



What We Know and Don't Know About Online Word-of-Mouth: A Review and Synthesis of the Literature

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Abstract

Electronic word-of mouth (eWOM) has attracted considerable interest from researchers in the past decade. Although the extant research has helped us to develop a good understanding of a number of the issues pertaining to eWOM, several research and managerial questions remain. Furthermore, no attempt has been made to consolidate and synthesize this stream of research. With consumers' increasing reliance on online retailing and information seeking, as well as the continued growth of social media, the importance of eWOM cannot be overstated. Based on a systematic review of 190 studies, we conduct a multi-dimensional analysis of eWOM communication. We present the key issues in current and emerging literature and propose important questions for future research.

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Introduction

The Internet has transformed the way we search for information, how we interact with each other and, more importantly, the way we shop. Consequently, traditional word-of-mouth (WOM) behavior now has an electronic element resulting in a substantial research stream—electronic WOM (eWOM). Previously, when consumers needed information, they turned to marketer-generated sources, looked at third-party certifications, or sought advice from friends and/or relatives in conversations “over the backyard fence”. eWOM has since subsumed these methods and become more common—in some instances, it has become the preferred method of communication. Thus, eWOM allows consumers to socially interact with one another, exchange product-related information, and make informed purchase decisions via computer-mediated conversations (Blazevic et al. 2013; Hoffman and Novak 1996).

eWOM is 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” (Hennig-Thurau et al. 2004, p 39) Previous research has investigated several types of eWOM communications, such as discussion forums (e.g., Andreassen and Streukens 2009; Cheung et al. 2009), UseNet groups (e.g., Godes and Mayzlin 2004), product reviews (Lee and Youn 2009; Sen and Lerman 2007; Tirunillai and Tellis 2012), blogs (Dhar and Chang 2009; Kozinets et al. 2010; Thorson and Rodgers 2006), and social networking sites (SNS) (Dwyer 2007; Trusov, Bucklin, and Pauwels 2009). Although the literature in this area is rich, the broad range of platforms and various types of eWOM, coupled with the myriad of methods used to study them, has led to a fragmentation of the extant literature. This fragmentation poses a risk to the systematic accumulation of knowledge and the integration of the literature's findings.

The purpose of this paper is threefold. Its first purpose is to conduct a systematic review of eWOM studies published in the past decade and identify the key characteristics, antecedents, and consequences of eWOM. Here, we organize the analysis around a conceptual framework adapted from Nyilasy's (2005)

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Table 1
eWOM organizing framework (adapted from Nyilasy 2005).

| | | Study | |
|------------------|------------------|--|--|
| | | Antecedents of eWOM (causes) | Consequences of eWOM (effects) |
| Unit of analysis | Sender of eWOM | Q1: Antecedents of eWOM senders — why do people talk online? | Q2: Consequences to the sender — what happens to the communicator? |
| | Receiver of eWOM | Q3: Antecedents of the receiver — why do people listen online? | Q4: Consequences to the receiver — the power of eWOM |

review of traditional WOM. Its second purpose is to examine the current state of eWOM research—what we know. Its third purpose is to pose and discuss critical research questions within this framework to provide structure and guidance for future research in this ever-evolving domain—what we need to know.

This paper is structured as follows: First, we present the methodology and the organizing framework for our analysis. Based on this framework, we then present the conceptual background and key differentiating characteristics of eWOM compared to traditional WOM. Next, we present our organizational framework, which summarizes the current knowledge and understanding of this phenomenon. Finally, we develop and discuss key research questions based on this framework to provide guidance for future research.

Methodology and Organizing Framework

We followed Webster and Watson's (2002) concept-driven systematic review methodology.¹ This method examines the literature from the perspective of concepts presented by all authors rather than the author-driven approach that looks at how individual author(s) have analyzed multiple concepts in several articles. This method has two benefits. First, because eWOM is a relatively new topic, it lacks the deep history that would allow a small number of authors to have heavy research streams. The concept-driven approach allows us to collate relevant research even when an author(s) has produced only one article. Second, it enables us to create a concept matrix that focuses on key areas of investigation and topics that are ripe for development.

To build the initial pool of studies, we conducted searches in such databases as Academic Search Premier, EBSCO, ABI/INFORM Global, the Social Science Citation Index, and Emerald Insights. We used an expansive list of search terms, such as “eWOM”, “online reviews”, “product reviews”, “online recommendations”, “online word-of-mouth”, “online buzz”, “social networks”, “online viral marketing”, “online consumer reviews”, “online communities”, and “virtual communities”. These terms allowed us to search across literature in several

¹ We chose this method over a quantitative meta-analysis for a number of reasons. The primary reason was that for a meta-analysis to be meaningful, a reasonably large number of empirical studies must exist from which data can be drawn and used as meta-analytic input (DeCoster 2004). Because we examine various antecedents and consequences of eWOM, conducting a credible meta-analysis would have required a reasonable number of studies that have reported the effect sizes for each relationship between our proposed antecedents and consequences. Upon examination, we realized that the data were not either rich or extensive enough to conduct a quantitative meta-analysis.

disciplines, including Marketing, MIS, Communications, Management, and Psychology, along with a small number of less-represented disciplines (i.e., Economics, Tourism and Hospitality, etc.). After multiple rounds of filtering, we selected 190 studies that fit the following criteria for analysis: 1) the study is published in a peer-reviewed journal²; 2) the study's focus is on various forms of eWOM or at least on a subset of variables; 3) the study has a defined sample and an empirical methodology; and 4) the study addresses eWOM at the individual consumer (micro) or market (macro) level.

To organize the key findings and concepts, we adopted Nyilasy's (2005) framework, which organizes key issues surrounding traditional WOM communication episodes (see Table 1). The framework is based on the fundamental assumption that every WOM episode has two parties—the sender and the receiver. Further, WOM episodes have several antecedents and consequences for both senders and receivers. It is valuable to distinguish these two areas because the communication channels between senders and receivers can often be flawed or have issues with the exchange (Lin, Geng, and Whinston 2005). Thus, the framework has two dimensions: ‘units of analysis’ (sender and receiver of WOM) and ‘focus of the study’ (antecedents and consequences/effects), resulting in four quadrants.

Our analysis helps to illuminate several important issues pertaining to each quadrant of the framework, as depicted in Fig. 1. For each issue, we first outline our current knowledge about the issue and discuss how key eWOM characteristics influence several dimensions of eWOM. Subsequently, we provide research questions and note gaps in our knowledge that offer important directions for future research.³

Conceptual Background

Traditional WOM

Ernest Dichter (1966) published one of the first seminal WOM studies in the Harvard Business Review. His study identifies four key motivations that drive individuals to engage in WOM behavior: perceived product-involvement, self-involvement (gratification of emotional needs from the product), other involvement

² We also cover unpublished dissertations and sought completed works from scholars by posting on various online academic communities (e.g., ELMAR for marketing scholars).

³ Because the systematic review is not the central focus of this paper, we do not present detailed descriptive enumeration of all of our findings. However, the relevant detailed description of the methods and findings, including an expansive list of all of the antecedents and consequences, are available from the authors.

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