. From these definitions, it is evident that research involves a systematic means of solving a research problem, this is known as the research methodology.

This chapter will focus on the research design and methodology that were carried out in this study. The objective of this chapter is to justify and clarify the methodology that will be used in this study. The research design will be elaborated on first, after which the two different research paradigms will be discussed. This chapter will also cover the research approach, population and sampling methods, the data collection methods employed in this study, questionnaire design, data analysis and the reliability and validity of the measuring instrument.

4.2   RESEARCH DESIGN

Zikmund *et al.* (2012:64) explain that research design can be seen as an action plan set by the researcher in an effort to get from the question at hand to the conclusions. It should therefore create a clear view of what the study aims to achieve through defining the basic components of the investigation. Kothari (2004:31) agrees through describing research design in a similar way by referring to it as. "a conceptual structure within which research is conducted", and explaining that it forms the blueprint for the collection, measurement and analysis of data.

Research paradigms will be discussed in the following section.

4.3   RESEARCH PARADIGMS

According to McGregor and Murnane (2010:419), a paradigm is a set of assumptions, concepts, values, and practices that attribute to the way reality is perceived by the group that hold them. With each paradigm comes associated methodologies, which refer to assumptions about knowledge, values, reality and logic. Wood and Welch (2010:56) indicate that there are two main paradigms within research, namely positivistic and phenomenological.

A positivistic paradigm is associated with quantitative, objectivist methods whereas a phenomenological paradigm is associated with qualitative, subjectivist methods (Gray 2014:21, 24-25; Wood & Welch 2010:56). Further differences between these two paradigms are tabulated in Table 4.1.

Table 4.1 Positivist versus phenomenological paradigms

Characteristics	Positivist paradigm	Phenomenological paradigm
Basic beliefs	• The world is external and objective. • The observer is independent. • Science is value-free.	• The world is socially constructed and subjective. • The observer is a party to what is being observed. • Human interests drive science.
Researcher focus	• Focus on facts. • Establish causality between variables. • Formulate and test hypotheses (deductive approach).	• Focus on meanings. • Attempt to understand what is happening. • Form theories and models from the data (inductive approach).
Research methods	• Operationalising concepts to enable measurement. • Using large samples from which to form population generalisation. • Quantitative methods.	• Using various methods to establish different views of a phenomenon. • Using small samples researched in depth or over a period. • Qualitative methods.

Source: Adapted from Gray (2014:25)

For the purpose of this study the positivistic paradigm will be referred to as quantitative research and the phenomenological paradigm as qualitative research. In the section to follow, the quantitative and qualitative research paradigms will be elaborated on and the reason for the method selected, as applicable for this study, will be given.

4.3.1 Quantitative research paradigm

Quantitative research uses the measurement of quantity or amount as a basis and applies to phenomena that can be expressed in terms of quantity (Kothari 2004:3-5). This objective form of research entails the measuring of such phenomena through data collection in the form of polls, surveys or questionnaires, examining this numerical data, and carrying out statistical tests to summarise and form deductions from the data gathered (Rajasekar, Philominathan & Chinnathambi 2013:9). According to several authors (Rajasekar *et al.* 2013:9; University of Southern California 2016a:1), common features of quantitative research are:

- The use of large representative samples of the population to test formulated hypotheses;

- The research study is iterative in the sense that it can be replicated considering its high reliability;

- Objective answers are investigated based on a clearly defined research question, and
- Project can allow for the generalisation of concepts on a broader scale, prediction of future results, or for the investigation of causal relationships.

4.3.2 Qualitative research paradigm

Qualitative research deals with a qualitative phenomenon relating to or involving quality and thus looks at the qualities of entities, processes and meanings that are not experimentally examined or measured. It would apply when investigating the reasons for human behaviour (Kothari 2004:3-5; University of Southern California 2016b:1). In other words, it is a subjective form of research where the feelings and motivations expressed by those participating in the study are analysed in order to gain a better understanding of human behaviour regarding a particular topic (Collis & Hussey 2014:13). This approach to research advocates an in-depth analysis of problems, opportunities and situations in the business environment and in certain cases is advantageous from a cost perspective in the sense that it is less costly in comparison to the techniques used to gather data for quantitative studies.

In contrast to quantitative studies, qualitative studies usually make use of small samples (Yin 2011:6). The findings of thoroughly analysed qualitative studies have an indisputable quality in the sense that words, especially when structured as stories or incidents, have a concrete, vivid, and meaningful essence that proves to be a great deal more convincing in comparison to pages of summarised numbers (Miles, Huberman & Saldaña 2014:4; University of Southern California 2016b:1). In summary, according to Denzin and Lincoln (2007:3), qualitative researchers study phenomena in their natural settings, in an effort to make sense of, or interpret it with respect to the meanings people bring to them.

According to several authors (Miles *et al.* 2014:4; University of Southern California 2016b:1), common features of qualitative research are:
- The researcher is essentially the main instrument in the study, as relatively little standardised instrumentation is used;

- The researcher, therefore, develops various ways to perform data collection, subsequent analysis, and interpretation of the information gathered;

- Data is obtained from participants of their perceptions through executing deep attentiveness and empathetic understanding on interaction, while putting preconceptions regarding the topics under discussion aside;

- The aim is to explain the ways people in particular settings come to, and

- Understand, account for, take action, and handle their day-to-day circumstances.

With all this in mind, the next section presents a comparison between quantitative and qualitative research.

4.3.3 Quantitative versus qualitative research approach

Table 4.2 presents a comparison between quantitative and qualitative research approach.

Table 4.2:   Quantitative versus qualitative research

Dimensions	Quantitative research	Qualitative research
Scientific method	• Deductive, confirmatory or "top-down. • Hypotheses and theory tested with data gathered.	• Inductive, exploratory or "bottom-up". • Knowledge, hypotheses and grounded theory formed from data collected.
Ontology (nature of reality/truth)	Objective, structural and agreed upon.	Subjective, personal and constructed.
Epistemology (theory of knowledge)	Scientific realism, empirical confirmation justifies hypotheses, universal scientific standards.	Relativism, individual and group justification, varying standards.
View of human thought and behaviour	Regular and predictable.	Situational, social, fluid, dynamic, contextual, personal and unpredictable.
Most common research objectives	• Quantitative or numerical description. • Causal explanation and prediction.	• Qualitative/subjective description. • Empathetic understanding and exploration.
"Focus"	• Narrow-angle lens. • Testing specific hypotheses.	• Wide-angle and "deep-angle" lens. • Examining the breadth and depth of phenomena to learn more about it.
Nature of observation	• Study behaviour under controlled conditions. • Isolate the causal effect of single variables.	• Study groups and individuals in natural settings. • Attempt to understand insiders' views, meanings and perspectives.

Dimensions	Quantitative research	Qualitative research
Form of data collected	Quantitative data based on precise measurement using structured and validated data-collection instruments.	• Qualitative data such as in-depth interviews, participant observation, field notes and open-ended questions. • The researcher is the primary data collection instrument.
Nature of data	Variables	Words, images, categories.
Data analysis	Identify statistical relationships among variables.	• Use descriptive data. • Search for patterns, themes and holistic features. • Appreciate difference/variation.
Results	• Generalisable findings. • Providing representation of objective outsider viewpoint of populations.	• Particularistic findings. • Provision of insider viewpoints.
Form of final report	Formal statistical report e.g. with correlations, comparisons of means, and reporting of statistical significance of findings.	Informal narrative report with contextual description and direct quotations from research participants.

Source: Adapted from Gray (2014:25); Johnson & Christensen (2008:34-35); Johnson & Christensen (2015)

Table 4.2 distinguishes between the two research paradigms. The main difference between the two is that quantitative research is numeric in nature and thus involves forming deductions based on quantitative data. In contrast to quantitative, qualitative research involves conducting an in-depth analysis on the qualities of entities, processes and meanings based on data in the form of words, images or categories. Quantitative research is objective as it is based on precise measurement using structured and validated instruments to collect data, whereas qualitative research is subjective as the researcher is the main data collection instrument and thus forms deductions based on interactions with the study's respondents. Taking the above into consideration, it can be understood that quantitative research is structured and predictable while qualitative research allows the researcher to be flexible in relation to the data gathered and is thus unpredictable. The paradigm chosen for this study will be discussed and motivated in the following section.

4.3.4 Research paradigm chosen for the study

When taking into consideration the comparison between the two methods in Table 4.2, it is evident that the quantitative research method is best suited for this study. This study aims to test the relationships between variables and will, therefore, be numeric in nature. A statistical analysis will be conducted on the data collected where the findings of the analysis will be guided by theories and prior research as the aim is to test hypotheses and not generate theories.

A large representative sample will be used in the study to enable deductive generalisations about the population in question. A large sample will provide insights into how business owners within the Nelson Mandela Metropole can utilise eWOM marketing more effectively.

Once the appropriate research paradigm has been established, the research approach must then be considered. In the section to follow the research approach adopted for this study will be discussed.

4.4 RESEARCH APPROACH

Three research approaches exist within the two research paradigm designs, namely, exploratory, descriptive and causal research (Gray 2014:36; Hidalgo & Sekohn 2011:1). These approaches will be elaborated on in the following section.

4.4.1 Exploratory research approach

Exploratory studies are conducted when an insufficient amount is known about a phenomenon, in an effort to obtain additional or more recent information to decide whether the problem in question is worth researching or not (Gray 2014:36). In other words, it is the most appropriate research approach to use when high levels of uncertainty exist regarding the subject at hand and the problem is not well understood (Van Wyk 2014:8).

According to Maree (2007:55), an exploratory approach is usually unstructured, informal research that is carried out in order to gain background information regarding the general nature of the research problem. Exploratory studies can

be conducted through literature searches, guidance from experts in the field or through carrying out focus interviews and involve the generation of possible hypotheses to test, based on the information found (Gray 2014:36; Van Wyk 2014:8).

Descriptive research will be discussed in the next section.

4.4.2 Descriptive research approach

According to Maree (2007:55), descriptive research is carried out to answer the questions of who, what, where, when, and how. These answers are typically found in secondary data or through carrying out surveys. The main aim of descriptive research is to identify attributes of a particular phenomenon based on an observational basis in an effort to deliver an accurate and valid representation of the factors or variables that apply to the particular research question. It may also comprise a normative study which would involve exploring and identifying the correlation between two or more phenomena (Williams 2007:66; Van Wyk 2014:9).

Gray (2014:36) states that descriptive studies attempt to draw a picture of a situation, event or indicate the relation between subjects. There are two basic descriptive research study methods available, namely (Hair, Celsi, Money, Samouel & Page (2015:149, 150):

- Cross-sectional studies, where units from a sample of the population are measured at only one point in time, or
- Longitudinal studies, where the same sample units of a population are repeatedly measured over a period of time.

A researcher can also choose to utilise the causal approach as discussed next.

4.4.3 Causal research approach

According to Hidalgo and Sekohn (2011:1) causality refers to, "the relationship between events where one set of events (the effects) is a direct consequence of another set of events (the causes)". It could be thought of as understanding a phenomenon in terms of conditional statements of the form, "If x, then y." (Hair *et al.* 2015:153). Causal inference is the process whereby claims are deduced regarding causal relationships (Keele 2015:313). Causal research is thus carried out when needing to indicate the effect that one variable would have on another.

Following this discussion, the research approach selected for this study will be motivated in the next section.

4.4.4 Research approach chosen for this study

Taking the above approaches into consideration, it can be understood that both exploratory- and descriptive research approaches have been used in conducting this study. The study will be exploratory as it aims to acquire insight into and develop an understanding of which factors influence effective eWOM as a marketing tool, and it will be descriptive as it will describe the identified factors influencing effective eWOM marketing. The population and sample for this study will be discussed in the following section.

4.5 POPULATION AND SAMPLING

The term population refers to all members that meet a set of specifications or a specified criterion (University of Central Arkansas 2013:7-2). Hair *et al.* (2015:164) agree with these definitions as they define a target population as a group of objects relevant to the research project. The population for this study will be consumers within the Nelson Mandela Bay Metropole.

A sampling frame is according to Lohr (2010:3) and Miller *et al.* (2010:28) a list of items of the population from which the sample may be selected. The sampling frame is identical with the population specifically when the population is finite and the time frame is either in the present or past (Kothari 2004:153).

Sampling refers to the process of acquiring information about an entire population through examining only a selected portion of it (Kothari 2004:152). In accordance with Kothari (2004), Latham (2007:1) states that the sampling method involves selecting a representative portion of the population and using the data gathered from this selected portion as research information. The term sample is thus indicative of the items within the population selected for study purposes (University of Central Arkansas 2013:7-2). Hair *et al.* (2015:165) state that the sample should be truly representative of the populations' characteristics and free of any bias. A sample of 400 consumer respondents was approached within the Nelson Mandela Metropole.

According to Kothari (2004:15) samples can be either probability samples or non-probability samples. When it comes to probability samples each element has a known probability of being included in the sample. The opposite is true for non-probability samples as they do not allow the researcher to determine this probability.

4.5.1 Probability sampling

This method of sampling is based on the concept of random selection and is, therefore, also known as 'random sampling' or 'chance sampling'. Within this sampling design, every item has an equal chance of forming part of the sample (Kothari 2004:60). Blumberg, Cooper and Schindler (2008:236) characterise probability sampling as being a method where each unit in the population has a known, non-zero probability of being included in the sample. Probability sampling includes sampling techniques such as simple random sampling, systematic sampling, stratified sampling and cluster sampling which will be discussed in the section to follow (Kothari 2004:15).

4.5.1.1　　Simple random sampling

According to Hair *et al.* (2015:169), simple random sampling guarantees that all the possible samples that could be selected from the population have equal probability of being chosen. This would mean that, in the same way, all of the items within the population have the same probability of being chosen to belong to the sample (Latham 2007:3). Kothari (2004:15) states that this form of

sampling is also known as chance sampling as this technique would involve each and every member of the population having an equal chance of forming part of the sample. Hair *et al.* (2015:169) relates simple random sampling as drawing names from a hat.

4.5.1.2 Systematic sampling

According to Latham (2007:3) systematic random sampling is generally preferred over simple random sampling as it is more convenient for the researcher. Kothari (2004:15) states that this sampling technique is particularly useful when the sampling frame exists in the form of a list. In this case, the selection process begins by randomly picking some point in the list. Thereafter, every *n*th element is selected, until the desired number is obtained (Hair *et al.* 2015:170). An element of randomness becomes apparent in this kind of sampling as random numbers are used to select the unit with which to start.

4.5.1.3 Stratified sampling

Stratified random sampling is a technique which involves dividing the population into subpopulations or 'strata' and then selecting a random sample from each subpopulation. The application of this technique is preferable when a few characteristics are known about a population, as the population may be organised into subpopulations where a random sample can then be extracted from each of these subpopulations (Kothari 2004:16; Latham 2007:4-5). Based on the information available from a sample frame, units with more-or-less similar characteristics are being measured. In this way strata will become homogenous, and the aim is thus achieved (Hair *et al.* 2015:171).

4.5.1.4 Cluster sampling

Ahmed (2009:2) states that in cluster sampling, a cluster refers to a group of elements within the population. These groups are then randomly selected for study and constitute the sampling unit (Blumberg *et al.* 2008:246). In other words, in contrast to stratified sampling, cluster sampling involves selecting entire groups or clusters within the population as opposed to selecting individual elements from each cluster for inclusion in the sample (Kothari 2004:16). Hair *et al.* (2015:172) states that cluster sampling is similar to stratified sampling in the

sense that the members of the population are split into non-overlapping groups before sampling. These groups are referred to as clusters, as opposed to strata, as they are naturally occurring in the sense that they pre-exist. Examples of such groups include schools, households or geographic units.

Non-probability sampling will be discussed in the following section.

4.5.2 Non-probability sampling

Here, the probability of selecting elements of the population is unknown. The choice of subjects is commonly made by the researcher (Blumberg *et al.* 2008:250). Kothari (2004:59) affirms this in stating that subjective judgments play a specific role here and that the researcher dominates with regards to item choice. This method of sampling enables a greater opportunity for bias to enter the sample selection procedure and to distort the findings of the study (Blumberg *et al.* 2008:250). Techniques within this sampling method include convenience-, snowball- and purposive sampling, which include judgement sampling and quota sampling (Latham 2007:7) which is discussed in the following section.

4.5.2.1 Convenience sampling

According to Blumberg *et al.* (2008:252) convenience samples are unrestricted non-probability samples. Hair *et al.* (2015:175) state that convenience sampling involves the selection of the most accessible subjects. It is quick, inexpensive, and requires very little planning (Blumberg *et al.* 2008:252; University of Central Arkansas 2013:7-10). This technique is thus particularly beneficial to researchers in the case that a group of people cannot be found to survey or question (Latham 2007:8). Examples of samples selected using this technique include informal pools of friends and neighbours, people responding to a newspaper's invitation for readers to state their standing regarding a public issue, intercept interviews conducted by television reporters on the 'man-in-the-street', and using employees to provide feedback on the taste of a new snack food (Blumberg *et al.* 2008:252).

4.5.2.2   Snowball sampling

According to Blumberg *et al.* (2008:255) this sampling technique applies in the case that respondents are difficult to identify and can best be found through referral networks. Blumberg *et al.* (2008:255) further state that this sampling technique is used when the population of interest can only be discerned by someone who knows that a certain person has the experience or characteristics needed to form part of the sample.   The initial stage of this technique involves individuals being discovered, possibly selected through probability methods and then this group is used to find others who share similar characteristics, and so the cycle continues (Sutherland & Canwell 2008:53). In this way, the research benefits through one participant suggesting or introducing another participant to the researcher (Harrell & Bradley 2009:32).

4.5.2.3   Purposive sampling

This technique involves selecting a sample that fulfills certain criteria and is made up of two major types of sampling, namely judgment sampling and quota sampling (Blumberg *et al.* 2008:253).

(a) Judgment sampling

Hair *et al.* (2015:175) explain that the judgement sample, also known as purposeful sample, is the most common sampling technique. Furthermore, this sampling technique takes place when a researcher selects sample members who meet some criterion. Blumberg *et al.* (2008:253) continues to say that this selection could be carried out with the help of developing a framework of the variables that might influence an individual's contribution which will be based on the practical knowledge of the researcher with regards to the research area, the available literature and evidence from the study itself.

(b) Quota sampling

According to Blumberg *et al.* (2008:253) quota sampling is used "to improve representativeness". Zikmund *et al.* (2012:394) describe quota sampling as dividing the population group into subgroups where, based on the proportions of subgroup to population, interviewers select a number of units within each subgroup to interview. Kothari (2004:16) confirms this in stating that the size of

the quota for each subgroup is generally proportionate to the size of that subgroup in the population. According to Latham (2007:10) this is a good sampling technique to use to non-randomly select groups based on gender, age, race, and ethnicity, to name a few.

The sampling technique adopted in this study will be discussed in the following section.

4.5.3 Sampling technique adopted in the study

For this study the non-probability sampling techniques, convenience- and snowball sampling were conducted. A sample size of 195 was deemed adequate for exploratory factor analysis (39 items x 5 observations=195). Some of these respondents were conveniently selected including tertiary students and staff from the NMMU, family and friends. Convenience sampling is advantageous in that it entails the selection of the most accessible subjects to form the sample for the study and is quick, inexpensive, and needs very little planning (Blumberg *et al.* 2008:252; University of Central Arkansas 2013:7-10). The conveniently chosen respondents also distribute questionnaires to people they know (snowball sampling) to increase the possibility of having a large enough sample size to generalise findings.

The data collection methods available to the research will be discussed in the following section as well as how data was collected in this study.

4.6 DATA COLLECTION METHODS

Harrell and Bradley (2009:1) state that making use of the correct data collection approach will assist in fulfilling the goal of carrying out high-quality research thus enabling credible findings. Blumberg *et al.* (2008:276) explain that the approach of data collection is, to a large extent, determined by identifying the types of information required. This refers to the investigative questions that the researcher must answer and the data type required for each of these questions (nominal, ordinal, interval or ratio). The decision would also be affected by the characteristics of the sample unit, particularly whether or not a participant can convey his or her ideas, thoughts and experiences (Blumberg *et al.* 2008:276).

According to Kothari (2004:95) data is divided into primary and secondary data, primary data referring to data collected for the first time whereas secondary data refers to information that has been previously collected and forgone statistical process and is readily available from other sources. Primary data can thus be collected through methods such as survey or experiment whereas secondary data can be found through literature searches and thus in journals, magazines, newspapers, textbooks, and on websites (Blumberg *et al.* 2008:202).

Figure 4.1 distinguishes between the primary data collection methods used for quantitative studies and those used for qualitative studies.

Figure 4.1: Primary data collection methods
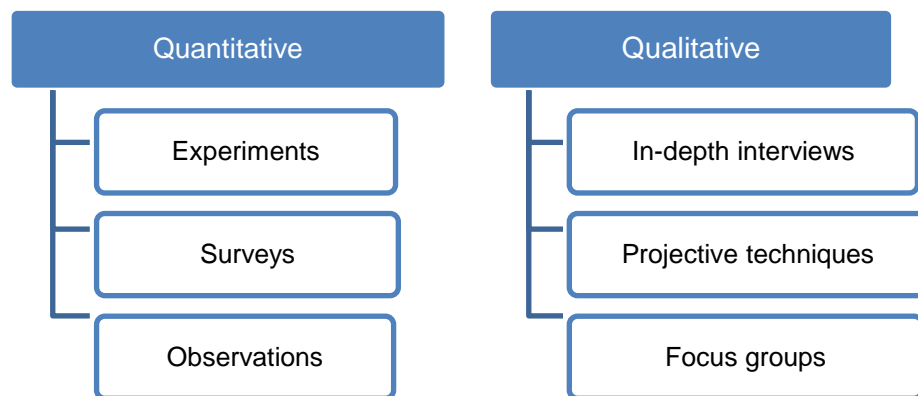
Source: Adapted from Blumberg *et al.* (2008:201); Cant, Gerber-Nel, Nel & Kotze (2005:88); Harrell & Bradley (2009:114-116)

Figure 4.1 indicates that experiments, surveys and observations are quantitative methods of primary data collection. Taking into consideration that this is a quantitative study, only the primary data collection methods of the quantitative research paradigm in Figure 4.1 will be elaborated on next.

4.6.1 Experiments

Thomas and Brubaker (2008:141) state that an experiment involves applying a treatment to an individual, group or institution, describing the observed effect of the treatment and estimating why that effect transpired. In congruence with Thomas and Brubaker's (2008) description, Blumberg *et al.* (2008:396) define experiments as studies where intervention by the researcher occurs outside of that required for measurement and explain that intervention refers to manipulating a variable in a setting after which note is taken regarding how it affects the subjects being studied. Two types of experiments exist, namely:

- Absolute experiments, and
- comparative experiments.

For example, when trying to determine the impact of a fertiliser on the yield of a crop, an absolute experiment would be conducted. When trying to determine the impact of one fertiliser in comparison to the impact of another fertiliser, the experiment conducted would be a comparative experiment (Kothari 2004:35). .

4.6.2 Surveys

Thomas and Brubaker (2008:126) explain that survey methods involve collecting information regarding a topic from a variety of sources, then conveying a summary of the findings. Blumberg *et al.* (2008:278) state that the significant strength of a survey as a primary data collecting method is its versatility. Abstract information of all kinds can be obtained through questioning others. Some questions allow for "open-ended" responses where respondents are able to answer in a free flowing narrative form, and others allow for "close-ended" responses where respondents are asked to choose from a range of pre-set answers. Open-ended responses may be difficult to decipher and more time and resources would be needed to manage them in comparison to close-ended choices (Hair *et al.* 2015:256).

With regards to the information sought, the questions are used to inquire about subjects that are exclusively internal to the respondent. These subjects refer to attitudes, opinions, preferences, personalities, beliefs, expectations and intentions of the participant (Blumberg *et al.* 2008:278). Prior to carrying out a

survey, specific instruments and methods of data collection are created for adoption (Thomas & Brubaker 2008:127). This speaks to the fact that responses may take the form of a rating on some scale or may provide categories from which to choose (Hair *et al.* 2015:230).

4.6.3 Observations

Observation involves the systematic noting of events, behaviours, and objects in the social setting selected for study and then recording the findings (Marshall & Rossman 2006:98; Thomas & Brubaker 2008:154). According to Kothari (2004:17), the observation data collection method entails the gathering of information by means of the researcher's own observation, without interviewing the respondents. The information obtained via this method relates to what is currently happening and is not affected by either the past behaviour or future intentions or attitudes of respondents. This method is based on the assumption that behaviour is purposeful and representative of deeper values and beliefs (Marshall & Rossman 2006:98). Blumberg *et al.* (2008:346-347) distinguish between two types of observation techniques as can be seen in Figure 4.2.

Figure 4.2:   Types of observation techniques

| Behavioural observation | • Non-verbal analysis
• Linguistic analysis
• Extra-linguistic analysis
• Spatial analysis |
| Non-behavioural observation | • Record analysis
• Physical condition analysis
• Physical process analysis |
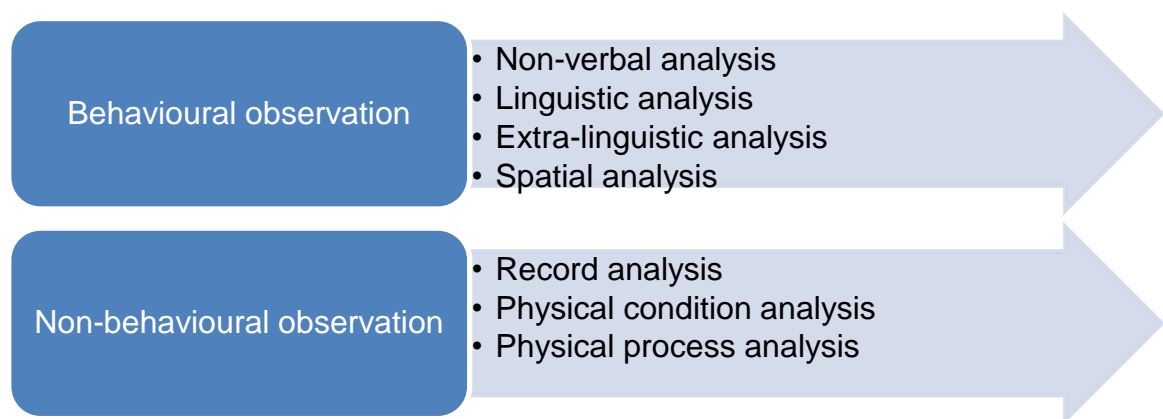
Source: Adapted from Blumberg *et al.* (2008:346-347)

As can be seen in Figure 4.2, some observations are related to behaviour while others are not. The types of observations have been indicated in Figure 4.2, but as this study did not adopt the observation data collection technique it is not

further elaborated on. The data collection method adopted in this study will be highlighted in the following section.

4.6.4 Data collection method adopted in study

Secondary research was conducted by consulting various external sources including academic search engines such as Google Scholar, academic journals, published books and previous and related research about the topic through databases such as EBSCOhost. Primary data was collected using a survey method, by means of a structured questionnaire, which seems to be the most appropriate data collection method as this study aims to find quantifiable data that can be generalised to the population by evaluating the respondents' perceptions, attitudes and behaviour. The population of this study is too large to observe directly. The variables in this study cannot be manipulated to examine its effect on a dependent variable.

For the purpose of this study, a self-administered questionnaire was newly developed to gather the required primary data. Respondents that were approached are consumers in the Nelson Mandela Bay Metropole. The next section will discuss the questionnaire design in more detail.

4.7   QUESTIONNAIRE DESIGN

There are two main objectives in designing a questionnaire (Blumberg *et al.* 2008:192; University of Loughborough 2004:2):

- To maximise the proportion of subjects answering the questionnaire (the response rate), and
- To obtain accurate relevant information for a survey.

To maximise the response rate there needs to be careful consideration regarding how, the questionnaire is administered, rapport is established, the purpose of the survey is explained and those who have not responded are reminded (Blumberg *et al.* 2008:192). It is important that the researcher has a very clear idea regarding what needs to be achieved through the questionnaire in order to elicit from respondents the information required to meet those needs (University of Loughborough 2004:2). In order to meet these needs and attain

accurate and relevant information, thought must be put into the questions to be asked, the manner in which they are asked, the order in which they are asked and the general layout of the questionnaire. Figure 4.3 show the steps in questionnaire design.

Figure 4.3:   Steps in questionnaire design
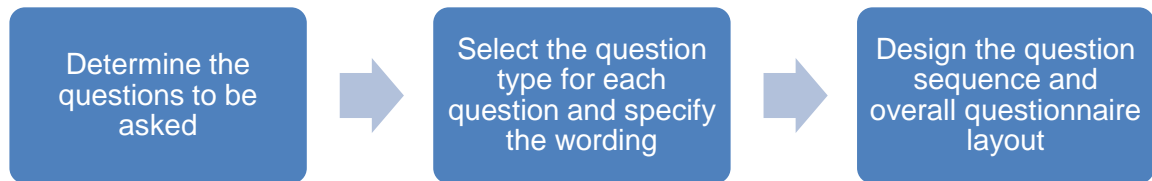
Source: Adapted from Blumberg *et al.* (2008:192)

In addition to the steps mentioned in Figure 4.3, the length of the questionnaire also needs to be taken into account (Blumberg *et al.* 2008:192).

Different types of questions can be utilised, namely open-ended versus closed-ended, single versus multiple responses, multiple choice, ranking, and rating (Fisher, Buglear, Lowry, Mutch & Tansley 2007: 193-196; McMillan & Weyers 2010:112-113). With open-ended questions, respondents are able to answer in a free flowing narrative form, whereas close-ended questions provide respondents with pre-defined options (University of Loughborough 2004:3). The pros and cons of each of these question types are tabulated in Table 4.3.

Table 4.3:   Pros and cons of open- versus closed-ended questions

Types of questions	Pros	Cons
Open-ended	• Yield "rich" qualitative data. • Encourage thought and freedom of expression.	• May discourage responses from less literate respondents. • Take longer to answer and may put some people off. • Are more complex when analysing and responses can be misinterpreted.
Closed-ended	• Yield quantitative data. • Are easier for people of all literacy levels to respond to. • Are quick to answer and may improve respondents' response rate. • Are easy to decipher and analyse.	• Can induce 'mindless' replies.

Source: Adapted from University of Loughborough (2004:3)

It becomes apparent that close-ended questions are measurement questions and classified according to measurement scales. These measurement scales are summarised in Table 4.4.

Table 4.4:   Measurement scales

Scale	Characteristics	Basic empirical operation	Example
Nominal	• Categorises data with no order or distance relationship. • No arithmetic origin.	Determination of equality.	Gender (male, female), assignment of numbers on sports players backs in order to identify them (number order is of no consequence, are just convenient labels).
Ordinal	• Categorises data, indicative of order relationship, but not distance. • No unique origin.	• Determination of greater or lesser value. • A form of ranking i.e. highest to lowest.	Extent to which meat is cooked (well, medium-well, medium-rare, rare), a student's rank in class.
Interval	• Categorises data, indicative of order and distance relationship. • No unique origin.	Determination of equality, of intervals or differences.	Temperature in degrees.
Ratio	• Categorises data, indicative of order and distance relationship. • Has unique origin.	Determination of equality of ratios.	Age, weight, height.

Source: Adapted from Blumberg *et al.* (2008:440); Kothari (2004:71-72)

Table 4.4 represents a summary of the different measurement scales and identifies the measurement scale, provides characteristics specific to that scale

of measurement, specifies the basic empirical operation of that scale and states possible examples of each scale. As previously stated, a structured self-administered questionnaire was used as the research instrument in this study. The structured questionnaire explores the perceptions held by Nelson Mandela Bay Metropole consumers regarding the factors influencing the effectiveness of eWOM marketing. The structured questionnaire (Appendix A) consists of the following four sections:

- Section A explores the eWOM marketing sources used by respondents as a means to pass on information, as well as their favourite source, using a nominal scale;

- Section B explores the factors influencing eWOM marketing by means of a five point Likert scale ranging from strongly agree to strongly disagree;

- Section C explores effective eWOM marketing and what encourages respondents' engagement in it by means of a 5-point Likert scale ranging from strongly agree to strongly disagree, and

- Section D canvasses biographical data of the respondents using a nominal scale.

Bertram (2006:1) defines the Likert scale as a psychometric response scale used mainly in questionnaires in an effort to determine respondents' preferences or degree of agreement regarding a statement or set of statements. Each response is given a numerical score, indicating its favourableness or unfavourableness (Kothari 2004:84). In other words, the Likert scale allows respondents to select the option that best aligns with their view. In this way, it is used to measure respondents' attitudes, beliefs or behaviour (Losby & Wetmore 2012:4). The 5-point Likert scale used in this study ranged from strongly disagree (1) to strongly agree (5). The statements within sections B and C were carefully constructed based on the information forthcoming in the literature chapters of this study.

4.7.1 Pilot study

Due to the complexity of designing a questionnaire, it is necessary that the questionnaire be pre-tested on a small (pilot) sample of the selected subjects. Thomas & Brubaker (2008:128) mention that the aim of a pilot study is to

identify weaknesses in the instrument (in terms of validity and reliability) and methods used, in order to amend these prior to conducting the main survey (Welman, Mitchell & Kruger 2005:148). In congruence with Thomas and Brubaker (2008), Woken (2013:1) states that pilot studies allow for a thorough examination of the planned statistical and analytical procedures, providing the researcher with an opportunity to evaluate their usefulness for the data, to make the necessary changes to the data collecting methods and ultimately enable more efficient analysation of data in the main study.

For the purpose of this study, a pilot study was carried out on a sample of 30 respondents, to determine the initial validity and reliability measures of the measuring instrument. Validity and reliability of the measuring instrument are discussed in greater detail in Section 4.9 of this chapter. Both face- and content validity were confirmed as two marketing experts in the management department of the NMMU confirm that the statements fit the factor under investigation.

To verify the internal consistency of the items in the research instrument, Cronbach's alpha coefficients were calculated for the pilot study (Blumberg *et al.* 2008:458). The results of the pilot study are presented in Table 4.5.

Table 4.5:   Cronbach's alpha values of the pilot study

Variable	Cronbach's alpha
Feedback	0.855
Trustworthiness	0.865
Social status	0.874
Networking	0.857
Effective eWOM marketing	0.844

As can be seen in Table 4.5, all Cronbach's alpha values exceed 0.8, indicating high reliability of the measuring instrument.

4.7.2 Response rate of data collection

A total of 400 questionnaires were distributed and 360 useable questionnaires were received, therefore, a response rate of 90% which is deemed satisfactory. Statistical analysis was performed on the information and data obtained, as discussed in the following section.

4.8 DATA ANALYSIS

Kothari (2004:122) explains that the term analysis refers to the computation of certain measures along with detecting patterns of relationship that occur among data-groups. In the process of analysis, relationships or differences in alignment or conflicting with initial or new hypotheses should be subjected to statistical tests of significance to determine whether the data is indicative of any conclusions through the validity calculated. Fisher *et al.* (2007:207) explain that statistics enable estimation of the extent of errors that have occurred when making observations and generalisations.

Statistics is divided into descriptive statistics and inferential statistics (Kothari 2004:130). Descriptive statistics is concerned with generalising from a sample, whereas the inferential refers to generalising from a sample to make estimates and inferences with regards to a wider population (Fisher *et al.* 2007:208). A statistical computer programme package will be utilised within this study. Fisher *et al.* (2007:222) indicate that data analysis can be done using the following software programmes, namely, Minitab, SPSS, SAS, Statpak, Systat, Excel and Statistica. For the purpose of this study, the statistical computer package Statistica 12, was used to analyse the data.

This study will utilise data analysis techniques such as Exploratory Factor Analysis (EFA), Pearson moment coefficient correlations, multiple regression, descriptive statistics, multi-variant analysis of variance (MANOVA), post-hoc Sheffé and Cohen D tests. These techniques are discussed in more detail in the following sections.

4.8.1 Exploratory factor analysis

Yong and Pearce (2013:79) state that factor analysis aims to summarise data so that relationships and patterns can be easily interpreted and understood. Browne and Moore (2013:2) state that the objective of factor analysis is to determine the number and nature of factors attributing to the variation and covariation among a set of indicators. According to Browne and Moore (2013:2) there are two main types of analyses based on the common factor model, namely Exploratory- and Confirmatory Factor Analysis. Confirmatory Factor Analysis (CFA) is used to verify the factor structure of a set of observed variables. It enables the researcher to test the hypothesis that a relationship between observed variables and their underlying latent constructs exists. The relationship postulated by the researcher is formed based on knowledge of theory, empirical research, or both (Suhr 2015:1). EFA is carried out to discover common factors. The technique for extracting factors aims to take out as much common variance as possible in the first factor. Remaining factors are, in turn, intended to account for the maximum amount of the remaining common variance until, hopefully, no common variance is left (Brown & Moore 2013:2; Suhr 2015:1).

This study utilised EFA to determine the number of factors influencing eWOM marketing and to analyse which variables 'go together'. In other words, as according to several authors (Yong & Pearce 2013:80; Suhr 2015:1), no preconceived structure was imposed on the outcome of the factor structure. Determining the number of factors to extract in a factor analytic procedure involves keeping the factors that account for the most variance in the data (Suhr 2015:1). The items that load onto the factors by obtaining factor loadings of greater than 0.4 will be considered significant.

Another form of data analysis, available to the researcher, is the Pearson product-moment correlation coefficient; this method will be discussed next.

4.8.2   Pearson product-moment correlation coefficient

Yount (2006:22-3) states that the Pearson's product-moment correlation coefficient identifies the correlation between two interval or ratio variables. The Pearson product-moment correlation coefficient is a measure of the strength of the linear "relationship" between two variables. It is denoted by "r". A Pearson product-moment correlation attempts to draw a line of best fit through the data of two variables, revealing how far away all these data points are from this line of best fit. In other words, "r" indicates how well the data points fit this new model/line of best fit (Laerd Statistics 2013a). Correlation values can range from +1 to -1 (Howell 2007:238). For the purpose of this study Pearson product-moment correlation coefficients were calculated to determine the correlations between the influential eWOM marketing factors (independent variables), as well as with effective eWOM marketing (dependent variable).

4.8.3 Multiple regression

Multiple regression refers to a statistical tool that allows you to examine the relationship between multiple independent variables and a dependent variable (Ramos, Delgado, Almeida, Simões & Manuel 2015:29). In other words, multiple regression analysis is carried out when the researcher perceives one dependent variable to be a function of two or more independent variables. After identifying how these multiple variables relate to the dependent variable, information about all of the independent variables can be used to make much more powerful and accurate predictions regarding why things are as they are (Ramos *et al.* 2015:29). For the purpose of this study, multiple regression will be used to determine which independent variable (factors influencing eWOM) has a significant relationship with the dependent variable (effective eWOM marketing) and in this way establish whether the formulated research hypotheses should be accepted or rejected based on the analysis of the data findings.

4.8.4   Descriptive statistics

The objective of descriptive statistics is to organise, summarise and display a collection of data effectively (Warren, Denley & Atchley 2014:21). In other words, descriptive statistics enables the researcher to meaningfully describe

many pieces of data by means of a few indices (Descriptive Statistics 2012:412-413). Torres-Reyna (2009) states that descriptive statistics measures location and variability. Location provides one with the central value of the variable (the mean is the most common measure) whereas variability refers to the spread of the data from the centre value (i.e. variance, standard deviation). Table 4.6 distinguishes between and defines the different measurement forms for location and variability.

Table 4.6:   Location and variability measures

Location measures	Measure defined	Variability measures	Measure defined
Mean	• Is the sum of the observations divided by the total number of observations. • Most common indicator of central tendency of a variable.	**Variance**	• Measures the dispersion of the data from the mean. • Is the simple mean of the squared distance from the mean.
Median	• Measure of central tendency. • Middle number in a set of numbers placed in ascending order. • If the number of cases is odd the median is the single value, for an even number of cases the median is the average of the two numbers in the middle. • Not affected by outliers and is also known as the 50th percentile.	**Standard deviation**	• Squared root of the variance • Indicates how close the data is to the mean. • Assuming a normal distribution.
Mode	• Most frequent, repeated or common number in the data.	**Range**	• Measure of dispersion. • Is the difference between the largest and smallest value.

Source: Adapted from Kothari (2004:132-136) and Torres-Reyna (2009)

The results of the valid and reliable factors influencing effective eWOM marketing is presented in the terms of means and standard deviations.

In order for the researcher to establish which of the demographic variables can predict the factors influencing eWOM marketing, the researcher made use of the multi-variant analysis of variance (MANOVA), a method which will be discussed in the following section.

4.8.5 Multi-variant analysis of variance (MANOVA)

According to Lane, Scott, Hebl, Guerra, Osherson and Zimmer (2012:518) MANOVA is a statistical technique used to test differences between two or more means. Inferences regarding the means are made by analysing variance. Lane *et al.* (2012) furthermore state that MANOVA refers to statistical models and associated procedures, in which the variance computed is divided into components as a result of different explanatory variables. The F-ratio (F-value) is representative of these differences. If the likelihood of any difference between groups occurring by chance alone is low, this will be denoted by a large F-ratio with a probability (p-value) of less than 0.05. This indicates statistical significance (Saunders, Lewis & Thornhill 2009:458).

In the case that the MANOVA indicates an overall significant difference between group means, indicated by a p-value of less than 0.05, a post-hoc Scheffé test is conducted in order to indicate the specific group differences (Laerd Statistics 2013b). Once post-hoc tests have been completed, Cohen's d values, which reflect effect size, are calculated in order to assess the practical significance of the differences in means between the groups (Biddix 2009). This statistical test is concerned with whether or not the means of these several groups are all equal. In essence, analysis of variance extends the two-sample t-test for testing the equality of two population means to a more general null hypothesis of comparing the equality of more than two means, as opposed to them not all being equal (Minitab User's Guide 2 2000:3-2). According to Cohen (1988:285-287) the results can be interpreted in terms of a small, medium or large effect size.

The validity and reliability of the measuring instrument will be discussed in the following section.

4.9 VALIDITY AND RELIABILITY OF THE MEASURING INSTRUMENT

In order for a measurement tool to be an accurate counter or indicator of what the study intends to measure, the criteria to be taken into account to evaluate the tool include validity and reliability (Blumberg *et al.* 2008:447). In the following sections validity and reliability measures are discussed.

4.9.1 Validity of the measuring instrument

Blumberg *et al.* (2008:447) state that validity is the extent to which differences detected with a measuring tool reflect true differences among those being tested. As researchers are not equipped with direct confirming knowledge, validity is determined through seeking other relevant evidence that confirms the answers found using the study's measuring tool (Kothari 2004:73). Various types of validity exist; namely face-, content-, criterion- and construct validity (Blumberg *et al.* 2008:449; Kothari 2004:74).

4.9.1.1   Face validity

Hair *et al.* (2015: 446) mention that face validity could also be called surface validity or appearance validity due to it being purely a subjective, superficial assessment of whether the study's measurement procedure gives the impression of being a valid measure of a given variable or construct. Laerd Statistics (2012) states that face validity refers to the extent to which the purpose of the test is apparent to those taking it. When considering who is responsible for determining whether the test appears valid, it becomes apparent that these are non-professionals.

4.9.1.2   Content validity

According to Zikmund *et al.* (2012:648) when professionals subjectively agree that a scale evidently reflects accurately what it intends to measure, it is known as content validity. Kothari (2004:74) states that content validity is the degree to which a measuring instrument provides adequate coverage of the topic undergoing study. Blumberg *et al.* (2008:449) affirm Kothari's (2004) definition in referring to content validity as the degree to which a measuring instrument provides sufficient coverage of the investigative questions steering the study. If the instrument contains a representative sample of the universe of the subject matter of interest, the content validity is said to be good. Its determination is based primarily on judgement and intuition and it cannot be expressed in a numerical way (Blumberg *et al.* 2008:449; Kothari 2004:74).

4.9.1.3 Criterion validity

Criterion validity asks the question of whether the constructed measure correlates with other measures of the 'same' construct (Struwig & Stead, 2013:147). Blumberg *et al.* (2008:450) explain criterion validity differently, in stating that this form of validity reflects the success of measures used for prediction or estimation. There are two kinds of validity within criterion validity, namely predictive validity and concurrent validity (Kothari 2004:74). When wanting to predict an outcome, predictive validity would be determined. When estimating the existence of a current behaviour or condition, concurrent validity would be determined. They differ only from a time perspective as the one predicts a future outcome while the other estimates a behaviour or condition at present (Blumberg *et al.* 2008:450).

4.9.1.4 Construct validity

According to Blumberg *et al.* (2008:451), when trying to evaluate construct validity, both the theory and the measuring instrument being used must be considered. Kothari (2004:74) affirms that construct validity involves determining the correct operational measures for the concepts undergoing study. If measurements on the scale developed correlate in a predicted way with these other propositions, it can be deduced that there is some construct validity. Zikmund *et al.* (2012:305) states that construct validity is determined by considering the degree to which the measure confirms a network of related hypotheses produced from a theory based on the concepts. If the empirical evidence resulting from statistical analysis corresponds with the theoretical logic about the concepts, the measure has construct validity.

4.9.1.5 Types of validity confirmed

Face and content validity was confirmed during the pilot study phase of the study. Experts in marketing confirmed face validity of the items in the factors and as the items included in the questionnaire were based on literature, content validity was confirmed. Construct validity confirmed that the intended construct is measured. All items loading below 0.4 were removed in the EFA.

The reliability of the questionnaire will be discussed next.

4.9.2 Reliability of the questionnaire

According to Kothari (2004:74) a measuring instrument is considered reliable if it delivers consistent results. It is concerned with estimates of the extent to which a measurement is free of random or unstable error (Blumberg *et al.* 2008:455). A commonly used measure of reliability is Cronbach's alpha coefficient (Struwig & Stead 2013:138). Cronbach's alpha coefficient would indicate the extent of internal consistency or homogeneity among items (Blumberg *et al.* 2008:458). Kothari (2004:74) further states that reliability does contribute to validity, but a reliable instrument is not necessarily a valid instrument. For this study, the Cronbach's alpha cut-off point will be 0.6. According to Zikmund *et al.* (2012:302), a coefficient of less than 0.6 is considered to be unreliable. Items below the 0.6 cut-off point will be removed to strengthen the reliability of the instrument.

4.10 SUMMARY

The aim of this chapter was to discuss the research methodology that was followed in this study. Firstly, the two main research paradigms were discussed. Here, the paradigm most suitable for the study was selected, namely quantitative, and motivation provided in that regard. Thereafter, the various research approaches were discussed and those specific to the study were identified, namely the exploratory and descriptive research approaches.

The population of the sample is consumers in the Nelson Mandela Metropole and sampling methods were discussed in the form of probability- and non-probability sampling. A discussion of the sampling methods followed, indicating that non-probability convenience- and snowball sampling were utilised. A sample of 360 consumer respondents within the Nelson Mandela Metropole were obtained.

The primary and secondary data collection methods were elaborated on. The various forms of primary data collection methods were discussed. Primary data collection was via a survey with a newly developed structured questionnaire. The rationale for choosing the appropriate method for the study was given. The research instrument was evaluated by considering the questionnaire design,

measuring scale and the pilot study. The self-administered structured questionnaire encompassed four sections.

The different data analysis procedures which were used in this study were discussed and the motivation given as to why they are deemed appropriate. Reliability and validity of the measuring instrument were elaborated on and the reason for choosing the types used in this study was proved. The next chapter will present the results of the primary data collection of this study.

CHAPTER 5
EMPIRICAL RESEARCH FINDINGS

5.1 INTRODUCTION

In the previous chapter, the research design and methodology adopted in this study was discussed. Firstly, the research design was identified as being the structure within which the research is carried out and the two research paradigms were discussed. Reference was made to the research approach, population and sampling methods, data collection methods, questionnaire design, data analysis and the reliability and validity of the measuring instrument.

This chapter will present and discuss the results obtained from the sample of 360 consumers residing in the Nelson Mandela Metropole. The findings will be presented in tables and figures and discussions will be provided for these.

The findings include demographic data of the respondents and findings regarding the factors influencing effective eWOM as a marketing tool. This will be followed by indicating the validity and reliability of the research instrument developed to measure the independent and dependent variables. Thereafter, the findings of the Pearson product moment correlation coefficients and multiple regression calculations will be discussed to indicate which significant relationships exist between the predetermined independent and dependent variables. Finally, the results of the multi variant analysis of the variance (MANOVAs) and T-tests will be discussed to indicate if statistical and/or practical significant relationships exist between the demographic variables and the independent variables.

5.2 DEMOGRAPHIC AND GENERAL INFORMATION

The demographic section will report on each of the questions listed in Section D of the questionnaire (Appendix A). Table 5.1 represents the demographic information of the 360 respondents.

Table 5.1:   Demographic information of respondents

Variable	Descriptor	Percentage
Gender	Male	48
	Female	52
Age in years	<20	12
	20-29	54
	30-39	11
	40-49	11
	50-59	10
	60+	2
Home language	English	45
	Afrikaans	17
	Zulu	4
	Xhosa	23
	Other	11
Ethnic affiliation	Asian	4
	SA Black	37
	Coloured	8
	White	46
	Other	5
Highest education qualification	Matric (Grade 12)	37
	Certificate	6
	Undergraduate diploma	9
	Undergraduate degree	22
	Post-graduate diploma	6
	Post-graduate degree	15
	Other	5
Position in the organisation	Student	43
	Owner in business	6
	Manager	10
	Employee	33
	Retired	2
Years working experience	<1	6
	2-5	16
	6-10	8
	11-15	4
	16-20	3
	20+	14
Business sector employed in	Financial	8
	Education	8
	Retailing	6
	Catering	3
	Medical	3
	Manufacturing	2
	Insurance	2
	Accommodation	2
	Construction	2
	Engineering	2
	Communication	2
	Wholesaling	1
	Transport	1
	Travelling	1
	Mining	1
	Real estate	1
	Leisure	1
	Entertainment	1
	Agriculture	1

Variable	Descriptor	Percentage
	Architecture	1
	Other	2

From Table 5.1 it is evident that more than half of the respondents were female (52%). With regards to age, more than half of the respondents fell within the 20 to 29 year age range (54%), followed by the age groups less than 20 years (12%), and 40 to 49 years (11%), with few respondents falling into the 60 years and older category (2%). In terms of the respondents' home language, English proved to be spoken by 45% of respondents, followed by Xhosa (23%). With regards to ethnic affiliation, nearly half of the respondents were white (46%) and 37% in this sample were black South Africans.

Table 5.1 indicates that over a third of the respondents' highest level of education achieved was that of Grade 12 (37%), with 22% of respondents having an undergraduate degree. From Table 5.1 it is evident that 43% of the respondents were students, of which 2% were part-time employed. Forty nine percent of the respondents were full-time employed, either as an owner (6%), manager (10%) or ordinary employee (33%). Of the 51% of respondents employed, 16% had between two to five years' work experience, 14% had 20 or more years' work experience and a few (3%) had between 16 to 20 years' work experience. From Table 5.1 it is also evident that 49% of the respondents were not currently employed, by either being retired (2%), unemployed students (41%) or just unemployed (6%).

With regards to the business sector within which the respondents were employed, it is evident that the respondents were employed in various sectors. Of the employed respondents, 8% were employed in the sectors of finance and education respectively, 6% in retail and 3% in medicine.

With regards to the utilisation of eWOM marketing sources (Section A of questionnaire), respondents frequently pass on interesting information via instant messaging apps (62%), social networking sites (49%) and e-mail (33%). However 61% of the respondents still prefer to pass WOM messages on in person. When respondents had to indicate their favourite WOM marketing

source, they favoured instant messaging apps e.g. Whatsapp or BBM (34%) followed by social networking sites such as Facebook, Twitter and Instagram (20%) or email (14%).

In the following section, the findings regarding the factors influencing effective eWOM as a marketing tool along with the results of the validity analysis will be presented.

5.3   RESULTS OF VALIDITY ANALYSIS

In this study an EFA was used to determine the construct validity of the measuring instrument. Validity of the factors is the extent to which a measure accurately represents the concept which it aims to measure (Hair, Black, Babin & Anderson 2014:124). According to Van Voorhis and Morgan (2007:49), a sample size of 300 is regarded a good general rule of thumb for factor analysis while a sample size of 50 is considered very poor, 100 as poor, 200 as fair, 500 as very good and 1000 as excellent. The items that loaded onto the factors with factor loadings of greater than 0.4 were considered valid. In addition, only factors with three returned items will be further statistically analysed, as Costello and Osborne (2005:5) state that all factors should have at least three item loadings, as a factor with fewer than three items is generally regarded as weak and unstable. However, five or more items with strong factor loadings are seen as desirable and said to indicate a solid factor. Any item that loads onto more than one factor (cross loadings) will be deleted (StatWiki 2016). For this reason, Item B4 was deleted from further analysis as it obtained cross loadings (Factor 1 and Factor 2). The validity analysis of the independent variables will be presented first.

5.3.1 Validity analysis: Independent variables

The resulting factor structure that emerged from the EFA that was conducted on the predetermined factors influencing eWOM; namely feedback, trustworthiness, social status and networking, is depicted in Table 5.2.

Table 5.2: Exploratory factor matrix structure for independent variables

Items	Factor 1 Feedback	Factor 2 Trustworthiness	Factor 3 Social status	Factor 4 Networking
B1	**0.618109**	0.238129	0.179145	0.095041
B2	**0.712062**	0.210271	0.064411	0.042246
B3	0.352815	0.339188	-0.198376	0.386418
B4	**0.489474**	**0.448048**	-0.005156	0.197525
B5	**0.549358**	0.262331	0.108064	0.265559
B6	**0.485820**	0.209622	0.178579	0.222455
B7	**0.663595**	0.244853	0.063669	0.083273
B8	0.359264	**0.621407**	-0.030623	0.159486
B9	0.080451	**0.692980**	0.123533	0.023583
B10	**0.433721**	0.385259	0.181010	-0.016738
B11	0.343524	**0.571352**	-0.050755	0.085896
B12	0.345049	**0.438811**	0.061800	0.130121
B13	0.341472	0.155865	0.158375	**0.419880**
B14	0.046365	**0.730087**	0.106270	0.186684
B15	0.150578	**0.721413**	0.066935	0.177567
B16	0.176773	0.380533	0.045589	0.392820
B17	0.286641	0.371199	0.122299	0.247952
B18	0.174917	**0.619685**	0.122601	0.175101
B19	0.370627	**0.468183**	0.081558	0.230855
B20	**0.540442**	0.127125	0.283377	0.105911
B21	0.097129	0.102606	**0.437738**	-0.228033
B22	0.126084	0.021418	**0.802571**	0.069777
B23	0.066446	0.046257	**0.740549**	0.060799
B24	0.074535	0.001703	**0.839239**	0.132671
B25	-0.048413	0.193506	**0.670173**	0.175764
B26	0.033338	0.073490	**0.749224**	0.112798
B27	0.158308	0.148382	**0.695256**	0.004266
B28	0.221414	0.128802	0.162120	**0.630382**
B29	0.105925	0.121173	0.108830	**0.633986**
B30	0.000888	0.372090	0.343932	**0.427902**
B31	0.096591	0.296507	0.078879	**0.663855**
B32	0.023989	0.248904	0.145299	**0.651557**
B33	0.136191	0.035077	0.338002	**0.590649**
Expl.Var	4.372410	4.673119	4.889316	3.470001
Prp.Totl	0.112113	0.119824	0.125367	0.088974

An interpretation of the results in the exploratory factor analysis will follow.

5.3.1.1 Feedback

Seven items (B1 to B7) were developed to measure the variable feedback. Five of the seven items loaded onto this factor as intended, having loaded above the 0.4 cut-off point (B1, B2, B5, B6 and B7). Item B3 had a factor loading below the cut-off point of 0.4 and item B4 cross-loaded onto the factor Trustworthiness and will thus be deleted. Items B10 and B20 which were originally intended to measure trustworthiness also loaded onto this factor. Reading positive online comments about a product or service from someone you know (Item 20) can be regarded as feedback so it fits in with the definition of this construct on what feedback entails. When knowing a member of a site, or knowing somebody that also has an account with a site (Item 10), one may feel free to share information about products and services. Feedback refers to information provided by consumers based on the satisfaction or dissatisfaction experienced from the use of a product or service. Feedback, in the form of comments or complaints, received by businesses serves as an important resource for addressing the consumer's needs and wants (Customer Feedback 2014; Suttle 2014). A form of consumer feedback in the context of the online environment and eWOM, is online consumer reviews (Dellarocas 2003:1). A total of seven items were thus retained in this construct. From Table 5.2 it can be observed that factor loadings ranging from 0.434 to 0.712 were reported for this factor. Sufficient evidence of validity is thus provided for this construct.

5.3.1.2 Trustworthiness

Thirteen items (B8 to B20) were intended to measure the variable trustworthiness. Eight of the 13 items proved to measure this variable as intended (B8, B9, B11, B12, B14, B15, B18 and B19) with factor loadings above 0.4. As indicated in the previous section, Items B10 and B20 loaded onto factor 1, feedback. Item B13 loaded onto factor 4, networking. Items 16 and B17 were deleted as the factor loadings were below 0.4. A total of eight items were thus retained in this construct. As indicated in Table 5.2, factor loadings ranging from 0.439 to 0.730 were reported. Sufficient evidence of validity is thus provided for this construct.

5.3.1.3   Social status

Seven items (B21 to B27) were intended to measure the variable social status. All of the seven items proved to measure this variable as intended. A total of seven items were thus retained in this construct. Table 5.2 indicates that factor loadings ranging from 0.438 to 0.839 were reported. Sufficient evidence of validity is thus provided for this construct.

5.3.1.4   Networking

Six items (B28 to B33) were developed to measure the variable networking. All six items loaded onto this variable as intended. Item B13 which was originally intended to measure trustworthiness also loaded onto this factor. Having somebody you know telling you about a good product or service can be regarded as networking. Networking is defined as exchanging information. A total of seven items were thus retained in this construct. From Table 5.2 it can be noted that factor loadings ranging from 0.420 to 0.664 were reported. Sufficient evidence of validity is thus provided for this construct.

In the section to follow the validity analysis of eWOM will be presented.

5.3.2 Validity analysis of the dependent variable

Table 5.3 indicates the confirmatory factor analysis for effective eWOM marketing.

Table 5.3:   Confirmatory factor analysis for effective eWOM marketing

Items	Electronic word-of-mouth
C1	**0.520717**
C2	**0.701353**
C3	**0.719914**
C4	**0.582433**
C5	**0.574267**
C6	0.383422

Six items (C1 to C6) were developed to measure the dependent variable effective eWOM marketing. All except one of the items (C6) loaded above the 0.4 cut-off point. Five of the six items could thus be retained. Table 5.3 indicates

that factor loadings ranging from 0.521 to 0.720 were reported. Sufficient evidence of validity for this construct is thus provided.

The section to follow will report on the reliability analysis of the results.

5.4 RESULTS OF RELIABILITY ANALYSIS

According to Cooper and Schindler (2007:321), reliability refers to the degree to which measures are free from error and yield consistent results. Johnson and Christensen (2012:142) suggested that to determine the degree to which the items within a group are interrelated, the Cronbach's alpha correlation coefficient should be calculated. A coefficient less than 0.6 is considered to be unreliable, 0.6 to 0.7 denotes fair reliability, and coefficients of more than 0.7 are considered to be very reliable (Zikmund *et al.* 2012:302). Cronbach's alpha coefficients above 0.6 were regarded as acceptable for this study.

In the following sections a reliability analysis of the independent variables; feedback, trustworthiness, social status and networking will be presented, followed by a reliability analysis of the dependent variable, effective eWOM marketing.

5.4.1 Reliability analysis: Independent variables

This section will present the reliability analysis of the independent variables.

5.4.1.1 Feedback

Table 5.4 depicts the reliability analysis for the factor feedback.

Table 5.4: Reliability analysis for feedback

% of variance explained: 37.77%		Cronbach's alpha: 0.804		
Items	I engage in online word-of-mouth marketing if...	Factor loading	Item correlation	Cronbach's alpha after deletion
B1	I read positive comments on more than one online source.	0.618	0.573	0.772
B2	I frequently read positive comments over a period of time.	0.712	0.603	0.767
B5	There are positive comments made about a product/service.	0.549	0.5499	0.776

% of variance explained: 37.77%		Cronbach's alpha: 0.804		
Items	I engage in online word-of-mouth marketing if...	Factor loading	Item correlation	Cronbach's alpha after deletion
B6	I have in the past received comments online about products/ services.	0.486	0.456	0.793
B7	I read positive comments from more than one person I know.	0.664	0.621	0.764
B10	Somebody I know is also a member/has an account with the site.	0.434	0.468	0.793
B20	A positive comment is posted by someone I know.	0.540	0.507	0.784

The factor feedback returned a Cronbach's alpha coefficient score of 0.804, which is considered very reliable. The factor feedback explains 37.77% of the variance in the data.

5.4.1.2 Trustworthiness

Table 5.5 depicts the reliability analysis for the factor trustworthiness.

Table 5.5:   Reliability analysis for trustworthiness

% of variance explained: 40.40%		Cronbach's alpha: 0.841		
Items	I engage in online word-of-mouth marketing if...	Factor loading	Item correlation	Cronbach's alpha after deletion
B8	It was sent from a trustworthy source.	0.621	0.620	0.817
B9	The site has a privacy policy.	0.693	0.576	0.824
B11	The website has a reputation of being safe.	0.571	0.580	0.822
B12	I can obtain additional information from Internet on products/services.	0.439	0.482	0.834
B14	I can verify that it is a secure site.	0.730	0.612	0.818
B15	Information is posted by a knowledgeable or experienced person.	0.721	0.626	0.816
B18	The message is clear and understandable.	0.620	0.572	0.823
B19	I perceive the message to be true and correct.	0.468	0.532	0.828

A Cronbach's alpha coefficient of 0.841 was obtained for the factor trustworthiness and can be regarded as very reliable. Trustworthiness explains 40.4% of the variance in the data.

5.4.1.3 Social status

Table 5.6 depicts the reliability analysis for the factor social status.

Table 5.6: Reliability analysis for social status

% of variance explained: 46.49%		Cronbach's alpha: 0.852		
Items	I engage in online word-of-mouth marketing if...	Factor loading	Item correlation	Cronbach's alpha after deletion
B21	Sharing my opinion in-person makes me uncomfortable.	0.438	0.307	0.874
B22	It may increase my popularity with my social network.	0.803	0.727	0.814
B23	A product/service is endorsed by a celebrity.	0.741	0.654	0.825
B24	I can increase my social network.	0.839	0.763	0.808
B25	I can become more known for my expertise.	0.670	0.600	0.833
B26	It will make me fit in with my social network.	0.749	0.644	0.827
B27	It is shared by people I admire e.g. celebrities.	0.695	0.624	0.829

Social status returned a Cronbach's alpha coefficient of 0.852, indicating a very reliable scale measure for this factor. A 46.49% variance in the data is explained by the factor social status.

5.4.1.4 Networking

Table 5.7 depicts the reliability analysis for the factor networking.

Table 5.7: Reliability analysis for networking

% of variance explained: 36.13%		Cronbach's alpha: 0.795		
Items	I engage in online word-of-mouth marketing if...	Factor loading	Item correlation	Cronbach's alpha after deletion
B13	Someone I know well tell me about a good product/service.	0.420	0.427	0.786
B28	I feel the information is relevant to others.	0.630	0.543	0.765
B29	I feel my friends would also be interested to see such products/services.	0.634	0.512	0.770
B30	It is possible to meet and converse with friends with similar interests.	0.428	0.500	0.773
B31	What I have read may be beneficial to others.	0.664	0.578	0.760
B32	I want to share information about my experience of products/services.	0.652	0.600	0.754
B33	I want to share the latest trends with many friends at the same time.	0.591	0.525	0.769

Networking obtained a Cronbach's alpha coefficient of 0.795, which is acceptable and an indication of networking being a very reliable factor. The variance percentage in the data for networking is 36.13%.

5.4.2 Reliability analysis: Dependent variable

Table 5.8 depicts the reliability analysis of the dependent variable effective eWOM marketing.

Table 5.8: Reliability analysis for effective eWOM marketing

% of variance explained: 25.19%		Cronbach's alpha: 0.621		
Items	I engage in online word-of-mouth marketing if...	Factor loading	Item correlation	Cronbach's alpha after deletion
C1	A site offers incentives for referrals.	0.521	0.277	0.619
C2	It is on my social network.	0.701	0.453	0.525
C3	There are a high number of hits on the website.	0.720	0.452	0.528
C4	I lack time and have to make a quick purchasing decision.	0.582	0.362	0.573
C5	I need confirmation about a product/service from my peer group.	0.574	0.340	0.584

A Cronbach's alpha coefficient of 0.621 had been returned for the dependent variable, effective eWOM marketing. This coefficient denotes that this factor is fairly reliable. Electronic word-of-mouth explains 25.19% of the variance in the data.

This section displayed the EFA results to establish the validity of the independent and dependent factor/s used within the measuring instrument. The Cronbach's alpha coefficients indicated the inter-item reliability of the valid items. A Pearson product moment correlation was conducted on the valid and reliable factors as presented in the following section. This will be followed by the results of the multiple regression analysis.

5.5 REFORMULATION OF THE OPERATIONALISATION OF THE FACTORS

The regrouping and retaining of items have required the reformulation of the operationalisation of the various factors. Table 5.9 summarises the reformulated operational definitions.

Table 5.9:   Reformulated operational definitions of the hypothesised model

Factor	Operationalisation of factors
Online *feedback*	When individuals read positive comments about a product or service from one or more individuals they know, whether a member of the site or an individual having an account with the site, on more than one online source, over a period of time.
Trustworthiness of online messages	When an individual obtains additional information from the internet on products or services from a reputable, safe and secure website that has a privacy policy and they perceive the online message to be clear and understandable, true and correct, and posted by a knowledgeable or experienced individual that can be trusted.
Obtaining online *social status*	When individuals use an online medium to become known for their expertise as they are uncomfortable to share their opinion in person and wish to fit in with or increase their popularity on a social network as the product or service they are interested in is endorsed by a celebrity or an individual they admire.
Engaging in online *networking*	When an individual wants to share what they have read or heard about products and services that may be of interest, beneficial or relevant with many friends or other individuals they know well simultaneously be it information, their experience or latest trends.
Effective eWOM marketing	When an individual needs to make a quick purchasing decision but lacks time; the individual interacts with their peer group on their social online network to obtain more information or confirmation about a product or service, relies on information from a website that has a high number of hits or that offers incentives for referrals to make an informed purchasing decision.

Source: Researcher's own construction

As no new factors emerged from the EFA, the hypothesised model does not need revision, and there was no need to reformulate the hypotheses. In the following sections, the results of the inferential statistics conducted on the valid and reliable factors that emerged from the EFA are presented, starting with the Pearson product moment correlations coefficient results.

5.6   PEARSON PRODUCT MOMENT CORRELATION COEFFICIENT RESULTS

According to Greener (2008:62), Pearson product moment correlation coefficients identify relationships existing between internal variables by measuring the correlation strength between two internal variables at a time. Pearson product moment correlation coefficients denote values between -1 and

1 (Zikmund *et al.* 2012:559). The strength of the correlation thus varies between 0 and 1, and 0 and -1. Zero represents no correlation while positive one represents a perfect positive correlation. Therefore, the closer Pearson's (r) is to 1 (or -1), the stronger the correlation between two variables, be it a positive or negative correlation (Greener 2008:62). Table 5.10 displays the guidelines to interpret correlation results.

Table 5.10: Interpretation of correlation results

Strength of association	Coefficient (R)
Small	0.1 to 0.3
Moderate	0.3 to 0.5
Strong	0.5 to 1.0

Source: Laerd Statistics (2013d)

Table 5.11 presents the results of the Pearson product moment correlation coefficients that were calculated for this study.

Table 5.11: Correlation matrix of independent variables influencing the dependent variable, effective eWOM marketing

Factors	F1	F2	F3	F4	EWOM
Feedback (F1)	1.000				
Trustworthiness (F2)	0.577	1.000			
Social status (F3)	0.341	0.184	1.000		
Networking (F4)	0.461	0.477	0.375	1.000	
Effective eWOM marketing (EWOM)	0.445	0.237	0.530	0.379	1.000

Table 5.11 depicts all of the variables that reported a positive Pearson product moment coefficient. As can be seen in Table 5.11, one small correlation was reported between trustworthiness and social status..

5.6.1 Correlations of Feedback factor
The following variables' correlation coefficients reported a moderate association with feedback:

- Social status (r=0.341) indicates that the respondents' desire to gain social status somehow influences their choice to make use of eWOM product or service feedback as was confirmed by several authors (Cheung & Thadani 2010:334; Park *et al.* 2009:731). For example, respondents could select the eWOM source, such as a celebrity, from which they wish to receive feedback to acquire social status (Iqbal & Ismail 2011:56).

- Networking (r=0.461) suggests that when in need of product or service feedback, respondents may to some extent network with friends or family to obtain feedback. This may be due to an element of trust in the personal source of information as friends and family may be regarded as a trusted source to receive feedback from which was confirmed by Akyüz (2013:160).

- The dependent variable effective eWOM marketing (r=0.445) suggests that eWOM marketing somehow influences how respondents receive product or service feedback. In other words, because of the availability of the internet, which serves as a channel for individuals to share opinions and experiences on products, it enables consumers to obtain product or service feedback online from, for example, online consumer reviews as was confirmed by Lackermair *et al.* (2013:1). In addition to this, the influence of eWOM marketing on respondents regarding the preferred usage of online feedback results in people now increasingly relying on opinions posted on such online systems to assist them in making a variety of decisions.

Trustworthiness (r=0.577) reported a strong association with feedback. This can be interpreted as respondents perceiving trustworthiness of the source as a vital factor at times when in need of product or service feedback. In other words, feedback would be considered when it is perceived to be provided by a trustworthy source. Cheung *et al.* (2007:71) affirm that the online user will adopt information from a review (feedback) and use it to make purchasing decisions when the product comment/advice is recognised as trustworthy.

5.6.2 Correlations of Trustworthiness factor

The following variables' correlation coefficients reported a small association with trustworthiness:

- Social status (r=0.184), suggesting that respondents' desire to attain social status might only slightly influence their need for trustworthy information from a trustworthy source. An individual's desire to gain social status may be to attain acceptance and approval by, for example, seeking confirmation or using information displayed by peers on social networks regarding a product or service, not necessarily about being trustworthiness as was suggested by Cheung *et al.* (2010:1338). Furthermore, Iqbal and Ismail (2011:56) state that using prominent or attractive spokespersons such as celebrities for product endorsements may influence how other individuals behave.

- Electronic word-of-mouth (r=0.237), which indicates that respondents are not much influenced to attain information electronically from a trustworthy source. This may be due to the availability of the internet and ability of users to obtain information online through consumer feedback provided, for example, in online consumer reviews providing many reviews so consumers can make a calculated decision (Lackermair *et al.* 2013:3). Furthermore, people are now relying more and more on opinions posted on such systems in order to make various decisions, regardless if they know the people.

Networking (r=0.477) reported a moderate correlation with trustworthiness. This suggests that respondents may engage in networking if they require trustworthy information. When taking into consideration that personal sources such as friends and family are trusted to be accurate, Akyüz (2013:160) advocates that individuals may seek confirmation or adopt information about a product or service by peers on social networks (Cheung *et al.* 2010:1338), which suggested they regard it as trustworthy sources of information.

5.6.3 Correlations of Social status factor

Networking (r=0.375) reported a moderate association with social status. This could be interpreted as respondents somehow perceiving networking as influential in attaining social status. Chu and Kim (2011:48) explain that social networking is carried out as a result of an individual's desire to achieve social status. Furthermore, Park *et al.* (2009:731) state that individuals are likely to participate in Facebook groups for several reasons related to seeking and

maintaining their personal status through online group participation. An example of a reason would be to increase perceived popularity. Furthermore, Cheung *et al.* (2010:1338) mentions that the need for social enhancement contributes to an individual's participation in social networking sites; and relay that seeking confirmation or adopting information provided by peers on social networks is an indication of their efforts to gain acceptance and approval.

Electronic word-of-mouth (r=0.530) reported a strong correlation with social status. This suggests that respondents regard eWOM as highly influential in attaining social status. Chu and Kim (2011:51) further state that eWOM behaviour within social networking sites may be initiated because of the user's desire to establish and maintain social relationships. EWOM engagement thus plays a part in networking.

5.6.4 Correlations of Networking factor

Electronic word-of-mouth (r=0.379) reported a moderate association with networking. This suggests that respondents at times perceive eWOM to be influential in their ability to network. Social networking sites enable consumers to connect with others by exchanging information, opinions and thoughts about products and brands which could be beneficial to others (Chu & Kim 2011:48).

To establish whether the formulated hypotheses should be accepted or rejected, a multiple regression analysis is required. The results of the multiple regressions for the factors influencing effective eWOM as a marketing tool will be discussed next.

5.7 MULTIPLE REGRESSION ANALYSIS RESULTS

Multiple linear regression analysis is a method used to measure the linear relationships between variables. The objective of the analysis is to establish whether a relationship exists between the dependent and independent variables individually, and to determine the overall strength of that particular relationship (Hair *et al.* 2014:165). According to Hair *et al.* (2014:190), when a t-value of a factor is less than 1.96 at a significance level of 0.05, or between 1.96 and 3.09 at a significance level of 0.001, the hypothesis is then rejected. In order to test

and confirm the results of the Pearson correlation coefficients, a multiple regression analysis was conducted and is presented in Table 5.12.

Table 5.12:   Multiple regression analysis results

Dependent variable: Effective eWOM marketing			$R^2=0.364$	Hypotheses
Independent variable	Beta	t-value	Sig.(p)	
Feedback	**0.322**	**5.221**	**0.000***	**Accept**
Trustworthiness	-0.070	-1.151	0.251	Reject
Social status	**0.322**	**8.491**	**0.000***	**Accept**
Networking	**0.150**	**2.499**	**0.013****	**Accept**

* $p<0.001$; ** $p<0.05$

Table 5.12 indicates that approximately 36.4% of the variance in eWOM can be explained by the variance in the independent variable factors. Three statistically significant relationships were found between the independent variables feedback, social status, networking and eWOM. This is evident from the t-values which exceed the critical value of, 1.96 at a significance level of 0.05 and between 1.96 and 3.09 at a significance level of 0.001. Therefore, H_1, H_3 and H_4 are supported. The beta value is an indication of how strongly each independent variable influences the dependent variable. Therefore, the higher the beta value, the greater the impact of the independent variable on the dependent variable (Brace, Snelgar & Kemp 2012:208). Feedback and social status' moderate beta values (0.322) reveal that it has a greater influence on eWOM, while networking (0.150), having attained a small beta value, has the smallest influence on eWOM.

As trustworthiness obtained a p-value greater than 0.05 (0.251), its hypothesis (H_2) was rejected. This suggests that trustworthiness does not influence effective eWOM marketing.

Due to the statistical significant relationships identified through the multiple regression analysis conducted, the hypothetical model was revised as indicated by Figure 5.1.

Figure 5.1: Revised hypothetical model of the factors influencing effective eWOM marketing
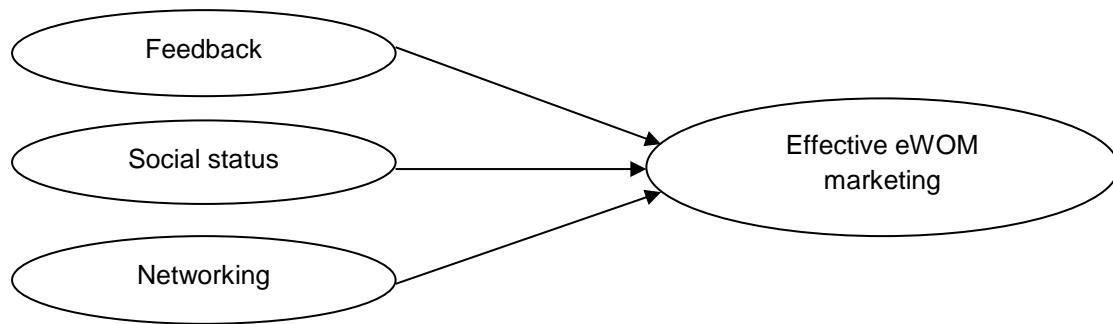
Source: Own construction

Figure 5.1 indicates that feedback, social status and networking can be identified as the factors influencing effective eWOM marketing. These factors identified in Figure 5.1 will now be discussed.

5.7.1 Feedback

Feedback refers to information provided by consumers based on the satisfaction or dissatisfaction experienced from the use of a product or service (Customer Feedback 2014). In the context of the online environment and eWOM, a form of consumer feedback growing in popularity is online consumer reviews (Lackermair *et al.* 2013:1). According to De Vries (2015:15), online feedback seemingly contributes towards effective eWOM marketing as such feedback is affecting people's behaviour as is revealed by anecdotal evidence which indicates that people now increasingly rely on opinions posted on such systems in order to make a variety of decisions about products and services.

5.7.2 Social status

Chan, Birkelund, Aas & Wiborg (2010:1) describe status order as a set of hierarchical relations of perceived, and to some degree accepted social superiority, equality and inferiority among others. This order is not based on personal qualities, but rather on the degree of social honour attributable to social positions held, or purely ascribed attributes. In the context of eWOM, it appears that the definition of social status applying to online users would

encompass the factors of likeability and perceived popularity. This is due to Cheung and Thadani (2010:334) including likeability of the communicator of eWOM as a factor contributing towards eWOM marketing effectiveness. In the same way, individuals could engage in eWOM communication to gain such likeability in an effort to enhance their social status. With regards to perceived popularity, Park *et al.* (2009:731) give reference to this factor in finding that individuals are likely to participate in Facebook Groups for several reasons related to seeking and maintaining their personal status through online group participation.

5.7.3 Networking

Prior research suggests that networking refers to the act of interacting with others in order to exchange information and develop professional or social contacts (Chu & Kim 2011:48,49,51; Sernovitz 2006:12). Wolff and Moser (2009:196) believe that networking can help individuals build and maintain relationships with those seemingly able to assist them in their work or career. Furthermore, it is stated that networking behaviours may be beneficial for improving other aspects of an individual's personal life, revealing the social aspect of networking. In addition, Kim (2013:122) affirms that the motive for networking can be either social or strategic. Social networks are developed with people that come across randomly, whereas strategic networks are developed with a particular group of people who normally have power or resources. In the context of eWOM and the online environment, networking is made possible by social network sites, as these sites enable consumers to connect with others by exchanging information, opinions and thoughts about products and brands and their experiences with them, which could be of interest or beneficial to others (Chu & Kim 2011:48; Sernovitz 2006:12).

To deepen the analysis of the results, Multi-variant Analysis of variances (MANOVAs) were calculated to establish whether demographic variables play a role in the factors influencing eWOM marketing. In the following section the results of the MANOVAs will be presented.

5.8   MULTIVARIANT ANALYSIS OF VARIANCE RESULTS

According to Laerd Statistics (2013b), a MANOVA is used to identify whether any significant differences exist between the means of three or more independent (unrelated) groups. The F-ratio (F-value) represents these differences. If the likelihood of any difference between groups occurring by chance alone is low, this will be denoted by a large F ratio with a probability (p-value) of less than 0.05. This constitutes statistical significance (Saunders *et al.* 2009:458).

In the case that the MANOVA indicates an overall significant difference between group means, indicated by a p-value of less than 0.05, a post-hoc Scheffé test is conducted in order to indicate the specific group differences (Laerd Statistics 2013c). In other words, a post-hoc test identifies which means are significantly different from one another (Hair *et al.* 2014:668). Once post-hoc tests have been completed, Cohen's d values, which reflect effect size, are calculated in order to assess the practical significance of the differences in means between the groups (Biddix 2009). According to Cohen (1988:285-287) when d is 0.2, it is considered a small effect size, 0.5 indicates a medium effect size and 0.8 and more represents a large effect size.

Eight separate sets of MANOVAs were performed on the four independent variables that had been established as valid and reliable when conducting the EFA and calculating Cronbach's alphas. The following hypotheses were formulated:

- $H0_{1.1-1.4}$: There is no relationship between gender and the independent variables feedback, trustworthiness, social status and networking.

- $H0_{2.1-2.4}$: There is no relationship between age and the dependent variables feedback, trustworthiness, social status and networking.

- $H0_{3.1-3.4}$: There is no relationship between language and the dependent variables feedback, trustworthiness, social status and networking.

- $H0_{4.1-4.4}$: There is no relationship between ethnic affiliation and the dependent variables feedback, trustworthiness, social status and networking.

- $H0_{5.1-5.4}$: There is no relationship between education level and the dependent variables feedback, trustworthiness, social status and networking.

- $H0_{6.1-6.4}$: There is no relationship between current position in the organisation and the dependent variables feedback, trustworthiness, social status and networking.

- $H0_{7.1-7.4}$: There is no relationship between years working experience and the dependent variables feedback, trustworthiness, social status and networking.

- $H0_{8.1-8.4}$: There is no relationship between business sector employed in and the dependent variables feedback, trustworthiness, social status and networking.

Table 5.13 to Table 5.17 present the findings of the MANOVAs. Table 5.13 presents the findings of the MANOVAs calculated for relationships between the demographic variable, age in years and the dependent variables.

Table 5.13: Relationship between the demographic variable *age* and the dependent variables

Demographic variable: Age in years		
Dependent variables	**F-value**	**P-value**
Feedback	1.30	0.244
Trustworthiness	**2.40**	**0.034***
Social status	**3.40**	**0.006***
Networking	1.50	0.202

*p<0.05

From Table 5.13 it is evident that positive significant relationships exist between the demographic variable age and the independent variables trustworthiness (0.034; p <0.05), and social status (0.006; p <0.05). The post-hoc Scheffè tests conducted for the positive significant relationship between age and trustworthiness as well as age and social status indicate that the relationships were not powerful enough to detect any group differences.

Table 5.14 presents the findings of the MANOVAs calculated for relationships between the demographic variable home language and dependent variables.

Table 5.14: Relationship between the demographic variable *home language* and the dependent variables

Demographic variable: Home language		
Dependent variables	**F-value**	**P-value**
Feedback	0.74	0.614
Trustworthiness	1.10	0.348
Social status	**2.80**	**0.025***
Networking	1.5	0.193

* p<0.05

Table 5.14 shows that a positive significant relationship exists between the demographic variable home language and the independent variable social status (0.025; p <0.05). However, the post-hoc Scheffè test revealed that the relationship was not powerful enough to detect group differences.

Table 5.15 presents the findings of the MANOVAs calculated for relationships between the demographic variable ethnic affiliation and the dependent variables.

Table 5.15: Relationship between the demographic variable *ethnic affiliation* and the dependent variables

Demographic variable: Ethnic affiliation		
Dependent variables	**F-value**	**P-value**
Feedback	0.9	0.487
Trustworthiness	**2.5**	**0.042****
Social status	**7.1**	**0.000***
Networking	**3.3**	**0.012****

* p<0.001; ** p<0.05

From Table 5.15 it is evident that positive significant relationships exist between the demographic variable ethnic affiliation and the dependent variables trustworthiness (0.042; p <0.05), social status (0.000; p <0.001) and networking (0.012; p <0.05). The post-hoc Scheffè tests for the significant positive relationship between ethnic affiliation and trustworthiness, as well as that of ethnic affiliation and networking reported that the relationships were not powerful enough to detect mean differences between the groups. The post-hoc Scheffè test for the significant positive relationship between ethnic affiliation and social status (0.000; p <0.001) revealed that SA blacks (x=2.898) scored a slightly higher mean than whites (x=2.462). This indicates that while SA blacks were uncertain whether they engage in eWOM to obtain social status, whites disagree that they engage in eWOM to obtain social status. The post-hoc Scheffè test also found a significant difference between coloureds (x=3.062) and whites (x=2.62). As coloureds scored a slightly higher mean score than whites, but both groups were uncertain whether they engage in eWOM to obtain social status.

The Cohen's d values was 0.53 and 0.76 respectively which is indicative of a moderate practical significance. Research finds that social status can influence the perceptions of people regarding race. Therefore, as an individual's social status changes, others actually perceive the person's race differently. When certain behaviours are witnessed that have stereotypical associations with a particular race, it influences how the individual is viewed in terms of race. For example, white people are perceived as more successful and holding a higher status, so it is more likely that successful people are categorised as white. These stereotypes help reinforce inequality (Penner & Saperstein 2008:19628). In other words, stereotypes are indicative of the individual's social status, and thus determine one's perception of the individual's race. Furthermore, HSRC South African Social Attitudes Survey (2008:12-13) conducted a survey, with 3 305 South African adults aged 16 years and over living in private households as the sample, where respondents were asked to identify which social class they perceive themselves' belonging to. Respondents were given the option of 'lower class', 'working class', 'middle class', 'upper middle class', and 'upper class'. The analysis identified social class by race, with class being associated

distinctly with household income, living standards, and well-being. The findings indicated that out of all of the races (black, coloured, indian and white), whites had the lowest percentage of individuals falling in the "lower class" (3%), blacks having the highest (45%) and coloureds the second highest (27%). The white population also had the highest percentage in the upper class, blacks the lowest, and coloureds the second lowest. This may suggest why SA blacks and coloureds may engage in eWOM to acquire social status whereas whites do not regard it as such an important issue.

Table 5.16 presents the findings of the MANOVAs calculated for relationships between the demographic variable current position in the organisation and the dependent variables.

Table 5.16: Relationship between the demographic variable *current position* and the dependent variables

Demographic variable: Current position		
Dependent variables	**F-value**	**P-value**
Feedback	1.3	0.281
Trustworthiness	**2.6**	**0.025***
Social status	**3.6**	**0.004***
Networking	**2.3**	**0.046***

* p<0.05

As can be seen from Table 5.16, there are positive significant relationships between the demographic variable current position and the dependent variables trustworthiness (0.025; p <0.05), social status (0.004; p <0.05) and networking (0.046; p <0.05). The post-hoc Scheffè tests for the significant positive relationship between current position and trustworthiness, as well as that of current position in organisation and networking, indicated no differences in group means. The post-hoc Scheffè test for the significant positive relationship between current position and social status revealed that students (x=2.820) scored a slightly higher mean than managers (x=2.237). This suggests that students were uncertain whether they engage in eWOM to obtain social status

while managers disagree that they engage in eWOM to obtain social status. This could be due to students having a greater need to acquire social status, especially within their peer groups, whereas managers may feel they have attained status already.

The Cohen's d value was 0.15, which represents a small practical significance. Steinfield, Ellison and Lampe (2008:434) state how relationships with peers are important among young adults as these relationships contribute towards the generation of offline benefits, commonly known as social capital, and psychosocial development. Social capital refers to the benefits an individual receives from their relationship with other people. Two complementary perspectives on the importance of friendship maintenance were noted, mainly in the US college-aged population. These include the generation of social capital and psychosocial development for emerging adults, where sites like Facebook play a significant role in maintaining relationships, as well as the fact that internet use in general, and social networking sites, particularly Facebook, may be associated with a person's sense of self-worth and other measures of psychosocial development.

According to Cheung and Thadani (2010:334) likeability and perceived popularity are factors contributing to one's social status. Park *et al.* (2009:731) affirm the contribution of perceived popularity to social status in stating that individuals are likely to participate in Facebook groups for several reasons related to seeking and maintaining their personal status through online group participation. Cheung *et al.* (2010:1338) state that social enhancement influences an individual's desire to participate in social networking sites. Social enhancement is described as the value an individual derives from the acceptance and approval received from other members and the enhancement of an individual's social status within the community, depending on the individual's contribution to it. This suggests that social status is a component of social enhancement. When taking into consideration all of the above, it is evident that social status could form part of social capital. In recognising that students maintain relationships via social network sites such as Facebook in order to generate social capital, it can be understood that students regard

eWOM as a means to enhance their social status and thus have a greater need to do so as compared to managers which due to their increased work status have already acquired social status.

Table 5.17 presents the findings of the MANOVAs calculated for relationships between the demographic variable years working experience of employees and the dependent variables.

Table 5.17: Relationship between the demographic variable *years' working experience* and the dependent variables

Demographic variable: Number of years work experience if employed		
Independent variables	F-value	P-value
Feedback	1.0	0.437
Trustworthiness	1.6	0.153
Social status	**4.0**	**0.002***
Networking	1.7	0.132

* p<0.05

From Table 5.17 it is evident that a positive significant relationship exists between the dependent demographic variable years' work experience and the dependent variable social status (0.002; p <0.05). The post-hoc Scheffè test for the positive significant relationship between years working experience and social status revealed that respondents with six to 10 years of work experience (x=2.985) scored a slightly higher mean than those with 20 or more years of work experience (x=2.314). This could be explained as those with less work experience were uncertain whether they engage in eWOM to obtain social status whereas those who have worked for a longer period of time disagree they do so.

A Cohen's d value of 0.43 was obtained. This is representative of a small practical significance. A hierarchy refers to the way in which an organisation is structured. Different levels of authority are used and a vertical link, or chain of command, exists between superior and subordinate levels of the organisation.

This alludes to a structure existing among employees based on their position, title, role and function (Hierarchy Defined 2016). Chan *et al.* (2010:1) describes social status order as a set of hierarchical relations of perceived and to some degree accepted social superiority, equality and inferiority among others. This is based on the degree of social honour attributable to social positions held, or purely ascribed attributes. In other words, social status is reflective of the relative rank held by individuals in a social hierarchy based on honour or prestige acquired through their achievements or ascribed attributes such as age, ethnicity or even number of years working experience (Cheng, Tracy & Henrich 2010:334; Social Status 2012).

Work experience is an indication that individuals continue learning and building on their skills in order to do their job (The Institution of Engineering and Technology 2016). This indicates that as individuals gain more working experience, they become more equipped to apply for higher work positions. This gives reference to the fact that the more working experience gained, the greater the chances of getting promoted to higher job positions in the workplace and, therefore, they acquire a higher work status which in turn can increase their social status. It can thus be understood that individuals having six to 10 years work experience have a greater regard for social status through eWOM, in comparison to those having 20 or more years of work experience, due to a possible lower work status. Those with less working experience may still climb the corporate ladder and thus feel a greater need to engage in eWOM to acquire a higher social status, whereas those having 20 or more years of work experience, may through their work status such as being a manager, have already acquired social status.

MANOVAs were conducted in this study in order to determine which demographic factors predict the dependent variables. The results indicated that ten statistically significant relationships and three practical significant relationships existed. As this study aims to provide practical recommendations to the marketing industry, only practical significant relationships will be depicted in Figure 5.2.

Figure 5.2: Practical significant relationships between the demographic variables and the dependent variable
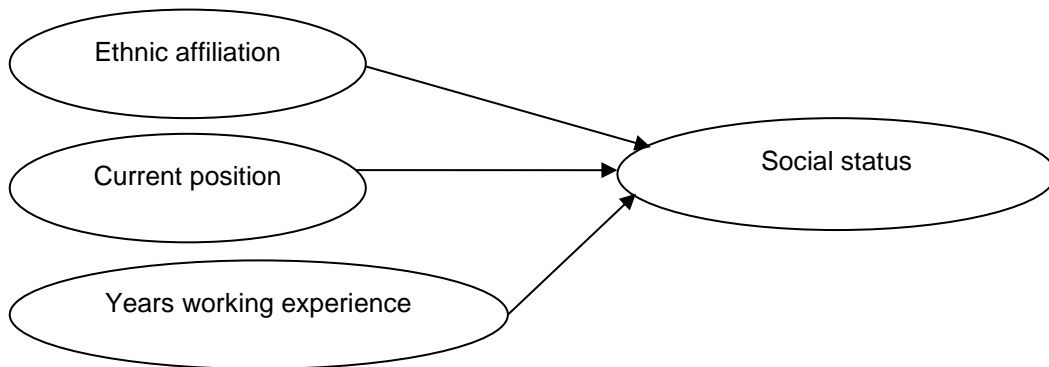
Demographic variables   **Dependent variable**

Figure 5.2 depicts the practical significant relationships between the three demographic variables and independent variable, social status, which proved to have practical significant relationships. As indicated in Figure 5.2, social status had practical significant relationships with ethnic affiliation, current position and years working experience. The relationship between social status and ethnic affiliation suggests that an inherent characteristic such as ethnic affiliation plays a role in determining an individual's view on engaging in eWOM to obtain social status.

The other two demographic variables signifying practical significant relationships between obtaining social status via eWOM and current working position and years working experience are work related. This suggests that employees with a lower ranking work position such as an ordinary employee or those working for some time already in the organisation, but not yet in a position of power may engage in eWOM to obtain or increase social status. Social status' relationship with current position suggests that an individual's lack of position (rank in the working hierarchy) influences how social status conscious they will be, and how they will utilise eWOM to increase their social standing. Social status' relationship with years of work experience suggests that although an employee may have been working for some time (6-10 years), they may not have any work status and would then be social status conscious and utilise

eWOM to increase their social standing. In the following section the descriptive statistics for the independent and dependent variables will be presented.

5.9 DESCRIPTIVE STATISTICS

Table 5.18 depicts the descriptive statistics for the valid and reliable variables.

Table 5.18: Descriptive statistics for the independent variables and dependent variable

Items	Variable	Mean	Standard deviation
B1, B2, B3, B7, B11, B12, B33	Feedback	3.75	0.61
B5, B6, B9, B13, B26, B27, B31, B32	Trustworthiness	3.89	0.61
B14, B17, B19, B20, B21, B25, B30	Social status	2.69	0.85
B10, B15, B16, B18, B22, B23, B24	Networking	3.69	0.60
C1, C2 ,C3 ,C4 , C5	Effective eWOM marketing	3.27	0.69

Feedback scored a mean which tended to four (3.75), indicating that on average respondents agree they engage in eWOM to obtain feedback. Feedback is obtained from reading positive comments about a product or service, from more than one online source, more than once. Feedback is regarded more reliable for eWOM if a positive comment is posted by someone they know, especially if this person(s) is/are a member or have an account with the site.

Trustworthiness scored a mean which tended to four (3.89), indicating that on average respondents agree they engage in eWOM because they trust the source of information as the site is secure, has a privacy policy or reputation of being safe. If obtaining the information by a knowledgeable or experienced person and the message is clear and understandable and perceived to be true and correct, respondents will obtain additional information from the internet about products and services and trust the information.

Social status scored a mean which tended to three (2.69), indicating that on average respondents were neutral regarding eWOM for social status. It seems

that respondents were uncertain whether eWOM will make them fit in with their social network, increase or make them more popular with their social network or that they can become more known for their expertise. They are undecided whether sharing their opinion in-person makes them uncomfortable or whether they will engage in eWOM if products or services are shared by people they admire or endorsed by a celebrity.

Networking scored a mean which tended to four (3.69), indicating that on average respondents agree they engage in eWOM to network. It appears respondents engage in eWOM if they want to share information about their experience of products or services, feel their friends would be interested to see such products or services, or when they want to share the latest trends with many friends at the same time and there is the possibility to meet and converse with friends with similar interests. They also engage in eWOM if they feel someone they know tells them about a good product or service, and when the information is relevant or beneficial to other people.

Effective eWOM marketing scored a mean which tends to three (3.27) indicating that on average respondents were neutral regarding whether they engage in eWOM if the site offers incentives for referrals, if it is on their social network or there are a high number of hits on the website, or when they lack time and have to make a quick purchasing decision or need confirmation about a product or service from their peer groups.

All of the variables, feedback (0.61), trustworthiness (0.61), social status (0.85), networking (0.60) and eWOM (0.69) obtained relatively low standard deviations, suggesting that the individual responses, on average, had slight variances in responses, meaning that responses were fairly similar.

5.10 SUMMARY

Within this chapter, the results obtained from the empirical research were presented and discussed. To begin with, the demographic information of the respondents was presented by means of descriptive statistics. The results indicated that 52% of the respondents were female while 48% were male. With

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regards to work experience, 51% of the respondents were employed, while the 49% who were unemployed were either students (41%), retired (2%) or purely unemployed (6%). In terms of the business sector of employment, 8% were employed in the financial sector, 6% in retail and 3% in medicine.

The validity analysis on the independent variables influencing effective eWOM marketing, namely feedback, trustworthiness, social status and networking, and the dependent variable eWOM, was presented. All item loadings below 0.4 as well as items that cross loaded were disregarded. The reliability analysis on these variables was presented thereafter. To establish reliability, Cronbach's alphas were calculated. All items producing a Cronbach's alpha of below 0.6 were disregarded from further statistical analysis.

The correlation matrix of the factors influencing eWOM marketing and effective eWOM marketing were then presented to ascertain the strength of association between the variables. Most correlation results indicated a moderate association between the variables. However, effective eWOM marketing proved to have a strong correlation with social status. The results of the multiple regressions for the factors influencing effective eWOM marketing identify three statistically significant relationships (see Figure 5.1). It was established that trustworthiness of online messages does not influence effective eWOM marketing.

MANOVAS were calculated and presented to show the significant relationships between the demographic variables and dependent variables. The results indicated that ten significant relationships exist of which only three were of practical significance. Finally, descriptive statistics for the selected independent variables and dependent variable were presented and discussed.

In the final chapter, recommendations and conclusions will be made based on the results of the study.

CHAPTER 6
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1   INTRODUCTION

The main objective of this study was to identify the factors that influence the effectiveness of eWOM marketing for consumers residing within the Nelson Mandela Metropole. This chapter provides an overview of all the chapters in this study. It includes conclusions, recommendations, contributions and limitations to the study. Future research areas to which the study could be extended are provided and concluding remarks are presented.

6.2   SUMMARY OF CHAPTERS

Chapter One serves as the introduction and background to the study. The problem statement along with the research question was posed. A brief literature overview was provided, research objectives mentioned, and the hypothesised model to be tested in the study indicated. An overview of the research methodology to be adopted in the study was also highlighted.

Chapter Two focused on eWOM and addressed issues such as the establishment of eWOM as a powerful source of marketing over recent years, and the resultant importance of this form of marketing in the business world at present. The factors influencing eWOM were also discussed and elaborated on in this chapter. The aim of this chapter was to instil an understanding regarding the importance of eWOM communication and its role as a marketing tool. For this reason, the factors possibly attributing to effective eWOM were explored.

In Chapter Three, the factors influencing effective eWOM marketing in the hypothesised model constructed in Chapter One were operationalised. These independent variables (trustworthiness, feedback, social status and networking), with eWOM being the dependent variable, were operationalised by defining them and bringing them into the context of eWOM marketing, supported by secondary sources.

Chapter Four discussed the research methodology that was followed in this study. In this way this chapter formed the outline for the empirical study that followed. Each step in the research process was discussed and motivations were given regarding selection of the chosen methods. The paradigm selected as most suitable for the study was the quantitative paradigm. This chapter also covered the steps taken to ensure reliability and validity of the research instrument.

Chapter Five presented the data gathered from the primary data collection conducted for this study. In this chapter, the empirical relationships between the dependent and independent variables were indicated. The data was displayed in a clear and concise manner and presented in table format. The items used within the questionnaire were first tested to determine the validity and reliability of the research instrument developed to measure the independent and dependent variables. Thereafter, the Pearson product moment correlation coefficients matrix showed the correlation between the retained variables and the results of the multiple regression indicated which significant relationships exist between the predetermined independent and dependent variables. Finally, the results of the MANOVAs were presented and discussed to indicate if statistical significant relationships exist between the demographic variables and the independent variables. Scheffé tests revealed the specific differences in the means of the groups and Cohen's d-tests indicated which of the mean differences were of practical significance.

Following is Table 6.1 which provides an overview of the objectives of this study and a brief explanation of how each objective was achieved.

Table 6.1:   How objectives of the study were met

Objectives of the study	How and where these were achieved
To conduct a literature overview of WOM as a marketing tool with a focus on eWOM, as well as factors influencing the success of eWOM as a marketing tool through investigating theories developed in relation to these factors.	This was achieved through the in-depth discussions provided in the literature presented in Chapter Two. This chapter highlighted the major role of eWOM in marketing and the effect some factors have on the effectiveness of it as a marketing tool.
To develop and test a hypothesised model on the factors influencing eWOM marketing effectiveness.	Chapter Three identified several models that include some factors influencing eWOM. The selected factors in the hypothetical model as influencing effective eWOM include trustworthiness, feedback, social status and networking and were operationalised. Hypotheses were developed to be tested empirically.
To empirically identify the factors that influence effective eWOM marketing.	This was presented in Chapter Five in Figure 5.1 where online feedback, need to obtain social status and desire for online networking were identified as the factors influencing effective eWOM.
To provide businesses (in particular marketers within these businesses) with recommendations on which factors influence effective eWOM marketing and how to go about increasing sales and building customer relations when using eWOM marketing.	This is performed in Chapter Six where recommendations are provided based on the empirical and literature findings of the study.

Conclusions and recommendations will be elaborated on in the sections to follow.

6.3   CONCLUSIONS AND RECOMMENDATIONS

The conclusions and recommendations are based on the empirical and literature research findings. Firstly the frequency of usage and favourite choice of eWOM source are concluded and recommendations provided, followed by a discussion of the statistically significant relationships between the valid and reliable independent and dependent variables and practically significant relationships between the demographic and dependent variables.

6.3.1 Conclusions and recommendations on frequency of use and favoured electronic-Word-of-Mouth marketing source

Respondents use more than one eWOM marketing source to pass on interesting information. More than half of the respondents pass on information via instant messaging apps, but at the same time also via social networking sites. However, more than half of the respondents also indicated that they still prefer to pass WOM messages on in person rather than just online. Instant messaging apps e.g. Whatsapp or BBM proved to be most favoured, followed by social networking sites such as Facebook, Twitter or Instagram. Email marketing was indicated to be the least favoured online marketing source.

It is, therefore, recommended that businesses:

- Obtain a positive reputation by marketing through social networking sites such as Facebook, Twitter or Instagram to encourage interaction between the business and customers and also between customers about their product and service offerings. In doing so, they can develop relationships with customers, and by providing quick responses to enquiries or rectifying problems speedily, it might result in positive online reviews and feedback.

- Advertise and inform customers of their products and services via social networking sites such as Whatsapp or BBM and social networking platforms for example Facebook, Twitter or Instagram, with the intention of creating dialogue with their intended target audience. This engagement between the business and social networking users will be seen by the friends or followers of these social networking users and could result in effective eWOM engagement.

6.3.2 Conclusions and recommendations of statistically significant relationships

In the multiple regression analysis, three statistically significant relationships were found between the independent variables (online feedback, need for social status, desire to engage in networking) and effective eWOM marketing. In the next section, the conclusions and recommendations of the three significant relationships will be indicated.

6.3.2.1 Online feedback

Online feedback (H_1) presented a weak statistically significant relationship with effective eWOM marketing. This shows that respondents in this study appear to agree that online feedback influences effective eWOM marketing. The empirical evidence suggests that if respondents want to read or have read positive comments online about a product or service, and at times from more than one online source or over a period of time then they will regard it as effective eWOM marketing. This finding is confirmed by Cheung *et al.* (2009:502) who state that people obtain valuable product and service information through positive eWOM communication. On the other hand, Chen and Xie (2008:487) confirm that purchasing intention increases with the number of online consumer reviews (eWOM marketing). Park *et al.* (2011:75) also state that online shoppers who frequently use online reviews are more willing to use and act on information provided in the online review and tell other people about it, in other words engage in effective eWOM marketing. Furthermore, the empirical results of the study indicate that respondents seem to value online feedback if being posted by someone known or knowing someone that is a member of or has an account with the site and this will influence them to regard it as effective eWOM marketing. This finding is validated by Akyüz (2013:160) who states that information provided by personal and thus known sources is trusted to be accurate.

It is, therefore, recommended that for effective eWOM feedback, businesses could utilise several online platforms by:

- Creating a website for the business with a section specifically for customers to post online product or service reviews, and ensure that customers are aware of the business' website by printing it on their business documentation. The website could also allow an account for existing customers to become members of the site where a profile for them would be created, thus allowing them access to reviews of all products/services provided by the business. Potential customers would have limited access.
- Signing up for "Google My Business" free of charge. Information provided about the business on this online platform will then appear on Google Search, Maps and Google+. Here, online users can show their appreciation

with online ratings and reviews of products and services, as well as re-sharing the Google+ posts across the web, thereby enabling potential customers to read multiple reviews from different online platforms.

- Joining the largest online review site, Yelp, for free, setting up an account for the business. Yelp can be used as a search engine to assist online users in finding the best local businesses by providing the most helpful and reliable reviews.

- Getting listed on "Yahoo Local" which provides a comprehensive business directory complete with ratings and reviews, maps, events, and more and allows one to search for a location, provides categories for one to browse by, as well as recent reviews on businesses visited for one to view.

- Using their Facebook, Twitter and LinkedIn social networking accounts where existing users of these platforms can see those who like or follow the respective business and in turn comment on their experience with the business when they deem necessary. A prompt response with regards to questions posted by users in relation to the business and its offerings could also enhance the trustworthiness of the business and assist in their establishment.

- Joining the online platform, "GetFiveStars", which integrates 45 online review sites including Google, Facebook, Yelp, TripAdvisor and Foursquare so as to automate the customer feedback process to capture the Net Promoter Score, testimonials or online reviews, to help the business manage and monitor their online reputation.

In addition, to promote effective eWOM feedback, it is suggested that businesses:

- Request honest product or service feedback from customers and post both positive and negative comments;

- Ensure that the content posted on the business' various online platforms be of the highest quality, encourage sharing of the content on it and encourage positive discussions about the business and its offerings;

- Deliver the highest quality products and best possible service to all customers, at all times to create an exceptional customer experience to ensure positive online reviews; and

- Monitor online reviews and respond to negative reviews soonest with an apology and rectification of the problem. This could result in positive online reviews regarding the business' support, response speed, and time taken to rectify the problem, giving the business an opportunity to redeem their reputation online.

6.3.2.2   Social status

The need to obtain social status in an online setting (H_3) presented a weak statistically significant relationship with effective eWOM marketing. Respondents seem to agree that the need to obtain social status in an online setting influences effective eWOM marketing.   The empirical results suggest that eWOM marketing is regarded as effective if it can fit in with or increase their popularity on a social network. Effective eWOM marketing through product or service endorsement online by a celebrity or individual that the respondents admired was also found as a way that respondents feel they can comment on and so obtain online social status. Cheung and Thadani (2010:334) confirm that likeability of the communicator of eWOM contributes towards eWOM's effectiveness. Kutthakaphan and Chokesamritpol (2013:5) confirm that likable sources include celebrities or those admired by online users.   From the empirical evidence, it is also apparent that individuals regard eWOM marketing as effective if they become known for their expertise. Being uncomfortable to share one's opinion in person also seems to contribute towards eWOM engagement and effectiveness as the individual can gain online social status. Cheung *et al.* (2010:1338) and Cheung and Thadani (2010:334) verify this finding in suggesting that engagement online reduces possible discomfort of sharing an opinion in person, allowing for shy individuals to attain social status in an online setting.

It is, therefore, recommended that to ensure effective eWOM marketing, businesses should stimulate the need of their online users to obtain social status by:

- Keeping online activity high on their social network pages through frequently posting images and quotes of well-known South African sports celebrities in cricket, rugby and soccer endorsing their products and services. Online users can then "like" these products or services endorsed by celebrities. It can also allow for "friends" or "followers" of the online user to view their like or dislike of the celebrity or products and services and so feel they have "obtained" social status;

- Providing the best customer service experience for the celebrity and develop a relationship with the celebrity so that he/she can act as an opinion leader for their brand and engage in buzz marketing by spreading the word to others about their products and services. Online users sharing the same product and service experience can then feel they have the same social status; and

- Posing questions about their products and service to encourage participation from the online audience. In this way, those not feeling comfortable to share their views in person can engage in the dialogue or commentary which may make them feel they have the same social status as other members on the social network platform. It can also serve as a platform for individuals with similar interests to create further dialogue among them and so increase the online user's social network or for online users to share their expertise.

6.3.2.3   Networking

The desire to engage in online networking (H4) presented a weak statistically significant relationship with effective eWOM marketing. This suggests that respondents appear to agree that their desire to engage in online networking influences effective eWOM marketing. The empirical evidence reveals that respondents regard eWOM marketing as effective if they want to exchange information about their experience of products or services or share the latest trends, or when they feel that the product or service information may be beneficial or of relevance to others, or if their friends might be interested in it. This is confirmed by Chu and Kim (2011:48) who state that social networking sites made networking possible and allow consumers to connect with others by exchanging information, or share the latest trends, opinions and thoughts and

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experiences about products and brands, which could be of interest or beneficial to others. Respondents also appear to agree that networking allows them the opportunity to meet and converse with friends, or those with similar interests which they regard as effective eWOM interaction. Mouw (2006:79) confirm that individuals tend to socialise with those who they regard as alike and with whom they share similar characteristics. Chu and Kim (2011:48) confirm that social networking sites enable consumers to connect, to obtain and exchange information. The empirical results of the study also indicate that respondents seem to agree that if someone they know well tells them about a good product or service, they regard their engagement in eWOM marketing as effective. Akyüz (2013:160) affirms that an element of trust is attributed to information provided by known sources.

It is, therefore, recommended that to ensure effective eWOM marketing, businesses should create a desire for their online users to network by:

- Making customers and online users aware of the different online sites and social networking platforms where they can provide their views and reviews on products and services through the use of off-line communication media;

- Creating a platform on the business' website where online users can communicate with each other at the same time, via commentary posted on the site, about products or services purchased or to share the latest trends;

- Having a presence on social networking platforms such as Facebook and Twitter so that potential customers would indirectly be told about a business's good products or services by someone they know in their network;

- Providing incentives such as a free product or service voucher for commentary on their business social media platforms such as their Facebook page or Twitter page regarding their customer experience to encourage dialogue on their products and services and so encourage existing or potential customer networking;

- Posting information which customers value about new products or services such as on the origin of products, if their suppliers followed ethical business practices or how they assist communities and encourage customers to commend or share the information with others; and

- Encouraging relationship building with customers by allowing customers to share information or images of them using the products and services;

In the section to follow, conclusions and recommendations will be provided regarding the practically significant relationships found in the MANOVA results.

6.3.3 Conclusions and recommendations on practically significant MANOVA relationships

Ten statistically significant relationships were found between the eight demographic variables and three dependent variables. However, only three of these statistical relationships were of practical significance and applicable to the need to obtain social status in an online setting, as presented below.

A significant difference was found between individuals of White descent and SA Black and Coloured individuals on the need to obtain social status in the online setting. These findings were confirmed in literature in a study conducted by HSRC (2008). It points to the fact that SA individuals of Black and Coloured descent may engage in eWOM as they view it as a way to obtain social status.

A significant difference was found between students and managers regarding their need to obtain social status in the online setting. Literature confirms that students, due to their desire to fit in with their peers, will seek social status in an online setting. It can be assumed that students will regard eWOM as a means to enhance their social status and thus feel a greater need to engage in it than managers who, due to their increased work status, have already acquired social status.

A significant difference was found between the individuals with six to 10 years working experience and those of 20 years or more and their need to obtain social status in the online setting. Literature confirms social status is reflective

of the relative rank held by individuals in a social hierarchy based on, among others, number of years working experience. It was also mentioned in literature that the more working experience gained by individuals, the greater the chances of getting promoted to higher job positions in the workplace, with resultant higher work status which in turn can increase their social status. It thus seems that those individuals still climbing the corporate ladder with between six and 10 years working experience are more likely to engage in eWOM to obtain social status.

It is, therefore, recommended that businesses:

- Utilise social media and develop online marketing content that may appeal to individuals of Black and Coloured descent which will encourage them to engage in eWOM marketing to enhance their social status.
- Develop online marketing content specifically designed to appeal to students to encourage eWOM about their products or service offerings and so obtain social status.

In the following section the contribution of the study will be discussed.

6.4 CONTRIBUTIONS OF THE STUDY

This research is important as previous studies conducted on eWOM communication are relatively fragmented and inconclusive and did not specifically just investigate the factors influencing the effectiveness of eWOM as a marketing tool. This research study has, therefore, made several contributions specifically to eWOM marketing:

- This study has compiled a body of knowledge by identifying three specific factors influencing effective eWOM marketing, namely online feedback, the need to obtain social status and the desire to engage in online networking;
- This study recommended specific online marketing strategies to increase effective eWOM for online feedback, for individuals to obtain social status and to engage in online networking;
- The study has also developed a hypothesised model which illustrates the three factors that influence effective eWOM marketing for South African consumers. This model can now be used by other researchers in other

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countries as a framework for further testing or for businesses/marketing organisations to obtain information on the attributes to pay attention to increase the effectiveness of their eWOM marketing;

- This study has developed a measuring instrument that is valid and reliable for determining the factors influencing effective eWOM marketing in South Africa, a developing country. With some contextual adjustments it can be used to determine the factors influencing effective eWOM marketing in developed countries;

- The application of advanced statistical techniques using a relatively large sample size has contributed to empirical evidence on the factors influencing the effectiveness of eWOM marketing;

- The role that demographics such as ethnic affiliation, position in the business and years working experience play in satisfying the need of individuals to obtain social status in an online setting via eWOM marketing, were also confirmed. The study has provided practical advice to businesses/marketing organisations on how to utilise this knowledge to their advantage when wishing to stimulate eWOM conversations about their products and services; and

- The findings of the research will also assist businesses/marketing organisations to initiate eWOM engagement and communicate more effectively with consumers online to obtain information on how to improve on and change existing products/services or the need for new product/service offerings to retain customers, ensure continuous consumer satisfaction and increase business turnover.

In the following section the researcher reflects on lessons learnt while conducting the research.

6.5   SELF-REFLECTION

On a personal level, although traditional forms of marketing may still obtain the achieved outcome to a certain extent, as technology and its usage develops, so too should the marketing aspect of businesses. This study enabled the researcher to develop an understanding of what marketing actually entails, how it has evolved over time and how much potential there is for it to improve with

the help of technology and eWOM. Furthermore, it provided the researcher with a greater knowledge on the concept of eWOM marketing and the various platforms and sites available online which enable eWOM engagement. The researcher also increased her knowledge and ability with regards to the research process, specifically in the areas of reviewing literature, interpreting the empirical findings and correctly analysing the quantitative findings. This research has also improved the researcher's skills in researching, writing and analytics which will prove beneficial in furthering her academic as well as her professional life.

In the following section the limitations to the study will be highlighted.

6.6   LIMITATIONS TO THE STUDY

The sample selection in this study was limited to residents in the Nelson Mandela Metropole. Convenience and snowball sampling methods were used in this study which speaks to the fact that the sample may not be fully representative of the population. However, due to a rather large sample size, the generalisability of the results should not have been influenced too much.

Recommendations for future studies will be discussed next.

6.7   RECOMMENDATIONS FOR FUTURE STUDIES

Based on the findings and conclusions derived from this study, the following recommendations are provided:

- The study could be extended to other regions in South Africa and abroad;
- A qualitative study to confirm the findings of this study and to provide greater in-depth information on effective eWOM marketing; and
- The study could be conducted with a larger sample on teenagers, who have been exposed to technology and its functionality in its advanced state.

Concluding remarks of this study will be provided next.

6.8   CONCLUDING REMARKS

Research indicates eWOM's positive and significant influence on purchase decisions and resultant power as a marketing force, suggesting its increasing importance as a marketing tool in the global economy (Cheung & Thadani 2010:330; Themba & Mulala 2013:38).   Three statistically significant relationships were found between online feedback, need to obtain social status and engaging in online networking and effective eWOM marketing. In light of this there is a need for marketers to pay attention to online feedback provided by consumers, to acknowledge the need of consumers to obtain social status by engaging in eWOM and using online network platforms to assist them in sharing information about products/service offerings via their application of eWOM as a marketing tool.   Doing so can improve the effectiveness of their eWOM communication to help them build and strengthen customer relations, increase sales and ultimately improve overall business performance.

Although the study has advanced numerous recommendations that can assist businesses and marketers in increasing the effectiveness of their eWOM marketing, the role that the demographic profile of consumers play in engaging in eWOM, has additionally been indicated, as well as the factors that can influence effective eWOM marketing.   Due to the different motivations of individuals, there may be differences in how consumers perceive they can obtain social status, whether linked to their ethnic affiliation, position in the business or number of years of working experience in the online WOM marketing setting.   EWOM can only be effective if businesses pay attention to online feedback received of their product/service offerings, and utilise the correct marketing online platforms where positive and negative views about products and services can be shared. The response of businesses on negative product or service reviews can strengthen their reputation as these businesses can be regarded as being transparent and reputable, and result in future positive eWOM reviews which can increase their customer base and deliver more satisfied return customers.

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Annexure A: Questionnaire
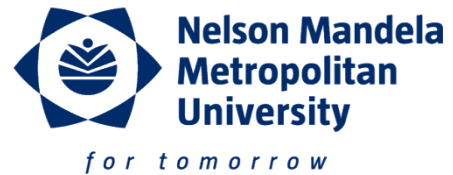
FACTORS INFLUENCING EFFECTIVE ELECTRONIC WORD-OF-MOUTH MARKETING

Dear respondent

The Unit for Applied Management Sciences, a research unit functioning under the auspices of the Department of Business Management and School of Management Sciences at the Nelson Mandela Metropolitan University (NMMU), Port Elizabeth, South Africa, is currently (2014) conducting research on the factors that influence the effectiveness electronic word-of-mouth marketing. We are collecting information in the form of a survey to gauge the perceptions regarding electronic word-of-mouth marketing and the benefits thereof. This study will provide useful insight to businesses on factors that contribute towards effective electronic word-of-mouth marketing which can result in increased turnover and build customer relations.

All data sources will be treated as confidential and would be used for research purposes only. The majority of the data will be reported in statistical form and no individual respondents will be identified. You can complete the questionnaire anonymously.

The questionnaire comprises of three sections:
- **Section A** explores word-of-mouth marketing sources.
- **Section B** explores the factors influencing electronic word-of-mouth marketing.
- **Section C** explores electronic word-of-mouth marketing and what encourages respondents' engagement therein.
- **Section D** canvasses biographical data of the respondents.

Your cooperation is greatly appreciated.

Sincerely

L Bhana   Prof S Perks & Mrs N Oosthuizen

Student   Promoters

SECTION A: ELECTRONIC WORD-OF-MOUTH MARKETING SOURCES

Please indicate your choice by means of an (X).

1. I frequently pass on interesting information via ... (you may select more than one option)

E-mail	1
Instant messaging apps (eg. Whatsapp, BBM)	2
Social network sites (eg. Facebook, Twitter, Instagram)	3
In-person conversations	4

2. My favourite choice for passing on information is via ... (select only one option)

E-mail	1
Instant messaging apps (eg. Whatsapp, BBM)	2
Social network sites (eg. Facebook, Twitter, Instagram)	3
In-person conversations	4

SECTION B: FACTORS INFLUENCING ELECTRONIC WORD-OF-MOUTH

	I engage in online word-of-mouth marketing if ...	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	I read positive comments on more than one online source	5	4	3	2	1
2	I frequently read positive comments over a period of time					
3	I had a positive experience with a product or service	5	4	3	2	1
4	The feedback received about the product/service has been positive	5	4	3	2	1
5	There are positive comments made about a product/ service	5	4	3	2	1
6	I have in the past received comments online about products/ services	5	4	3	2	1
7	I read positive comments from more than one person I know	5	4	3	2	1
8	It was sent from a trustworthy source	5	4	3	2	1
9	The site has a privacy policy	5	4	3	2	1
10	Somebody I know is also a member/has an account with the site	5	4	3	2	1
11	The website has a reputation of being safe	5	4	3	2	1

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	I engage in online word-of-mouth marketing if ...	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
12	I can obtain additional information from Internet on products/services	5	4	3	2	1
13	Someone I know well tell me about a good product/service	5	4	3	2	1
14	I can verify that it is a secure site	5	4	3	2	1
15	Information is posted by a knowledgeable/experienced person	5	4	3	2	1
16	I have bought similar products/services	5	4	3	2	1
17	I received it from people I know e.g. friends and family	5	4	3	2	1
18	The message is clear and understandable	5	4	3	2	1
19	I perceive the message to be true and correct					
20	A positive comment is posted by someone I know					
21	Sharing my opinion in-person makes me uncomfortable	5	4	3	2	1
22	It may increase my popularity with my social network	5	4	3	2	1
23	A product/service is endorsed by a celebrity	5	4	3	2	1
24	I can increase my social network	5	4	3	2	1
25	I can become more known for my expertise	5	4	3	2	1
26	It will make me fit in with my social network	5	4	3	2	1
27	It is shared by people I admire e.g. celebrities	5	4	3	2	1
28	I feel the information is relevant to others	5	4	3	2	1
29	I feel my friends would also be interested to see such products/services	5	4	3	2	1
30	It is possible to meet and converse with friends with similar interests	5	4	3	2	1
31	What I have read may be beneficial to others	5	4	3	2	1
32	I want to share information about my experience of products/services	5	4	3	2	1
33	I want to share the latest trends with many friends at the same time	5	4	3	2	1

SECTION C: EFFECTIVE ELECTRONIC WORD-OF-MOUTH MARKETING

	I engage in online word-of-mouth marketing if ...	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	A site offers incentives for referrals	5	4	3	2	1
2	It is on my social network	5	4	3	2	1
3	There are a high number of hits on the website	5	4	3	2	1
4	I lack time and have to make a quick purchasing decision	5	4	3	2	1
5	I need confirmation about a product/service from my peer group	5	4	3	2	1
6	I can interact with the sender to obtain more information	5	4	3	2	1

SECTION D: BIOGRAPHICAL INFORMATION

Please indicate your choice by means of an (X).

1. Gender

Male	1	Female	2

2. Age in years

<20	1	40-49	4
20-29	2	50-59	5
30-39	3	60+	6

3. Home language

English	1	Zulu	3	Other, specify	5
Afrikaans	2	Xhosa	4		

4. Ethnic affiliation

Asian	1	Coloured	3	Other, specify	5
SA Black	2	White	4		

5. Highest education qualification

Matric (Grade12)	1	Undergraduate degree	4
Certificate	2	Post-graduate diploma	5
Undergraduate diploma	3	Post-graduate degree	6
Other, specify:			7

6. Current position				
Unemployed	1	Manager	4
Student	2	Employee	5
Owner in business	3	Retired	6

7. If employed, how many years working experience				
<1	1	11-15	4
2-5	2	16-20	5
6-10	3	20+	6

8. If employed, in which business sector				
Manufacturing	1	Transport	13
Retailing	2	Travelling	14
Wholesaling	3	Communication	15
Financial	4	Medical	16
Insurance	5	Leisure	17
Real estate	6	Entertainment	18
Architecture	7	Agriculture	19
Catering	8	Forestry	20
Accommodation	9	Fishing	21
Mining	10	Education	22
Construction	11	Other, specify:	23
Engineering	12		

THANK YOU FOR YOUR PARTICIPATION