Electronic Word of Mouth and its Effects on the Consumer Purchasing Decision

Louise Blennsjö
Olov Stenberg
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Master of Science in Business and Economics (Civilekonom)
Business and Economics

Luleå University of Technology
Department of Business, Administration, Technology and Social Sciences
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Olov Stenberg                        Louise Blennsjö

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Abstract

Word of Mouth (WOM) plays an important role in shaping the consumers’ attitudes and behaviors. Social media and social networks have made it possible to express WOM online, which is referred to as electronic word of mouth (e-WOM). Social media and online social networking sites generally involve a collection of user profiles/consumers where they can share information with others. Previous scientific models on WOM behavior and the social relations behind it were not constructed for e-WOM and social media. Very little is known about the dynamics within this new way of communication and the purpose of this thesis was to investigate how e-WOM affects the customer’s purchasing decision in the mobile phone industry. One research question was proposed:

• How does e-WOM affect the customer’s purchasing decision?

Based on the research question, a literature review of previous, significant studies was performed, ending in a conceptual framework to guide this study's data collection. This thesis is primarily descriptive and has a qualitative and deductive approach. The research method chosen for this study was a case study that uses Phone House with its customers as its object of study. The data was collected through focus group interviews with customers of the company.

It was found that in the purchasing decision process, the tie-strength between the person spreading the e-WOM and the person receiving it is crucial regarding the degree of influence on the receiver. Moreover, the perceived knowledge of the source spreading the e-WOM is also an important factor. The data also suggests that the age and what stage in life that the source is in correlates with what kind of information the source shares with their friend network. The data also proposes that special offers, which are presented exclusively for the company’s followers on social media, are an incitement for attracting new people to join the company network online.
Sammanfattning

Mun till mun (Word Of Mouth, WOM) har en viktig roll i formandet av konsumenters attityd och beteende. Sociala medier och sociala nätverk har gjort det möjligt att uttrycka WOM på nätet, som kallas elektronisk word of mouth (e-WOM). Sociala medier och sociala nätverk består i allmänhet av en mängd använderprofiler där information delas med andra användare. Tidigare vetenskapliga modeller om WOM-beteende och de sociala relationer som ligger bakom är inte anpassade för e-WOM och sociala medier. Mycket lite är känt om dynamiken inom det nya sättet att kommunicera på och syftet med denna D-uppsats var att undersöka hur e-WOM påverkar kundens köpbeslut i mobiltelefonbranschen. En forskningsfråga togs fram:

- Hur påverkar e-WOM kundens köpbeslut?

Utifrån forskningsfrågan gjordes en litteraturgenomgång av tidigare betydande studier som genomförts, som resulterade i en referensram att utgå ifrån till studiens datainsamling. Denna D-uppsats är främst beskrivande och har en kvalitativ och deduktiv metod. Den forskningsmetod som valts för denna studie var en fallstudie som använde Phone House som studieobjekt. Data samlades in genom fokusgruppsintervjuer med kunder till företaget.

Det visade sig att i kundens köpbeslutsprocess är relationen mellan mottagaren och den som sprider e-WOM avgörande när det gäller graden av påverkan som budskapet har. En annan viktig faktor är den kunskap som mottagaren tror att källan som sprider e-WOM har i ämnet. Data från intervjuerna tyder också på att ålder och i vilket skede i livet som källan befinner sig i korrelerar med vilken typ av information som källan delar med sig av till sina vänner. Data från intervjuerna föreslår också att specialerbjudanden, som enbart erbjuds till företagets anhängare på sociala medier, är ett incitament för att lockar nya följare att ansluta sig till företagets nätverk på nätet.
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Introduction

This chapter begins with a background of the topic where the reader will be introduced into the problem area. After this the problem discussion section that follows narrows the topic down, which leads to an overall purpose and the research question, providing the reader with a guideline of what is going to be examined. Finally, the disposition of the thesis is presented with delimitations and expected contribution.

Background

Word of mouth (WOM) plays an important role in shaping the consumers’ attitudes and behaviors and is also referred to as referral marketing (Brown & Reingen, 1987). Studies performed during the 1960s and early 1970s showed the continued importance of interpersonal influence, this was the years where the advent of television was the major medium of performance (Ibid). Not as much is known about WOM (also known as informal marketing communication) as we know about formal marketing communication, thus many marketers rely on these informal channels (Reingen & Kernan, 1986).

There are various satisfactions linked to engagement in the WOM process resulting in four types of involvements: product, self, other, and message involvements. Unless the consumer “gets something out of it” he or she will not speak favorably about a product or service. This theory was in the beginning criticized however it reemerged supporting hedonic experientialism. (Kimmel & Kitchen, 2013)

Social networking sites have an important role in each of the components of the promotional mix according to Mangold and Faulds (2009). Described more thoroughly are;

- **Advertising:** presentation of products and ideas
- **Personal Selling:** interactive communication between brand and customer with the aim of persuading individuals to buy products or services
- **Publicity:** external comments about the brand
- **Sales Promotions:** short term incentives with the aim of increasing revenues
- **Sponsorships:** support to events or philanthropic causes

WOM is a second party recommendation and is a part of the publicity promotional mix (Mangold & Faulds, 2009) WOM is a term used to refer to those consumer-to-consumer conversations that take place (Ibid). The sender is
independent of the market and it is a consumer-dominated channel of marketing communication (Brown et al, 2007).

With the new phenomenon known as social media, the tools and strategies for communicating with customers has changed significantly. Social media have introduced a variety of new sources of online information that are initiated, created, circulated and used by consumers focused on educating others about products, brands, services, personalities, and issues. (Mangold & Faulds, 2009)

For many years it has been acknowledged that WOM has a major influence on what people do, feel and know. WOM is more influential on behavior than other market-controlled sources, which is generally supported by researchers. (Buttle, 1998)

For as long as people have engaged in conversations, the WOM process has been part of the human dialogue. Although WOM is an old tradition, it has gained new distinction today as a result of the new way of communicating through social media and social networking sites, and the considerable speed with which interpersonal messages can be spread. (Kimmel & Kitchen, 2013)

To what degree WOM effects the receiver, tie strength (i.e., the intensity of a social relation between similar consumers) and homophily (i.e., communication between similar consumers) are popular factors among earlier researchers. It appears that this tie-strength is particularly promising for enhancing the understanding of WOM behavior due to the fact that these concepts addresses assets of social relations from which WOM behavior arises. Assets of social relations are likely to play a crucial role in WOM behavior in the micro-, as well as the macro levels of analysis. (Brown & Reingen, 1987)

Traditional marketing models were not constructed for the electronic word of mouth (eWOM) and social media, and very little is known about the dynamics within this new way of communication. The eWOM consists of a two-way many-to-many communication system that empowers consumers to connect, create, produce, and share media content like never before. Consumers have been transformed from passive observers to active participants with the opportunity of social media and eWOM. Moreover WOM is considered as a critical component of marketing and attributes to greater perceived credibility, less biased information, and more authentic assessments by consumers. (Daugherty & Hoffman, 2013)

Social networking sites and the popularity of these sites, such as Facebook, Twitter, and LinkedIn, has grown exponentially in recent years and has changed how WOM effects needs to be considered. This has lead to marketers starting to leverage social networking sites in order to create awareness and product purchase. (Coulter & Roggeveen, 2012)

An online social networking site generally involves a collection of user profiles where they can share information with others. Either the users are involved in creating new content or consuming content that other users have created. Users can add other users to their network of contacts on most social networks.
Normally one user initiates the invitation, and the other user accepts or rejects the invitation. If the invitation is being accepted, the two profiles become linked, and is referred to as a “Friend-Network”. (Coulter & Roggeveen, 2012)

A study in the new area of eWOM and how this affect a consumer’s purchasing decision is something missing in the already existing publications within this area. This study is needed to gain a greater understanding in what influences consumers and how that understanding can be used to create greater value for the companies.

In this study, we are looking at the eWOM process from a customer’s perspective. We have chosen this perspective due to the correspondent to our thesis and our problem.
**Problem Discussion**

Social media has changed and challenged the basic assumptions regarding the purchasing process (Hudson & Thal, 2013). A more sophisticated view of how consumers engage with brands has emerged due to social media (Ibid). Researchers have been disclosing that WOM is nine times as effective as advertising at transforming neutral or negative predispositions into positive approaches (Buttle, 1998).

There are four stages of the consumer decision journey, which are:
- Consideration
- Evaluation
- Buy
- Enjoy, advocate and bond

At the “consider” stage social media campaigns are being used to drive traffic to company websites. In these campaigns followers of different organizations for example are invited to register and compete, by sharing content about the different participating organizations. (Hudson & Thal, 2013)

At the “evaluation” stage it is more likely that the consumers reach out to marketers and other sources and will shape the ensuring choices more than marketeer's efforts to persuade the consumers. The organizations are no longer the unique experts of the brands and products due to social media and social networks and the possibility to express WOM online. (Hudson & Thal, 2013)

Moreover online brand communities can also be influential at the evaluation stage. The definition of brand communities are that they are specialized and non-geographically bound communities, which are based on a structured set of social relationships among admires of a brand. (Hudson & Thal, 2013)

Two general factors can intervene between the purchase intention and the purchase decision even if the consumers form brand evaluation according to Kotler and Keller (2012).

The first factor is *Attitudes of others*. Two things decide what influences another person’s attitude, (1) the intensity of the other person’s negative attitude toward preferred alternative and (2) motivation to comply with the other person's wishes. The consumer will adjust his or her purchase intention more and more the closer the other person is to him or her and the more intense the other person’s negativism is. The same is valid regarding the other person’s positivism. (Kotler & Keller, 2012)

Related to the attitudes of others is the *Consumer Reports*, which provides unbiased expert reviews of all types of products and services. This external
evaluation undoubtedly influences the consumers according to Kotler and Keller (2012).

The second factor is *Unanticipated situational factors*. Purchase behavior does not completely rely on predictors such as preferences and purchase intentions. Perceived risk is heavily influencing a consumer’s decision to modify, postpone, or avoid a purchase decision. To reduce the risk, consumers develop certain routines, such as avoiding decisions and gathering information from friends. (Kotler & Keller, 2012)

To gain a greater understanding in this field of research and how eWOM affect consumer-purchasing decision we will do a more thorough analysis of the already existing literature in the following chapter.
Purpose
This Master Thesis strives to accomplish the following goal:
“To gain a better understanding how e-WOM affects the customer’s purchasing decision”

Research Question
In order to answer the purpose of the study the following research question has been developed:

How does e-WOM affect the customer’s purchasing decision?

Delimitations
Throughout the writing of this thesis delimitations have been made, to focus on e-WOM from the customer’s perspective. The main focus area is the link between positive and negative statements through social media and how it affects customer’s purchasing decision. The market delimitation is narrowed down to one company’s customers, Phone House.

To be able to answer our research question, literature is needed as a foundation for our research. The next chapter, literature review, will help us with that. In this chapter, already existing research, theories and models are described.
Literature Review

This chapter presents relevant scientific studies and theories that have previously been made in the area of the research problem stated in the previous chapter. A deeper understanding of the topic area will with this literature review be achieved and therefore help the creation of a frame of reference later on.

Referral Marketing

There are two broadly split groups of referral types: customer referrals and non-customer referrals according to Buttle (1998). Referrals that are customer-initiated originate from current or former customers who have been satisfied or delighted with their experiences. They act as unpaid advocates (see figure 2.1). To harness the power of word of mouth (WOM) there are a number of companies that attempt this by giving customers incentives to refer their friends and family. Companies may benefit from a number of other referral sources, in addition to customer referrals. (Ibid)

When two or more organizations agree to cross-refer customer to each other, reciprocal referrals occur. In professional services marketing this is common and some of the referral activities may be unidirectional such as a doctor may recommend a consultant. Within an organization the internal referrals may be abundant. (Buttle, 1998)

Customer networks and relational data are important for referral marketing (Reingen & Kernan, 1986). Two premises of the behavior of the consumers bases the preference of relational data made by Reingen and Kernan (1986):

1. Interpersonal communication is a social phenomenon; due to this the social-structural context within which interaction occurs should be given unequivocal recognition.
2. It is essential to embed the communication network into the (larger) network of social relations among the system’s actors as specific events of informal communication arise because of, and are constrained by, the interacting individual’s social environments.

Figure 2.1 illustrates two networks. The first network shows the referral relations and consists of nodes (representing individuals) and lines with arrows indicating who referred the service to whom. The referral network then portrays the specific relational content between actors. (Reingen & Kernan, 1986)
In their own right, referral networks can be studied usefully according to Reingen and Kernan (1986). For example, an analysis focusing on the indegree and outdegree of a node (i.e., the number of arrows coming in and out, respectively) affords a direct examination of opinion leadership, which traditionally is evaluated only on the basis of self-designated data.

The second network has the referral graph embedded, which illustrates the social relations among the referral actors (nondirected lines). The relational form is the basis for the social network (properties of the connection between pairs of actors that are independent to the specific content). (Reingen & Kernan, 1986)

Evidence from the industry (Fanaras, 2014) shows that social media has launched referral marketing to a new level of opportunity. The way of communication has been changed due to the social media phenomenon. Since social media makes it easier to share thoughts, personal information and referrals it is affecting how businesses should market, communicate, and improve their products and services.

**Social Media**
Web 2.0 is comprised of computer network-based platforms upon which social media applications/tools run or function, and is thereby not a synonym for social
media (Weinberg and Pehlivan, 2011). It is important according to Weinberg and Pehlivan (2011) that this distinction between Web 2.0 and social media is made.

The communication landscape has been altered significantly by the social media revolution and has impacted the marketing communication. The influence on consumers' communication habits of applications like Facebook, Twitter and others on consumers' lives has increased tremendously. Consumers are spending more and more time in the social media and an increasing share of communication occurs within these new social network environments. The emerging communication setup has thereby transformed consumers from being passive participants in marketing to being active creators and influencers and has shifted some power over brands directly to the consumers. (Hutter et al, 2013)

New challenges and opportunities for companies arise regarding the new marketing communication influenced by social media interactions according to Hutter et al (2013). People rely more than ever on their social networks when making purchase decisions. Since an increasing part of this network is situated within the social media space and a large part of the communication within the network is happening in this space, social media platforms exhibit an important role in consumer decision-making. (Ibid)

Integrated marketing communications endeavors to coordinate and control the various elements of the promotional mix – advertising, personal selling, public relations, publicity, direct marketing, and sales promotion – to produce a unified customer-focused message and, therefore, achieve various organizational objectives. Social media, also referred as consumer-generated media, on the contrary, has changed the tools and strategies for communicating with customers. (Mangold & Faulds, 2009)

Mangold and Faulds (2009) states that social media:

"Describes a variety of new sources of online information that are created, initiated, circulated and used by consumers intent on educating each other about products, brands, services, personalities, and issues".

A wide range of online, word of mouth forums including for example blogs, consumer-to-consumer e-mail, consumer product or service ratings websites and forums, Internet discussion boards and forums, and social networking websites is what social media consist of as stated by Mangold and Faulds (2009). A more thorough description of social media examples is found in table 2.1
TABLE 2.1 EXAMPLES OF SOCIAL MEDIA

- Social networking sites (MySpace, Facebook, Twitter)
- Creativity works sharing sites:
  - Video sharing sites (YouTube)
  - Photo sharing sites (Flickr)
  - Music sharing sites (Jamendo.com)
  - Content sharing combined with assistance (Pizco.com)
  - General intellectual property sharing sites (Creative Commons)
- User-sponsored blogs (The Unofficial Apple Weblog, Cnet.com)
- Company-sponsored websites/blogs (Apple.com, P&G's Vocalpoint)
- Company-sponsored cause/help sites (Dove's Campaign for Real Beauty, click2quit.com)
- Invitation-only social networks (ASmallWorld.net)
- Business networking sites (LinkedIn)
- Collaborative websites (Wikipedia)
- Virtual world (Second Life)
- Commerce communities (eBay, Amazon.com, Craig’s List, iStockphoto, Threadless.com)
- Podcasts (“For Immediate Release: The Hobson and Holtz Report”)
- News delivery sites (Current TV)
- Educational materials sharing (MIT OpenCourseWare, MERLOT)
- Open Source Software communities (Mozilla's spreadfirefox.com, Linux.org)
- Social bookmarking sites allowing users to recommend online news stories, music, videos, etc. (Digg, del.icio.us, Newsvine, Mixx it, Reddit)

Source: Social Media: The new Hybrid Element of the Promotion Mix (Mangold & Faulds, 2009)

As stated by Mangold and Faulds (2009), social media has two interrelated promotional roles in the marketplace. First, social media enables companies to talk to their customers, and second, it enables customers to talk to each other. Moreover, social media also enables customers to talk to companies. (Ibid)

Social media is unique by the second promotion-related role, the possibility of customers using it to communicate with each other according to Mangold and Faulds (2009). However, not all social media are the same (as could be seen in table 2.1) (Weinberg & Pehlivan, 2011). The platforms vary from a technology perspective, and along with that, so do the rules of utilization and functionality (Ibid). There is also a variation in how people use these platforms and/or associated applications as stated by Weinberg and Pehlivan (2011). With the help
of social media, the old rule that an unsatisfied customer tells ten people is out of date. In the new age with social media, that same customer has the tools to reach 10 million consumers virtually overnight (Mangold and Faulds, 2009).

Mangold and Faulds (2009) argues that social media is a hybrid element of the promotion mix because it combines features of traditional integrated marketing communication tools (companies talking to customers) with a highly augmented form of word of mouth (customers talking to one another) whereby marketing managers cannot control the content and occurrence of such information. Moreover it is also a hybrid due to it derive from mixed technology and media origins that enable instantaneous, real-time communication, and utilizes multi-media formats and numerous delivery platforms, with global reach capabilities (Ibid).

Furthermore the consumer’s ability to communicate with one another limits the amount of control companies have over the content and dissemination of information (Mangold and Faulds, 2009). Consumers are in control in the era of social media; they have countless access to information and greater command over media consumption than ever before (Ibid). As stated by Weinberg and Pehlivan (2011), effective use of social media can benefit the company greatly.

**Word of Mouth**

Word of mouth (WOM) is characterized as oral, person-to-person interaction between a receiver and a communicator (Buttle, 1998) and is an informal marketing communication (Reingen & Kernan, 1986). The communicator is perceived by the receiver to be non-commercial regarding a brand, product or service (Buttle, 1998). According to Kimmel and Kitchen (2013) WOM is the action of a consumer generating and/or distributing marketing-relevant information to other consumers.

The outcome of the intention to engage in a social interaction, which is initiated, to satisfy self-needs is what results in WOM according to Alexandrov, Lilly and Babakus (2012). Motivation for positive WOM is primarily the need of self-enhancement, and negative WOM is primarily motivated by the need of self-affirmation (Ibid). To justify this, Kimmel and Kitchen (2013) also refers to self-enhancement as a motive for spreading WOM, just as opportunities serve as motives to spread WOM.

It has been shown that WOM influences an array of conditions such as: awareness, expectations, perceptions, attitudes, behavioral intentions and behavior (Buttle, 1998). Moreover some findings indicate that there are multiple reasons for people to engage in WOM. Satisfaction, loyalty, quality, commitment, trust, and perceived value are brand-related aspects that are important drivers of WOM. (Alexandrov, Lilly, Babakus, 2012)

Decisions are being influenced by WOM either positively or negatively and it seems that negative WOM is more powerful than positive WOM (Buttle, 1998). Moreover studies show that where there are high levels of negative WOM
(NWOM) there also tends to be a high level of positive WOM (PWOM) (Kimmel & Kitchen, 2013). Furthermore there are studies showing that PWOM is more memorable than NWOM (Ibid). Emotions affect WOM and are usually expressing achievement, confirmation seeking, and achieving a therapeutic feeling (Alexandrov, Lilly, Babakus, 2012).

Another belief about NWOM is that it has a stronger effect on the receivers if it comes from dissatisfied customers than the effect PWOM has, delivered by satisfied customers. It is possible to assume that NWOM draws more attention because of the infrequency and thereby makes NWOM more surprising. (Kimmel & Kitchen, 2013)

**Word of Mouth Characteristics**

WOM characteristics are such as valence, focus, timing, solicitation and intervention. **Valence** is illustrated when good news, statements and endorsements anticipated by the company are expressed and thereby positive WOM is occurring. There is evidence according to researchers that management can influence the frequency and path of WOM by complaint management processes, service recovery programs and unconditional service guarantees on post-purchase WOM. (Buttle, 1998)

The **focus** characteristic involves the six-markets model (seen in figure 2.2), which points out that marketers are concerned with building and maintaining mutually beneficial relationships in a variety of domains. These domains include: customers, suppliers/alliances, employees, influencer, recruitment and referral markets. (Buttle, 1998)

![FIGURE 2.2 THE SIX-MARKETS MODEL](source: Word of mouth – understanding and managing referral marketing (Buttle, 1998))

**Timing** refers to WOM that might be expressed either before or after a purchase. Input WOM is when WOM operates as an important source of pre-purchase information. When customers express WOM after the purchase or consumption experience it is called output WOM. (Buttle, 1998)
WOM can be offered with our without **solicitation**, which means that it may or may not be sought. Nevertheless when information is being sought, the listener might seek the input of an opinion leader or influential. (Buttle, 1998)

In an effort to stimulate and manage WOM activity an increasing number of companies are pro-actively **intervening**, with such as role models. Thus there might be problems associated with celebrity endorsements that have to be taken into consideration by the companies. (Buttle, 1998)

**The Word-of-Mouth Model**
The WOM model contains two sets of variables; the intrapersonal variables and the extrapersonal variables.

![Word-of-Mouth Model Diagram](image)

**FIGURE 2.3 WORD-OF-MOUTH MODEL**
*Source: Word of mouth – understanding and managing referral marketing (Buttle, 1998)*

The intrapersonal variables are situations or processes, which are correlated either with seeking input WOM or precipitating output WOM. It is believed that satisfaction and delight motivates PWOM. Thus NWOM can be conceptualized as an outcome of an insufficient disproportion between expectations and perceptions. It is reasonably to conclude that PWOM is associated with performance above that which was predicted and NWOM with performance below what was wanted. Moreover NWOM is being linked to dissatisfaction just as PWOM is linked to satisfaction. (Buttle, 1998)
The extrapersonal variables are contextual circumstances, which effect the seeking of input WOM or the production of output WOM. WOM is a risk reduction strategy that can eliminate an uncomfortable feeling of risk exposure for the customer. Additionally, WOM is a more important input to the decision process when purchasing services, rather than goods. Consumers that are purchasing services favor to seek information from family, friends and peers rather than sponsored promotional sources. (Buttle, 1998)

Reingen and Kernan, (1986) propose that the study of informal communication (WOM) should have a greater focus on relational data, which describe the evolving properties of connections between individuals (e.g., information flow linkages, friendship ties). They provide the basis for a network analysis of those customers of marketer who have been generated by interpersonal interaction (Ibid).

**e-WOM**

The traditional WOM has during the IT revolution evolved into a new form of communication, known as electronic word of mouth (eWOM). eWOM differs a lot from traditional WOM (Cheung & Lee, 2012). Consumers may be exposed to eWOM though websites, blogs, chatrooms, or email according to Gupta and Harris (2010) and the lack of social cues in eWOM forces consumers to evaluate eWOM persuasiveness solely based on content characteristics (Zhang et al, 2010). In contrast to traditional WOM, eWOM retains extraordinary scalability and speed of diffusion (Cheung & Lee, 2012) and there is typically no familiarity between senders and receivers of eWOM (Gupta & Harris, 2010). Multi-way exchanges of information are part of the eWOM communications (Cheung & Lee, 2012). Moreover eWOM is more assiduous and manageable than traditional WOM. (Ibid)

Furthermore, traditional WOM is less measurable than eWOM. What have made eWOM more measurable and observable are the presentation format, quantity, and the persistence of eWOM. The receiver’s ability to judge the sender and his or her message on factors such as credibility is being reduced by the electronic nature of eWOM in most settings. (Cheung & Lee, 2012)

It is during the recent years that eWOM has received significant managerial and theoretical attention. And e-WOM has become an important factor in shaping consumer behavior, due to the fact that information is more influential among consumers owing to consumer opinion sites. Interactions with other consumers affect the consumer participation in online consumer-opinion platforms. (Cheung & Lee, 2012)

Research on why consumers participate in eWOM in online consumer-opinion platforms remains relatively limited (Cheung & Lee, 2012). A prominent study of eWOM communication motives have identified five key motivational categories of positive eWOM communication: focus-related utility (concern for other consumers, helping the company, social benefits, and exerting power),
consumption utility (post-purchase advice-seeking), approval utility (self-enhancement and economic rewards), moderator-related utility (convenience and problem-solving support), and homeostasis utility (expressing positive emotions and venting negative feelings) (Cheung & Lee, 2012).

According to some studies, consumers perceive negative messages, in general, to be more persuasive than positive ones. Other studies, on the contrary, find the opposite. (Zhang et al, 2010)

Zhang et al (2010) results from their study indicate that significant simple effects show that participants perceive the positive product review to be more persuasive than the negative product review when they evaluate a product associated with promotion consumption goals. On the contrary, participants perceive the negative review to be more persuasive than the positive review when they examine a product associated with prevention consumption goals. Consequently consumers show a positivity bias for products associated with promotion consumption goals and a negativity bias for products associated with prevention goals. (Ibid)

The overall result of Zhang et al’s (2010) study indicates that consumers do not give equal weights to positive and negative product reviews. The consumption goals the consumers relate with the reviewed product triggers the consumers’ evaluations of positively and negatively valences product reviews (Ibid).

The results from Gupta and Harris’s (2010) study indicate that eWOM recommendations do influence consideration and choice. Moreover their results indicate that eWOM is likely to result in more time analyzing information overall and more time considering the recommended product for consumers who are motivated to process information (Gupta and Harris, 2010). In addition, the evidence that even limited amounts of eWOM may lead to suboptimal decisions, according to Gupta and Harris’s (2010) findings, and influence choice also raises an interesting question from an ethical point of view.

**Hierarchy of Effects**

WOM has over the years indicated its significant role in shaping consumer attitudes and behavior. WOM recommendations can have a more significant influence on brand image and purchasing decision than formal marketing communications has. Furthermore researchers have noticed consumers relying more heavily on WOM communications than formal information sources when arriving to purchase decisions. (Kimmel & Kitchen, 2013)

According to Weibacher (2001) the emphasis in the treatments of the hierarchy of effects before 1961 was on describing and understanding enough about the consumer to conceptualize and to write effective advertisements. The emphasizes shifted to a description of consumer research measurements, with the Lavidge and Steiner (1961) study, that could be used to demonstrate either that advertising was working or that it was not (Ibid).
What has to be mentioned is that no comprehensive alternative model to the hierarchy of effects model, and how advertising works, has ever gained general acceptance in the marketing community (Weilbacher, 2001).

<table>
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<tr>
<th>Cognitive Stage</th>
<th>Awareness</th>
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<td>Behaviour Stage</td>
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**FIGURE 2.4 HIERARCHY OF EFFECTS**

*Source: A model For Predictive Measurements of Advertising Effectiveness (Lavidge & Steiner, 1961)*

There are a number of response hierarchy models that has been developed that illustrates different stages consumers may go through from not being aware to the actual purchase behavior (Coulter & Roggeveen, 2012). The most well known of these models is developed by Lavidge and Steiner (1961). The model describes paradigms for setting and measuring advertising objectives (Coulter & Roggeveen, 2012) and what the functions of advertising are (Lavidge & Steiner, 1961). The receiver pass through the stages described in figure 2.4. In traditional WOM awareness and knowledge are usually gathered simultaneously through the face-to-face interaction (Coulter & Roggeveen, 2012).

Lavidge and Steiner (1961) talks about that the ultimate function of advertising is to help produce sales, though all advertising is not, should not, and cannot be designed to produce instant purchases on the part of all who are exposed to it. Immediate sales results (even if quantifiable) are, at best, an inadequate criterion of advertising effectiveness. The effects are long-term in much advertising, which sometimes is taken to imply that all one can really do is wait and see and ultimately the campaign will or will not produce. (Ibid)

Nevertheless something must also be happening in the short run, if something is happening in the long run. Something that will lead to eventual sales results ultimately. It is this process that needs to be measured in order to provide anything pending a comprehensive assessment of the effectiveness of advertising. (Lavidge & Steiner, 1961)
The switch from disinterested individuals to convinced purchasers in one instantaneous step, is normally not done by the ultimate consumers according to Lavidge & Steiner (1961). Consequently, the ultimate consumer approach the ultimate purchase through a series of steps (or a process) in which the actual purchase is the final threshold (Ibid).

Lavidge and Steiner (1961) mention seven steps in the advertising force:

1. In the bottom steps stand potential purchasers who are completely unaware of the existence of the product or service.
2. A long way from the cash registers, but closer to purchasing, are those who are merely aware of its existence.
3. Up the next step are prospects that know what the product has to offer.
4. Next step closer to purchasing are those who have favorable attitudes toward the product – those who like the product.
5. Another step up are those whose favorable attitudes have developed to the point of preference over all other possibilities.
6. Consumers who couple preference with a desire to buy and the conviction that the purchase would be wise are even closer to purchase.
7. Finally is the step, which translates this attitude into actual purchase.

The various steps are not necessarily equidistant. The “distance” in some instances from awareness to preference may be very slight, while the distance from preference to purchase is extremely large, however the reverse may also be true according to Lavidge and Steiner (1961). Hence, a potential purchaser may sometimes move up several steps simultaneously (Ibid).

Two hypotheses were developed by Lavidge and Steiner (1961);

“The greater the psychological and/or economic commitment involved in the purchase of a particular product, the longer it will take to bring consumers up these steps, and the more important the individual steps will be.”

“...the less serious the commitment, the more likely it is that some consumers will go almost “immediately” to the top of the steps.”

Without any previous awareness, knowledge, liking, or conviction with respect to the product, an impulse purchase might be consummated. On the contrary, an industrial good or an important consumer product ordinarily will not be purchased in such a manner. (Lavidge & Steiner, 1961)

The six steps summarized in figure 2.4, indicate three major functions of advertising (Lavidge & Steiner, 1961):

1. The first two, awareness and knowledge, relate to information or ideas.
2. The second two steps, liking and preference, have to do with favorable attitudes or feelings toward the product.
3. The final two steps, conviction and purchase, are to produce action – the acquisition of the product.
Directly related to these three advertising functions is a classic psychological model, which divides behavior into three components (Lavidge & Steiner, 1961):

1. The cognitive component – the intellectual, mental, or “rational” states.
2. The affective component – the “emotional” or “feeling” states.
3. The behavior or motivational component – the “striving” states, relating to the tendency to treat objects as positive or negative goals.

Weilbacher (2001) points out that no evidence was presented in this publication about the hierarchy of effects, that demonstrated, unequivocally, that the hierarchy of effects model was a valid description of how advertising works. Barry (2002) on the contrary indicates that the lack of unequivocal validation of the model is not its problem; the problem lies in the complexities of the measurements process to understand how people process information, form attitudes, and behave as a direct result of that information processed and whose attitudes formed. Moreover Barry (2002) implies that the problem further lies in the inability and/or the unwillingness of the practitioners and scholars to provide better measurement techniques and apply them to more complex marketing communications scenarios.

According to Weilbacher (2001) no evidence that the consumer research measurements implied by the specifics of the model like brand awareness, brand preference, and intention-to-buy specific brand actually do reflect the way that advertising works or its specific effects in moving consumers toward purchase action.

Contradictions and Justifications to the Hierarchy of Effects

Weilbacher (2001) debated that the hierarchy of effects model implies a consumer mental process that is activated by an advertisement, which would move the consumer through the entire series of steps. Barry (2002) on the other hand is defending some of the concerns that Weilbacher (2001) has regarding the hierarchy of effects. According to Weilbacher (2001) it is more likely that the concept described a continuing interaction between consumers and advertisements wherein some consumers are moving up the hierarchy continuously and ultimately are taken to the action stage by the collective effects of several advertisements for a specific brand. What Weilbacher (2001) points out is that none of the published descriptions of the hierarchy describe exactly how the hierarchy works with different consumers exposed to various advertisements prior the final product purchase.

Barry (2002) concur with some of the concerns Weilbacher (2001) has with the hierarchy of effects and believe that those concerns should be continued debated, studied and solved. However Barry (2002) also believe that some of the issues stated by Weilbacher are of straw man character, including:

1. Advertising, alone, causes the hierarchy of effects
2. There is only one hierarchy model with one sequence pattern
3. The hierarchy is relevant only to advertising
The model is weak since it is intuitive and nonvalidated

Hierarchy models suggest that all advertisements affect consumers in the same, identical, ways

The hierarchy of effects for the advertising of any brand must be in constant competition with the hierarchy of effects for all other brands according to Weilbacher (2001). Barry (2002) on the contrary states that there is no literature to support Weilbacher’s statements that advertising causes a hierarchy of effects and that it is advertising alone that is responsible for the hierarchy. Weilbacher (2001) imply that none of the published descriptions of the hierarchy of effects addresses the issue of the development by consumer of multiple competing brand hierarchies within a product category and how these multiple hierarchies interact in the consumer’s mental processes, if at all.

There are four reasons, at least, to why the hierarchy of effects model have not, and cannot be validated according to Weilbacher (2001):

1. “The only form of marketing communications that the model is concerned with is advertising, that is, with discrete brand-centered sponsored and content-controlled media messages.” In the vast majority of marketing situations, sales are caused by combination of marketing factors: superiors product, widely and uniformly available to prospective customers, competitively priced, supported by an aggressively focused sales organization as well as an effective total program of marketing communications including, but not limited to, advertising. (Ibid)

According to Barry (2002) Weilbacher implies that, in order for the model to be valuable, we must prove that marketing communications-principally advertising-first causes some amount of perception about the brand or message or category. Barry (2002) propose that it is true that most hierarchy research focuses on advertising, though no one has suggested that it is relevant only for advertising and not for other marketing communications tactics.

2. “Hierarchy models of advertising effects are based on a discredited model of human thought processes.” Weilbacher (2001) believes that the hierarchy of effects models are simplistic to an extreme and that the model ignores the wide store of information and experience that is always available to a consumer prior to and after advertising exposure. In psychological terms a distinction has to be made between the behaviorist formulation of human behavior and the burgeoning understanding of human thought and behavior processes now being developed by the cognitive scientists. Consumers do not think and act as behaviorist psychology would have had us believe. (Ibid)

Barry (2002) argues that no advocate has ever suggested that advertising causes cognition, affect, and behavior. What the model says is that sales, advertising, and other marketing communications tactics have some
affect on the behavior of prospects and customers. Few academics or experts believe that advertising actually causes behavior without the aid of other marketing-mix and communications-mix variables. What advertising generally does, however, is contribute to the entire consumer behavior process-cognition, affect and behavior - where the ultimate outcome is the intended behavior desired by the advertising’s sponsor(s). (Ibid)

3. “Hierarchy models of advertising effects assume that all advertisements have identical specific effects.” In the model, “advertising” is not conceived as myriad, highly differentiated, advertisements, but rather it is conceptualized as a single inevitable and massive force. The consumer will in a typical day be exposed to hundreds, if not thousands of advertisements. Weilbacher (2002) wonders how these advertisements could produce the same patterns of effects in the consumer.

According to Barry (2002) no advertising creative executive will think for a moment that their creative campaigns will be received by every audience member the same way, whether or not that executive “buys into” the hierarchy concept or not.

4. “If the postulated effects of the hierarchy of advertising effects are measurable, they must be true.” According to Weilbacher (2001) measurements are routinely made of consumer awareness of brands, awareness of brand features, of what brands are considered before a purchase decision is made, and of brand preference in contemporary practice. The troublesome thing about these measurements is that, since they can be made, and since they are used in making decisions about advertising programs, they lead to an uncritical acceptance of the hierarchy of effects model. (Ibid)

Barry (2002) believes that in spite of the criticism, the hierarchy of effects remains important to both experts and academic communities. Notwithstanding the fact that the hierarchy model has been accused of being somewhat simplistic, which it is, and that it has been accused of being intuitive, which it is, and that is what makes the hierarchy model so appealing. The hierarchy model is also very logic. It makes sense that before people consume most goods and services, they have some information about these goods and services and form some attitude. (Ibid)

Social Networking Site Hierarchy of Effects

For eWOM regarding figure 2.4 (Hierarchy of Effects Model), awareness and knowledge typically involves separate processes, which in present time is presented in the hierarchy of effects (HOE) framework.
The hierarchy of advertising effects is a communication process, which is responsible for creating a series of consecutive responses from individual consumers that lead to a complete sale, when the advertising is successful (Weilbacher, 2001). Moreover the hierarchy of effects model is similar to the decision-making process (Hutter et al, 2013). Hutter et al (2013) claim that the hierarchy of effects model focuses on the mental stages of the relationship of consumers with a specific product or brand, instead of describing the series of steps a consumer run through when making a purchase decision.

As reported by Weilbacher (2001) different versions of the hierarchy of effects models have received widespread dissemination as a specific description of the way advertising works, one of which is the independent publication “A Model for Predictive Measurements of Advertising Effectiveness” by Lavidge and Steiner (1961).

When a site member receives a communication regarding the existence of a product, awareness is achieved (Lavidge & Steiner (1961); De Bruyn and Lilien
Many researchers have examined the source factors (De Bruyn & Lilien, 2008), seen in figure 2.5, over the years (Coulter & Roggeveen, 2012). They have examined why certain personal sources of information demonstrate more influence than others. Two important factors, according to Coulter and Roggeveen (2012), have been identified: source expertise and tie-strength and applies to both eWOM and traditional WOM.

Coulter & Roggeveen (2012) and De Bruyn & Lilien (2008) mean that source expertise is linked to how people respond to a product referral based on how the WOM information is evaluated by the message receiver relative to the satisfaction of his or her needs. Message acceptance is more likely to occur if the receiver believes that acceptance of the product or service may generate positive benefits or functional value. This process is also known as informal influence. (Ibid)

People possessing a lesser amount of expertise are also seen as less credible (Coulter & Roggeveen, 2012). Hence those who are particularly knowledgeable regarding a product or a service are perceived as more credible. This means that product-endorsement messages provided from trustworthy sources are more likely to be adopted. (Ibid)

In both traditional WOM and eWOM the source/recipient tie-strength impact the level of influence associated with a personal information source (De Bruyn & Lilien, 2008; Coulter & Roggeveen, 2012). Moreover Reingen and Kernan (1986) argue that tie strength is one important relational property. The need to retain the relationship with the influencer and/or to be connected with a referent group to which the influencer belongs by “fitting in” drives the recipient behavior (Coulter & Roggeveen, 2012). The closer the receiver feels to the source the stronger the tie-strength is (Ibid).

A consumer’s social relations with others typically include a spectrum of ties from strong primary (such as spouse) to weak secondary (such as seldom-contacted acquaintances) according to Reingen and Kernan (1986). Individuals in a strong-tie relation tend to interact more frequently than those in a weak-tie one (Ibid).

In micro level referral behavior strong ties may be more significant. Thus studies suggest a special significance for weak ties. Their bridging function enables referrals to travel from one subgroup to another segment of the broader social network.
system through a week tie. If weak ties did not exist, a social system would consist of disjointed subgroup and the widespread diffusion of referrals would be inhibited. (Reingen & Kernan, 1986)

It is expected in online social networks that tie-strength (also known as “source closeness”) might be far less relevant as a mean of influence. Moreover the links or ties between the receiver and online community members outside the Friend Network should be weaker than between the message receiver and all members of his or her Friend Network. Furthermore there are researchers indicating that the source/recipient relationship closeness may be less important in eWOM environments than in traditional WOM settings. (Coulter & Roggeveen, 2012)

If network externalities, which can be either real or perceived, are perceived by non-Product Network members, they may serve to move those individuals through the HOEs. Coulter and Roggeveen (2012) expects that “the credibility of the network (as a source of utilitarian value) is determined by number of Product Members. Due to the fact that it is possible through social networking sites to view how many consumers that are members of a Product Network in real time, it is possible for the potential product adopter to measure the credibility of the Product Network before making the decision to either join the Product Network or to gain additional knowledge. According to Coulter & Roggeveen (2012) a signal of more credibility is sustained by a greater number of previously-enrolled network members.

The difference between product liking in online social networks and other types of online forums are that in online social networks a user publicly indicates his/her liking of a product by joining the Product Network (Coulter & Roggeveen, 2012). Moreover WOM has an especially strong influence on liking (Hutter et al, 2013).

In the pass-along behavior, including preference and conviction, may be inferred from the degree of activity and influence that is demonstrated by membership in the Product Network (Coulter & Roggeveen, 2012). Moreover, the conviction stage shows the intention to purchase (Hutter et al, 2013). The last activity of the pass-along behavior, the purchase, may be indicated by such activities as posting ratings, comments, or even product photos. (Coulter & Roggeveen, 2012)

The structure and the content of the message itself, in both traditional WOM and eWOM, is expected to contribute toward persuasive influence. Furthermore, in traditional WOM the directive message drives both awareness and knowledge thus the impact is typically on awareness only in eWOM. (Coulter & Roggeveen, 2012)

**Consumer Decision-Making Process**

According to Heyes and Kapur (2012) emotions, and especially anger, can be important determinates of consumer behavior. With the desire to punish the wrongdoer, anger is a hostile emotion that is targeted at the 'cause' of
dissatisfaction and is linked with an urge to injure. A reason to why consumers get angry is if they feel they have been treated unfairly. The Internet has made it more common sharing bad experiences, which also have a much wider dissemination. (Ibid)

An important factor in shaping consumer purchase behavior is the eWOM (Cheung & Lee, 2012). As a result of consumer opinion sites, information provided online is more influential among consumers nowadays (Ibid). Moreover attitude can be considered one of the most important concepts in the study of consumer behavior, as it is the direct determinant of this behavior according to literature (Casteñeda et al, 2009).

According to Hutter et al (2013), due to the countless decisions consumers have to make every day and the increasing information overload, certain habits and “heuristics” have been developed by the consumers. These habits are shortcuts and “rules of thumb”, which are used in decision making to cope with the mental overload (Ibid).

Particular attention has been paid, in research on consumer behavior, to attitude towards the product, the brand, the behavior, the firm, the advertisement, etc. New constructions are appearing with the Internet, which is specific to the electronic market, such as attitude towards the Internet and attitude towards the web site. (Casteñeda et al, 2009).

Brands are the most common rule of thumb and facilitate many purchase decisions. Moreover they offer reassurance as they connect current and future decisions to experiences, satisfactions, and knowledge. Consequently, brands play an important role in consumer decision-making and guide consumers in the process of making a purchase decision. (Hutter et al, 2013)

According to Casteñada et al (2009), we should be able to predict behaviors if we know what attitudes which are relevant to particular stimuli. Historically, the concept of attitude has commonly been defined in terms that emphasize its predictive relation to behavior (Ibid).

As reported by Hutter et al (2013) the consumer decision-making process comprises the various steps a consumer passes though when making a purchase decision. This process involves all steps from the recognition of a need through the pre-purchase search for information about potential ways to satisfy the need, the evaluation of alternative options to the actual purchase and the post-purchase process including experience and evaluation of the product. (Ibid)
Figure 2.6 include brand awareness, word of mouth and purchase intention, each related to one of the three mental stages – the cognitive, the affective, and the behavior stage – respectively according to Hutter et al (2013). Independent variables are brand page commitment and annoyance (Ibid).

**Brand page commitment** refers to a psychological attachment of participants to the community building efforts of a brand in social media environments, e.g. the creation of a Facebook fanpage of the brand. Brand page commitment can be viewed as the active and psychological involvement of a consumer with the social media activities of a brand. (Hutter et al, 2013)

When consumer commitment and delectation of social media content by companies or brands turn into **annoyance**, the consumer digresses expeditiously according to Hutter et al (2013). Social media marketing is considered to be less intrusive, and thus less annoying, than some traditional marketing techniques, since consumers have more control over their exposure to the content. Delectation on the contrary has been referred to be a pleasurable response to the exposure to (entertainment) media; annoyance is the unpleasant emotional reaction to subjective overexposure to a certain kind of media. Companies have to be diligent in approaching consumers in social media in order to avoid annoyance due to annoyance may result from unwanted exposure of advertising or intrusive marketing. (Ibid)

Companies have to be careful in approaching consumers in social media in order to avoid annoyance. Social media content that disturbs and ultimately annoys consumers is not only ineffective from a marketing perspective, but can also have negative effects for the brand. (Hutter et al, 2013)

**Brand awareness** is engendered by anything that causes the consumer to experience the brand – advertising, promotion, publicity, public relations, etc. Social media represents one way to expose consumers to the brand and thereby
engender brand awareness. It follows that the more actively consumers engage with the social media activities of a brand, i.e. the higher the brand page commitment is, the higher the awareness of the brand is. A negative relationship can be expected between annoyance and brand awareness. (Hutter et al, 2013)

The degree of participation with social media applications like Facebook fanpages, i.e. the caliber of brand page commitment, as well as brand awareness could therefore be a guide of positive WOM activities according to Hutter et al (2013). Since brand awareness is the first step in the hierarchy of effects, it is withal the first paramount prerequisite of WOM. It follows that the more vigorous a presence of a brand in consumers’ minds is, the likelier it is for consumers to reflect and verbalize about a brand. Annoyance can be expected to have the antithesis effect on positive WOM. (Ibid)

As stated by Hutter et al (2013) the purchase intention refers to the mental stage in the decision making process where the consumer has established an actual eagerness to act toward an object or brand. The effectiveness of social media activities of firms will be measured against the marketing communication’s primary goal, which is to get consumer to form an intention to purchase the marketed product. (Hutter et al, 2013)

Hutter et al’s (2013) research results shows that social media activities indeed affect the purchase decision-making process. Thus the different phases described in the hierarchy of effects model (figure 2.4) is influenced by the decision-making process and social media. According to Hutter et al (2013) social media influence all three mental stages in the hierarchy of effects: the cognitive phase, the affective stage, and the behavior stage.

The theory mentioned in this chapter will be delimited and formed into a conceptual frame of reference in the following chapter. This, to later be able to perform the data collection and finally be able to answer our research question.
Theoretical Framework

Based on the literature review presented in the previous chapter, this chapter outlines the theoretical framework for this study. The conceptualized frame of reference will emerge from this, which will be a great help when collecting data.

Theoretical Model

In order to fulfill our purpose “To gain a better understanding how e-WOM affects the customer’s purchasing decision”, relevant theories has been selected in order to answer our research question:

How does e-WOM affect the customer’s purchasing decision?

The selected literature that this thesis is based on are as follow: Hierarchy of Effects by Lavidge and Steiner, Social Networking Site Hierarchy of Effects by Coulter and Roggeveen, and How Marketing Activities in Social Media Influence the Consumer Purchase Decision-Making Process, Modeled Through the Hierarchy of Effects by Hutter et al.

In the conceptual framework, which is based on Coulter and Roggeveen's (2012) model, the source is the person that generates the awareness and WOM to the recipient, hence the possible consumer. The source could either be from the product-related network, or from the friend network of the recipient. Viewing the product page on social media and searching for product information then generates the knowledge of the recipient. If the recipient likes what he or she sees, liking occurs, where the recipient likes the product page on social media and thereby join the product network.

After this, the pass-along occurs according to the conceptual framework. Here preference, conviction and purchase are included. Preference is the state where the recipient has developed favorable attitudes to the product, and no other possibilities are meeting the preference of the product. When this is being met, conviction occurs, which is the preference and the desire to buy the product combined, and the recipient believed the purchase would be wise. Finally, the purchase occurs, where the attitude towards the product is translated into an action of buying the product.

The Social Networking Site Hierarchy of Effects model (Coulter & Roggeveen, 2012) based on the Hierarchy of Effects model (Lavidge & Steiner, 1961) is the tool that will help us answering our research question. Even though some researchers, (i.e. Weilbacher, 2001) have questioned the model, we believe that it is a well working model that can help to describe and explain our research problem. Weilbacher's (2001) reasons to why the hierarchy of effects model cannot be validated:
1. Advertising is the only marketing communication that the model is concerned with (Weilbacher, 2001). Barry (2002) on the other hand, justify the hierarchy of effects model, saying that it is true that most hierarchy research focuses on advertising, though no one has suggested that it is relevant only for advertising and not for other marketing communication tactics.

2. Discredited model of human thought process is the basis of hierarchy models of advertising effects (Weilbacher, 2001). Barry (2002) conversely states that no advocate has ever suggested that advertising causes cognition, affect, and behavior. What the model actually says is that sales, advertising, and other marketing communication tactics have some affect on the behavior or prospects and customers.

3. All advertisements have identical specific effects according to the hierarchy models of advertising effects (Weilbacher, 2001). Barry (2002) on the contrary argues that no advertising creative executive will think for a moment that their creative campaigns will be received by every audience member the same way, whether or not that executive "buys into" the hierarchy concept or not.

4. The effects of the hierarchy of advertising must be true if they are measurable (Weilbacher, 2001). Finally, Barry (2002) believes that in spite of the criticism, the hierarchy of effects remains important to both experts and academic communities. Although the fact that the hierarchy model has been accused of being to some extent simplistic, which it is, and that it has been accused of being intuitive, which it is, this is what makes the hierarchy model so appealing. Moreover the hierarchy model is very logic; it makes sense that before people consume most goods and services, they have some information about these goods and services and form some kind of attitude. (Ibid)

As mentioned previously, we believe that even though especially Weilbacher (2001) has contradicted the hierarchy of effects model, there are good reasons to continue use the model in research, which Barry (2002) has proved. The model is very logic, as stated above, and will be a great tool to help us answer our research question.

Research Question
Coulter and Roggeveen (2012) have redesigned the original model by Lavidge and Steiner (1961) and adapted it to the IT world, were WOM is not only spread face-to-face, but were e-WOM has taken over, and helped spreading the words of the customers faster and helped the customers reach a bigger audience. This new model, Social Networking Site Hierarchy of Effects, focuses on the awareness and knowledge of the original hierarchy model (Coulter & Roggeveen, 2012).

We have chosen this model as our conceptual framework due to the fact that it consists of the six steps (i.e., awareness, knowledge, liking, preference,
conviction and purchase) from the original model by Lavidge and Steiner (1961). Moreover the conceptual framework also includes social media and WOM, which we believe will help us answer our research question “How does e-WOM affect the customer’s purchasing decision”.

Finally, with the help of the model constructed by Coulter and Roggeveen (2012), *Social Networking Site Hierarchy of Effects*, we will see the relationship between brand awareness, WOM and purchase intention, and how these are related to the three mental stages of the original hierarchy of effects model – the cognitive, the affective, and the behavior stage (Coulter and Roggeveen, 2012). This model, which is based on Lavidge and Steiner (1961) model, will be able to generate more knowledge about the purchase decision-making process than the model developed by Hutter et al (2013). The model by Hutter et al (2013) is also based on the original model about hierarchy of effects by Lavidge and Steiner (1961).

Moreover the model developed by Coulter and Roggeveen (2012) includes all the steps of the original model of hierarchy of effects, whilst the model developed by Hutter et al (2012) does not. This is yet another reason to why we have chosen to use the model by Coulter and Roggeveen (2012) as our framework.
Conceptual Framework

Based on the narrowed down scope of literature review above, the relationship between the hierarchy of effects and purchase decision can be shown in figure 3.1. The six steps of the hierarchy of effects model have been selected from studies done by Lavidge and Steiner (1961). These steps are also mentioned by different authors such as (Coulter and Roggeveen (2012); Weilbacher (2001); Barry (2002)) in their studies. This is the main reason behind the selection of this model.

![Diagram](https://via.placeholder.com/150)

**FIGURE 3.1 THE CONCEPTUAL FRAMEWORK OF THIS STUDY**

*Source: Like it or not – Consumers Responses to Word-of-Mouth communication in on-line social networks (Coulter & Roggeveen, 2012)*

In this conceptual model, by to Coulter and Roggeveen (2012), the WOM activity shows and what drives the consumers to a particular product page on social networking sites in the first place. The focus is on factors that drive awareness, knowledge, and liking.

By the help of this model, we will be able of tracking what the relationships are between the source and the recipient, what influences the recipients awareness, knowledge, liking, preference, conviction and purchase, and what network that is the most influential.

We will, from the conceptual framework chapter, move on to the methodology chapter, where we will describe and justify different methods used for our thesis.
Methodology

In this chapter the authors present and describe the research methods used for this thesis. The various scientific techniques consist of the purpose of the research, research approach and strategy, case selection, sample selection, data collection and analysis together with validity and reliability, which are discussed below.

Research Purpose
Researchers often begin their efforts of starting their study without coming to terms with the actual purpose of the research (Cargan, 2007). The purpose is a key decision since knowing the purpose of the intended study makes research easier and reduces risks of overlooking important facts (Saunders, Lewis & Thornhill, 2009).

The purpose of the research can be exploratory, descriptive or explanatory. As any research study will change and develop over time, more than one purpose might be identified (Ibid). The focus of the descriptive research lies in making the problem more apprehensible by reducing them into their components parts (Miles et al. 1994). Studies that found causal relationships between variables may be characterized as explanatory research, the emphasis here is on studying a situation or a problem in order to clarify the relationships between variables (Saunders, Lewis & Thornhill, 2009). An exploratory study is a valuable means of finding out what is happening, a method to gain new insight in a certain research area; it is especially useful to clarify an understanding of a problem (Robson, 2002).

The general purpose and the nature of the research question are posed in chapter 1. Due to the purpose of attempting to show in what way the occurrence of e-WOM affects the purchasing decision of a customer, the thesis has a strong descriptive purpose. Since the area of research is not an entirely a recent phenomenon, the purpose is not exploratory. The study does not focus on a hypothesis as to why something is happening and is not designed to prove if the hypothesis is correct or not, thus it is not an explanatory purpose.

Research Approach
There are two different methods for the collection and analysis of data when conducting research: qualitative and quantitative (Denscombe, 2002). The qualitative research method studies things in their natural environment attempting to make sense or interpret a phenomenon (Newman et al. 1998). Quantitative research sets its focus on hypotheses testing to contribute to knowledge (Ibid) and is more concerned with the design measurement and sampling (Neuman, 2003).
This thesis can be classified as a qualitative study since it aims to gain a deeper understanding through the values and attitudes of the interviewees, instead of the quantitative approach of finding numerical, quantitative correlations.

When deciding on the research approach, there is also a matter of selecting an inductive or deductive approach. In the inductive method, the researcher collects information, searches for patterns and theory develops from this data collection (Newman et al. 1998). The quantitative studies engage in theory testing (Newman et al. 1998) while applying a deductive model of thinking (Creswell, 1994). The deductive approach includes relying on a substantial amount of theory that provides direction for the study (Ibid).

The research in this thesis will take a deductive approach, since the study has its foundation within theoretical propositions and frame of reference. The inductive research approach does not fit the purpose as it moves from specific observations to broader generalizations and theories.

**Research Strategy**

When selecting the research approach the subsequent step is to decide on a fitting strategy. As stated by Yin (2009) the research strategy utilized is determined by three central conditions which are:

1. The type of research question posed
2. The extent of control an investigator has over behavioral events
3. The degree of focus on contemporary as opposed to historical events.

Table 4.1 demonstrates the main research strategies and in what way they are linked to the three conditions above.

**TABLE 4.1: RELEVANT SITUATIONS FOR DIFFERENT RESEARCH STRATEGIES**

<table>
<thead>
<tr>
<th>METHOD</th>
<th>Form of Research Question</th>
<th>Requires Control of Behavioral Events?</th>
<th>Focuses on Contemporary Events?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiment</td>
<td>How, why?</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Survey</td>
<td>Who, what, where, how many, how much?</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Archival Analysis</td>
<td>Who, what, where, how many, how much?</td>
<td>No</td>
<td>Yes/no</td>
</tr>
<tr>
<td>History</td>
<td>How, why?</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Case Study</td>
<td>How, why?</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Adapted from Yin (2009). P 8
**Experiments** consist of isolation of specific factors in order to observe their effect in detail. It necessitates control of circumstances, identification of causal factors, accurate and detail observation (Denscombe, 2002).

**Surveys** provide a quantitative or numeric description of a sample group through the data collection process of asking the group questions. The survey method enables the researcher to generalize the findings (Creswell, 1994).

**Archival analyses** are probable to be utilized when the aim is to predict certain outcomes or to characterize the incidence of a certain phenomenon. It relies on the analysis of archival records and documents (Yin, 2009).

**History** research, also entitled comparative research, involves the examination of aspects of social processes in a past era and place. It is differentiated by the types of questions it asks, not the theoretical framework it utilizes (Neuman, 2003).

**A Case Study** is ideal in examining contemporary phenomena, but when the relevant behaviors cannot be manipulated (Yin, 2009). It is an empirical analysis that investigates contemporary events within its real life context. It relies in multiple sources of evidence and benefits from the prior development of theoretical propositions (Ibid). The aim of a case study is to explain what is general by investigating the specific (Denscombe, 2002). The researcher is able to study phenomena in detail, in a way not possible by a survey (Ibid). Case studies are regularly used to shed light on decisions; why they were made, how they were implemented and what the results was (Yin, 2009). The focal point of a case study is relationships, processes and a holistic view rather than conclusions, or understanding of isolated factors (Denscombe, 2002).

Since this study has no control over the behavioral events and is not of a quantitative orientation, experiments are not a suitable strategy for this thesis. The survey strategy was not used in this study since it depends on the availability and nature of the interviewee not providing sufficient depth of data. Archival analysis investigates existing documents or records, while this thesis studies behavioral patterns; consequently it is not an appropriate strategy. The research topic of the study is comparatively present-day; hence the use of historical research strategy is unjustified.

E-WOM through social media is a rather contemporary occurrence. Since mobile devices has developed in to a multifunctional tool that numerous people uses several times daily, the social media use have increased significantly. E-WOM has an emotional impact on the general public on an everyday basis. The goal of this
thesis is to comprehend how this phenomenon affects the customers purchasing decision. As a conclusion all of these reasons have motivated the choice of a case study as selection of research strategy.

**Case Selection**

Founded in 1989, Phone House is Europe’s largest independent mobile phone retailer with over 2400 stores in 8 countries. Phone House is owned by Carphone Warehouse Group PLC (Phonehouse.com). To reach out to its customers, Phone House utilizes Social media as a vast part of their marketing strategy. The company’s Swedish webpage Phonehouse.se has its own blog where the viewer can read about news regarding cell phones, tablets, apps, accessories and subscriptions from all Swedish operators. Phone House also has its own YouTube channel, Twitter account and Facebook page. (Phonehouse.se)

Since Phone House is a company that really utilizes social media as a marketing channel, it is a fitting company for this study to collaborate with for the data collection. Below is a table of Phone House Swedish social media channels.

**TABLE 4.2: Phone House Swedish Social Media Channels**

<table>
<thead>
<tr>
<th>Website</th>
<th>Social Media</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="https://www.facebook.com/phonehouseSWE">https://www.facebook.com/phonehouseSWE</a></td>
<td>Facebook Page</td>
</tr>
<tr>
<td><a href="https://twitter.com/PhoneHouseSWE">https://twitter.com/PhoneHouseSWE</a></td>
<td>Twitter Channel</td>
</tr>
<tr>
<td><a href="http://www.youtube.com/user/tipsochklipp">http://www.youtube.com/user/tipsochklipp</a></td>
<td>YouTube Channel</td>
</tr>
<tr>
<td><a href="http://www.phonehouse.se/blogg/">http://www.phonehouse.se/blogg/</a></td>
<td>Blog</td>
</tr>
</tbody>
</table>

**Data Collection Method**

According to Yin (2009) the list of sources available for data collection can be quite extensive, although the most commonly used in doing case studies is: documentation, archival records, interviews, direct observations, participant-observations, and physical artifacts. Interviews have been selected as the most valid method when collecting data for this thesis. The strong points and flaws of using interviews as a method are discussed in the table below.
TABLE 4.3: SIX SOURCES OF EVIDENCE: STRENGTHS AND WEAKNESSES

<table>
<thead>
<tr>
<th>Source of evidence</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviews</td>
<td>Targeted – focuses directly on case study topics</td>
<td>Bias due to poorly articulated questions</td>
</tr>
<tr>
<td></td>
<td>Insightful – provides perceived causal inferences and explanations</td>
<td>Response bias</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Inaccuracies due to poor recall</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reflexivity – interviewee gives what interviewer wants to hear</td>
</tr>
</tbody>
</table>

Source: Adapted from Yin (2009). P 102

The interview is one of the most significant sources of case study information (Yin, 2009). The actual stream of questions in a case study interview is likely to be fluid rather than rigid, although the researcher will be pursuing a consistent line of inquiry (Ibid). According to Yin (2009) this means that throughout the interview process the researchers have two jobs:

1. Follow the line of inquiry, as reflected by the case study protocol.

2. Ask the actual (conversational) questions in an unbiased manner that also serves the needs of the line of inquiry.

Consequently the case study interviews require the researcher to operate on two levels at the same time: sustaining the needs of the line of inquiry while at the same time putting forth “friendly” and “nonthreatening” questions in the open-ended interviews (Ibid).

**Focused Interview**

The type of interview chosen for this thesis is the focused interview. It is suitable to use this kind of interview when the purpose or part of the purpose is to corroborate certain facts that have already been established (Yin, 2009). Since a part of the purpose of this thesis is to corroborate prior facts that have been established by past research and the interviewees cannot be classified as key respondents, the focused interview is a fitting type of interview. In this form of interview, a person is interviewed for a short period of time, usually about an hour (Ibid). It is important that the specific questions are carefully formulated, so that the researchers appear genuinely naïve about the topic and allow the interviewee to provide a fresh commentary about it (Yin, 2009). If the researchers ask leading questions, the corroboratory purpose of the interview will not have been served (Ibid).
An interview guide has been selected as the instrument for the interviews. The questions were designed to aid in answering the research question, and are based on the frame of reference. The questions will be asked in an interactive group setting consisting of two groups with ten participants in each group, and the interviewee’s are free to talk with other group members. Prior research has been analyzed to find similar questions, which then have been altered to fit this study. The complete interview guide can be found in appendices, both in English and in Swedish.

The time spent on the first interview was 41 minutes and on the second interview 46 minutes. The participants were not prepared in any way; they were only informed that they were going to partake in a study interview for the thesis. When the interview started, the participants were told that they could speak freely with the other participants during the session and that their thoughts are anonymous. One of the researchers asked the questions and arbitrated the discussions; the other took notes and handled the recording.

**Sample Selection**

Sampling is fundamental for later analysis (Miles and Huberman, 1994). As much as the researcher might want to, it is not possible to study everyone everywhere doing everything (Ibid). The decisions—whom to look at or converse with, where, when, about what, and why—all place constrains on the conclusions that the investigators can draw, and on how confident the researchers and others can feel about them (Ibid). Qualitative researchers generally work with small samples of individuals, nested in their context and studied in-depth— not at all like quantitative analysts, who focuses on larger numbers context stripped cases and seek statistical significance (Ibid).

According to Miles and Huberman (1994) sampling necessitates a previous identification of features to be studied and a selection of justified methods to perform the sample. The methods can be partitioned in probabilistic methods and non-probabilistic methods (Neuman, 2003). A probability sampling method is any method of sampling that uses some type of arbitrary selection (Ibid). The data for this thesis will be gathered through probabilistic sampling. The purpose of utilizing probability sampling is that the interviewees should represent the population of Phone House customers well.

As mentioned, the company that has been chosen is Phone House, Europe’s largest independent mobile phone retailer. The sample selected is Phone House customers, since the thesis is examining how their state of mind is affected by Social media. The researchers in this study will perform interviews with two focus groups of ten customers in each group to find out how they are affected by the company through social media. There is no magic number in terms of how many focus groups to hold and more is not necessarily better, although holding two focus groups with groups with similar characteristics may place the researcher on secure ground in relation to making claims about the patterning of the data (Barbour, 2008). That is on account of that it would suggest the
differences observed are not just a characteristic of a one-off group, but are likely to be related to the diverse aspects of participants reflected in selection (Ibid).

Since the group will be the main unit of analysis in focus group research, it bodes well for assemble these to encourage correlation, by ensuring that group members share at least one important characteristic (Barbour, 2008). Not only does this make good sense in research design; it can also encourage people to attend and may facilitate discussion on difficult topics (Ibid). The important characteristics that the interviewees share are that they are Phone House customers and they use social media on a daily basis.

**TABLE 4.4: SPECIFICATION OF PARTICIPANTS**

<table>
<thead>
<tr>
<th>Specification of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
</tr>
<tr>
<td>Gender</td>
</tr>
</tbody>
</table>

**Data Analysis**

Data analysis enfolds the process of examining and deducing patterns, behaviors, objects or actions present in raw data (Neuman, 2003). It comprehends searching, sorting, categorizing, evaluating, comparing, synthesizing and contemplating recorded data (Ibid). Yin (2009) states that one of the most significant preparations is to choose one of the four key strategies: Relying on theoretical propositions, Developing a case description, Using both qualitative and quantitative data and Examining rival explanations.

Relying on theoretical propositions is the most preferred strategy (Ibid) and is also the strategy that is most eligible for this thesis. This proposition is an instance of a theoretical orientation guiding the case study analysis and also aids in focusing the attention on certain data and to ignore other data (Ibid). According to Yin (2009) the proposition also helps to organize the whole case study and to define the alternative explanations to be studied.

When the general strategy has been selected an analytical technique may be chosen. Yin (2009) states that the analytical techniques should not be considered easy to use and needs a lot of practice to be utilized powerfully. There are five analytical techniques: Pattern Matching, Explanation Building, Time-Series Analysis, Logic Models and Cross-Case Synthesis (Ibid). Since the techniques manage internal and external validity (Ibid), they will be presented subsequent in the thesis. Pattern-matching is the technique that is utilized in this thesis since a frame of reference is used to match data against.

Furthermore to the data analysis method, this thesis is a qualitative study, which can result in complications in the analysis. Miles and Huberman (1994) states that qualitative data is analyzed through these following steps:

- **Data Reduction** refers to the process of selecting, focusing, simplifying, abstracting, and transforming the data that appear in written-up field
notes or transcriptions (Miles and Huberman, 1994). The data reduction process continues after fieldwork, until the final report is completed (Ibid). According to Miles and Huberman (1994) Data reduction is not something detached from analysis, it is a part of analysis.

**Data Display** is the subsequent major flow of analysis activity (Miles and Huberman, 1994). Generally, a display is an organized, compressed assembly of information that allows conclusion drawing and action (Ibid). As with data reduction, the creation and use of displays is not separate from analysis, it is a part of analysis (Ibid).

**Conclusion Drawing and Verification** is the third stream of analysis activity (Miles and Huberman, 1994). From the beginning of data collection, the qualitative analyst is starting to decide what things mean—is noting regularities, patterns, explanations, possible configurations, causal flows, and propositions (Ibid). The conclusions are made throughout the entire process, although the competent researcher holds these conclusions lightly, maintaining openness and skepticism (Ibid). The “final” conclusions may not appear until the data collection is over.

The three types of analysis activity and the activity of data collection itself form an interactive cyclical process (Miles and Huberman, 1994), it is displayed in the figure below.

![Figure 4.1 Components of data analysis: interactive model](image)

*Source: Adapted from Miles and Huberman (1994) P. 10*

This thesis uses within-case analysis for the reduction of data. The data from the interviews is compared with existing models and theory that are presented in the frame of reference and is presented in chapter two. The data from the
interviews is analyzed to comprehend if there are patterns that fit the frame of reference. After this the data is coded and put into a matrix, to enable data display in a logical manner. When all those steps are done, conclusions will be drawn based upon the matrix and the potential patterns found in it.

**Quality Standards**

Research should produce quality data using fair methods (Denscombe, 2002). The use of any inexperienced, simplistic or inaccurate indicators of the underlying truth must be avoided (Ibid). Whether the research process has influenced the results obtained and the accuracy of the data have to be verified by means of validity and reliability tests respectively (Ibid).

Yin (2009) has divided these into four tests: Construct validity, Internal validity, External validity, and Reliability. The table below displays the different tests.

**TABLE 4.5: CASE STUDY TACTICS FOR FOUR DESIGN TESTS**

<table>
<thead>
<tr>
<th>Tests</th>
<th>Case study tactic</th>
<th>Phase in which the tactic occurs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Construct Validity</strong></td>
<td>Use multiple sources of evidence</td>
<td>Data collection</td>
</tr>
<tr>
<td></td>
<td>Establish chain of evidence</td>
<td>Data collection</td>
</tr>
<tr>
<td></td>
<td>Have Key informants review draft case study report</td>
<td>Composition</td>
</tr>
<tr>
<td><strong>Internal Validity</strong></td>
<td>Do pattern matching</td>
<td>Data analysis</td>
</tr>
<tr>
<td></td>
<td>Do explanation building</td>
<td>Data analysis</td>
</tr>
<tr>
<td></td>
<td>Address rival explanations</td>
<td>Data analysis</td>
</tr>
<tr>
<td></td>
<td>Use logic models</td>
<td>Data analysis</td>
</tr>
<tr>
<td><strong>External Validity</strong></td>
<td>Use theory in single-case studies</td>
<td>Research design</td>
</tr>
<tr>
<td></td>
<td>Use replication logic in multiple case studies</td>
<td>Research design</td>
</tr>
<tr>
<td><strong>Reliability</strong></td>
<td>Use case study protocol</td>
<td>Data collection</td>
</tr>
<tr>
<td></td>
<td>Develop case study database</td>
<td>Data collection</td>
</tr>
</tbody>
</table>

Source: Adapted from Yin (2009) P. 41

**Construct validity** is particularly challenging in case study research (Yin, 2009). It directs whether or not sufficient specific and detailed data has been provided (Denscombe, 2002). Construct validity indicates establishing sufficiently operational measures for the concepts under study (Yin, 2009). Yin (2009) recommends using the three case study tactics that is displayed in the table.
above: using multiple sources of evidence in data collection, establishing a chain of evidence, and having key informants review the draft case study report.

In order to guarantee the construct validity of this thesis, qualitative data has been collected granting triangulation through conducting interviews with two focus groups. In addition, the frame of reference is presented with all the sources, and predicated on this an interview guide will be constructed for data collection, which will then be integrated to appendices. These steps will provide a chain of evidence, where it is facile to optically discern how the researcher has come to conclusions. Furthermore regular chapter reviews by a supervisor will be done and peers will go through the report to ascertain a greater validity.

**Internal validity** is fundamentally a concern for explanatory case studies, when an investigator is attempting to clarify how and why event x led to event y (Yin, 2009).

Pattern matching explanation building and time series analysis are the most fitting ways of enhancing this sort of validity (Ibid). Since internal validity is essentially only significant in studies that try to establish a causal relationship and this is not a causal study, it is not relevant to perpetuate the discussion.

**External validity** manages the issue of knowing if a study's discoveries are generalizable beyond the immediate case study (Yin, 2009). According to Denscombe (2002) research ought to dependably process discoveries from which generalizations might be made. On the other hand this is the fundamental obstruction when directing case studies and the most ideal approach to manage it is by utilizing the replication rationale (Yin, 2009). With a specific end goal to have the ability to make certain generalizations of an occasion, one must be fit to reproduce the study some times in distinctive connections (Ibid). To increase an improved external validity in single-case studies, one may as well utilize theory to backing the discoveries (Ibid).

This qualitative study is a single-case study, and it is taking a gander at the circumstances of the customers of one company. Since those facts pose a threat to the external validity, the researchers of this case study have taken some steps to strengthen the external validity:

- **Cultural dissimilarity** in the individuals that have been selected for the interviews, to ensure that the generalizations have greater external validity.

- **The data is analyzed against literature** as advocated by Yin (2009) and there are also numerous units of analysis within the case.

- **The generalizable discoveries are delimited** to be beneficial to the telecommunication retailers, further research and similar companies and not the entire retail industry.
Peer reviewing regarding the intention, the topic, purpose and research question in this study have been carried out in order to provide credibility to this investigation, assuring that it is significant, rational and achievable.

Reliability intends to reduce both errors and biases in a research (Yin, 2009). It is centered on the data collection methods and the concern that they need to be reliable and not bend the discoveries (Denscombe, 2002). It generally involves an assessment of the techniques and methods utilized to collect data (Ibid). Deliberating the impact of the research process in the results as well as progressing the possibilities of the conceivable outcomes of imitating the study (Creswell, 1994).

As an approach to increase reliability, the researcher can use a case study protocol and develop a case study database (Yin, 2009). For this thesis, a case study protocol in the form of an interview guide will be implemented. In combination with an attentive explanation in the methodology chapter, it will leave a detailed description of how the data was collected and analyzed, so that in the event that researchers might desire to imitate the study, they have the capability to.

Saunders, Lewis & Thornhill (2009) points out that bias is a threat to reliability when collecting data through an interview. According to (Ibid) there are two forms of bias:

1. **Interviewer bias** is for a case if the interviewer’s non-verbal communication and voice affects the interviewees’ answers.

2. **Response bias** which is identified with the individual being interviewed.

Keeping in mind the end goal to control these biases, the investigator will attempt to standardize the vocal tone and nonverbal correspondence. To guarantee that there will be little interviewee predisposition, the inquiries asked ought not to be probing and there will be a few inquiry covering the same topic to check whether the responses are comparable. Another threat to reliability is that one of the researchers is currently employed by Phone House, which implies that there is a risk of obfuscated judgment. Since the focus of the thesis is on the company’s customers, it is less of a threat than if the emphasis were on the employees of the company. So as to minimize this danger for bias, the discussions will be sound recorded and transcribed, and afterward kept on the off chance that they will be audited later on.

This study is written in English however the interviews are held in Swedish, since the interviewee’s native language is Swedish. This is the reason the inquiries are initially translated into Swedish and afterward once more to English to minimize plausibility for interpretation errors. Both of the interviews have been recorded and every word has been transcribed to increase the
reliability of the data collection. One of the researchers took notes of the interviewees’ body language and reactions to the questions, just in case some responses by only relying on the recordings.
Data Presentation

This chapter presents the data from the focus group interviews. This chapter is divided into five parts: source, recipient, seek product information, join network and pass along, which are the five fragments of the frame of reference.

Source
Both of the focus group interviews started with a question about the source of information about Phone House products. Most of the interviewees received printed advertisement information through their mail box. Moreover, some of the participants had seen Phone House commercials on the television. Part of the interviewees gets information from the local Phone House store since they know the employees on a personal level. The interviewees with a closer relationship with Phone House employees had seen offers on their personal Facebook page. Finally, some of the participants received the company’s newsletter through e-mail while others had seen online advertisement of Phone House products.

Recipient
The majority of the interviewees do not use social media to receive information about Phone House products. One interviewee had noticed friends that used social media for receiving information about mobile phones. The general opinion of people that utilizes social media for this purpose is that those people lack knowledge of the products. The participants of the interviews believe that people that are hesitant in what product they want are more likely to use social media to receive information. By using the knowledge that their personal contacts share on social media, they receive information from the customers’ perspective. In this way the customers do not only obtain information directly from the company’s advertisements.

When asking the question of the level of belief in people’s opinions about mobile phones on social media the attitudes truly diverge. Some of the interviewees strongly doubt in other people’s opinions considering mobile phones on social media. Others contemplate that customers’ opinions are truly significant and their product reviews are more trustworthy than the experts’ reviews. When it comes to what person’s opinion to rely on, it depends on the perceived knowledge of the source.

The general opinion of the focus groups is that if a certain mobile phone gets "hyped" on social media it affects their attitude towards that product. If a lot of people are satisfied with a specific model, they often express their approval through social media and have emotional impact on their friend network. It often raises the publics’ awareness towards the product and leads to a visit to the store to seek more information from the sales personnel. If the sales person confirms the rumors about the product it endorses the “hype” even further.
Seek Product Information
When interest has been raised about the product, the interviewees' actions when seeking information differ. Some of the participants prefer to go directly to the store to obtain more information from a face-to-face interaction with a sales person, while others need more time to search for information on their own. The ones who like to go directly to the store do not only visit for the information, they also want to get acquainted with the merchandise. The way it looks and how it feels in the customers' hands is an important factor for some of the interviewees. Just looking at a picture online is too abstract for these customers and they need to get a more concrete look at the product.

Most of the interviewees prefer to seek more information at home through the internet. The reason why they need to obtain more information before going to the store is the mistrust in the company and the sales personnel. The mistrust is not specific for Phone House, it is for the entire industry in general since it is in the companies' interest to make a profit and therefore the opinion about the products is not completely authentic according to the interviewees.

When the participants seek information they use social media such as YouTube to watch product reviews and the product ratings to further expand their knowledge. The interviewees visit online forums and read about other people's experiences with the product, it seems to be important that the reviews are done by other consumers and not by the companies themselves. Google appears to be an important tool for searching information about the products.

Most of the participants seek information on their own to narrow down the alternatives before visiting the store, to reduce the risk of feeling deceived. When they are done with seeking information on their own, they feel more confident to go to the store and make a decision with the help of the sales person, since they already know a great deal about the products. They already have an idea of what they want and the sales person facilitates their final decision. Some of the interviewees test the sales personnel's knowledge and if they say something that is untrue, the participants go directly to another store, since the trust is damaged.

The general opinion of customers that go directly to the store without seeking any kind of information before the visit is that they are spontaneous buyers. It could be that they have a phone that they are not satisfied with and are in need of a new one quickly or that they are simply impulse buyers.

Join Network
Out of all the interviewees that participated in the focus groups, no one follows Phone House on social media. The reasons to why no one follows Phone House varied. Some of the participants generally do not follow any companies online to avoid advertisements. Both of the focus groups felt like they are already getting
so much advertisement on a daily basis, that they try to avoid advertisement overall. Some of the participants consider mobile phones to be a product that is not purchased very often, and therefore they are not interested in daily updates about new merchandises. The interviewees prefer to seek information about mobile phones when they are in need of a new product rather than following the company on social media.

Another reason for not following Phone House on social media is that the participants have been unaware about its existence. Moreover the customers do not track down companies on social media, they would prefer if for an example on Facebook, the Phone House page came up in the live feed as a suggestion to follow. The participants suggest that special offers exclusively for the company's followers could be an incitement for attracting new people to join the company network online.

All of the participants agree that their opinions about a company would be affected if they follow the company on social media. The attitudes towards the company could shift between positive and negative depending on how the company market themselves. The interviewees contemplate that if they are constantly exposed to the Phone House logo, unintentionally they will go there for the next purchase. The more exposure to the company's logo the more the participants will associate mobile phones with Phone House.

The participants suggest that the information shared through social media should be short and tangible to make it more accessible to the customers. The information should also be unattached from the company's regular offers. The interviewees would like Phone House to test the products and give them a grade to simplify the choice of a product that suits the customer's needs. It is important that the reviews are not in any way attached to what products the company wants to sell.

When asked the question if the participants follow the company on social media after purchasing a mobile phone they unanimously answered no. The reason why is of the same as previously stated, that they are not interested in daily information updates from the company. The interviewees feel that the information should be easily accessible however they prefer to get it themselves in most cases.

**Pass Along**

When the participants were asked if anyone in their friend network used social media to share about their mobile phone purchasing experiences, everyone was familiar with this phenomenon. The interviewees agree that it is common that people post pictures about their purchase on social media such as Facebook, Twitter and Instagram. They believe people do this to brag and to boost their social status, unintentionally. Moreover some of the participants believe that people in general only write on social media when something good is happening to them.
Other participants believe that in some cases there is an interest in passing along and promoting a product that they have had an experience of. In some cases the source might be interested in getting some positive feedback about their purchase. A mobile phone is often an expensive acquisition to most people and the confirmation of making the right decision is an important factor.

Some of the interviewees thought that certain people in their friend network are strong supporters of a certain brand and they use social media to try to affect others opinions. The participants also considered social media as a forum used to express dissatisfaction about a certain brand or product. The source might be concerned with warning their friend network concerning their bad experiences with a product or company.

The interviewees had truly diverse feelings towards the preference of sharing positive or negative buying experiences on social media. When posting a positive buying experience the source is looking for approval from their friend network. The need for approval tends to be more common among the younger crowd; the older audience does not have the same urge for this kind of confirmation.

When it comes to the negative buying experiences, the source often writes directly to the company’s social media site. The friend network will be able to follow the company’s way to handle a disappointed customer and create an opinion about the company based on how they manage the situation. Some of the participants believe that age is a factor on determining about posting either negative or positive purchasing experiences. The more mature crowd is more eager to warn their friend network about bad buying experiences than looking for approval.

Only one of the interviewees had purchased a mobile phone on behalf of a recommendation from their friend network on social media. The reason was not that the friend had any special expertise within the area, the participant mainly looked up to that person and they were really close friends.

Some of the interviewees have shared on social media about their own mobile phone buying experiences. The motives were the same as stated before, expressing dissatisfaction and warning their friend network or looking for approval. One of the participants usually posted to start an entertaining discussion with people that do not share the same feelings towards the brand, but the requisite is a satisfaction with the product.
Data Analysis

In this chapter the empirical data that was presented in the previous chapter is compared to the frame of reference presented in chapter three. A within case analysis is done in order to do data reduction, and to see how well the theory from the frame of reference matches the empirical data. The data is analyzed and the conclusions will be drawn at the end, and will be described in detail in conclusion section.

Source
The source could either be from the product-related network or from the friend network according to Coulter and Roggeveen (2012). The data collected for this study indicates that most of the participants of the focus groups receive their information about Phone House and their offers through the product-related network. Additionally, the data shows that the participants receive information of completed purchases of mobile phones in general through their friend network.

Moreover, according to researchers there are two important factors regarding influence: source expertise and tie-strength, which applies to both eWOM and traditional WOM (Coulter & Roggeveen, 2012). Data from our focus groups confirms this theory. The interviewees valued trustworthiness however there were some fragmented views to if they would trust advises on social media.

The perceived knowledge or expertise of the source showed to be very important to those that trust the information on social media according to the data. This confirms Coulter and Roggeveen’s (2012) theory. Moreover the tie-strength, in this case the source was employees of Phone House, have a important role in influencing the recipients, which also confirms Coulter and Roggeveen’s (2012) theory.

Regarding the participants of the data collection that did not trust sources on social media, the reason to this was based on who the source was. Yet again it was the unlikelihood of trusting the source expertise that decided if the participants were able to be influenced and respond to a product referral, which confirms De Bruyn and Lilien’s (2008) theory as well as Coulter and Roggeveen’s (2012) theory. Moreover the participants chose to look beyond the information shared by the source if they knew the source did not have honest opinions about the mobile phone, which is seen as less credible according to the theory presented by Coulter and Roggeveen (2012).

What has to be noted is that the data shows that when it comes to reviews of mobile phones, the participants has more trust to previous customers than real experts. This is due to the fact that the participants believe that the reviews from the experts are not always genuine and that the experts’ opinions could be just a fraud to promote the product. Thereby the source expertise generated from the
previous customer reviews is more valuable than the source expertise generated from “experts”. The trust to the previous customer reviews, as stated above, confirms what Gupta and Harris’s (2012) study indicated, that eWOM recommendations do influence consideration and choice.

**Recipient**

This thesis describes how the aspects of source expertise and the tie-strength between the source and the recipient affects the level of influence that eWOM and traditional WOM has on the receiver. According to Coulter & Roggeveen (2012) source expertise, one of the ways people respond to a product referral is based on how the WOM information is evaluated by the message recipient relative to satisfying his or her own needs. This is something that the data also shows; all of the interviewees explained that when it comes to what person’s opinion to rely on, it depends on the perceived knowledge of the source. The participants of the focus groups also confirmed that the evaluation of the message depended on the present satisfactory need of a new mobile phone. If the customer was not in need of a new mobile, the information had very little influence at all.

The data also displayed a connection between tie-strength and the amount of impact that the shared information had on the recipient. According to De Bruyn & Lilien, 2008 tie strength has been found to be one of the greatest significant factors explaining the influence of WOM communications. One of the participants of the interviews had made a decision to purchase a mobile phone based on a friend’s recommendation, the choice was not made by the perceived knowledge of the source but based solely on how close their friendship was and how much the participant looked up to the friend. Recipient behavior is motivated by the need to maintain the relationship with the influencer and/or to be associated with a referent group to which the influencer belongs by “fitting in”. The stronger the tie-strength, the closer the recipient feels to the source, and the more excellent is the inclination to acclimate (i.e. by responding favorably to the product referral) according to Coulter & Roggeveen (2012).

Coulter & Roggeveen (2012) states that network closeness may be especially influential in driving movement through the communication hierarchy, since online social networking sites naturally permit their members to directly observe which products other members support. If the communication recipient observes that a vast gathering of individuals within a suggested Product Network are also members of his or her Friend Network, that beneficiary ought to perceive a greater probability of “fitting in” with the Product Network group than if he/she does not recognize any Product Network members (Coulter & Roggeveen 2012). In this way, the recipient may be more probable not only to investigate the product, but also to endorse it (i.e. by joining) (Coulter & Roggeveen 2012).

The data from the focus group shows that it does ease the process of joining a network if someone from the Friend Network already is a member. Once again the tie-strength and the level of expertise of the member from the Friend
Network do play a role on how likely the recipient is to investigate and also endorse the Product Network.

According to Hutter et al (2013) social media activities affect the purchase decision making process. WOM serves as one source of information for consumers in the purchase decision making process as it provides information on product performance and the social and psychological consequences of a probable purchase decision (Hutter et al 2013). Hutter et al (2013) states that since customers are acquainted with the source of WOM, the received information is considered to be more reliable, credible, and trustworthy. As a result, WOM as a source of information is more effective in influencing consumers’ decision-making than other marketing communication channels (Hutter et al 2013).

The data from the interviews support the theory for the main parts with some small exceptions. All of the participants considered themselves to be affected by social media activities when it comes to talking about products, the more activity regarding a certain product, the stronger the influence. Most of the interviewees considered the information from their Friend Network to be the most reliable, credible and trustworthy, compared to the company’s own advertisements. A small part of the participants disagreed with the theory and considered their Friend Network to be too inexperienced to be trustworthy when it comes to reviewing mobile phones. They preferred to seek information on their own to find out what kind of mobile phone that suits their needs the best. Although disagreeing with the other interviewees regarding the trustworthiness of their own Friend Network, the individuals agreed that the more people in their Friend Network that talked about a specific product, the more their awareness and interest rose.

Seek Product Information

Knowledge, which is generated by seeking information about the product, is one of the steps in the frame of reference and originates from the model created by Lavidge and Steiner (1961). The data contained showed two preferred ways of generating information about a product.

Some of the participants preferred to go to the physical store to get more information about the product, which verifies Coulter and Roggeveen’s (2012) theory that traditional WOM awareness and knowledge are usually gathered simultaneously through the face-to-face interaction. The participants that preferred this type of information gathering did this because they wanted the face-to-face interaction with a sales person. To be able to get acquainted with the product was yet another reason for the participants that preferred visiting the physical store. This is related to Lavidge and Steiner’s (1961) theory that awareness and knowledge conveys to gaining information or ideas.

Regarding e-WOM, awareness and knowledge are typically involved in separate processes (Coulter & Roggeveen, 2012), which could be seen in the frame of reference. As the data indicates, some of the participants preferred to find
information on their own about the product before making the decision of purchase or not. Moreover the data shows that it is after receiving awareness about the product the participants seek product information to deepen their knowledge.

The theory conducted for this thesis does not talk about why people prefer to seek information about a product on their own. However through our data collection we could see that the participants had a tendency to mistrust the sales personnel in the store, believing that what they would say about the product would only be so they would be able to carry through a sale. This mistrust was not only specific for Phone House but for the industry in general. The participants did not consider the sales personnel’s opinions to be authentic due to the company's eager to make a profit.

Moreover the data illustrates that the participants that seek information about a product in social media prefers to use YouTube to be able to watch product reviews and product ratings to expand their knowledge. While forums are preferred when the participants chose to go to online forums to read about consumer experiences with the product. Moreover it seemed to be important to the participants that the reviews on the forums where done by actual customers to the product and not made by the companies themselves. This could not be found in neither Lavidge and Steiner’s (1961) theory nor Coulter and Roggeveen’s (2012) theory, or for that case in any other theory conducted for this thesis.

Additionally, the data shows that the participants used social media for information search to narrow down alternatives before visiting a store. This was done to reduce the risk of feeling deceived later on. No theory has talked about this previously to our knowledge. When the participants felt that they were done with information seeking on their own, they felt more confident to go to the physical store and make a decision with the help of the sales personnel and with the help of the knowledge they had obtained previously.

Finally the data presented indicated that the general opinion about customers that go directly to the store without seeking information before the visit are spontaneous buyers. This in line with the theory presented by Lavidge and Steiner (1961) where they talk about customers being able to impulse purchase a product without having any previous awareness or knowledge before the purchase.

**Join Network**

For a person to join the network of a company, liking must occur. The liking has to do with favorable attitudes or feelings toward the product according to Lavidge and Steiner (1961). The data contained showed that no one of the participants has liked Phone House on any type of social media. This did not only apply to Phone House, but to most of the companies existing on social media according to some of the participants. The participants that chose not to follow any companies on social media did this to avoid advertisements.
According to Coulter and Roggeveen (2012) by joining the product network on social networks the user indicates his or her liking of a product. By the data gathered we could not see a pattern that the participants chose to not follow companies on social networks due to fear of other people's opinions about that person's preference but rather due to annoyance, which confirms Hutter et al's (2013) theory about consumer digression if annoyance occurs on social media. From the data gathered it was shown that the participants were very sensitive to unwanted exposure of advertising on social media, which is in line with Hutter et al's (2013) statement.

Furthermore, we could tell from the data gathered that yet another reason to why the participants did not follow Phone House on social media were due to their unawareness to Phone House's existence on social media. It turned out from the data that Phone House did not cause consumer experience of the brand on social media with such as advertising, promotion or publicity, which according to Hutter et al (2013) is what causes brand awareness. Moreover the participants showed an unwillingness to search for companies to follow on their own. Data shows that the participants would prefer to receive suggestions about companies to follow on social media.

From the authors Hutter et al (2013) we could see that the degree of participation on social media could be a guide of positive WOM activities. Therefor it is the likelier for consumers to reflect and verbalize about a brand if the presence of a brand in a consumer's mind is vigorous. The data presented supports this theory, due to no brand awareness of Phone House on social media, which led to very little WOM spread about the company. However the data also shows that the participants had a tendency to spread e-WOM about their purchase more than anything else. In fact, all the e-WOM spread by the participants was exclusively about a purchase they had made previously. Additionally the data indicated that the participants believed that if there were some kind of incitement to follow companies on social media, more people would like and join the company's network.

Regarding the brand awareness the data shows that the participants believe that an exposure to logos, as in this case the Phone House logo, would unintentionally affect where they would go for the next purchase. They believe that the more they would be exposed to the Phone House logo, the more the participants would associate mobile phones with just Phone House.

The data presented indicates that the participants all agree that their opinions about the company would be affected if they were following the company on social media and the attitude towards the company would shift between positive and negative depending on how the company expose themselves.

Considering the message the company share to their product network, the message should be short and tangible according to the data. This would make the message more accessible to the customers consistent with the data. Moreover
the participants prefer the information to be unattached from the company’s regular offers.

Finally the data shows that the participants chose not to follow Phone House on social media after a purchase with the same justification as stated previously about joining the network. There is no interest in in receiving daily information updates about a product that is consumed rarely according to the data.

### Pass Along

According to Coulter & Roggeveen (2012) when liking a product or company on Facebook, the act of joining the Product Network may be eagerly promoted to other Friend Network members via that user’s "News-Feed". When consumers are loyal to a product or brand they are likely to chat about it and thereby spread (positive) WOM (Hutter et al 2013). They can even become ambassadors of a brand as they actively show and convince others of their object of loyalty (Hutter et al 2013). The interviewees all had some people in their Friend Network who were strong supporters of a certain brand or product. Those individuals all utilized social media to try to convince others opinions to side with their own beliefs.

Research on why consumers engage in eWOM in online consumer-opinion platforms remains somewhat limited (Cheung & Lee, 2012). A prominent study of eWOM communication motives states that identifying five main motivational categories of positive eWOM communication (Cheung & Lee, 2012). Below is a table of these five motivational categories.

**Table 6.1: Five main motivational categories of positive eWOM communication**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus-related utility</td>
<td>Concern for other customers, helping the company, social benefits, and exerting power</td>
</tr>
<tr>
<td>Consumption utility</td>
<td>Post-purchase and advice-seeking</td>
</tr>
<tr>
<td>Approval utility</td>
<td>Self-enhancement and economic rewards</td>
</tr>
<tr>
<td>Moderator-related utility</td>
<td>Convenience and problem-solving support</td>
</tr>
<tr>
<td>Homeostasis utility</td>
<td>Expressing positive emotions and venting negative feelings</td>
</tr>
</tbody>
</table>

Source: Adapted from “What drives consumers to spread electronic word of mouth in online consumer-opinion platforms” (Cheung & Lee, 2012)
The data showed that were all of the interviewees had someone in their friend network that used social media to share about their mobile phone purchasing experiences. The participants agreed on the fact that it is common that people post pictures about their purchase on social media. They thought that people most often do this to brag and to boost their social status, a so called Approval utility. Moreover some of the participants believe that individuals in general only post something on social media when something good is happening to them. As stated by Cheung & Lee, (2012) the prior studies have found that positive eWOM is more likely to occur than negative eWOM.

The data from the interviews furthermore shows that in many cases there is an interest in promoting and passing along a product that the Friend Network has had a positive experience with, a sort of homeostasis utility when connected to theory. The data displays that in some cases the source might be interested in getting some feedback on their purchase, a combination of seeking approval and advice from the Friend Network. The participants also considered social media as a forum used to express dissatisfaction about a certain brand or product. According to the interviewees, the source might be concerned with warning their friend network concerning their bad experiences with a product or company. This is a form of altruism that can be connected with the focus-related utility.

The data collected from this study indicates that when it comes to negative buying experiences, the source often writes directly to the company’s social media site. The friend network will be able to follow the company’s way to handle a disappointed customer and create an opinion about the company based on how they handle the situation. The data also showed that age could be a significant factor regarding the type of eWOM communication that the Friend Network passes on. The younger crowd seems more concerned with seeking approval and the more mature crowd is more eager to warn their Friend Network and express their dissatisfaction about bad buying experiences.

According to the data, the Consumption utility appears to be the least significant factor, since only one of the participants had purchased a mobile phone on behalf of a friend’s recommendation.
Findings and Conclusions

The findings and conclusions are presented in this chapter. The purpose of this study is to gain a better understanding how e-WOM affects the customer’s purchasing decision, which has been done by looking at the research question that were presented in the first chapter. The theoretical implications will be shown in this chapter along with ideas for future research as well as implications for practitioners.

How does e-WOM Affect the Customer’s Purchasing Decision?
e-WOM recommendations influence consideration and choice of the customer's friend network. How much it affects the actual purchasing decision of the customer depends on a number of factors.

The customer’s tie-strength with the source is a major factor when it comes to which degree the information influences the recipient. The friend network opinions are more important to the recipient than opinions from experts of the industry. Moreover the perceived knowledge of the source is a key aspect on how reliable the information seems to the recipient.

As this thesis suggests the more exposure to the same product or company through social media plays a major role in influencing the customer’s decision making process. If a large part of the friend network supports a certain product, it has a positive influence on the awareness and interest of the recipient and vice versa if the opinions are negative.

The data displays that when searching for information the majority of the participants utilized social media, and therefor e-WOM affects their purchasing decision. When digging deeper into the participants underlying motives behind their preparatory information searching is to reduce the risk of feeling deceived after the purchase.

An exposure to logos, as in this case the Phone House logo, will unintentionally affect where the customers would make their next purchase. The involuntary exposal is therefore a positive element to the company. Further on the company’s image on social media can have a positive or negative influence on the customers’ attitudes towards the company and thereby it affects the customers’ purchasing decision.

This Thesis has Come to Certain Specific Conclusions

• In the purchasing decision process, two of the most important factors in the influence of e-WOM are the tie-strength between the source and the recipient and the perceived knowledge of the source.
• Regarding mobile phone purchase, the age and what stage in life that the source is in correlates with what kind of information the source shares with their friend network.

• Special offers that are presented exclusively for the company’s followers on social media are an incitement for attracting new people to join the company network online.

• The consumers put more trust in other previous customers’ reviews than in the experts’ reviews.

• There has to be a fundamental need of a new mobile phone for the e-WOM to have a substantial influence on the recipient.

• It does ease the process of joining a product network if someone from the friend network already is a member.

Limitations
This thesis targets only one company, which limits the thesis. The focus has been on how e-WOM affects the customer’s purchasing decision and the different stages of hierarchy of effects. If the researchers had focused on a smaller company with only one store instead of a chain of retail stores there could have been some differences in the results. Minor companies have fewer resources to spend on marketing through social media, although in the present day most individual businesses realize the potential and have some kind of presence on social media.

Theoretical Implications
This thesis makes some contributions to theory. This thesis suggests that it is important for the customers that the reviews on the online forums are done by actual customers to the product and not made by the companies themselves. The consumers put more faith in their friend network than professional opinions. Concerning mobile phone acquisition, the age variable and the life situation of the members in the friend network have a significant effect on the type of e-WOM shared. Moreover, to attract more followers on social media companies should come up with distinctive offers, only accessible to their followers. This thesis has looked at a topic that is still relatively new and is in need of further research. Overall, this thesis contributes to a deeper understanding on how e-WOM affects the customers.
Implications for Practitioners

•  *Attract followers to the company’s social media site*

Create a unique offer that is only available to the company’s followers on social media. The offer should be truly worth it, to hang onto the customers’ attention and retain the attention after the purchase. The offer does not have to be profitable, to break even is good enough since it increases the volumes sold and gives economies of scale to the company. The customers are exposed to a large amount of advertisement on a daily basis and it is something that they want to avoid in their personal news feed on social media. The unique offers from the company’s social media site should not be too frequent, since mobile phones are not an everyday purchase and the followers is not in need of a daily update.

•  *Nonpartisan reviews*

To increase the company’s credibility, it is important that reviews of the products offered to the customers are neutral. The level of trust in the mobile phone sales industry in Sweden from the customer’s perspective is not that great. If the customer’s receive non-angled information the level of trust will increase. Nonpartisan reviews are also a way to attract more followers on social media.

Future Research

This research was influenced by the following set of inevitable limitations; time limit, sample selection, analysis tools, qualitative approach and data collection method. To address these limitations, future research may:

•  *Repeat the present study:*
  - Collect more extensive data over longer period of time to achieve a more comprehensive research
  - Using a quantitative approach and/or diverse data collection methods
  - Focusing on different business sectors such as clothing, soft drinks or footwear.

•  *Investigate areas which remained unstudied such as:*
  - e-WOM from the company’s perspective
  - e-WOM in non-profitable organizations
  - Customers’ expectations of companies on social media
  - Which of the steps in the hierarchy of effects has the most influence in the customers purchasing decision
  - Deeper study in what makes the source of e-WOM trustworthy
  - How companies can use e-WOM to capture the attention and raise the most awareness possible from the consumers
References


Daugherty, T., & Hoffman, E. (2013). eWOM and the importance of capturing consumer attention within social media. *Journal of Marketing Communications, (ahead-of-print), 1*-21


Appendix 1A

Interview guide in English

1) How do you get information about Phone House products?

2) Do you use social media to get information about mobile phones?

3) Do you know anyone that uses social media to talk about a mobile phone that they bought? Why do you think they do this?

4) Do you think that people more often share positive or negative buying experiences on social media? Why?

5) Do you believe in people’s opinions about mobile phones on social media? Why? Why not?

6) If you hear about a mobile phone on social media and become interested, what do you do?

7) Do you follow Phone House on social media? Why? Why not?

8) Do you think it affects your opinions about the company if you follow them on social media?

9) Have you ever purchased a mobile phone based on someone’s recommendation on social media? Why? Why not?

10) After purchasing a mobile phone, do you follow the company on social media? Why? Why not?

11) Have you ever shared something on social media about a mobile phone that you bought? Why? Why not?
Appendix 1B

Interview guide in Swedish

1) Hur får ni information om Phone Houses produkter?

2) Använder ni sociala medier för att få information om mobiltelefoner?

3) Känner ni någon som använder sociala medier för att prata om mobiltelefoner som de köpt? Varför tror ni de gör det?

4) Tror ni att folk delar oftare med sig av positiva eller negativa köpupplevelser via sociala medier? Varför?

5) Litar du på folks åsikter om mobiltelefoner på sociala medier? Varför? Varför inte?

6) Om någon berättar om en mobiltelefon på sociala medier och du blir intresserad, vad gör du då?

7) Följer du Phone House på sociala medier? Varför? Varför inte?

8) Tror du att dina åsikter om ett företag påverkas av att du följer dom via sociala medier?

9) Har du någon gång köpt en mobiltelefon på grund av en rekommendation via sociala medier?

10) Efter att ha köpt en mobiltelefon, följer du då företaget via sociala medier? Varför? Varför inte?