Identifying the Antecedents of Word-Of-Mouth Promotions of Retail Websites

Introduction

Today’s consumers value the knowledge and opinions of others (Lawer and Knox 2006); indeed it is argued that word-of-mouth is replacing traditional mass media in influencing consumer attitudes and brand choice (Urban 2004). Research has suggested that word-of-mouth (WOM) plays an important role in shaping attitudes and behaviours of consumers (Herr et al. 1991). Day (1971) found that WOM was nine times as effective as traditional media advertising, in converting consumer unfavourable or neutral predisposition into positive attitudes. The WOM is perceived as an ultimate product success factor (Murray 1991). More recently, Sweeney et al. (2007) suggested that the word-of-mouth is a new way to achieve competitive advantage in the market place.

Given the rising trend in consumer behaviour towards the word-of-mouth sharing of information, and its potential influence on consumer attitudes, loyalty, and patronage behaviour, the focus of this study is to identify the antecedents of positive WOM about retail websites. In this study, we propose and empirically test an integrated model of antecedents to positive consumer WOM about retail websites.

Theoretical background and hypotheses

Word-of-mouth

Westbrook (1987, p. 261) has defined WOM communications as “informal communications directed at other consumers about the ownership, usage, or characteristics of particular goods or services and/or their sellers.” According to Tax et al. (1993) word of mouth refers to informal communication between individuals about the characteristics of a supplier and/or its products and services. It is defined as the sharing of personal experiences and opinions to others, friends, colleagues, relatives, etc. (Sun et al. 2006). In this study we consider WOM as sharing positive experiences about the website to others. Though the word-of-mouth can be either positive or negative, this study focuses on the positive WOM.

The research model

The research model tested in this study is shown in Figure 1.

Figure 1. The Research Model
Several studies indicate positive relationship between the website quality and e-Satisfaction (Szymanski and Hise 2001; Kim and Stoel 2004). We expect that the more superior is the customer’s assessment on the quality and performance of the attributes representing various dimensions of website quality, higher will be the customer satisfaction in terms of fulfilling the site visitor’s needs, requirements, and expectations. Hence the following hypothesis:

**H1:** Website quality will have a positive effect on e-satisfaction.

The website that promotes interactivity can be perceived as being helpful and responsive in addressing its customers’ unique needs. Jo and Kim (2003) found that interactivity plays an important role in building customer relationships on the web. Hence the following hypothesis:

**H2:** Interactivity will have a positive effect on e-satisfaction

The literature suggests that the more satisfied the customer is with the website, the more positive attitude he/she will have towards the website. Based on this reasoning the following hypothesis is proposed:

**H3:** E-satisfaction will have a positive effect on the site-visitor’s attitudes towards the website.

Maciag (2000) defines stickiness as “an intangible ability of the website to keep visitors returning again and for longer and longer periods of times.” This is one of the important factors to create and maintain competitive advantage of an organization. Li et al. (2006) defined stickiness from the user’s perspective as “repetitive visits to and use of a preferred website because of a deeply held commitment to reuse the website consistently in the future, despite situational influences and marketing efforts that have the potential to cause switching behaviour.” It is expected that the consumer stickiness intentions to be influenced by the level of the site visitor’s overall satisfaction with the site. Hence the following hypothesis:

**H4:** E-satisfaction will have a positive effect on stickiness towards the website.

Ha (2005) indicates that customers will recommend the company to others only when their perception of satisfaction on the web is high. There is a consensus in the literature that satisfied customers engage in relatively greater word of mouth behaviour. Hence the following hypothesis:

**H5:** E-satisfaction will have a positive effect on the word-of-mouth.

It is reasonable to expect that when the visitor attaches personal meaning to the site and likes the site more than the comparable sites, it is expected that the visitor would show continued patronage for the site. Thus the following hypothesis is proposed:

**H6:** Attitude towards the website will have a positive effect on the stickiness to the site.

According to Dick and Basu (1994) word-of-mouth is one of the consequences of repeat patronage behavior. Thus the following hypothesis is proposed:
**H7:** Stickiness will have a positive effect on word-of-mouth.

Reinartz and Kumar (2002) found that the link between customer longevity and the willingness of consumers to engage in word-of-mouth was strong when both attitudinal and behavioral loyalty were considered as compared to when only the behavioral loyalty was considered. Fullerton (2003) has shown the positive relationship between affective commitment and word-of-mouth behavior of customers. Based on the above findings from the literature, we propose the following hypothesis:

**H8:** Attitude towards a website will have a positive effect on the word-of-mouth.

**Methodology**

An inductive approach was adopted to develop multi-item measures for website quality. Although previous research has operationalized website quality, we were concerned that divergent contexts (Berthon et al. 2001) would compromise validity, thus we decided to develop instruments that were contextually meaningful and appropriate for the target audience of young consumers. Measurement items for other variables in the model were adopted from the literature.

The questionnaires were circulated among the graduate and the undergraduate students with business majors from a reputed school in the northeast region of the United States. The use of student sample for online studies has found support in Wang et al. (2001), Agarwal and Karahanna (2000), Gefen et al. (2003) and Yoo and Donthu (2001). Quality of the selected website was assessed on a 7-point Likert type scale ranging from “poor quality” to “excellent quality.” The other items in the questionnaire were also rated on a 7-point scale, but this time with the anchors “strongly disagree” and “strongly agree.” The final sample size was 509.

**Data analysis and results**

An exploratory factor analysis was performed on the thirty one quality attributes using principal component analysis with varimax rotation. Five factors with eigenvalues greater than one were extracted which are: Website appearances (Q1), Content updatedness (Q2), Navigational quality (Q3), Information quality (Q4), and Site design (Q5). The Cronbach’s alpha values of all the quality factors were greater than or equal to 0.7 which is considered acceptable for the factor to be reliable (Hair et al. 2006). Next the five factors were subjected to first order confirmatory factor analysis using AMOS 16. The model fit was acceptable and all the factors were found to have adequate reliability (Composite reliability) and validities (convergent and divergent). Next a second order confirmatory factor analysis was conducted to identify the global construct of website quality to be used in the structural model. The second order model also had the acceptable model fit.

The latent quality dimensions obtained were used as the indicators of the higher order quality factor in the structural model. Finally we followed Anderson and Gerbing (1988) two-step method to test the hypotheses. First the reliability and validity of the measurement model was established using Fornell and Larcker (1981) criteria. Then the proposed hypotheses were tested using structural equation modelling using AMOS 16.0. The structural model had acceptable model fit. Results showed that website quality has a direct and positive impact on e-satisfaction (coefficient = 0.363, p < 0.001) and interactivity also has a direct and positive effect on e-satisfaction (coefficient = 0.527, p < 0.001) supporting H1 and H2. Similarly e-satisfaction had significant effects on attitude towards website (coefficient = 0.452, p < 0.001); on stickiness (coefficient = 0.493, p < 0.001); and on word-of-mouth (coefficient =
0.268) which supports H3, H4 and H5. Next attitude towards website had direct and positive effects on stickiness (coefficient = 0.20, p < 0.001) and online word-of-mouth (coefficient = 0.27, p < 0.001) supporting H6 and H8. Stickiness was significantly associated with online word-of-mouth (coefficient = 0.440, p < 0.001) which supports H7. Thus, the entire hypothesized paths were supported.

Discussion and implications

The results indicate that the WOM of retail websites is indeed an important phenomenon being influenced by a variety of factors, with the construct of e-satisfaction playing a pivotal role. These findings are also consistent with empirical evidence obtained from several previous studies (Ewing 2000; Harrison-Walker 2001; Kumar et al. 2006). To motivate the WOM behavior from website visitors, the managerial focus, first of all, should be on fully understanding the constituents and antecedents of e-satisfaction, the central construct in the model. It plays a key role in directing interrelationships among the two antecedent variables and the three highly desired outcome variables, viz., positive customer attitudes, stickiness intentions, and the spread of positive WOM about the website. Therefore, the important question is what constitutes e-satisfaction or, what does e-satisfaction means to the website customer? As defined and operationalized in this study, e-satisfaction implies that the website has fulfilled the customer’s expectations about (a) facilitating the purposes for visiting the website, (b) performance of the website in catering to the website user’s needs, and (c) providing satisfactory overall experience on the site. To achieve these customer e-satisfaction expectations, the on-line marketing practitioners should pay specific attention to (i) managing their interactions and relationships with their website customers for gaining insights on their specific needs and preferences, and (2) designing and pursuing appropriate marketing strategies, duly keeping in mind the three operational metrics used to measure e-satisfaction, viz., the fulfillment of customer expectations, performance of website system in delivering the (functional) need satisfaction, and enriching the customer interactive experience in using the site.

Our study also specifically identifies the importance of the interactivity feature as an antecedent of e-satisfaction, as indicated by Berthon et al. (1996). The managerial implication of this finding would be that interactivity tools need to selected and designed to actively promote and encourage their use by the visitor (Tremayne 2005); mere availability of the tools on the site may not be effective, if they are not used. The usage, however, is likely to be the function of the quality of response received from the website/its operators and the extent to which the customer was able to satisfy, or even exceed, satisfaction of his/her information needs that prompted the use of interactive features/tools. Managerial actions, therefore, should focus, inter alia, on ensuring the quality of response and communication with the website visitor. Also, the website operators may gauge the visitors’ opinion to identify the relative effectiveness of the various types of interactive tools and strategies that promoted the use of interactive tools and their satisfaction level with the response strategies pursued by the website visitor. An excellent quality of the response from the site to the customer would reinforce continued usage of the interactivity tools/features, promoting e-satisfaction, and which, in turn, would be instrumental in influencing the website visitor’s attitude, stickiness, and word of mouth, the three of the most desired outcomes that on-line marketing practitioners would want to achieve, to actualize the potential of WOM behavior from their site visitors.
Limitations and directions for future research

There are some limitations of this research which needs to be considered while interpreting the research findings. Our model has not considered several other individual level variables, such as the customer’s perceptions about the value-in-exchange received and trustworthiness of the website. Future research should also examine the impact of other site-variables, such as the visitor’s perceptions about website usability and flow, and various e-marketing-mix strategies pursued by the site operator, such preferred customer programs and strategies, as antecedents of the WOM. Casalo et al. (2008) finds that website usability has a positive impact on developing the positive word-of-mouth.

References


