

# A little bit of marketing history repeating

## *The effect of word of mouth marketing in social networks*

The effect of “word of mouth” on publicising a product or service has achieved almost mythical status for marketers and marketing researchers alike. From the “sleeper hit” of films such as *The Shawshank Redemption* to the rapid spread of successful brands of cigarettes or chocolate bars, everyone involved in understanding the how and the why of selling goods have been fascinated by a seemingly impenetrable phenomenon.

With the rise of the Internet and social media, at least there were some clues to understanding the mythical beast. Emails could be tracked, tweets recorded and status updates analysed to see what and where people engaged with products, either positively or negatively. However, while many thought that at last, the secrets of the marketing universe were going to be unlocked, the keys to some of the main questions foxing people remained stubbornly hidden behind clouds of big data.

### What is electronic word-of-mouth and should I care?

One of the obvious areas where word of mouth has had a demonstrable effect has been with TripAdvisor. Decisions to stay, fly or eat can be tracked on the site and in mentions elsewhere online, as can decisions not to do these things. Indeed, it is estimated that up to three quarters of decisions on travel are made utilising some form of digital platform where comments and recommendations are logged.

In their article, “examining the antecedents of persuasive eWOM messages in social media”, authors [Teng et al. \(2014\)](#) take a surprisingly rare look at the development of what has become known as “electronic word-of-mouth”, or eWOM. The phenomenon of eWOM can be defined as “any positive or negative statement made by potential, actual or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet” (p. 747). Such is the pace of change, however, that already elements of such a definition can seem arcane; however, this broad definition does have the advantage of encompassing the vast majority of communications shared online, whether it be via smartphone apps or more “traditional” Internet channels.

### Seven key challenges

To test the overall picture, the authors take seven specific challenges to help assess the impact of eWOM in modern market environments. They are as follows:

1. The quality of arguments found online is linked to the persuasiveness of eWOM messages.
2. Communication source credibility is linked to the persuasiveness of eWOM messages.
3. The attractiveness of the source is linked the persuasiveness of eWOM messages.

4. The perception of the source is linked the persuasiveness of eWOM messages.
5. The style the source has is linked the persuasiveness of eWOM messages.
6. The persuasiveness of eWOM messages is linked positively to how information is accepted.
7. How information is accepted is linked positively with the intention to utilise eWOM messages.

The scope of the study is potentially huge, so the authors understandably targeted their research into a specific avenue of exploration, namely, the mentions of English language exams required for overseas study by users of a large social network in China. The use of such networks and likelihood of the discussion around the English language tests guaranteed the required youth demographic, so that once the group was identified, the consistency of the results was guaranteed when they were subsequently surveyed by the researchers.

### Social snapshot

As a result of the research, an interesting by-product was produced in the shape of some statistics of how young people in China interact with social media. In particular:

- over half of high school graduates use social networking sites, but only a fifth of university graduates do;
- seven of ten students wanted to study in one of these countries: the USA, UK or Australia;
- just 6 per cent used printed media and 10 per cent the TV; 42 per cent used social media;
- more than four-fifths of those surveyed were willing to post comments online; and
- two-thirds of those posting online did it at least once a week.

Of course, the real aim of the study was to confirm the links between social media interaction and eWOM messages, and after thorough testing, the authors found that each and every one of their propositions was supported by their research. The strongest link was found to be between the quality of arguments presented and how persuasive they were as eWOM messages. So, in the case being investigated, potential overseas students were most convinced by eWOM messages which were set up by individuals or institutions where the accuracy and comprehensiveness of the information provided was evident.

Of the other links that the authors were able to confirm that source credibility was perhaps the next most important factor in eWOM persuasiveness. However, contrary to the expectations of the authors, this credibility resided less with experienced students who had gone through the experience, but more with experts in the field. Another slightly counter-intuitive finding was the support for the proposition that source style was important.

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Whilst this was true, it was less to do with the presentation, but more to do with the existence of contrasting reviews, which one assumes made the forums and exchanges seem more legitimate.

### Theory into practice

So how can this information be used in business practice? First, the authors state that the QQ social networking platform used for their research is an excellent starting point for marketers to start gathering information on, for example, tastes and habits of young Chinese consumers. Further, information gathering could then develop through direct interaction on the platform through a company account or through ambassadors. In turn, the success of such ventures can be enhanced through the use and sharing of legitimate, quality arguments and discussions online. Not only would such activity provide valuable feedback for product and service development, it is also of course a great deal cheaper than more traditional marketing activities.

### Comment

The article “examining the antecedents of persuasive eWOM messages in social media” by Teng *et al.* (2014) provides a truly unique insight into both the online habits of young Chinese consumers, and how marketers might go about gaining an understanding of them further. Certainly, the methods and insights shared by the authors can be replicated as a cost-effective way to gain market insight for any firm looking to develop the young Chinese consumer.

### Reference

Teng, S., Khong, K.W., Goh, W.W., Yee, A. and Chong, L. (2014), “Examining the antecedents of persuasive eWOM messages in social media”, *Online Information Review*, Vol. 38 No. 6, pp. 746-768.

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