

## The Impact of Source Credibility / Expertise, Service Quality, Relationship and Message Characteristic to the Word Of Mouth Effectiveness

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### **Abstract:**

*Nowadays due to strong competition in the business environment, only those organizations are successful that they can use the most innovative and successful ways for advertisement to attract their consumers' attention to the products or services that they provide. One of the ways that they can be distinguished from others and achieve competitive advantage is using word of mouth. Although many studies demonstrate that word of mouth are effective in influencing consumers, but very few study go in depth on how to make the word of mouth to become more effective and its determinant. The purpose of this study is to develop a conceptual framework on the potential effects of variables on word of mouth effectiveness. A thorough review of literature reveals four mainstreams of factors affecting word of mouth effectiveness with one mediator. These includes source expertise, service quality, interpersonal relationship and message characteristic. The study expects to make key contributions to business in setting their marketing strategies and developing long term relationship with customers.*

**Keywords:** *Word of Mouth, Customer satisfaction, consumer behaviour and perception , marketing , service quality , purchase intention and decision*

### **1. Introduction**

Word of Mouth is always seen to be among the most effective marketing medium regardless of the economy fluctuation of ups and downs. Word-of-mouth marketing truly is the world's best-known marketing secret. We're probably wondering how anything can be both the "best-known" and "a secret" at the same time. Practically every businessman knows how important word-of-mouth marketing is. Nevertheless almost no one truly understands how to take advantage to build their business through word-of-mouth. Some people take lightly on the importance of word-of-mouth. They think it a little like the weather: fairly important, but not much they can do about it. Yet a lot of people relates it with good customer service, but it is more than that. Good customer service is critical for the success of any business, but if a business expect satisfied customers to remember and talk about our business a lot, then we should study deeper on the benefit it can produce. For the past decades, there are a lot of research and studies about word-of-mouth marketing, customer service and how it boost up the company performance particularly sales. Some of them described how the "average unhappy client" can talk to dozens of people about their bad experience. Sad but true, people are more likely to talk about a business when they are unhappy than when they are happy or satisfied. Therefore, good customer service generally reduces "negative" word-of-mouth. However, there are many things entrepreneurs and business professionals can do to positively impact their business through word-of-mouth.

## 2. Word Of Mouth: WOM

The word of mouth marketing is achieved through non-promotional campaign where the buyers of a brand themselves become its marketers. It saves a lot of promotional expenses for a company. It can be for a product, service or the experience itself. It gives benefit to the company since the sender does not gain anything by promoting the product but can put his image on the spot for his recommendation. This is because the association with the brand is strong enough to get it transferred. Jalilvand, Esfahani and Samiei (2011) define the WOM as a process for consumers to share information and opinions about a product or service to others. It was defined in the same way by Hennig-Thurau, Gwinner, Walsh and Gremler (2004) who described that word of mouth is an instrument that allows people to share information and personal opinions about the experience, services and products. Heriyati and Siek (2011) has summarized their research findings on the impact of word of mouth to consumers by highlighting that it can positively influence consumer purchasing decision process buying products. This especially experienced by teenagers and new generation consumers. Moreover, the study showed that gender differences did not significantly influence consumers' decision making regarding purchasing products after receiving information through WOM channel. This is quite true especially when consumers find it difficult to make a decision about choices of services or when they are about to travel. This is because the consumers, themselves, cannot see or know before having actual experiences.



Previous research by Williams and Buttle (2011) revealed that word of mouth communication has significantly impacted organization's effectiveness. It impacts consumers' decision making processes when they are thinking about buying products or services, and it influences customers' loyalty deciding whether or not they may buy the same products again. The study, however, discussed that negative messages through word of mouth could generate strong negative outcomes more than benefits that the company might gain from the spreading of positive messages.

## 3. The conceptual framework

Six distinct constructs are chosen to evaluate the impact of various factors in influencing the Word of Mouth effectiveness. These include source expertise, relationship quality with sender/receiver, service quality, loyalty and message characteristic (As shown in figure 2).

Figure 2

#### 4. Source Credibility or Expertise

According to an article by Lopez and Sicillia (2014), behavioral influences are stronger when source credibility is high and weak when it is low. For example, if you are going to buy notebook, and your best friend recommends a specific specification/model to you, you will be more likely to follow his/her advice than if the advice was given by a stranger. Your friend is a highly credible source because you think her/his recommendation will be unbiased and will give you a honest opinion about the product, and thus your decision is more likely to be influenced by your friend than by the stranger, who is usually considered to be less credible. Because of the differences between WOM and e-WOM, consumer perceptions of WOM credibility may be a bit in sceptical because of the lack of personal knowledge about the strangers offering recommendations. This problem may be resolved when the website on which the opinion is found uses a reputation system. Receivers will not rely on information from sources they do not view as credible; if the sources are perceived as being low in credibility, they will not be very persuasive. On the contrary, when the consumer considers an opinion come from a credible source, the information should be seen as more persuasive. According to a study by Bryun, Lilien (2008) in the initial stage of the decision-making process, however, source expertise should play no significant role. Expertise is domain-specific and the recipient is not aware of the relevant domain until he or she pays attention to the WOM communication. During the later stages of the decision process, expertise of the source will only exert influence to the extent that it affects either the perceived costs or benefits of the recommended product or service. If the recipient can easily assess these costs and benefits without ambiguity and with full confidence, source expertise should bear no influence.

The role of experts in the flow of information and influence through social networks has been one of the more widely investigated aspects of WOM communications. Consumers are more inclined to seek the advice from, and be influenced by, expert sources than by non-expert ones (Bansal & Voyer, 2000; Gilly et al., 1998), and there are reasons to believe that this finding will hold in a viral marketing context. On the other hand, when a product or service is complex, when its benefits are not immediately observable, or when the benefits are ambiguous or intangible, recipients of the WOM communication may rely on the expert opinion of the source as a cue for whether to show product or service interest, and for evaluating and potentially purchasing the product or service (Rogers, 1995). This argument aligns with Robertson (1971), who maintains that products high in complexity and perceived risk and low in testability are more susceptible to personal influences than those low in complexity and perceived risk but high in testability. On the other hand, in the absence of such complexity, recipients will not need to use the source's expert opinion as a surrogate for their own judgment. We next present a field study in which we are able to empirically test this model. In another study by Lim and Chung (2014), their study suggest that consumers may rely on the expertise of the WOM sender to evaluate unfamiliar brands, but not for familiar brands. The results are not likely to be driven by an overly positive evaluation of the familiar brand compared to the unfamiliar brand, as the study participants did not rate the familiar brand significantly higher than the unfamiliar brand in terms of pre-WOM attitude and appeal of brand.

## 5. Relationship Quality Sender and Receiver

According to a study by Sweeney, Soutar and Mazzarol (2007), the personal relationship between the sender and receiver influenced WOM acceptance. The key aspect in this context was the closeness of a sender and a receiver. Additionally, perceptual homophily, or the degree of similarity of the giver and receiver, impacted on WOM effectiveness. Among the Author that support this are Bansal and Voyer (2000) and Bayo'n (2004) emphasized that good rapport between sender and receiver enhances WOM effectiveness. However it is dependent on the interpersonal relationship between sender and receiver and level of risk associated with taking the advice. When relationship between sender and receiver is not strained, WOM is more effective where sender and receiver are close socially (e.g. good friends). What was important in this case is that the sender is viewed with respect for their opinion.

These characteristics are similar to the factors associated with a sender's opinion leadership role (Mazzarol et al., 2007) and are likely to impact on the effectiveness of WOM communication. Nevertheless, there are previous research has not found strong support for interpersonal relationships increasing receptivity to WOM (Bansal & Voyer, 2000; Gilly et al., 1998). Their study revealed that the focus groups suggested that WOM could be favourably received from within "weak-tie" (i.e. more distant) relationships, but that reception seemed to depend on the nature of the opinion. In another study by Bruyen and Lilien (2008) revealed that while close relationships can be effective in capturing prospect' attention and creating awareness. In this case, online visitors who were driven to the website because they were close friends of the source were no more likely than others to complete their survey. Hence, the researchers suggest to online marketers looking to design a viral marketing campaign that not all social networks are equally effective for harnessing the potential of peer-to-peer referrals.

## 6. Message Characteristic

Another influential factors concerned the characteristics of the WOM itself. The perceived credibility of the WOM sender was important to the outcome, but the way in which the message was delivered and the nature of the message also impacted on WOM effectiveness. In particular, the richness of the message, including how vividly the message was portrayed, such as through story telling impacted on WOM receptiveness. Non-verbal communication, such as body language, also played an important role in WOM acceptance. As mentioned, while vividness has been recognized as a key descriptor of WOM (Anderson, 1998), no research has investigated the impact message characteristics have on WOM effectiveness. The focus group suggested the way a WOM message was delivered, or the way the WOM story was told, influenced the outcome. The non-verbal communication shows that senders use to convey the message also impacted on its effectiveness. The author by Anderson (1998), gremler (1994) and Gabbot and Hog (2000) has made a research about this which include the construct on vividness of message, vividness of message delivery and its delivery style. The finding shows that

- Reports of the message content, including words used, enhancing WOM responses
- Reports of nature of the story and the way it is told enhancing WOM responses
- Reports of intensity of voice, intensity of eye contact, use of gestures, conviction of sender (i.e. not being overly persuasive or pushy ) enhancing WOM effects

## 7. Service Quality and Customer Satisfaction

Service quality is considered as one of the factors that lead to customer's satisfaction and hence, the emergence of word of mouth about the company. There are few models are used for evaluation and measurement of the factors determining service quality. Parasuraman et al. (1988) has developed the famous SERVQUAL Scale to evaluate the quality in the view of customers. According to him, quality is the difference between customers' expectations and their perceptions. In other words, quality can be defined as the capability of supplying customers' expectations or going beyond it. Based on SERVQUAL Scale, service quality includes five dimensions including tangible factors, reliability, assurance, empathy and responsiveness. Customers' perceptions of service quality have an important relation with their behavioral reactions, especially loyalty and word of mouth (Zeithaml et al., 1996). When customers have positive perceptions from service quality, they recommend using the services of the company to the others. But if they evaluate undesirable service quality, they publish negative words of mouth about the company.

The studies conducted about word of mouth have mentioned some factors effective in it and those affected by it. For example, some researchers regard satisfaction as one of the stimulators of word of mouth. In this view, satisfaction is due to the consumer's evaluation after choosing a special product or service. The level of customer's satisfaction effects on two types of purchase behaviour including repurchase intention and word of mouth (Ranaweera & Prabhu, 2003). The probability that customers publish words of mouth depends on their satisfaction from product or service providers for two reasons; first, depending on the level at which the product or service

performance exceeds from customer's expectations, it makes him tell about his positive experience to the others (Maxham and Netemeyer, 2002). Second, depending on the level at which customers' expectations is not met, an unpleasant experience probably forms for the customer and he publishes words of mouth to express his negative feelings such as anger, to reduce his anxiety and warn the others (Sweeney et al., 2005). Researchers like Brown et al. (2005), Heitmann et al. (2007) and Wangenheim and Bayon (2007) believe that customer's satisfaction of a service or product provider affects significantly on the emergence of word of mouth about a company.

## 8. Conclusions

This study aimed to present the influencing degree of each variables to determine the effectiveness of Word of Mouth. In addition, the effect of word of mouth on user in their bring decision can also be examined using the conceptual framework proposed in this study. Some practical implications were discussed in this paper so that any organization can use them as a guide when developing marketing, communication, and customer service strategies to increase the number of customers who prefer to consult WOM for their purchasing decision.

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