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The study on negative eWOM and its relationship to consumer's intention to switch Mobile Service Provider

Geetha Nadarajan[a*], Jamil Bojei[a], Haliyana Khalid[b]

[a]Putra Business School, Universiti Putra Malaysia, UPM Serdang, 43400, Malaysia
[b]Azman Hashim International Business School, Universiti Teknologi Malaysia, 54100

Abstract

Recent developments in social media has transformed consumer-brand trust relationship into consumer-consumer trust engagement where consumers make similar brand choices influenced by the opinion of other consumers. Consumers establish online networks and conversations embedded in trust, on similar tastes, viewpoints, preferences and other types of brand affinity behaviours. These online consumer conversations across multiple social media platforms contributes to voluminous electronic word-of-mouth (eWOM). An average of 70% of consumers look out for other consumers' opinions on a brand to learn more about the products or services of interest and out of this consumer generated contents, a whopping 50% are consumer grouses or complaints. This study identifies emerging key mobile service consumption elements highlighted by consumers in discussion thread revolving a viral, negative eWOM through qualitative method of netnography. The study findings include eWOM contains multiple and relevant consumer behavioural contextual elements that may be leveraged upon to understand how negative eWOM influences mobile consumer switching intentions in Malaysia.

Keywords: Word-of-Mouth; Electronic Word-of- Mouth; eWOM; Netnography; E-Commerce

1. Introduction

An electronic word-of-mouth (e-WOM) is written to share an experience about a product or service which either recommends or discourage others from buying a product or service and offers positive opinions in support of the product or negative opinions against it. Consumer oriented discussion have greater credibility and relevance and may

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* Corresponding author. Tel.: +0-000-000-0000 ; fax: +0-000-000-0000 .
  E-mail address: geethanadarajan@yahoo.com

generate more empathy compared to marketer-generated Web content [1]. This is attributed to online consumer opinions viewed as trustworthy and includes personal experiences by fellow consumers, relevant exchange of information creating greater empathy among consumers. The sharing of personal experience by consumers draw other consumers to empathize with the emotions and experiences of the writer [2].

In this study, the discussion thread revolving a negative eWOM in an online community was the primary source of data. Online community is a credible source of voice of consumers because it denotes camaraderie, empathy and support within a group of individuals in an online space [3]. Online communities are not limited to the virtual environment but, has a dual existence in physical environment. These communities either develop from face-to-face community members who migrate to virtual space for convenience and comfort of technology or members of an online community who reach out to each other through a face-to-face meet up. Online communities have discussion thread structure where a member posts a topic or question and other members post replies to either participate in the discussion or answer the posted question. These post/reply threads in the online community spawns a collection of eWOM and may be used to understand the evolution and impact of a specific consumer topic or question.

With this, the popularity of online communities as a credible source of voice of consumer affecting consumer behavior is highlighted with a recent case study where Maxis Malaysia consumer posting in a local online community forum of his frustration dated 9th March 2016 [4]. There were 563,136 views and 4,865 shares of this post with hundreds of users replying to the thread agreeing to the experience and threatening to churn or port out. Within the same period of time, Maxis lost, via mobile number portability to competitors, an approximate of 600,000 subscribers [5]. This paper intends to explore the consumer behavioural elements evident in a negative eWOM and its relationship to consumer intentions to switch mobile service provider. This includes identifying the presence of switching intentions in the negative eWOM to support the study on the role of negative eWOM in mobile consumer switching. The research employed mixed-methods approach for its data collection. However, for the purpose of this paper, only qualitative study and its findings will be discussed.

2. Background research

Consumers switching mobile service provider is referred to as subscriber churn [6]. As countries worldwide reach market saturation, acquisition is deprioritized as there will be less 'new' subscriber to acquire and each acquisition will be an existing subscriber adopting a new value-add service, driven by attractive promotions. Studies have shown, subscribers taking up a service due to attractive offers or promotions have high tendency to switch. Among the key drivers for churn worldwide are price, network quality and rewards.

In the current competitive market, subscribers demand personalized products and better services at low prices and in a saturated market, it is a challenge to fulfil. Telecommunications companies continue to structure retention strategies by keeping the consumers at a focal point to key business processes such as product development, loyalty, win back and others. Coupled with abundant availability and increasing eWOM, there is a growing influence of eWOM causing a ripple effect where negative eWOM of a subscriber could provide a sentiment push to other subscribers. In other words, one subscriber ending his or her mobile cellular subscription with a telecom company can lead to cross subscriber spillover effect in churn as dissatisfied, churned subscribers are likely to spread out bad publicity in the form of negative statements among their social networks about the telecom company.

A recent case in point in the Malaysian telecommunications scene is a consumer posting his dissatisfactions with a telco in www.lowyat.net resulting in widespread expression of dissatisfaction among other users in social media. On 9th March 2016, a Maxis customer vented his dissatisfaction about Maxis treating consumers unfairly on a popular community forum, www.lowyat.net. This post went viral with many Malaysians agreeing with their personal experiences and encounter with the service provider. Many voiced strong intentions to churn from the operator [7]. MCMC (2016) highlights that top consumer complaints are mobile number portability (MNP) issues, 3rd party contents, billing and roaming charges as well as lack of coverage. complaints.