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Share experiences: receiving word-of-mouth and its effect on relationships with donors

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Abstract

Purpose – Although antecedents and consequences for the sender of word-of-mouth (WOM) are well evaluated in many research fields, non-profit service research focusing on consequences for WOM-receivers is limited. Thus, the purpose of this paper is to provide evidence for the positive effect that WOM has on commitment, trust, satisfaction, and identification (relationship-related factors) and on intentional loyalty of blood donors. Furthermore, the role of the social reference group and the incentive ethics are analysed.

Design/methodology/approach – Blood donors of the German Red Cross Blood Donor Service were invited to take part in an online survey during May/June 2016. A total of 702 (23.74%) blood donors, who first donated in 2015/2016, participated. The data was analysed using partial least squares structural equation modelling.

Findings – The results provide evidence that the mere presence of receiving WOM positively influences commitment, satisfaction, and identification as well as intentional loyalty. The negative moderation effect of incentive ethics was partially confirmed.

Practical implications – This study recommends using WOM approaches to bind donors but firstly evaluating the exact consequences of provided WOM rewards. WOM is an effective strategy, and non-profit organizations (NPOs) should use this to strengthen their relationship with donors.

Originality/value – The paper provides and tests a theoretical framework to evaluate the impact of receiving WOM on relationship-related factors and intentional loyalty. It fills a gap in current discussions about the effectiveness of WOM as a marketing strategy to strengthen donor-NPO relationships.

Keywords Word of mouth, Relationship-related factors, Intentional loyalty, Non-profit management, Blood donor, Relationship marketing theory

Introduction

Since the 1960s, research has assumed word of mouth (WOM) to be a marketing phenomenon to positively bind customers and donors (Arndt, 1967). Research provides evidence that WOM is more effective than many other marketing tools (Berman, 2016). It seems that WOM is a guarantee of success for organizations. Researchers recommended using new mindsets to successfully implement relationship marketing (RM) approaches. This orientation positively influences performance (Gummesson, 2002). Hence, marketing managers try to stimulate WOM as an RM tool, promising existing customers and donors a non-monetary reward if successfully recommending the organization (Schmitt et al., 2011).

In service research, especially relating to non-profit organizations (NPOs), word of mouth seems even more important (Bansal and Voyer, 2000) as consuming services in comparison with products is considered riskier (Murray, 1991). Due to their intangible nature, services inherently are difficult to compare (Webster, 1991; Zeithaml et al., 1993); thus, consumers seek information to evaluate offered services (Bansal and Voyer, 2000; Murray, 1991). Consequently, donors assess NPOs and their services by listening to existing donors (Arnett et al., 2003; Wirtz and Chew, 2002), and WOM might function as a marketing tool to differentiate NPO services (Murray, 1991) and as relationship-oriented donor contact (Grönroos, 1995).

Furthermore, the relevance of relatives and friends on the donation decision for an NPO has been empirically validated (Bussell and Forbes, 2002, 2006). For example, Wymer (1997) found donors who were asked to donate were more likely to donate than those who were not. This may be due to a social adjustment of donors (Bussell and Forbes, 2002). Consequently, WOM might strengthen the relationship with an NPO by creating a social connection (Bussell and Forbes, 2006). WOM, therein, is interpreted as a trustworthy and independent information source (Wirtz and Chew, 2002) and may protect NPOs from donor

loss (Sargeant and Woodliffe, 2007). Hence, WOM seems appropriate to generate success and decrease marketing costs.

Surprisingly, only a few NPO studies focus on WOM consequences on donors (Shabbir et al., 2007; Williams and Buttle, 2013). Specifically, the influence of WOM-stimulating strategies has not been empirically well validated. A systematic look at core variables of relationships is needed. As Gummesson (2002) said: "Marketing needs to raise its eyes above the established discipline and understand the context within which it operates [...]" (p. 55). The effect of donors receiving WOM needs consideration. The question remains as to whether receiving WOM influences the relationship and loyalty of donors with NPOs. Accordingly, this study aims to examine the influence of WOM on the relationship with donors and to derive recommendations for WOM-stimulating strategies.

This study contributes to NPO research in four ways. First, while identifying the influence of receiving WOM on the relationship to NPOs, this study reveals the importance of WOM for binding donors. It shows that receiving WOM influences the relationship and loyalty with NPOs, offering a broader view on RM. By revealing the effect of WOM, this study further encourages the use of WOM as a RM tool to recruit donors.

Secondly, in comparison to existing research that only analyses the influence of tie strength on WOM behaviour (Bansal and Voyer, 2000), this study considers the broader social influences. Thirdly, by evaluating incentive ethics, this study shows if a reward received from the WOM-sending donor for recommending donors is accepted. This reveals insights into whether WOM-stimulating strategies have negative consequences. Fourthly, the study shows that accompanying donors while donating the first time causes even stronger WOM effects on the NPO relationship.

Following is the theoretical background for the study in which, based on RM theory, the conceptual framework and related research hypotheses are derived. Subsequently, the methodology used for an online survey is presented, and relevant findings are examined.

Finally, implications for NPOs and limitations are discussed, which provide pathways for further research.

Theoretical background

By considering WOM as a method to bind donors to an NPO, its effectiveness can be estimated by the donor relationship and intentional loyalty it produces. For NPOs, the relationship with their donors is of importance to fulfil their core business (Arnett et al., 2003; Bussell and Forbes, 2006), therefore, the conceptual framework (Figure 1) is based on RM theory (Bennett and Barkensjo, 2005).

An important metric in this theory evaluates relationship-related factors (Bennett and Barkensjo, 2005) and their behavioural outcome (Shabbir et al., 2007). Thus, this study integrates the influence of receiving WOM as a relationship-introducing factor (Buttle, 1998). The literature indicates that donors receiving WOM better match the organization (Berman, 2016) and may show closer relationships. Relationships occur after a transaction between NPOs and donors. Common factors that define relationships are commitment, trust, and satisfaction (Chumpitaz Caceres and Paparoidamis, 2007). Other researchers suggested that no relationship occurs if donors do not identify themselves with the organization (Boenigk and Helmig, 2013). Thus, the current study includes identification of donors with the NPO.

Relationship-related factors are connected to intentional loyalty, the relationship outcome of the framework, displaying intention to donate again and to recommend the NPO (Boenigk and Helmig, 2013). Consequently, the study's conceptual framework tests the influence of receiving WOM on relationship-related factors (H_{1a-d}) and a relationship outcome (H_2).

Furthermore, two moderating variables were integrated which are amplified below (H_3, H_4). Because prior research evaluated the paths between relationship-related factors and the relationship outcome, not all displayed paths are hypothetically derived (Boenigk and Helmig, 2013; Chumpitaz Caceres and Paparoidamis, 2007; Shabbir et al., 2007).

[Insert FIGURE 1]

In RM theory, commitment is one main predictor of loyalty and a commonly used variable to describe relationships (Morgan and Hunt, 1994). Commitment is a basic concept for decisions that determine behaviours, arising when donors become emotionally attached by NPOs and develop a relationship (Sargeant and Lee, 2004). Moreover, commitment seems to need a continuing desire to keep a relationship upright; that is, a donor's conviction that the relationship is worth being continued (Morgan and Hunt, 1994). Summarized, commitment first relies on a donor's attitude before getting stronger after a donation and a valuable relationship occurs. Because value in this context is difficult to observe for donors, the information WOM-sending donors commit has an influence on their perception of an NPO. Receiving WOM, thus, increases the donor's belief of receiving more value from an interaction with an NPO, which leads to a higher commitment (Wong and Sohal, 2002). Accordingly, it is hypothesized:

H_{1a}.   The received WOM influences the commitment level of donors with the NPO.

Trust normally occurs after transactions with an NPO and is based on social exchange theory (Arnett et al., 2003). The donor expects to trust the NPO and for its service to be reliable (Morgan and Hunt, 1994). Trust is generated only if the donor's expectations are positively evaluated and the donor is willing to start an uncertain relationship (Schilke and Cook, 2013). Furthermore, because trust reflects the donor's confidence in the NPO and its service, it is central to RM (Wong and Sohal, 2002).

Because of the attributes of NPOs in which donors are not equivalent with beneficiaries, donors perceive a higher risk level before their first contact (Murray, 1991). Thus, donors need other signals to donate. WOM reduces the perception of risk by increasing information levels (Buttle, 1998). Because WOM-sending donors supposedly are independent

from the NPO, they are perceived as better, more trustworthy information sources than internal NPO information (Murray, 1991; Wirtz and Chew, 2002).

Diverse studies reported that receiving WOM influences donors' expectations with NPOs (Webster, 1991). WOM-receiving donors get information about how the NPO acts and what they can expect (Zeithaml et al., 1993). Because expectations directly relate to trust, the importance of WOM as information source is undeniable. Trust, therein, is not directly based on own experiences but can be extended from a third party (Schilke and Cook, 2013). Thus, it is hypothesized:

H_{1b}.   The received WOM influences the trust level of donors with the NPO.

Also related to the donor's expectations is satisfaction (Webster, 1991). Many NPOs focus on satisfaction as a predictor for donor relationships (v. Wagenheim and Bayón, 2007); thus, satisfaction has become a central marketing measure. For example, Webster (1991) set the link between expectations and satisfaction literature. Satisfaction only occurs if the donor's expectations are fulfilled and only develops if the relationship is rewarding.

Because NPOs' services have an intangible nature, it is difficult for donors to formulate their expectations (Shabbir et al., 2007), and the evaluation of satisfaction is equally problematic. Experienced donors can clarify another donor's expectations (Buttle, 1998). Influencing the chance to confirm expectations after contact with the NPO increases the perceived satisfaction. By receiving WOM, donors evaluate NPOs based on the WOM-sending donor's experiences. Because only satisfied donors positively recommend an NPO, the consideration of the NPO results from these prior positive experiences (Wirtz and Chew, 2002). Thus, donors receiving WOM more easily rely on the WOM-sending donor's expectations and perceive the emergent relationship as rewarding. In turn, they become more satisfied. Accordingly, it is hypothesized:

H_{1c}.   The received WOM influences the satisfaction level of donors with the NPO.

Another important relationship factor is the donor's identification with the NPO. Boenigk and Helmig (2013) reasoned that identification with the NPO predicts loyalty. Based on social identity theory (Tajfel, 1974), relationship identification is a dynamic response (Homburg et al., 2009). The construct is the degree to which donors identify themselves with an NPO and to what extent their needs are fulfilled. If donors perceive themselves as a part of this relationship, their positive feelings are enhanced (Homburg et al., 2009). Thus, due to its emotional component, the identification defines another aspect of the relationship with the NPO. Receiving word of mouth influences this link. Therefore, WOM-sending donors increase the NPO identification because they provide donors a reliable reference point. It is hypothesized:

H_{1d}.   The received WOM influences the identification of donors with the NPO.

Non-profit studies indicate that relationship-related factors predict relationship outcome loyalty (Boenigk and Helmig, 2013; Homburg et al., 2009). Loyalty is the donor's intention to donate again or to recommend the NPO (Sargeant and Woodliffe, 2007). There is evidence that higher levels of relationship-related factors lead to an ongoing relationship (Boenigk and Helmig, 2013). As predicted by Grönroos (1995) and proven by Shabbir et al. (2007), relationships underlie a dynamic process which is influenced by many factors. Those studies showed that commitment, trust, and satisfaction build the key antecedents of relationship quality. Because WOM-sending donors enhance relationship-related factors by clarifying the donor's expectations, the effect on intentional loyalty is unavoidable but is based on the WOM received. Thus, it is hypothesized:

H_2.   The received WOM influences the intentional loyalty of donors with the NPO.

Because WOM is a form of interpersonal communication, the social context in which a donor is embedded must be considered. WOM communication is not only dependent on the relationship between the sender and receiver but also on the social environment. Relating to social exchange theory, donors experience high to weak social environmental pressure related to their closeness to donors with whom they interact (Arnett et al., 2003). High social environmental pressure characterized by close relationships compensates efforts, resulting when donors start a relationship with an NPO (Wirtz and Chew, 2002; Wirtz et al., 2013). Research shows the effect of close relationship is powerful (Misje et al., 2005).

Meer (2011) examined the effect of peer pressure on the decision to respond to a charitable solicitation. The author showed that peer pressure influences the likelihood and size of a gift. Bekkers and Wiepking (2011) found that the stronger the connection to active donors, the stronger the social pressure influencing the donating decision. Thus, knowing donors who already have donated increases the likelihood of becoming a donor of the same NPO, a result caused by social pressure (Meer, 2011).

Furthermore, the concept of social reference groups includes that donors orient their behaviour and the relationship evaluation to members of a social group. The interrelationship of receiving WOM and the donor's social group is of importance in explaining relationship-related factors. The social reference group and the pressure occurring from the interaction of donors who send WOM and those who receive it consequently moderate the received WOM and the relationship. Thus, it is hypothesized:

H₃. The influence of the social reference group in which a donor is embedded positively moderates the effect between the received WOM and relationship-related factors.

WOM rewards in incentive form appear to be appropriate to stimulate WOM. The above-described independence of the donor regarding the NPO, however, may perceived as distorted by the WOM-receiving donor (Wirtz et al., 2013). Instead of positive experiences,

the WOM-sending donors might be only extrinsically motivated by the WOM reward (Wirtz and Chew, 2002). Thus, WOM-receiving donors interpret the NPO recommendation knowing that the WOM-sending donor's motive was the reward. If the WOM-receiving donor evaluates the reward as morally wrong, the influence of WOM decreases and the perceived relationship declines. Thus, incentive ethics negatively moderates the relationship between the received WOM and the NPO. Consequently, it is hypothesized:

H4. The perceived incentive ethics negatively moderates the effect between the received WOM and relationship-related factors.

Methodology

Participants and procedure

Data were collected in May to June 2016. Donors from two blood services – the German Red Cross Blood Service (GRC) North-East and Baden-Württemberg-Hessen received an online questionnaire. Donors chosen to participate had started their blood donation career in the previous 12 months at one of the two blood services. This guaranteed a relationship with the GRC but also a memory of what influenced the decision to donate for the first time without being blurred by too much contact points. The influence of the received WOM on the donor's relationship therefore was minimally biased.

A total of 3,243 blood donors were invited to participate, but 286 email addresses were invalid. Of the remaining 2,957 donors, 702 (23.74%) participated. A questionnaire was administered, requiring 13 minutes on average to complete. To ensure a high sample quality, 208 participants with more than 15% incomplete answers within the dependent variables were excluded from further analysis. Following the recommendation of Hair et al. (2016) no participants with fewer than 15% missing answers were excluded as this could have led to distorted results. Missing answers were evaluated further. Table 1 displays the sample characteristics.

The sample splits by gender with 223 (45.1%) women and 270 (54.7%) men. Ages ranged from 18 to 71 years ($M = 44.82$ years; $Mdn = 50$ years). Thus, the sample reflected the donor base of the blood services by gender and age (GRC, 2015). Most participants had completed vocational training (241; 48.8%) or a higher education degree (139; 28.3%) such as at university. Concerning children, 212 (42.0%) participants said they had no children and 279 (56.5%) had children, with an average of 2.13 children. Many donors were employed full time (229; 46.4%) and had an income less than €2,999 per month (313; 63.4%). Of the sample, 201 (40.7%) donors were accompanied while donating the first time, and mainly donors had donated only blood (452; 91.5%) and no other blood products.

[Insert TABLE 1]

Measurement

Table 2 lists all the measurement items used from previous research. Because not all scales were used in the blood donation context, adaptations were made, keeping the formulation of the original ones. This procedure prevented altering the underlying latent construct. Because the source language differed from the target language, a translation was needed, keeping the questions' semantic context and staying as close as possible to the original wording (Braun and Harkness, 2005). A retranslation ensured the correctness of the questions' content (Brislin, 1970). Furthermore, giving the scales in reverse order compared to the conceptual model interrupted the causal relationship. All items were measured on a 7-point Likert scale (1 = *strongly disagree*; 7 = *strongly agree*).

To verify if they were accompanied, participants had to answer whether another donor accompanied them at their first blood donation (yes/no). To measure the received WOM with three items, a WOM scale using the relational service exchange context from Schumann et al. (2010) was adapted (e.g. 'People I know already have made good experiences with the GRC-Blood Donor Service'). This ensured identification of who received WOM and who did not, as well as the degree of received WOM. The adaption included two changes yet retained the

original meaning of the items: 'friend of mine' was exchanged with 'people I know' and 'my bank' with 'the GRC-Blood Donor Service'.

Relationship-related factors were depicted by using the commitment-trust-satisfaction construct and the donor's identification with the NPO. All scales were used in organizational contexts, such as charity or school, thus ensuring reliability in the study context. Commitment was measured with three items of the relationship commitment scale from Sargeant and Lee (2004) (e.g. 'The relationship I have with the GRC-Blood Donor Service is something I am very committed to'). The trust scale included four items from Sargeant and Woodliffe (2007) (e.g. 'I trust the GRC-Blood Donor Service to always act in the best interests of the cause'). The satisfaction construct with two items was adapted from Anderson and Fornell (2000) and used by Boenigk and Helmig (2013) (e.g. 'Overall, I am very satisfied with the GRC-Blood Donor Service').

Donor identification with the NPO was adapted from a scale by van Dick et al. (2004). Their organizational identification scale was measured with seven items (e.g. 'I identify myself as a member of the GRC-Blood Donor Service') but only six items were used in the current study as one item was not adaptable to the study context. In all scales the words *charity, X, NPO*, and *team* were replaced with *the GRC-Blood Donor Service*.

The relationship outcome of intentional loyalty included the intention to donate again and the intention for WOM. Two scales approved in an organizational context were used: the donor loyalty scale from Boenigk and Helmig (2013) and the WOM scale from Swanson et al. (2007). The intentional loyalty scale included five items (e.g. 'I intend to donate again to the GRC-Blood Donor Service'). Again, the words *NPO* and *this theatre* were replaced with *the GRC-Blood Donor Service.*

To test for moderating effects, a five-item social scale was adapted from Clary et al. (1998) to measure the influence of the social reference group (e.g. 'People I'm close to donate blood'). This scale was adapted by using the terms *donate blood, blood donations,* or

donating blood instead of *volunteer, community service,* or *volunteering.* The latent construct reflects the blood donation motivation concerning the relationship with others. Donating blood offers the opportunity to engage in an activity, favoured by a related person, and considers the broader social influence. Incentive ethics were measured with four items adapted from the moral equity measurement of Reidenbach et al. (1991) (e.g. 'I think incentives for recommendations of blood donors are fair'), which was used in a marketing context. Only those items addressing moral equity were used, which made sense in the study context. An idea of right and wrong, fairness, and justice dominate the construct (Reidenbach et al., 1991). Avoiding bipolar scales in this study, only the positive formulated pole was used.

Another five-item scale tested in the context of referral rewards was adapted from Marsden and Campbell (1984) and Wirtz et al. (2013) to measure tie strength (e.g. 'I have a close relationship with this person'). It was asked only if participants stated that they were accompanied. Because tie strength directly indicates the connection strength between the donors, more insights regarding a direct relationship between WOM-receiving and WOM-sending donors are gained (Marsden and Campbell, 1984). Questions included all four dimensions of tie strength (closeness, amount of time, intimacy, reciprocal support).

[Insert TABLE 2]

Finally, five socio-demographic questions were included for further control (gender, age, education level, children, and income), identified from prior research to influence the donation decision (Bekkers and Wiepking, 2011; Bussell and Forbes, 2002, 2006). While Wymer (1997) found donors to be better educated, Godin et al. (2005) showed that donors are better educated, more likely men, and 50–70 years old.

Data analysis

The normal distribution of the data was tested to decide which structural equation model should be used. Because the data were neither normal nor multinormal distributed (but

a moderate approach, following yet at the limit), the path relationships (hypotheses 1–4) were tested by performing partial least squares structural equation modelling (PLS-SEM). Further reasons to use PLS-SEM include the model's complexity, the insufficiently small sample size for the use of alternative asymptotically distribution-free approach with AMOS (Hair et al., 2010), and the limited research available regarding the influence of WOM on the relationship and the two moderating effects (Hair et al., 2016; Ringle et al., 2012).

Because the SmartPLS 3.2.6 (Ringle et al., 2015) that was used allows only missing values by mean replacement, all answers were analysed using the missing completely at random (MCAR) test of Little (1988). If the data are not normally distributed, a mean replacement should be avoided because parameters (e.g. variance; distribution's skewness) will be underestimated (Hair et al., 2016). The results are significant, indicating not MCAR data ($\chi^2 = 261.745$, $df = 187$, $p = .000$) (Little, 1988). Moreover, the missing data are non-random. Thus, using the expectation-maximization-algorithm (EMA) is the only possibility to complete the data set (Hair et al., 2010; Ringle et al., 2015). Using other methods is a violation of the MCAR assumption, leading to distorted estimates (Hair et al., 2016). The EMA is an iterative algorithm to estimate the maximum likelihood and assumes that the pattern of the missing data is related only to the observed data, leading to a better estimated distribution (Hair et al., 2016; Little, 1988).

Findings

PLS-SEM: Evaluation of measurement quality

To consider the measurement model, the quality by determining item reliability, construct reliability, and discriminant validity was evaluated (Table 2). The recommended thresholds for internal consistency reliability (Cronbach's alpha), factor loadings (FL) of reflective constructs, and composite reliability (CR) are .7 (Hair et al., 2016). The critical value of the average variance extracted (AVE) is .5 (Fornell and Larcker, 1981).

Most reflective items show FLs above or close to .7, except for three items of the identification scale (FL < .5). Because the AVE value and discriminant validity (Fornell-Larcker-Criterion) were not fulfilled, those items were excluded, leading to AVE, CR, and Cronbach's alpha values above the recommended thresholds of all constructs. The discriminant validity test (AVE > squared correlation) was fulfilled and the measurement model was appropriate for further analysis (Fornell and Larcker, 1981).

[Insert TABLE 3]

PLS-SEM: Evaluation of the structural model (hypothesis testing)

The structural model was evaluated with respect to the model's predictive capabilities and the relationships between constructs. Because PLS-SEM uses OLS regression, it is tested for collinearity among constructs (Ringle et al., 2012). The variance inflation factor (VIF) should have a level between .2 and 5.00 (Hair et al., 2016). As all constructs fulfilled the VIF criterion, the standardized root mean square residual (SRMR) as relevant fit test was calculated. Following a conservative approach (SRMR < .08), the result showed a good model fit (SRMR = .059) (Hair et al., 2016).

To evaluate the PLS-SEM structure, path coefficients and adjusted rates of reliability (adjR^2) are main criteria. If one path coefficient exceeds the other, its effect is greater (Hair et al., 2016). A bootstrapping procedure with 5,000 iterations detects significant results.

To test $H_{1a–1d}$ and H_2 (direct effects), a basic structural model without the moderators was estimated. Table 4 provides path coefficients and adjR^2 values. The results reveal positive path coefficients from received WOM to commitment (β = .132, SE = .043, p = .002; adjR^2 = .413; H_{1a} supported), to satisfaction (β = .451, SE = .040, p = .000; adjR^2 = .202; H_{1c} supported), and to identification (β = .192, SE = .043, p = .000; adjR^2 = .364; H_{1d} supported). Only the trust path coefficient was not significant (β = .073, SE = .0438, p = .129; adjR^2 = .431; H_{1b} not supported).

In support of H$_2$, all predicted path coefficients of the relationship-related factors on intentional loyalty were calculated. The strongest path coefficient was from satisfaction (β = .322, *SE* = .061, *p* = .000) to intentional loyalty (adj*R*^{2} = .574), followed by identification (β = .212, *SE* = .049, *p* = .000), commitment (β = .187, *SE* = .052, *p* = .000), and trust (β = .185, *SE* = .058, *p* = .002). Because received WOM increases relationship-related factors, intentional loyalty also increases.

[Insert TABLE 4]

A next step tested for the moderation hypotheses (H$_3$, H$_4$), by estimating the full PLS-SEM (Figure 2). The results for the social reference group (H$_3$) show no moderating effects. Regarding incentive ethics (H$_4$), the results show a negatively moderated path between received WOM on identification (β = - .080, *SE* = .037, *p* = .029), which turns insignificant (β = .082, *SE* = .043, *p* = .058). For all other paths, no moderation effect was observed.

[Insert FIGURE 2]

To control for gender, age, education, children, income, and donors who received active WOM, estimated multigroup analysis was performed (Ringle et al., 2015). For age, a median split approach was used, resulting in two groups of donors: younger (18–49) and older (50–71). The results of the full model showed no significances for most control variables and only for a few paths (Table 5).

[Insert TABLE 5]

Because the differences only affect model parts, no general statement about group differences are possible. Surprisingly, accompanied versus not accompanied donors indicated no differences. For further analysis of accompanied donors (*N* = 201), tie strength in exchange for social reference group was integrated as a moderating variable. This was to control for the effect of the closeness between donors. Because strong ties indicate stronger active information flows, the NPO relationship should increase (Blazevic et al., 2013). Results did

not support a moderating effect of tie strength, which differs from prior research (Bansal and Voyer, 2000; Bekkers and Wiepking, 2011).

Discussion and conclusion

Implications for theory and practice

WOM is a key marketing tool because of its benefits in addressing and binding customers and donors (Berman, 2016; Ryu and Feick, 2007; v. Wagenheim and Bayón, 2007). However, while many studies focused on WOM behaviour (Blazevic et al., 2013), the direct effect of receiving WOM on relationships, especially regarding blood donations, has received little attention (Shabbir et al., 2007; Williams and Buttle, 2013).

This study shows that receiving WOM strengthens the relationship and the intentional loyalty of donors with the NPO. More specifically, the findings confirm the positive effect of receiving WOM on the relationship-related factors of commitment, satisfaction, and identification, which were increased to a considerable extent (Berman, 2016; Schmitt et al., 2011). In contrast, no effect of receiving WOM on trust was observable. This is surprising, because according to social exchange theory, trust is the main factor in building relationships. Trust serves as social benefit in exchange for the donation (Arnett et al., 2003). WOM, however, might not easily form trust because the exchange between the NPO and its donors is required to build it (Wong and Sohal, 2002). Consequently, trust is independent from the experiences of the WOM-sending donor, which might explain the non-significant effect. Further inquiry is needed to test how WOM can affect trust.

The results explain the positive effect on intentional loyalty in line with prior studies, which provided evidence for a direct link from relationship-related factors to loyalty (Boenigk and Helmig, 2013; Shabbir et al., 2007). Interestingly, satisfaction has a particular influence on intentional loyalty, while in other studies trust or commitment were the main predictors (Chumpitaz Caceres and Paparoidamis, 2007; Wong and Sohal, 2002). This may be because WOM-sending donors influence the receivers' decision by transferring information (Schilke

and Cook, 2013), consisting of emotions, such as satisfaction (Söderlund and Rosengren, 2007), or simply the independent, unbiased, and serious opinion of the WOM-sender (Wirtz and Chew, 2002). Thus, personal information may strengthen relationships by uniting expectations with the real donation experience (Buttle, 1998).

For RM-theory, this suggests a self-reinforcing cycle to WOM. Not only do WOM-receiving donors have stronger NPO relationships and are more satisfied, they also are more likely to spread WOM (Wirtz and Chew, 2002). Because prior research only focused on one side of WOM, this study discovers a gap on how WOM is developed and passed on between donors, leading to a possible expansion of NPO WOM models.

The findings also have important implications for NPO practice. This study suggests that WOM, as a self-reinforcing cycle, provides an opportunity to redistribute financial resources. Instead of investing in complex marketing campaigns, NPOs should invest in strengthening their WOM efforts. If NPOs effectively deliver on their social mission, WOM is likely to become stronger because donors' expectations are fulfilled (Buttle, 1998). Thus, after initially investing in marketing to strengthen WOM, NPOs could redistribute financial resources to their core business. WOM is less controllable, however, in comparison to conventional marketing regarding their contents (Berman, 2016). Further research is needed to understand how WOM can be monitored, influenced, and reinforced to influence relationships positively.

The broader social context and the social environment of donors may give a hint how WOM influences relationships. Surprisingly, contrary to prior research that showed strong ties have a significant influence, the moderating effect of the social reference group was not confirmed (Bansal and Voyer, 2000; Bekkers and Wiepking, 2011). One could assume that the communication in general and not the closeness between donors influences relationships. This is supported by the fact that this study did not find differences between not-accompanied donors as other studies did (Schmitt et al., 2011; Schumann et al., 2010). That is, the direct

personal contact of donors while donating did not influence the effect of WOM on the relationship.

This calls into question the idea of whether or not WOM contains a social pressure component in addition to an informational one (Ryu and Feick, 2007). Additionally, WOM may depend on the spreading situation (Söderlund and Rosengren, 2007), or the mere presence of it may strengthen relationships. Instead of measuring tie strength, the social pressure triggered by WOM should be evaluated. Clarifying these dependencies will lead to a better understanding of traditional WOM models. Spreading not only emotional and informative behaviour, WOM may influence the decision to donate by other components, which needs to be evaluated to clarify how WOM influences relationships in the main.

For NPOs, this offers the chance to implement referral programs by creating deeper social interactions between donors. By changing their objectives, NPOs should foster the integration of donors into an active development of RM strategies. After this process, donors might form networks, which simplifies and extends spreading WOM.

Nevertheless, when establishing RM strategies to positively affect WOM behaviour, NPOs must understand consequences of referral rewards. Otherwise, NPOs cannot guarantee precluding adverse effects on donors caused by negatively interpreted incentives. Evaluating incentive ethics provides ideas on how to establish valuable WOM rewards. Results hint that only morally accepted incentives should be used to reward donors. Interestingly, incentive ethics only negatively moderate the paths from received WOM to identification. The reason for this may be that identification is expressed by relationships between donors and WOM-sending individuals. The WOM-receiving individual has relied on information from the WOM-sender (Buttle, 1998). Following social cost theory, WOM rewards can have negative consequences, as 'paid' information is questioned (Ryu and Feick, 2007). The motivation of WOM-senders might be considered purely economic, and the autonomy of the WOM-sender is questioned.

As prior studies showed, some rewards affect donation behaviours as they conflict with intrinsic motivations (Wirtz and Chew, 2002; Wirtz et al., 2013). Additionally, prior research indicates that donors are not averse to any form of reward (Lacetera and Macis, 2010; Self-referring reference, 2017). For RM theory, this means that referral rewards may conflict with the intrinsic motivation of WOM-receivers by interrupting the NPO identification, which could result in a destroyed donation motivation. Therefore, rewards for spreading WOM should be evaluated more in depth, especially as the focus of this study was donor relationships.

If NPOs are willing to establish referral programs, they must be aware of potential consequences. Because referral programs are a favourable and cheap marketing tool, a deeper evaluation is necessary. By identifying rewards that do not determine negative effects, NPOs could intensify relationships with WOM-receiving donors. Thus, further research would be required to focus on consequences of diverse WOM rewards.

In conclusion, this study supports the positive effect of receiving WOM on donor-NPO relationships. Receiving WOM creates stronger binds for donors, especially regarding blood donations, and is a profitable and cost-efficient RM approach (Schmitt et al., 2011). The results deliver a better understanding of which relationship components are mainly influenced by WOM, and thus this study provides a first step to develop referral programs more strategically and efficiently. From a marketing perspective, however, a deeper look at WOM and referral programs is recommended especially as the findings show that only accepted WOM rewards strengthen the donor-NPO relationship. Otherwise, WOM rewards might be negative. Nevertheless, if NPOs can expand their donor bases by enlarging WOM-sending behaviour, this might lead to a long-term stabilization of the donor base.

Limitations and future research

As any research study based on survey data, this study contains some limitations, providing direction for future research. Firstly, although this study draws overall conclusions

for NPOs, only a single context was studied in which blood donors were starting their relationship with the GRC between 2015 and 2016. Because motivations to donate blood might differ from donating money or time, the results are not fully transferable to other contexts. Future research should consider the applicability to other contexts, such as money donations and volunteering. Moreover, cultural values contribute to how respondents answer questions. Because only German blood donors participated, answers regarding relationships might differ in another cultural context. Hence, further research should note this either by considering cultural variables or by comparing results of an international study.

Second, the WOM effect was tested after initiating a relationship, which may have influenced the results. Other factors (e.g. experience with the donation procedure) or variables (e.g. expertise of WOM-sender) may have affected the relationship. Future research could compare non-donors and donors (e.g. by using a field experiment) to examine how receiving WOM directly affects the relationship. By testing the direct influence of WOM on the donation decision, research gains insights why individuals start donating or do not donate. Additionally, they may better control for other relationship-influencing variables. Comparing new and existing donors may reveal other connections as to how WOM works. Hence, future research could generate further insights on how WOM can serve as a powerful RM tool to recruit donors and strengthen relationships.

Third, regarding the constructs used in this study, the relationship outcome was an intentional variable, which is only a predictor for behavioural loyalty and does not reflect a long-term relationship. Future research could examine the influence of WOM on real donation behaviour. A longitudinal analysis of the WOM influence on donors should be developed, providing more information about long-term effects. This could confirm the existence of the self-reinforcing cycle of WOM.

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Table 1. Sample characteristics

		Number	Percent
Gender	Female	223	45.1
	Male	270	54.7
	Missing	*1*	*.2*
Age (*M* = 44.82)	18–24	107	21.7
	25–34	42	8.5
	35–44	38	7.7
	45–54	148	30.0
	55–64	103	20.9
	65–71	54	10.9
	Missing	*2*	*.4*
Education	Without school leaving qualification	2	.4
	Still in education	16	3.2
	Completed school education	93	18.8
	Completed vocational training	241	48.8
	University degree	116	23.5
	Additional qualification in executive training	19	3.8
	Doctorate/PhD	4	.8
	Missing	*3*	*.6*
Children (*M* = 2.13)	No	212	42.9
	Yes	279	56.5
	Missing	*3*	*.6*
Income	Less than €450	34	6.9
	€450–999	59	11.9
	€1,000–1,999	103	20.9
	€2,000–2,999	90	18.2
	€3,000–3,999	38	7.7
	€4,000 and more	19	3.8
	No own income	27	5.5
	Prefer not to say	121	24.5
	Missing	*3*	*.6*
Received active WOM	No	293	59.3
	Yes	201	40.7
Other blood products	No	452	91.5
	Plasma	36	7.3
	Platelets	1	.2
	Plasma & Platelets	5	1.0
Other forms of donation (multiple answers)	No other form of donation	180	36.4
	Monetary donation	192	38.9
	Other beneficial donation	118	23.9
	Voluntary work	181	36.6
	Missing	*1*	*.2*
Work	Full-time employed	229	46.4
	Part-time employed	51	10.3
	Marginally employed	14	2.8
	Federal voluntary service	4	.8
	Inability to work	1	.2
	Unemployed	2	.4
	Pupil	23	4.7
	Trainee/Apprentice	28	5.7
	Student	39	7.9
	Parental leave	3	.6
	House-wife/husband	4	.8
	Partial retirement	8	1.6
	Retirement	66	13.4
	Others	19	3.8
	Missing	*3*	*.6*
German nationality	No	13	2.6
	Yes	478	96.8
	Missing	*3*	*.6*

Table 2. Measurement quality report

	M (SD)	FL	AVE	CR	α
Received WOM (Schumann et al., 2010)			.707	.878	.796
People I know already have made good experiences with the GRC-Blood Donor Service.	5.84 (1.51)	.828***			
People I know have recommended the GRC-Blood Donor Service to me.	4.32 (2.37)	.792***			
People I know have told me positive things about the GRC-Blood Donor Service.	4.95 (2.00)	.899***			
Commitment (Sargeant and Lee, 2004)			.779	.913	.857
The relationship I have with the GRC-Blood Donor Service is something I am very committed to.	4.44 (1.92)	.833***			
The relationship I have with the GRC-Blood Donor Service is something I intend to maintain indefinitely.	5.71 (1.52)	.886***			
The relationship I have with the GRC-Blood Donor Service deserves maximum effort to maintain.	5.15 (1.73)	.926***			
Trust (Sargeant and Woodliffe, 2007)			.850	.944	.912
I trust the GRC-Blood Donor Service to always act in the best interests of the cause.	6.21 (1.26)	.935***			
I trust the GRC-Blood Donor Service to conduct its operations ethically.	6.22 (1.17)	.920***			
I trust the GRC-Blood Donor Service to use donated blood appropriately.	6.33 (1.11)	.911***			
Satisfaction (Anderson and Fornell, 2000; Boenigk and Helmig, 2013)			.895	.944	.882
Overall, I am very satisfied with the GRC-Blood Donor Service.	6.10 (1.19)	.951***			
When I reflect on my expectation before I started a relationship and donated, the GRC-Blood Donor Service fulfils my entire expectations.	6.01 (1.24)	.941***			
Identification (van Dick et al., 2004)			.784	.916	.863
I identify myself as a member of the GRC-Blood Donor Service.	5.54 (1.76)	.878***			
Being a member of the GRC-Blood Donor Service is a reflection of who I am.	4.57 (2.04)	.886***			
I like to donate for the GRC-Blood Donor Service.	5.56 (1.57)	.892***			
[I think reluctantly of the GRC-Blood Donor Service.R]	6.43 (1.19)	.479***			
[Sometimes I rather don't say that I'm a member of the GRC-Blood Donor Service.R]	6.58 (1.09)	.419***			
[The GRC-Blood Donor Service is positively judged by others.]	6.39 (1.36)	-.069***			
Intentional loyalty (Boenigk and Helmig, 2013; Swanson et al., 2007)			.565	.865	.804
I intend to donate again to the GRC-Blood Donor Service.	6.56 (1.08)	.762***			
I intend to donate more to the GRC-Blood Donor Service.	5.41 (1.79)	.568***			
I would recommend going to the GRC-Blood Donor Service to my family and friends.	6.24 (1.26)	.843***			
I would suggest to others that they go to the GRC-Blood Donor Service.	5.84 (1.59)	.780***			
Overall, I only have positive things to say about the GRC-Blood Donor Service.	6.02 (1.33)	.776***			
Social reference group (Clary et al., 1998)			.588	.875	.821
People I am close to donate blood.	5.07 (2.06)	.656***			
People I am close to want me to donate blood.	3.14 (2.16)	.581***			
People I know share an interest in blood donations.	4.92 (1.89)	.847***			
Others with whom I am close place a high value on blood donations.	5.12 (1.84)	.849***			
Donating blood is an important activity to the people I know best.	4.58 (1.94)	.857***			
Incentive ethics (Reidenbach et al., 1991)			.822	.949	.928
I think incentives for recommendations of blood donors are fair.	4.53 (1.93)	.914***			
I think incentives for recommendations of blood donors are just.	4.31 (1.97)	.935***			
I think incentives for recommendations of blood donors are acceptable.	4.77 (1.90)	.871***			
I think incentives for recommendations of blood donors are morally right.	4.31 (2.02)	.905***			
Only for donors who received active WOM:					
Tie strength (Marsden and Campbell, 1984; Wirtz et al., 2013)			.837	.963	.952
I have a close relationship with this person.	4.67 (2.37)	.872***			
I would spend plenty of time with this person.	3.83 (2.27)	.895***			
I would share personal confidences with this person.	4.28 (2.44)	.940***			
I would like to spend a free afternoon socializing with this person at all time.	4.52 (2.43)	.931***			
This person had a strong influence on my decision to donate blood.	4.16 (2.53)	.935***			

Notes: RReverse-coded items; M = mean; SD = standard deviation; FL = factor loading; AVE = average variance extracted; CR = composite reliability; α = Cronbach's alpha. SmartPLS bootstrapping with 5,000 iterations. *p < .05; **p < .01; *** p < .001; n.s. = not significant.

Table 3. Discriminant validity

	1	2	3	4	5	6	7	8
1 Received WOM	**.841**							
2 Commitment	.156	**.882**						
3 Trust	.125	.224	**.922**					
4 Satisfaction	.203	.394	.430	**.946**				
5 Identification	.171	.542	.172	.334	**.885**			
6 Intentional Loyalty	.246	.402	.327	.466	.377	**.752**		
7 Social-Reference Group	.210	.127	.040	.082	.162	.141	**.767**	
8 Incentive Ethics	.038	.030	.024	.007	.038	.025	.023	**.907**

Note: Bold numbers on the diagonal show the square root of the AVE; numbers below the diagonal represent squared construct correlations.

Table 4. Results of the proposed model – direct effects

Hypotheses				Path coefficients	*t*-values	H supported
H_{1a}:	Received WOM	→	Commitment	.132	(3.104)**	Yes
H_{1b}:	Received WOM	→	Trust	.073	(1.528)$^{n.s.}$	No
H_{1c}:	Received WOM	→	Satisfaction	.451	(11.405)***	Yes
H_{1d}:	Received WOM	→	Identification	.192	(4.429)***	Yes
H_2:	Commitment	→	Intentional Loyalty	.187	(3.527)***	
	Trust	→	Intentional Loyalty	.185	(3.207)**	Yes
	Satisfaction	→	Intentional Loyalty	.322	(5.377)***	
	Identification	→	Intentional Loyalty	.212	(4.266)***	

*$p < .05$; **$p < .01$; ***$p < .001$; n.s. = not significant; SmartPLS bootstrapping 5,000 iterations.

Table 5. Multigroup analysis

			β_1 vs. β_2	β_1-β_2	p
Gender: female vs. male					
Received WOM	→	satisfaction	.535 vs. .275	.261	.001**
Identification	→	intentional loyalty	.329 vs. .095	.235	.008**
Age: 18–50 vs. 50–71					
No group differences					
Education: low vs. high					
Commitment	→	intentional loyalty	.233 vs. .046	.187	.049*
Social reference group	→	commitment	-.021 vs. .112	.133	.971*
Children: no vs. yes					
Identification	→	intentional loyalty	.322 vs. .124	.198	.020*
Social reference group	→	satisfaction	.114 vs. -.077	.192	.011*
Income: low vs. high					
Social reference group	→	commitment	-.040 vs. .144	.153	.997**
Received active WOM: no vs. yes					
No group differences					

Note: Only significant differences are reported. p provides the probability of having group differences (one-sided test). If p > .05 (not significant), the second group shows no greater parameters compared to the first group, and if p > .95 (not significant) the first group shows no greater parameters compared to the first group. ***p < .001, **p < .01, *p < .05

Figure 1. Conceptual framework
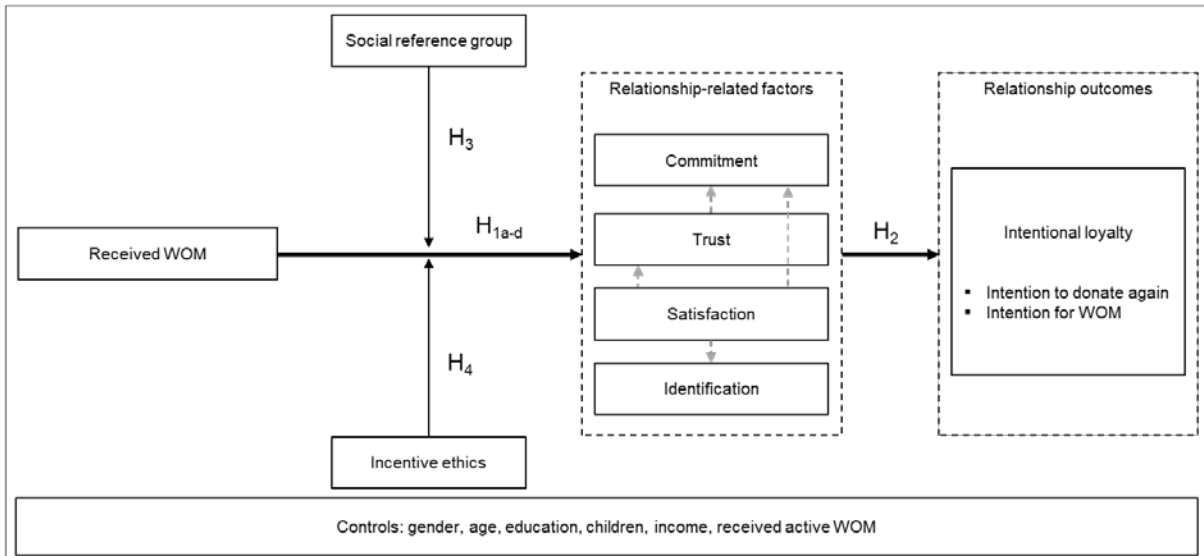
Figure 2. Results of the proposed model – moderating effects