Chapter 21

Transformation of WOM (Word of Mouth) From Traditional to Digital and Current Recommendations for e–WOM

Mustafa Şehirli

iD https://orcid.org/0000-0002-4800-0283

The University of Health Sciences, Turkey

ABSTRACT

The conceptual and technological transformation of word of mouth (WOM) is one of the most effective and old factors in customers' purchasing decisions. Although digital WOM is expressed as e-WOM, it is similar to traditional WOM, but it differs in the perception of trust, as well as in speed and scope. It affects the fate of companies both positively and negatively. For this reason, it is essential for marketers to inactively and proactively develop e-WOM strategies that are as personalized as possible to ensure that a positive mark is left on the customers. This study demonstrates the e-WOM strategies and tactics that are relevant today to provide guidance to marketers.

INTRODUCTION

In today's world, shopping has become an activity on its own, rather than just being a needed activity. People shop to meet their psychological, social, and physical needs. Socialization has become an important aspect of shopping. Studies are demonstrating that people buy more than usual when they are with their friends. For this reason, marketers are obliged to ensure that they emphasize the social aspect of shopping. Therefore, WOM has become more prevalent in marketing; WOM replaces advertising and promotions. WOM is an interpersonal transfer of information about the sale of products and services beyond the information or advertisements provided by companies that affect personal decisions (Brown et al., 2007). In this environment of intense competition, customers trust their friends or other customers rather than companies and enjoy the comfort of belonging to a community by behaving like

others. Moreover, consumers generally rely on informal personal communication rather than official or organizational sources in their purchasing decisions (Bansal & Voyer, 2000).

On the other hand, digitalization is progressing extremely rapidly with the stimulation brought on by the global pandemic. While concepts, applications, operations, and almost everything else is being moved to online platforms, marketing tools are also being digitalized. Of course, WOM, which requires interpersonal interaction in purchasing decisions, has also evolved as e-WOM. One of the most comprehensive definitions for e-WOM is as the following: "any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet" (Hennig-Thurau et al., 2004).

Today, e-WOM is faster and more effective than traditional WOM. There are not many people left who shop before reading reviews of the product or service to be purchased. Under these circumstances, understanding and correctly managing e-WOM has become the new front for marketers to positively influence the purchasing and loyalty decisions of customers.

E-WOM is significantly different from traditional WOM, but it can be diversified as positive and negative, just like traditional WOM. These differences include advantages and disadvantages. For example, it can be both an advantage and a disadvantage that it spreads very fast, can be saved, and the low level of trust compared to traditional WOM is certainly one of the biggest handicaps. Although there are similarities between them, the reasons for its occurrence and even its effects are different. Besides these two basic types of WOM, it can also be diversified according to the way it manifests. For example, the e-WOM defined as social e-WOM is specific to social media, and there are certain differences between it and e-WOMs made on e-commerce websites or platforms.

There is a wealth of literature on the determinants involved in the emergence of e-WOM. These determinants emphasized in studies are well-known concepts such as loyalty, satisfaction, and trust. Many of these origins are similar to traditional WOM.

Extensive research has studied the outcomes of e-WOM; the most obvious is the outcome of purchasing decisions. In other words, WOM has a direct impact on sales numbers, which is the lifeblood of companies and customer loyalty in the long run.

In this chapter, the concepts mentioned above are discussed within the framework of previous studies. The main goal of this section is to provide practical and vital suggestions about e-WOM to today's managers and academics based on prior studies. Thus, a number of up-to-date and effective methods are presented that will enable marketers to obtain advantages in the intense competition to influence customers. In the following sections, the importance of traditional WOM is addressed briefly, which is then followed by a discussion regarding the transformation of WOM to e-WOM and the definition and the scope of e-WOM, including its effects and antecedents. This chapter aims to support academics and managers in digitally enabling customers to influence other customers (WOM), which is one of the most fundamental ways to gain and retain customers. The final section is devoted to providing advisory suggestions.

The Historical Transformation of Marketing and the Transformation and Reemergence of WOM

The most recent and well-known change that has emerged in marketing is humanization. Marketers attempt to treat customers as individuals and persuade them to make purchases and to stay loyal by adding value and humanity-based touches to their approaches. Traditional methods are gradually being replaced

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