Examining the Factors Shaping Electronic Word of Mouth: A Review of Literature

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Abstract: This literature review delves into the diverse factors that influence Electronic Word of Mouth (eWOM), a pivotal element in modern marketing and consumer behavior. The study examines the determinants of eWOM, identifying key factors such as Social Networking Site (SNS) involvement, SNS risk-taking, trust, loyalty, satisfaction, innovativeness, social relationships, and subjective norms. A comprehensive model is developed based on these factors. Additionally, future research directions are proposed to further illuminate the dynamic landscape of eWOM in the digital era.

Keywords: Electronic Word of Mouth, SNS Involvement, SNS Risk Taking, Trust, Loyalty, Satisfaction, Innovativeness, Social Relationship, Subjective Norms.

1. Introduction

Electronic word of mouth (eWOM) refers to the online communication and sharing of opinions, experiences, and information about products, services, or brands among consumers. Unlike traditional word of mouth, which relies on face-to-face interactions, eWOM leverages digital platforms such as social media, online forums, review sites, and blogs to disseminate information rapidly and widely. This digital evolution has amplified the reach and impact of consumer opinions, making eWOM a critical factor in shaping public perception and influencing purchasing decisions.

The rise of eWOM has been fueled by the proliferation of internet connectivity and the widespread use of social media platforms. Consumers now have the power to share their experiences and opinions with a global audience instantly. This democratization of information means that a single review or comment can potentially influence thousands of potential customers, for better or worse. There are so many online platforms that have built their entire business models around eWOM, showcasing user reviews and ratings as key components of their service.

The influence of eWOM extends beyond just individual consumer decisions; it also significantly impacts businesses and marketers. Positive eWOM can enhance a brand's reputation, drive traffic, and increase sales, while negative eWOM can have the opposite effect, potentially leading to a crisis that requires strategic management. Companies often monitor and analyze eWOM to gauge public sentiment, identify emerging trends, and respond to customer feedback in real-time. This dynamic interaction between businesses and consumers underscores the importance of maintaining a positive online presence and actively engaging with the digital community.

Furthermore, eWOM has transformed the way marketing strategies are developed and executed. Traditional advertising methods are increasingly supplemented or even replaced by influencer marketing, user-generated content, and community engagement strategies. Brands collaborate with influencers who have a significant online following to create authentic content that resonates with their audience. This shift highlights the growing importance of trust and authenticity in marketing, as consumers tend to trust peer recommendations more than conventional advertisements. Consequently, eWOM has not only reshaped consumer behavior but also compelled businesses to adapt to a more interactive and consumer-centric approach. There are various factors that shape electronic word of mouth which are discussed as below.

2. Factors Shaping Electronic Word of Mouth and Theoretical Model

A. SNS Involvement

SNS involvement is an essential ingredient in decision making. Highly-involved users generally spend more time, effort and energy on SNS (Samala et al. 2020) Fashion brands are engaging the millennials: a moderated-mediation model of customer-brand engagement, participation, and involvement. Since eWOM on SNS revolves around opinion seeking, giving, and passing of information, it seems reasonable to assume that eWOM would increase as people spend more time on SNS (Shin et al. 2020). Further, users expose themselves to brand-/marketing-related information on SNS (Leite et al. 2024). Thus, highly-involved SNS users would be more inclined to share information/ideas about their favourite brands and what they like or dislike, and trust similar messages from others. (Cheung et al. 2021). In summary, consumers who are highly involved in SNS, i.e., spend more time, effort and energy on SNS, are more likely to engage in eWOM on SNS, and be persuaded by messages on SNS, resulting in enhanced purchase intentions.

B. SNS Risk Taking

It refers to consumers' evaluation and acceptance of possible

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negative consequences associated with their decisions (Tamilmani et al. 2021). It is about taking chances and the willingness to try novel products (Kasilingam et al. 2020). Risk-takers are different from the other types of influential customers: innovators, opinion leaders and market mavens. (Saleem, et al. 2022). Innovators are consumers who tend to adopt products earlier than the majority of the population (Talwar et al. 2020). Opinion leaders are viewed as individuals who influence other consumers (Tobon et al. 2021). Market mavens are individuals who are knowledgeable about products, shops, market information and any other nuances of consuming a brand. (Abbas et al. 2022). Risk-taking is different in the sense that it is a trait present in all three kinds of influential customers, but with varying degrees. Innovators may have high risk-taking tendencies but may be limited to new product adoption. (Giaccone et al. 2022). Given that risk-takers are open to new ideas, risk-taking SNS users are more likely to respond positively to messages received from unknown sources (Alhidari et al. 2015). Moreover, risk-takers on SNS include people who are uninhibited about being friends with people who they do not know, are actively involved in commenting on various topics and posts, and are willing to go against the norm by expressing their opinions. Users of SNS, who are risk-takers, would always be on the lookout to try something new and different. Risks on SNS include exposure of personal information, buying unknown products, buying from unknown sources, psychosocial risks, etc. The definition of perceived risk is "the potential for loss in the pursuit of a desired outcome of using an e-service" (Salim et al. 2023). Perceived risk can also be defined as an individual's level of control over uncertain conditions (Baird & Thomas, 1985) and this is likely to affect a consumer's decision to buy and use a product. Many studies suggest that perceived risk in an online shopping environment is higher than in an offline shopping environment (Wu et al. 2020). SNS provides a variety of information and some of the information might be risky and offer a risk-taker an exciting environment. (Memarista et al. 2021).

C. Trust

Trust on the eWOM is developed when the consumer has confidence on the online message and finds it reliable or credible. (Pyle et al. 2021). Trust on online messages positively influences the consumers' intention to write or share eWOM. (Rahman et al. 2020).

D. Loyalty

Brand loyalty can be of two types including behavioural loyalty and attitudinal loyalty (Khajeheian, D., & Ebrahimi, P. 2021). Behavioural loyalty refers to the repeat purchase behaviour while attitudinal loyalty refers to the psychological commitment that a consumer makes in the purchase act, such as intentions to recommend without necessarily engaging in the actual repeat purchase behaviour (Sharma et al 2023). The earlier researchers have criticised the behavioural approach, as a consumer can be loyal to the brand even without purchasing it (Sharma, A. P. 2021). Loyalty can be measured by the positive attitude and the quality of being loyal. The extant literature has revealed that more the consumers' loyalty towards any brand, the more would be the probability of the consumer to write or share positive eWOM (Ismagilova, et al. 2021).

E. Satisfaction

Satisfaction is the positive experience derived from the usage of the brand which in turn develops repurchase intentions (Chiu et al. 2021). According to expectancy-disconfirmation theory, consumers always try to match the expected and perceived performance of a brand (Lakho et al 2023). If the two dimensions mentioned above match, the consumer becomes satisfied with the brand The satisfactory performance of the product/brand motivates the consumers to write on the internet about the same. (Rabbanee et al. 2020).

F. Innovativeness

A number of concepts in the behavioral sciences have as much immediate relevance to consumer behavior as innovativeness (Flavián et al. 2020). Innovativeness is defined as the degree to which an individual is relatively earlier in adopting an innovation than other members of his social system (ERYİĞİT, C. 2020). Innovative consumers are always willing to share their experiences or seek new information. Previous studies demonstrate that innovative individuals are always likely to search for information about new products and share their experiences with peers. Moreover, innovativeness exerts a positive impact on opinion leadership and information seeking (Aiello et al. 2020).

G. Social Relationship

Social relationship refers to the association among people. The extant literature indicates that eWOM is often influenced by interpersonal and social relations as people can easily believe and rely on the information that their peers share in the social media. (Liu et al. 2021). The previous studies measured the extent of the social relationship by social capital, tie-strength, and interpersonal influence (Xu, S. 2021). The eWOM transmitters use social capital to fulfil various needs like attention seeking, strengthening existing relationships, and building new relationships (Kim, Y., & Kim, S. 2023). Tie-strength strongly influences the online readers' acceptance of user-generated contents, which in turn motivates them to forward online reviews to others (Anastasiei et al. 2021). The different aspects that explain the tie-strength include the consumers' social relations, the frequency of communication, perceived importance, and perceived closeness attached to social relations (Jin et al. 2024). Earlier, researchers have suggested that the influence of their peers, society, and others significantly affect the consumers during their opinion formation about any brand. Individuals with a high level of interpersonal influence and susceptibility tend to follow the expectations of others and seek information from others. Such dependence on interpersonal influence leads to actively sharing brand-related information and also gathering information from peers over the internet. (Chu, S. C., & Kim, Y. 2011).

H. Subjective Norms

Subjective norm is defined as "[...] the perceived social

pressure to perform or not to perform the behavior" (Noor et al. 2020) Previous studies show that two forms of the subjective norms, including the injunctive norm and the descriptive norm, can influence an individual's behaviour (White et al. 2009). The injunctive norm suggests that individuals are persuaded by their peers to perform a specific behaviour like posting or reading online comments. The descriptive norm says that the individuals would be rewarded for their specific behaviour when his/her peer groups accept or admire the same. (Gioia, F. 2017). Subjective norms influence eWOM by internalisation, compliance, and identification (Dada, A. 2022). Internalisation is the process by which individual members of a group are affected by the attitudes, beliefs, and values held by other members, and accordingly, shape their own beliefs. Compliance means the strength of consumer's conformance to their group norms. Identification calls for maintaining an active relationship with others and the need to be liked and respected by the community members (Gumparthi, V. P., & Srivastava, M. 2024).
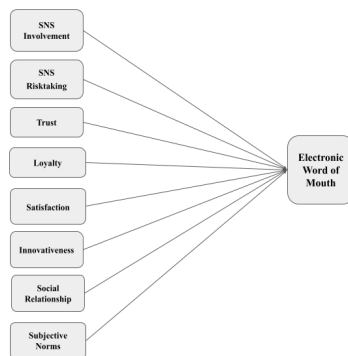

Fig. 1. Theoretical model

3. Conclusion

In conclusion, this literature review has provided an in-depth exploration of the multifaceted factors that shape Electronic Word of Mouth (eWOM) within the realm of modern marketing and consumer behavior. By scrutinizing the determinants such as Social Networking Site (SNS) involvement, SNS risk-taking, trust, loyalty, satisfaction, innovativeness, social relationships, and subjective norms, the study offers a comprehensive understanding of the elements that drive eWOM. Furthermore, the proposed future research directions emphasize the need for continued investigation into this evolving field, aiming to adapt and expand our understanding of eWOM in response to the ever-changing digital landscape. This review not only enhances the theoretical framework of eWOM but also provides practical insights for marketers seeking to leverage eWOM effectively in their strategies.

Future Scope: The future scope of eWOM is vast, with several promising directions poised to enhance its influence and effectiveness. Integrating advanced technologies like AI and natural language processing will refine sentiment analysis and trend prediction, allowing businesses to respond more strategically to consumer feedback. The shift towards visual and multimedia content will require brands to adapt their eWOM strategies to incorporate engaging visual reviews and endorsements. Emphasizing ethical practices and transparency will build consumer trust, while real-time feedback mechanisms will enhance customer engagement and satisfaction. By embracing these future trends, businesses can harness the full potential of eWOM to drive growth and foster deeper connections with their customers.

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