

WORD-OF-MOUTH ON FINANCIAL PRODUCTS IN  
ONLINE COMMUNITIES: AN EXPLORATION  
INTO THE WHY, WHAT, AND HOW?

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WORD-OF-MOUTH ON FINANCIAL PRODUCTS IN ONLINE COMMUNITIES:  
AN EXPLORATION INTO THE WHY, WHAT, AND HOW?

**ABSTRACT**

This paper examines consumers' motivations to engage in electronic word-of-mouth (WOM) and its influences on the cognitive and affective aspects of the WOM message. A sample of 201 consumers was collected from an online survey. Regressions show that four motivations had significant relationships with cognitive and affective aspects of positive messages and two in the case of negative messages. Cognitive and affective aspects were both found to be positively related to message effectiveness, although the former had a greater influence. Findings suggest that consumers use both positive and negative WOM to achieve their objectives, but are more selective when engaging in negative WOM. Managers should encourage consumers to share more factual information about their consumption experience with others through WOM. Managers will gain a better understanding of WOM by analyzing individual messages for its content and delivery.

**Keywords:** *word-of-mouth, cognitive, affective, motivation, financial services*

## **INTRODUCTION**

In the quest to gain and retain a competitive edge, marketing managers are paying more attention to unorthodox and less unobtrusive forms of promotion because consumers are increasingly distrustful of corporations and cynical towards its advertising and promotional claims (Smith et al. 2007; Sweeney, Soutar & Mazzarol 2008; 2009). Consumers are turning to more credible sources of market information, one of which is word-of-mouth (WOM) communication. WOM communication can be highly persuasive because information originating from a source that does not appear to have any material interest in the product/service may be more credible than information originating from one that does (Dichter 1966; Herr, Kardes & Kim 1991; Murray 1991; Silverman 2001). It is well-documented that WOM is more effective than traditional advertising in influencing consumers' purchase decisions (Day 1971; Harrison-Walker 2001).

The task of studying WOM is challenging because it is highly variable. The content and delivery of a WOM message vary according to each individual consumer and his/her experience with the product or service (Mazzarol, Sweeney & Soutar 2007). WOM exists only if the sender is motivated to communicate it to the recipient; even then the motivations are varied (Dichter 1966; Sundaram, Mitra & Webster 1998; Mazzarol, Sweeney & Soutar 2007). The effectiveness of WOM is contingent upon the recipient's perception of the sender and the logical and emotional appeals of the message. The task of managing WOM is also challenging because historically it has been inaccessible and cannot be directly manipulated. Conventional WOM is predominantly private verbal communication between two parties who have no material interest in the product or company concerned; thus, managers have no direct control over what is being said about the company and how it is being said. Since managers are not privy to these conversations, they cannot manage what they do not hear.

As the Internet is used increasingly for social interaction and as a source of market information (Plummer 2007), electronic word-of-mouth (eWOM) communication presents an opportunity for managers to address these challenges. Since eWOM messages are prevalent on online discussion forums, social networking sites, consumer review sites and blogs (Riegner 2007), managers can now access WOM

communication and examine what is being said about their company and how it is being articulated. In addition, the work of Hennig-Thurau, Gwinner, Walsh, and Gremler (2004) significantly furthered managers' understanding of eWOM by investigating consumer motivations for posting messages on the Internet, while encouraging further research by refining their scale and extending its use to other models. Authors of the present study heed their call by investigating the influence of these motivations on the content and delivery of the eWOM message. In addition, they also determine whether these content and delivery aspects of an eWOM message influence its effectiveness.

## **LITERATURE REVIEW**

### **The Concept of Word-of-Mouth (WOM)**

Westbrook (1987) defined WOM as “informal communication directed toward other consumers about the ownership, usage, or characteristics of particular goods and services and/or their sellers” (p. 261). Since WOM does not originate from companies trying to promote its products, it is more credible, and can thus be very persuasive. Arndt (1967) mentioned that positive WOM affects short-term purchasing behavior and facilitates the diffusion of new products. Katz and Lazarsfeld (1955) suggested that WOM is seven times more effective than newspaper and magazine advertising, four times more effective than personal selling, and twice as effective as radio advertising in influencing consumers to switch brands. Similarly, Day (1971) suggested that positive WOM is nine times more effective than advertising at converting unfavorable or neutral predispositions into positive attitudes. Conversely, negative WOM can have the opposite effect. Holmes and Lett (1977) noted that negative WOM is likely to dissuade potential buyers from considering a particular product or brand, consequently damaging the company's reputation and financial position. According to Laczniak, DeCarlo, and Ramaswami (2001), negative WOM has a stronger influence on consumers' brand evaluations than positive WOM. These findings underscore the need for managers to understand the influence of WOM on his/her consumers.

### **The Cognitive and Affective Aspects of WOM**

Past studies have been useful in helping researchers understand and conceptualize WOM activity (Anderson 1998; Harrison-Walker 2001; Westbrook 1987). These

studies adopt a ‘macro’ approach to measuring WOM by using an aggregate measure of WOM activity (e.g. total number of WOM recipients, the frequency of WOM mentions). The emphasis has also been on the antecedents of WOM activity, rather than the WOM construct itself. Findings from these studies assist WOM researchers a great deal; however, to enrich their understanding of the construct, it needs to be disaggregated and examined at the level of each individual message.

Mazzarol, Sweeney, and Soutar (2007) adopt a more ‘micro’ approach by exploring the attributes of the WOM message itself. They proposed that every WOM message can be analyzed by its content and delivery aspects, namely cognitive content, content richness, and strength of delivery. Cognitive content represents the cognitive nature of the WOM message (e.g. informative, clear); content richness refers to the richness of the content of the WOM message (e.g. intense, elaborate); and strength of delivery represents how powerful the WOM message delivery is (e.g. delivered using strong words). This framework enables the manager to assess *what* is being conveyed in a WOM message and *how* it is conveyed. As a result, managers have a richer context to understanding the nature of WOM and how effective a WOM message can be. Sweeney, Mazzarol and Soutar (2008, 2009) subsequently developed a short scale to measure the cognitive and affective aspects of WOM messages.

The authors of the present study concur with Sweeney, Mazzarol and Soutar’s (2008) approach in analyzing the content and delivery aspects of a WOM message, specifically its underlying logical and emotional elements. In support of their three-aspect framework, these authors draw from the work of the Greek philosopher Aristotle, who posited three means of persuasion in argument: ethos, logos, and pathos (Aristotle, trans. Roberts 1924; Buttle 1998). Ethos relates to the ethical appeal or credibility that arises from a speaker’s character; logos relates to the elements of the argument that appeals to logic or reason; and pathos relates to the emotional appeal of the argument. These three ‘artistic proofs’ determine the efficacy of a WOM message; however, the sender’s character is beyond the scope of this study.

WOM messages can vary in its logical appeal: some messages contain more reliable and specific information than others. An informative or reliable message has a logical structure and contains details about a product or consumption experience (e.g.

evaluations of product performance, service quality, and price/value perceptions). This cognitive content reflects the reliability, detail, and clarity of the WOM message. WOM messages can also vary in their emotional appeal: some messages contain more illustrative and descriptive words and may sound more intense than others (Mazzarol, Sweeney & Soutar 2007). An emotive message contains vivid words (e.g. 'absolutely', 'fantastic', 'outrageous') that are used for some degree of storytelling. The affective aspects of a WOM message are reflected in the richness of communication and also the strength of its delivery or tone.

Both cognitive and affective aspects of a WOM message may determine its effectiveness. For the present study, messages that are high in cognitive aspects are informative, clear, specific and reliable; while messages that are high in affective aspects are rich in context (e.g. intense, elaborate and explicit), and strongly delivered. Mazzarol, Sweeney, and Soutar (2007) suggested that a WOM message is most effective when both the message content and delivery are high in cognitive and affective elements. An effective WOM message is best characterized by the extent to which the message is helpful and persuasive (Bansal & Voyer 2000). Sweeney, Mazzarol, and Soutar (2008; 2009) developed scales to measure these constructs, which will be utilized in the present study to investigate the link between the cognitive and affective aspects of an eWOM message and its effectiveness.

### **Motivation to Engage in Electronic WOM (eWOM)**

If managers understand what consumers seek to achieve by sending WOM, then they will be able to manage WOM more effectively. Past studies indicate consumers who engage in WOM communication have different motives for doing so. One such study by Dichter (1966) proposed four motivations which motivate a person to talk about a product or service: product-involvement, self-involvement, other-involvement, and message-involvement. Engel, Blackwell, and Miniard (1993) later modified Dichter's topology by renaming the four motivations and adding dissonance reduction as a motivation for articulating negative WOM. Sundaram, Mitra, and Webster (1998) conducted a comprehensive study on both positive and negative WOM and re-categorized these existing motivations while introducing new ones, such as, helping the company, anxiety reduction, vengeance, and advice seeking. Hennig-Thurau et al. (2004) adapted these motivations for the online context and proposed eight reasons

for a consumer to engage in eWOM communication in online communities. Seven of these eight motivations are of interest in the present study:

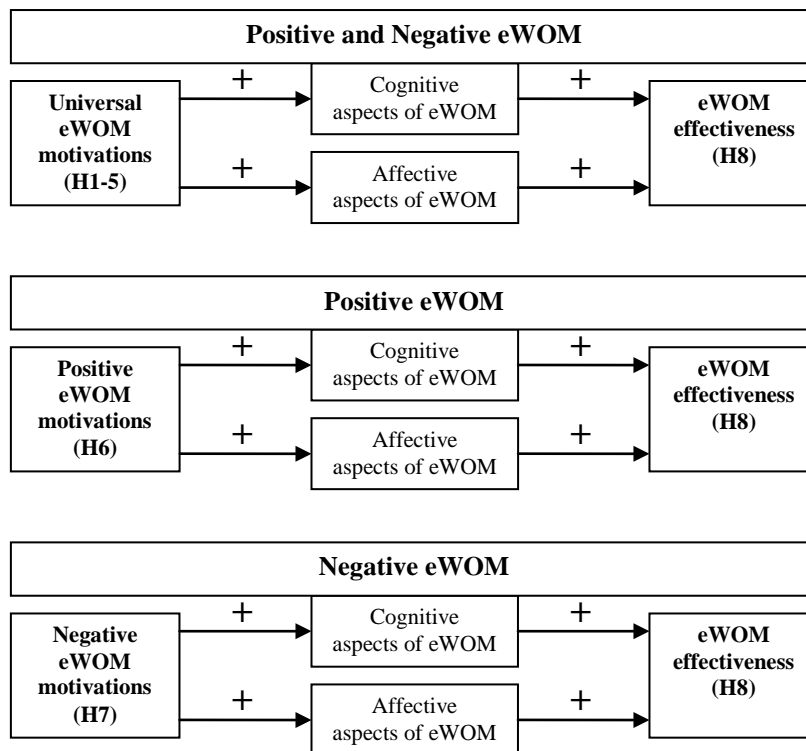
- *Extraversion/positive self-enhancement* which refers to the need of consumers to share their consumption experience to augment their own image as intelligent shoppers
- *Social benefits* which occur when a consumer transmits a WOM message for identification and social integration purposes.
- *Economic incentives* which refer to the motivation that occurs when a consumer transmits a WOM message for financial purposes (e.g. reward from the community operator).
- *Advice seeking* which is concerned with acquiring the skills needed to better understand, use, operate, modify, and repair a product.
- *Concern for other consumers* which refers to the genuine help that a consumer offers to assist other consumers in making better purchase decisions.
- *Helping the company* which refers to a consumer's desire to help the company as a result of a particularly pleasing consumption experience.
- *Venting negative feelings* which relate to a dissatisfying consumption experience that results in the consumer wanting to release his/her frustration and anxiety in the form of negative WOM<sup>1</sup>.

## **CONCEPTUAL DEVELOPMENT**

The authors of this study propose that the process of giving eWOM messages starts with the motivation of an individual consumer for sending the message. The motivations investigated in this study are seven of the eight proposed by Hennig-Thurau et al. (2004). These motivations influence the cognitive and affective aspects of the individual eWOM message, which in turn, influence the effectiveness of the eWOM message. The proposed hypotheses of this study are summarized in the conceptual diagram below:



**Figure 1: Conceptual Framework**



The types of motivations that drive consumers to write an eWOM message depend on whether their consumption experience was favorable or unfavorable. eWOM motivations can be classified into three groups – universal, positive, and negative motivations – for each of which the authors of this study propose a set of unique hypotheses. Universal motivations apply to both positive and negative eWOM and result from good and bad consumption experiences, respectively. The positive motivation, namely ‘helping the company’, applies only to positive eWOM as an outcome of a favorable experience. ‘Venting negative feelings’, a negative motivation, is only relevant to negative eWOM resulting from an unfavorable experience.

The first of the five universal motivations is ‘extraversion/positive self-enhancement’ (‘extraversion’). One of the common goals of this motivation is to improve one’s self image as an intelligent shopper (Hennig-Thurau et al. 2004; Sundaram, Mitra & Webster 1998). Such a person is likely to provide informative comments to appear intelligent to other consumers, thus resulting in greater cognitive content in the eWOM message. In addition, a positive consumption experience builds up a

psychological tension that can only be released by sharing the joy of the experience (Dichter 1966; Hennig-Thurau et al. 2004). It can be argued that eWOM messages directed by this motivation are also potentially rich in emotive or persuasive language. Therefore, the following hypothesis applies:

**H1a-b:** For positive eWOM, the ‘extraversion’ motivation has a positive effect on the eWOM message in terms of its **a)** cognitive aspects and **b)** affective aspects.

**H1c-d:** For negative eWOM, the ‘extraversion’ motivation has a positive effect on the eWOM message in terms of its **c)** cognitive aspects and **d)** affective aspects.

The second universal motivation is ‘social benefits’. Hennig-Thurau et al. (2004) stated that affiliation with a particular online community can represent a social benefit to its members for reasons of identification and social integration. A consumer influenced by the ‘social benefits’ motivation, participates in eWOM communication as he/she wants to signify his/her presence in the online community (Hennig-Thurau et al. 2004). Therefore, he/she is likely to be informative in order to stand out from other members, resulting in eWOM messages with high cognitive aspects. The consumer might also go out of his/her way to please the more established members of the community because they are ‘gatekeepers’ who decide who is accepted into the community and who is ignored (McWilliam 2000). In doing so, a consumer might zealously support and defend the shared goal/objective of the community, resulting in eWOM messages with persuasive language and tone using emotive words or descriptors. Accordingly, the following hypothesis is proposed:

**H2a-b:** For positive eWOM, the ‘social benefits’ motivation has a positive effect on the eWOM message in terms of **a)** cognitive aspect and **b)** affective aspect.

**H2c-d:** For negative eWOM, the ‘social benefits’ motivation has a positive effect on the eWOM message in terms of **c)** cognitive aspect and **d)** affective aspect.

The ‘advice seeking’ motivation is concerned with obtaining skills to better understand, use, operate, modify, or repair a product by asking help from other consumers (Hennig-Thurau et al. 2004). Duhan et al. (1997) stated that advice seeking

within weak-tie sources is conducive to the flow of information; an observation which Brown, Broderick, and Lee (2007) found was also relevant to the online environment. This suggests that eWOM messages influenced by this motivation will have greater cognitive content, as the sender will attempt to be as clear as possible in explaining his/her experience with a product. This message can either be positive (e.g. a query about a desired product) or negative (e.g. an attempt to elicit solutions to a problem with the product). The message is likely to contain cognitive and affective elements for positive and negative eWOM as a consumer strives to express his/her joy (in positive cases) or dissatisfaction (in negative cases). Consequently, it was hypothesised that:

**H3a-b:** For positive eWOM, the ‘advice seeking’ motivation has a positive effect on the eWOM message in terms of its **a)** cognitive aspects and **b)** affective aspects.

**H3c-d:** For negative eWOM, the ‘advice seeking’ motivation has a positive effect on the eWOM message in terms of its **c)** cognitive aspects and **d)** affective aspects.

The ‘economic incentives’ motivation concerns a consumer who contributes to an online community because he/she is given some sort of reward to share his/her opinion on a particular product. Economic rewards have been shown to be a driver of human behavior in general (Lawler 1984). Furthermore, some consumer review websites reward consumers based on the length of their reviews (e.g. *ProductReview.com.au*). This suggests that eWOM messages driven by this motivation are potentially more informative; therefore, it may contain more factual information and greater cognitive content. The eWOM message may also be articulated in persuasive language if the sender who receives economic incentives perceives that he/she is paid to make the message more presentable or credible. It is expected that both factual and affective content and emotional delivery would be present in positive and negative eWOM messages. The following hypothesis is proposed:

**H4a-b:** For positive eWOM, the ‘economic incentives’ motivation has a positive effect on the eWOM message in terms of **a)** cognitive aspect and **b)** affective aspect.

**H4c-d:** For negative eWOM, the ‘economic incentives’ motivation has a positive effect on the eWOM message in terms of **c)** cognitive aspect and **d)** affective aspect.

The last of the five universal motivations, ‘concern for other consumers’ possesses an element of altruism, which refers to an intentional or voluntary act of benefiting others without expecting something in return, including an enhanced status or self-image (Piliavin & Charng 1990; Sober 1988; Sundaram, Mitra & Webster 1998). This proposition suggests that when the altruist engages in eWOM communication, he/she will attempt to be as helpful as possible by providing factual information (perhaps relating to a specific incident) to those who need it, hence resulting in greater cognitive content. Furthermore, Jeffries (1998) stated that altruistic behavior tends to be more intense when someone is defending a recipient of injustice, suggesting that the altruist is impassioned to articulate an intense eWOM message when he/she is concerned with other consumers receiving unfair treatment from companies. Positive and negative eWOM messages of this nature are as likely to be factual as they are passionate. Therefore, the authors of this study propose that:

**H5a-b:** For positive eWOM, the ‘concern for other consumers’ motivation has a positive effect on the eWOM message in terms of its **a)** cognitive aspects and **b)** affective aspects.

**H5c-d:** For negative eWOM, the ‘concern for other consumers’ motivation has a positive effect on the eWOM message in terms of its **c)** cognitive aspects and **d)** affective aspects.

The positive motivation of ‘helping the company’ is a result of a consumer, who has had a good consumption experience, wanting to reward the company by referring it to other consumers through eWOM. Similar to Harrison-Walker’s (2001) concept of WOM praise, this form of eWOM communication is a way of recapping details of the consumption experience and relaying a consumer’s delight to others; therefore, he/she is likely to include factual information in the message to substantiate his/her claim. This motivation may also have an element of altruism where the sender makes a genuine attempt to provide as much information as possible (Sundaram, Mitra & Webster 1998). Cognitive elements of such an eWOM message may also be accompanied by language and words that encapsulate post-consumption reactions of

delight and pleasure. In an attempt to assist the company in a meaningful way, the sender may articulate the message in a persuasive manner, from which the intended recipient may infer the sender's strong conviction for the message. Therefore, it is proposed that:

**H6a-b:** For positive eWOM, the 'helping the company' motivation has a positive effect on the eWOM message in terms of **a)** cognitive aspect and **b)** affective aspect.

In contrast to helping the company, a consumer who has had an unfavorable consumption experience may want to hurt the company by engaging in negative WOM. Hennig-Thurau et al. (2004) argued that this motivation is based on anxiety and vengeance motives. The vengeance motive is concerned with the hope that the business will be patronized less by telling others about one's own negative consumption experience (Sundaram, Mitra & Webster 1998). This purpose-driven motivation is likely to generate an eWOM message that has a higher level of cognitive or factual content because of the inclusion of detailed information regarding the negative consumption experience to deter others from patronizing the business. The vengeance motive is also related to the concept of consumer rage, which Kalamas, Laroche, and Makdessian (2007) suggested is a result of a strong and intense negative state. This highly-charged emotion is likely to generate an expression that uses very descriptive language and contains many vivid words. It is proposed that:

**H7a-b:** For negative eWOM, the 'venting negative feelings' motivation has a positive effect on the eWOM message in terms of its **a)** cognitive aspects and **b)** affective aspects.

The authors of this study concur with Mazzarol, Sweeney, and Soutar's (2007) proposition that an effective eWOM message is one that is articulated with objectivity and conviction. eWOM communication has the greatest impact when the message contains helpful and detailed examples about a consumption experience to assist consumers to make more rational decisions. Factual information also serves to substantiate or reinforce a sender's claim about a company. A consumer receiving this message can then cognitively process the content to determine its usefulness. In addition, a consumer is able to infer the strength of the sender's conviction from the tone and language used in his/her delivery. Words that are descriptive and rich in

meaning are indicant of the intensity of the consumption experience. A consumer takes these emotional or affective elements into consideration when determining the usefulness of a message.

The authors of this study also propose that the cognitive aspects of the message are more influential in the case of positive WOM than in the case of negative WOM, while the affective elements are more influential in the case of negative WOM than positive WOM. De Matos and Rossi (2008) found positive WOM to be more cognitive and rationale, while negative WOM is associated with emotions (e.g. anger and regret) and behaviors (e.g. defecting to an alternative supplier). Derbaix and Vanhamme (2003) demonstrated that emotions are particularly associated with frequency of giving negative WOM, as opposed to positive WOM. In support, Sweeney, Soutar and Mazzarol (2005) found that positive WOM is more likely to be driven by service quality – a cognitive evaluation – and negative WOM is more likely to be driven by the satisfaction/dissatisfaction construct, which Dabholkar (1993) recognized as an affective construct. Thus, it is proposed that:

**H8a-b:** There is a positive relationship between **a)** the cognitive aspects and **b)** the affective aspects of an eWOM message and its effectiveness.

**H8c:** The cognitive aspects of an eWOM message have a greater impact on the perceived effectiveness of positive eWOM compared to negative eWOM.

**H8d:** The affective aspects of an eWOM message have a greater impact on the perceive effectiveness of negative eWOM compared to positive eWOM.

## **RESEARCH METHODOLOGY**

The hypotheses developed in this research were investigated within the context of financial services. Financial services were chosen because WOM is said to be particularly effective in the area of services marketing (Zeithaml 1981), and research by Allsop, Bassett, and Hoskins (2007) shows that occurrence rate of WOM in financial services area is moderately high, with 70% seeking and 44% providing information and advice on financial products and services to some or to a great extent.

### **Research Participants**

The data used to test the hypotheses were collected through an online questionnaire using an online panel service of Australian consumers. Online consumer panels have

been commonly used for market research since the emergence of the Internet (Poynter 2006). Furthermore, a study conducted by Schillewaert and Meulemeester (2005) indicated that online panel samples are not significantly different from samples collected through traditional methods such as mail and telephone in terms of socio-demographics and topics related to traditional attitudes, opinions and lifestyle interests. In all, 2293 respondents responded to the survey request (30.0% of the total sent). The response rate appears to be comparable to other studies using either an online consumer panel or internet surveys (e.g. Cobanoglu, Warde, and Moreo 2001; Mehta and Sividas 1995; Schillewaert and Meulemeester 2005). Following the screening question which asked the respondent if he/she had posted a WOM message on a financial product in the last year, 304 respondents were invited to continue with the survey. Of these, a total of 201 (66%) completed the survey and passed various data quality checks, such as identifying a specific and appropriate website where the comment was made and giving consistent responses. The duration of data collection was three weeks. The respondents were not compensated for their responses.

### **Research Procedures**

The online questionnaire was tested for its validity by asking a number of academic marketing experts for their comments. Subsequently the revised version was pre-tested on ten undergraduate students from the University of Western Australia to ensure that the questionnaire was not unduly long and that the research participants would not have any difficulty answering it.

After the questionnaire was finalised, an invitation e-mail containing the link to the online questionnaire was distributed to the online consumer panel. Those who agreed to participate were subsequently screened with a filter question ascertaining whether they had actually left an eWOM message regarding financial services in an online community in the past year. Those who did were asked to recall their most recent eWOM message. The total usable sample comprised of 201 respondents. The sample comprised almost equal numbers of males and females; 22% were under 25 years, 42% were aged 25 to 44 and 36% were aged 45 years and older. Half the sample used the internet daily, while the remainder used it at least once a week. Median internet usage was 15 hours a week.

The respondents were asked to think of their most recent online posting on a financial product/service. They were then asked to provide details of the length, content, and valence (whether the message was positive or negative) of that message, as well as the site at which the message was posted. These preliminary questions provide a reference point for all subsequent perception questions: the motivation to post the message was measured by adapting the original motivation measures of WOM by Hennig-Thurau et al. (2004), while content and delivery aspects and effectiveness of that eWOM message were measured with the original scales proposed by Sweeney, Soutar, and Mazzarol (2008; 2009). All of these items were measured on five-point Likert scales.

## **FINDINGS AND DISCUSSION**

### **Construct Reliability**

Exploratory factor analysis was conducted on the seven sets of motivation items developed by Hennig-Thurau et al. (2004) and the original factor structure was replicated, with the exception of ‘concern for other consumers’. This motivation generated two new factors (‘helping other consumers’ and ‘warning other consumers’) that better accounted for positive and negative eWOM. The Cronbach alpha scores for these two factors (0.68 and 0.81) represented an improvement over Hennig-Thurau et al.’s (2004) single factor (0.58). All factors had a coefficient alpha of at least 0.62, indicating satisfactory internal consistency; hence, no items had to be dropped from the measure (Malhotra, Hall, Shaw & Oppenheim 2006). As a result, Hypotheses 5a and 5b are modified to incorporate ‘helping other consumers’ for positive eWOM and 5c and 5d ‘warning other consumers’ for negative eWOM. Further, two factors emerged from the exploratory factor analysis of Sweeney, Soutar, and Mazzarol’s (2008; 2009) measure of WOM message content and delivery: a cognitive aspect (coefficient alpha=0.85) and an affective aspect (combining ‘content richness’ and ‘strength of delivery’; coefficient alpha=0.87). Discriminant validity between these two factors was tested and supported, using Anderson and Gerbing’s (1988) chi-square test ( $\chi^2_{diff}=60.82$ , 1 d.f.). The single-factor measure of message effectiveness was supported (coefficient alpha =0.82). Results of the factor analysis are displayed in Table 1.



**Table 1: Results of Factor Analysis**

Factor	Items	Item Loading	Cronbach's Alpha
Extraversion	This way I can express my joy about a good buy	0.88	0.80
	I feel good when I can tell others about my buying success	0.82	
	I can tell others about a great experience	0.82	
	My contributions show others that I am a clever customer	0.65	
Social Benefits	It is fun to communicate this way	0.85	0.75
	I believe a chat among like-minded people is a nice thing	0.83	
	I meet nice people this way	0.79	
Advice Seeking	I hope to receive advice from others to help solve my problems	0.89	0.72
	I expect to receive tips or supports from other users	0.89	
Economic Incentives	I receive incentives	0.94	0.86
	I receive a reward for the writing	0.94	
Help Other Consumers	I want to help others with my own positive experiences	0.87	0.68
	I want to give others the opportunity to buy the right product	0.83	
Warn Other Consumers	I want to save others from having the same negative experiences as me	0.92	0.81
	I want to warn others of bad products	0.90	
Helping the Company	In my opinion, good companies should be supported	0.86	0.62
	I am so satisfied with a company and its product that I want to help the company to be successful	0.86	
Venting Negative Feeling	I like to get anger off my chest	0.84	0.83
	I want to take vengeance upon the company	0.82	
	The company harmed me, and now I will harm the company	0.81	
	My contributions help me to shake off frustration about bad buys	0.79	
Cognitive Aspect (I believe the message I posted was...)	Specific	0.87	0.85
	Clear	0.86	
	Informative	0.81	
	Reliable	0.78	
Affective Aspect (I believe the message I posted was...)	Intense	0.79	0.87
	Elaborate	0.63	
	Explicit	0.54	
	Reinforcing	0.65	
	Delivered powerfully	0.82	
	Delivered in a strong way	0.84	
	Delivered in an important manner	0.77	
Delivered using strong words	0.73		
Message Effectiveness (I believe the message I posted was...)	Helpful	0.83	0.82
	Credible	0.81	
	Effective	0.79	
	Convincing	0.79	

### Hypothesis Testing

To test H1-7, the sample was split into positive and negative eWOM sub-samples, according to their response regarding the degree of favorability or unfavorability of

the message. This resulted in a sample size of 92 for positive messages and 61 for negative messages. For each sub-sample, regression analyses were performed using the composite variables generated from the factor analyses. These results are displayed in Table 2 below.

**Table 2: Standardized Beta Values from Regression Analyses**  
(n.s. is not significant)

	Positive eWOM <sup>a</sup>			Negative eWOM <sup>a</sup>	
	Cognitive	Affective		Cognitive	Affective
H1a-b: Extraversion	0.45	0.40	H1c-d: Extraversion	n.s.	n.s.
H2a-b: Social	0.40	0.39	H2c-d: Social	n.s.	n.s.
H3a-b: Advice	0.34	0.26	H3c-d: Advice	n.s.	n.s.
H4a-b: Economic	n.s.	n.s.	H4c-d: Economic	n.s.	n.s.
H5a-b: Help others	0.41	n.s.	H5c-d: Warn others	0.44	0.35
H6a-b: Helping company	0.54	0.38	H7a-b: Venting	0.31	0.51

<sup>a</sup> All coefficients are significant at the  $p < 0.05$  level unless otherwise stated.

<sup>1</sup> The motivation of ‘platform assistance’ is excluded because the authors of this study assert that the construct as developed by Hennig-Thurau et al. (2004) reflects a sender’s beliefs of the role of an intermediary website rather than his/her motivations for engaging in eWOM.

Results showed that the motivation of extraversion, which relates to the psychological benefits of eWOM, is associated with positive eWOM messages that contain both cognitive aspects (helpful factual information) as well as affective aspects (expressing emotion), hence, supporting H1a and H1b.

The social benefits motivation concerns communicating with members of an online community, rather than the actual buying experience. Specifically, the motivation for such an eWOM message is social acceptance. Social benefits were found to be significantly related to both cognitive and affective WOM elements when the message is positive, thus, supporting H2a and H2b.

In this study, eWOM messages motivated by seeking advice predominantly emanate from a positive post-purchase experience (approximately 60%). Results showed that

consumers seeking advice in positive situations (e.g. to reduce dissonance or seek information on associated products) were likely to include both cognitive and affective elements in their message, therefore, supporting H3a and H3b.

Results show that there is no relationship between the economic motivation and cognitive and affective aspects of positive eWOM, hence, H4a and H4b were not supported. Upon closer inspection, the mean scores for this motivation for both the positive and negative eWOM valence sample groups were relatively low and offered little variance, suggesting that this motivation is not very relevant for the sample used in this study.

A positive consumption experience appears to give rise to two 'other' oriented motivations to articulate positive eWOM messages, which is to help the company and to help other consumers. Results showed that while helping the company was associated with giving messages that had cognitive content and affective elements (the former in particular), helping others was only associated with cognitive content; supporting H5a, H6a and H6b, but not H5b.

For negative eWOM messages, only venting negative feelings and warning other consumers had a positive association with cognitive and affective aspects of the message. Both motivations capture the archetypical negative eWOM, where consumers have had a particular negative consumption experience with the company and want to either punish the company or do other consumers a favor by warning them. H5a and H5b and H7a and H7b were supported; however, H1c,d, H2c,d, H3c,d and H4c,d concerning the association of extraversion, social benefits, advice seeking and economic benefits with cognitive and affective negative message elements, were not supported.

Finally, the relationship between cognitive and affective aspects of the eWOM message and its perceived effectiveness (H8a and H8b) was tested using multiple regression analysis for both positive and negative eWOM messages. Results showed that both cognitive and affective aspects of eWOM have significant positive relationships with message effectiveness for positive eWOM ( $\beta_{\text{cognitive}}=0.80$ ;  $\beta_{\text{affective}}=0.15$ ;  $R^2=0.80$ ) and negative eWOM ( $\beta_{\text{cognitive}}=0.68$ ;  $\beta_{\text{affective}}=0.21$ ;  $R^2=0.68$ ).

H8a and H8b were supported for positive and negative eWOM messages. The correlation coefficients between cognitive message aspects and its effectiveness for positive and negative eWOM messages (0.80 and 0.68) were compared using the Fisher-z test and no significant difference was found. The test was repeated for affective message aspects (0.15 and 0.21) and no significant difference was found, and failed to provide support for H8c and H8d.

## **IMPLICATIONS**

### **Conclusions and Theoretical Implications**

For positive eWOM messages, extraversion, social benefits, helping the company, and advice seeking were found to be positively linked to messages high in both cognitive and affective aspects. Any efforts to make personal gain from eWOM communication (extraversion, social benefits, and advice seeking) require the inclusion of clear factual information that is presented in a persuasive and emotional manner. Individuals who seek this form of social exchange, aim to make a favorable impression on others by being informative and articulate at the same time. Individuals who are driven by altruistic motives to help others through eWOM are also likely to post messages with high cognitive content because they want their knowledge and experience to assist others as much as possible. How emotive or passionate the message is appears to depend on who the sender wants to help. In the case of the consumer who is satisfied with a consumption experience, he/she may aim to reward the company with a glowing reference and does so by posting a meaningful eWOM message that conveys not only how delighted he/she is with the experience (affective aspect) but also details about the experience that made him/her feel this way (cognitive aspect). However, in the case of the altruist who merely wants to help others by sharing his/her knowledge, the eWOM message is likely to be more informative than emotive. Perhaps, he/she aims to be helpful just by relaying reliable information without coloring the message with emotion or vivid language, also in an effort to appear particularly objective or unrelated to the company that is being endorsed.

In the case of negative eWOM, the two salient motives appear to be those unrelated to personal gain. Consumers who have had a bad consumption experience and want to vent their frustration can do so either in an altruistic manner by warning other

consumers or in a vindictive manner by punishing the company. Both types of eWOM messages are likely to feature strong cognitive and affective attributes: factual accounts of the unsatisfactory encounter intertwined with emotional and vigorous language. Such messages are intended to achieve one of two objectives: either dramatizing and re-enacting the negative experience while portraying him/herself as the victim or ‘telling on’ the offending company and alerting others of poor conduct as a purveyor of justice.

For other motivations, a bad consumption experience is not a basis from which one seeks personal gain or social exchange; namely extraversion, social benefits, advice seeking and economic benefits. Rosen and Tesser (1970) proposed that people are hesitant to convey unpleasant messages lest they risk receiving negative evaluation by being associated with those messages. The ‘MUM effect’, as they named it, may explain why those who want to maintain a favorable impression convey a more muted eWOM message that contains little factual information and emotive language. Should the message contain any more cognitive and affective cues about a negative consumption experience, the receiver would infer enough unpleasant information to form an unfavorable impression of the sender. It is also possible that the eWOM message is subdued because the sender does not want to be perceived as an unintelligent shopper who is incapable of picking ‘good deals’. Either way, it can be concluded that consumers saw no personal advantage in negative eWOM messages in contrast to positive eWOM messages.

Overall, from the giver’s perspective, inclusion of factual information was more associated with effective messages, while the affective characteristics played a supporting role. This suggests that the most effective eWOM message is one that contains clear and reliable information supported through vivid language and descriptive words.

Specifically, the study adds to the body of knowledge about WOM activity as it empirically explored the link between Hennig-Thurau et al.’s (2004) eWOM motivations and the content and delivery aspects of individual WOM messages as discussed by Mazzarol, Sweeney, and Soutar (2007) and Sweeney, Soutar, and

Mazzarol (2008; 2009). The study thus provides a better understanding of how people with different motivations emphasize or articulate their eWOM messages.

Extending Mazzarol, Sweeney, and Soutar (2007) and Sweeney, Soutar, and Mazzarol's (2008; 2009) conceptualization of WOM to the online environment is an important contribution of this study as eWOM messages are of a different nature to verbal WOM messages. Firstly, eWOM messages are more tangible and easier to track and study (Godes & Mayzlin 2004). Researchers of eWOM communication can enrich their data by examining the cognitive and affective aspects of these messages. Secondly, the affective aspects of verbal WOM and eWOM messages are communicated and interpreted differently. In verbal WOM, a receiver can use body language or vocal tone to infer affective elements; however, he/she will have to look for different cues in eWOM. For example, non-verbal communication in eWOM messages can come in the form of 'smiley faces', 'emoticons', and the use of exclamation points, bold, and capital letters. Thus in the context of eWOM, Sweeney, Soutar, and Mazzarol's (2008, 2009) two affective dimensions, concerning affective content (richness of the message content) and affective delivery (power of the delivery) were found to be indiscriminant, which seems conceptually appropriate in the online environment (e.g. power through words and emoticons etc.).

### **Limitations and Future Research**

This study has a few limitations, which can open up opportunities for future research. First, the context of this study is restricted to financial services; therefore, it has yet to be seen whether the model can be generalized to other industries where eWOM activity is also prevalent (Allsop, Bassett, and Hoskins 2007). Second, the model in this study was tested with the perceptions of senders of eWOM in online communities. Given the critical role of the receiver of the WOM message in understanding and acting on the message given; the perceptions of eWOM receivers need to be evaluated. This is a pressing opportunity to extend the present study to such an audience. It would also be worthwhile investigating these effects across the different recipient motivations for reading eWOM messages (Hennig-Thurau and Walsh 2003-4). Understanding the motivations for WOM activity (both sender and receiver), especially in online forums will further possibilities of leveraging the attractiveness of products/services through this important communication mechanism.

The present study modified Hennig-Thurau et al.'s (2004) motivation category 'concern for others' by dividing the motivation into 'helping other consumers' (positive eWOM) and 'warning other consumers' (negative eWOM). Since WOM can either be positive and negative, it would be useful for future studies to reclassify these motivations to better reflect the outcome of the consumption experience, as well as the valence of eWOM messages.

Finally, the amount of information that consumers receive from a WOM message may depend on whether it is spoken or written. Sun et al. (2006) argue that written communication offers better logical order than oral communication. Since online communities facilitate a greater flow of information (Brown, Broderick, and Lee 2007), the information content and logical sequencing of eWOM messages warrant more attention in future research.

We anticipate that this research is not an end in itself but may act to spur further research in this rapidly expanding and fruitful area of eWOM in online communities.

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