

CONSUMER PARTICIPATION ON E-WOM AS A DETERMINANT OF ITS INFLUENCE. THE MEDIATING ROLE OF SOURCE CREDIBILITY

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ABSTRACT

Word of mouth (WOM) is an important information source for consumers. Previous researchers have shown it is more credible and persuasive than commercial information. The development of new media has increased the importance of this interpersonal influence (referred to as e-WOM). However, few studies have analyzed how e-WOM works. This paper studies the role of source credibility and participation as determinants of e-WOM influence. Results indicate that source credibility partially mediates the relationship between passive participation and e-WOM influence. In contrast, source credibility totally mediates the relationship between active participation and e-WOM influence.

KEYWORDS

e-WOM, source credibility, passive participation, active participation

1. Introduction

Marketing researchers have demonstrated that personal influences have a great importance on consumer behavior. Opinions by other consumers exert a significant impact on consumer choice (Arndt, 1967; Chatterjee, 2001; Katz and Lazarfeld, 1955), as well as on post-purchase product perceptions (Bone, 1995). This communication process is called word of mouth (WOM).

The expansion of new media has increased the importance of WOM communication (Chevalier and Mayzlin, 2006; De Bruyn and Lilien, 2008; Dellarocas, 2006; Mayzlin, 2006; Stephen and Lehmann, 2009). New technologies make it easier for consumers to share product- and brand-related information with each other (Stephen and Lehmann, 2009). They can interact with other consumers via e-mail, instant messaging, blogs, forums, online communities, chat rooms, and review sites (Goldsmith, 2006). Recent research is showing electronic WOM (e-WOM) also influences consumer behaviour (Park and Kim, 2008). It has a direct effect on sales (Chevalier and Mayzlin, 2006; Dellarocas et al., 2007; Duan et al., 2008; Liu, 2006). 73% of Spanish Internet users read consumers' opinions before a purchase decision (AIMC, 2010), and 85% of them have occasionally changed their purchase decision due to online consumers' opinions (CIAO, 2010). Thus, marketers are increasingly interested in developing e-WOM campaigns as a potential new marketing tool (Kozinets et al., 2010). Even though marketers may not have control over e-WOM communication, they still need to understand how it works in order to manage it (Lim and Cheung, 2011). However, few researchers have examined what makes certain reviews/opinions more influential than others (Lim and Chung, 2011; Steffes and Burgee, 2009; Xia and Bechwati, 2008). The role of participation in e-WOM is still unexplored. Previous researchers have analyzed participation in virtual communities (Belanche et al., 2010; Dholakia et al., 2004; Park et al., 2010). However, the consequences of participation in these groups are influenced by variables that do not affect e-WOM, such as sense of belonging (Park et al., 2010) and group norms (Dholakia et al., 2004). Therefore, the scope of this paper is broader, and we consider that individuals can participate in e-WOM regardless their membership to any group.

This paper analyzes the effect of e-WOM on consumers' behavior. Source credibility of e-WOM is proposed like a partial mediator of the relationship between participation in e-WOM and its influence. As recent research, we focus on e-WOM communicated via consumer opinions (Bickart and Schindler, 2001; Chevalier and Mayzlin, 2006; Dellarocas, 2006; Mayzlin, 2006), because it represents the most widely used e-WOM format (Henning-Thurau et al., 2004).

2. Theoretical background and hypotheses

Message source is a crucial determinant of influence (Park and Lee, 2009). Consumer perception of source credibility in e-WOM may be suspect because of the lack of personal knowledge about the motivations of unseen strangers offering recommendations (Chatterjee, 2001). When seeking online product recommendations, people tend to deliberate on source credibility to a greater extent than on traditional WOM (Wathen and Burkell, 2002). Thus, source credibility becomes a crucial aspect when dealing with e-WOM (Cheung, et al., 2009; Wathen and Burkell, 2002) and should be considered a determinant of e-WOM influence. As the literature states, behavioural influences are higher when source credibility is high than when it is low (Bansal and Voyer, 2000; Dholakia and Sternthal, 1977). Thus, if the source lacks in credibility, it will be discounted and will not be very persuasive (Buda, 2003). Additionally, users do not rely on information from sources that they do not view as credible (Metzger et al., 2003). When the consumer is exposed to e-WOM information from a highly credible source, the information should be more persuasive than e-WOM information coming from a less credible source. Therefore, we propose the following:

H1: Source credibility has a positive effect on e-WOM influence.

In e-WOM communication consumers can take either an active or a passive role (Rafaeli et al., 2004). When consumers post reviews, they are participating actively in the process. In contrast, when consumers read opinions by others, they are participating passively (Wang and Fesenmaier, 2004). Consumers generally do not enjoy expending effort on decision making (Payne et al., 1993), so they are eager to use salient and more accessible information (Häubl and Trifts, 2000). As there is a huge amount of online information about any product, consumers search information through this medium

with relatively minimal expenditures of time and effort (Peterson and Merino, 2003). However, consumers cannot read every relevant e-WOM opinion/recommendation before making a purchase decision (Chatterjee, 2001), because even a single website may contain far more reviews than consumers can process (Sen and Lerman, 2007). Consequently, consumers who are likely to adopt a passive role in e-WOM know precisely where to search consumers' opinions. To the extent that this type of information has previously provided successful recommendations to the seeker, he/she will be more inclined to read new reviews/comments and will trust more on them (Heath et al., 2006; Khammash and Griffiths, 2010). As a result of previous experience with e-WOM, consumers could be further affected by these opinions. Thus, we propose the following:

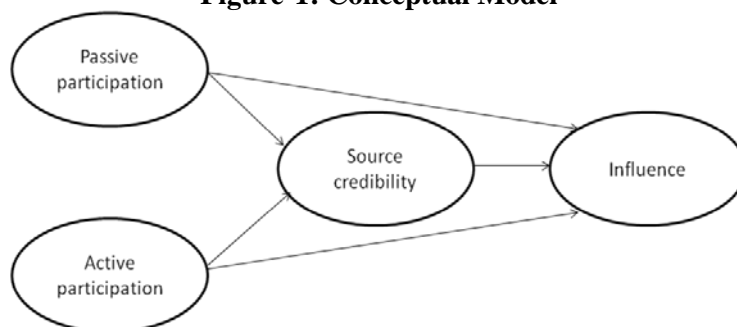
H2: The relationship between passive participation in e-WOM and its influence is partially mediated by source credibility:

More and more product reviews can be found on the Internet (Park and Kim, 2008; Gershoff et al., 2003). Consumers who write product reviews also search information about products when they need it (Sun et al., 2006). Participating in e-WOM could be then motivated by this information exchange. Consumers will help other consumers in their decision making writing product recommendations, while they will receive other consumers' advice about products they are interested in (Wang and Fesenmaier, 2004). Thus, consumers who take an active role on e-WOM will be more involved in e-WOM communication than consumers that do not usually participate actively. They will also have more tendency to receive other consumers' opinions (Litvin et al., 2008) which, in turn, will affect their decision making. In addition, consumers who take an active part in e-WOM show a higher trust in others' benevolence and abilities to recommend a product (Ridings et al., 2006) than consumers who do not take on active role in e-WOM. Therefore, it is very likely that active participants consider more credible e-WOM as an information source. Since source credibility determines its influence we propose:

H3: The relationship between active participation in e-WOM and its influence is partially mediated by source credibility

The conceptual model proposed is presented in figure 1.

Figure 1: Conceptual Model



3. Methodology

Data were collected from tourist services users because word of mouth represents the most important information source for travellers (Dey and Sarma, 2010; Gretzel and Yoo, 2008). The Internet has changed tourist behaviour dramatically (Mills and Law, 2004). Prospective travellers have direct access to a much greater wealth of information and make online purchase themselves instead of relying on travel agencies to undertake this process for them (Morrison et al., 2001). Many tourists rely on e-WOM to reduce the perceived risk and uncertainty before they purchase the service (Litvin et al., 2008). Specifically, a study by Google and OTX (2009) showed that nearly 50% individuals plan their trips according to the online reviews they read.

As nearly 70% of Spanish Internet users do not usually write opinions on the Internet (AIMC, 2010), data have been collected by means of an on-line survey located in top-10 travel forums (in terms of both registered users and number of comments). This process ensures a high level of active

participation in e-WOM. A quiz called “discover your ideal destination” was created in order to enhance the attractiveness of the survey. In addition, making it a more enjoyable experience lead to a higher response quality (Deutskens et al., 2004). By following this procedure we have already collected 291 questionnaires. We have identified IP addresses of the respondents and have eliminated duplicate addresses (Möller and Eisend, 2010; Lim et al., 2006). At the moment, this process has lead us to obtain 268 valid responses.

Source credibility was measured using a scale based on the study by Fisher et al. (1979), while e-WOM influence was assessed using Mishra et al.’s (1993) measurement. Both scales consist on 2-item 5-points semantic differential scales. Source credibility was measured by the following two items: (1) I do not feel these people are trustworthy/I feel these people are extremely trustworthy; (2) I do not feel they were honest with me/I feel they were honest with me. Influence on decision making was measured using these items: (1) They gave me completely irrelevant information for decision making/ They gave me highly relevant information for decision making; (2) Completely useless information for decision making/Very useful information for decision making. Finally, subjects indicated to what extent they take a passive and an active role in e-WOM (never/hardly ever/sometimes/usually/almost always).

4. Major results

Three of regression models suggested by Baron and Kenny (1986) were used to test the mediating role of source credibility in the relationship between passive and active participation and e-WOM influence. First, the independent variables (passive and active participation) were regressed on the mediator (source credibility); second, assessed the impact of the independent variables on the dependent variable (e-WOM influence); and the third step includes both the independent variables and the mediator in the equation. According to Baron and Kenny (1986), to establish mediation, the following conditions must hold: (1) independent variables must affect the mediator in the first equation; (2) independent variables must be shown to affect the dependent variable in the second equation; (3) the mediator must affect the dependent variable in the third equation; (4) the effect of the independent variables on the dependent variable must be lower in the third equation than in the second. A perfect mediation is established if the independent variable is not significant in the third regression, and a partial mediation exists when the independent variable is significant in the last regression.

TABLE 1:
Preliminary results

	Model 1	Model 2	Model 3
Dependent variables	Source credibility	e-WOM influence	e-WOM influence
Independent variables	β	β	β
Passive participation	0.261**	0.363**	0.156**
Active participation	0.243**	0.141*	-0.039
Source credibility			0.772**

* $p < 0.01$; ** $p < 0.05$

As table 1 shows, the first model confirms that there are significant relationships between the independent variables and the mediator. Both passive ($\beta = 0.261$; $p < 0.01$) and active ($\beta = 0.243$; $p < 0.01$) participation have a significant effect on source credibility. The results in Model 2 also show that passive ($\beta = 0.363$; $p < 0.01$) and active participation ($\beta = 0.141$; $p < 0.05$) have a positive impact on e-WOM influence. Model 3 shows that there is a significant relationship between source credibility and e-WOM influence ($\beta = 0.772$; $p < 0.01$). Thus H1 is supported. Model 3 also shows that passive participation affects e-WOM influence ($\beta = 0.156$; $p < 0.01$). In addition, when the independent variables and the mediator are introduced into the third regression equation, the standardized coefficient of passive participation is reduced (falling from 0.363 to 0.156). To test whether this reduction in the coefficient is significant, and thus indicate partial mediation, we performed the Sobel test (Baron and Kenny 1986). The test associated with the change in the coefficient was significant ($z = 2.641$; $p < 0.01$), supporting that source credibility is a partially mediates the effect of passive participation in e-WOM influence. Thus, H2 is supported. Regarding active participation, this variable is not significant in the third model ($\beta = -0.039$; $p > 0.10$), therefore, a perfect mediation exists in this case. Source credibility

totally mediates the relationship between active participation and e-WOM influence. Thus H3 is only partially supported.

5. Conclusions

The present online study expects to clarify researchers' doubts about e-WOM influence. Previous research has demonstrated that participation in virtual communities affects consumer behaviour (Belanche et al., 2010; Park et al., 2010). However, consumers who belong to a virtual community are affected for variables related to the community that influence their participation (Dholakia et al., 2004; Park et al., 2010). In addition, in the community could take place social interactions between members, so information exchange will not be between anonymous, moving away from the e-WOM concept. Thus, to the best of our knowledge, this is one of the first studies to analyze participation in e-WOM. We show source credibility partially mediates the relationship between passive participation and e-WOM influence. Source credibility becomes a perfect mediator in the case of active participation as this variable does not directly impact on e-WOM influence. Consumers who participate actively in e-WOM are more critics with this communication process. They are not directly affected by opinions; they judge source credibility before adopting the review. However, although consumers who participate passively in e-WOM also analyze source credibility before taking it into account in the decision making, they can adopt the opinion without judge source credibility previously, due to their previous experience with this communication process. This study contributes to the lack of literature related to the factors that affect the influence of e-WOM communication (Dellarocas, 2006). Results obtained could be interesting for the tourism industry, because there are very few empirical studies on this field (Litvin et al., 2008). E-WOM is the most consulted information source among tourists (Dey and Sarma, 2010; Gretzel and Yoo, 2008) and the role of the individuals in this communication process had not been examined yet.

6. References

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