THE ROLE OF SOCIAL TIE STRENGTH AND INFORMATION IN EWOM FOR DIFFERENT CHANNELS

María Elizabeth and Doyle Kim

Master, Professor, Department of Business Administration, University of Ulsan

How do people decide which information is useful for them while making a purchase decision? One of the most used sources of information when it comes to the process of decision making is the "Electronic Word of Mouth" (EWOM), its importance has promoted a significant increase on the interest of academics and business industry in this topic.

Responses to traditional marketing and advertising are becoming adverse due to the increase of clutter (Dellarocas, 2003), and consumers require more information to lessen uncertainty and perceived risks, and in order to gather information they normally rely on reviews or judgement from others who have previously purchased or used the product, therefore they take decisions based on other people's experiences (Albarq & Al-Doghan, 2020; Hernandez-Ortega, 2017).

Many analyses had been done regarding to EWOM from diverse perspectives, even so, two key debates remain wandering. The first one refers to the moderating role of platform and its characteristics for the effect of EWOM on sales; and the second one focuses on EWOM metrics (Babic, Sotgiu, de Valk, & Bijmolt, 2016).

The present research will focus in the first one of these aspects, the reason of focusing in this is because attitudes toward EWOM communication have been neglected or just analyzed by the advertising literature (Gvili & Levy 2016) and there is barely any research that has examined the relationship established between the participants of the EWOM process and how the receiver evaluates the information received or how they can be connected with the source of the information (Hernandez-Ortega, 2017).

In the EWOM context, the few studies have considered the effects of social tie strength (Hernandez-Ortega, 2017; Huang et al., 2016; Tangari, Burton, and Smith 2015). Previous literature remarks that in EWOM the anonymity between the communicator and the receiver of the information has a negative effect on the credibility (Albarq & Al-Doghan, 2020); nevertheless, more recently we can note that strong ties can also share information through electronic channels and therefore the consumer will have a high trust in these sources of information (Hernandez-Ortega, 2017).

This study extended prior EWOM research by addressing its impact in different channels, and how the divergence in the social tie strength among channels affects the outcomes of the information analysis. We aimed to investigate whether the channel used to transmit the EWOM will have different

effects the consumers' trust, and in their response to the message, leading to either reinforce the purchase intention or to increase the discomfort on the decision; nevertheless, this will be moderated by the information (quality and quantity), and the social tie between the sender and receiver of the message.

Four EWOM channels were selected for the study, and classified in three groups, this were: first, video sharing sites and blogs; second, social networking sites; and last, community forums. Figure 1 shows the research model proposed for the research:

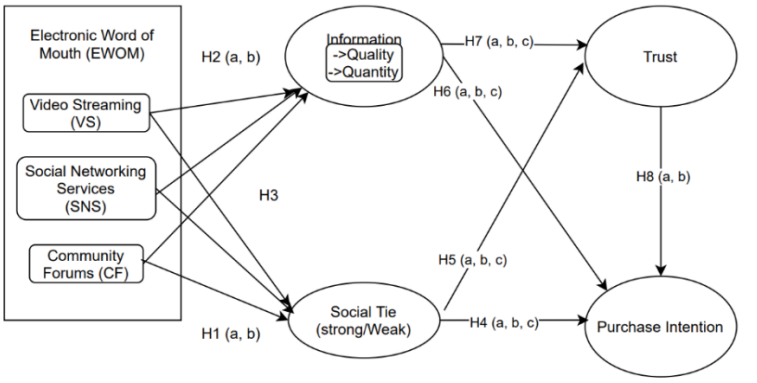

Figure 1

Research model

A total of 263 users of the mentioned online sites, who use those sites as a source of information for making purchase decisions completed an online survey. The sample was recruited through international student's online groups and snowball sampling.

Consistent with the process used by Zhang, Feick, & Mittal, (2014), the channel condition was manipulated by presenting 3 different scenarios, one per each channel, these hypothetical cases will be related to the items related to the tie strength mediator variable, and the dependent variables of trust and purchase intention. The participants were divided in three groups; each group will answer the survey from one of the three channel perspectives.

Validity tests (convergent and discriminant validity) were performed to validate the measurement scale before the main stage of analysis. The measurement model was tested by two techniques: Exploratory Factor Analysis (EFA) using SPSS and Confirmatory Factor Analysis (CFA) using AMOS.

EFA results showed a fit of .791 KMO significant at a p of 0.000< 0.00, validity was measured with significant Cronbach Alpha and Composite Reliability with significant values higher than 0.6 and 0.5 respectively. CFA also showed acceptable fit indices x2/df = 2.162 < 5.0, RMSEA 0.069 < 0.08, GFI 0.949, AGFI 0.903, IFI 0.958, NFI 0.925, and CFI 0.949, all above the acceptable value.

Then, the data analysis was divided in two phases. First ANOVA was run in order to prove the mean differences for the three studied groups; and second, a multi group analysis was run in AMOS in order to obtain the estimates for the relation of the model variables.

The test of homogeneity in ANOVA for the social tie and information variables showed a P value of 0.007 < 0.05, and 0.004 < 0.05 respectively, rejecting in both cases the null hypothesis that the values are equal. Alternatively, the results of the multi group analysis yielded good fit overall considering x2/df = 1.830 < 5.0, RMSEA 0.059 < 0.08, GFI 0.922, AGFI 0.806, IFI 0.936, NFI 0.869, and CFI 0.930, all above the acceptable value. The nested model comparison also showed a chi squared difference of 120.458 (df=32), as the unconstrained model has a x2 = 98.831 (df=54), and the constrained model showed a x2 = 219.289 (df=86).

Subsequently, the results revealed that there is a significant difference between video sharing sites and blogs, social networking sites, and community forums in the way that social tie and information influence consumers' trust and purchase intention; and that there is an inverse relationship between the groups and the independent variables "social tie" and "information" having SNS the closest connection with social tie and the weakest link to information.

There are three main practical implications that can be taken from this study: first, EWOM should be used differently depending on the channel chosen. Second, for the case of SNS and CF, as the social tie is more relevant, reviews may not be contingent to pay, therefore the way of increasing positive EWOM is through promoting brand equity and loyalty. And third, increasing consumers' trust does not necessarily improve purchase intention.

This study is relevant because companies need to understand how customers influence each other and how to manage these customer interactions (Blazevic, et al. 2013) and the findings could allow retailers, social media marketers and designers of SNS platforms to understand how an EWOM influences the consumer's purchase decisions and how they should manage marketing initiatives by designing effective virtual strategies (Hernandez-Ortega, 2017).

Future research should address the limitations apparent in the current study. The study could be replicated taking participants from a single country to check whether the results change considering just one cultural background; also, taking a more specific target objective could also give a clearer perspective to enhance consumer's purchase intention depending on the channels used by the consumers of specific products or services. Also, in this study video sharing and blogs were considered under the same category of sites, separating them could also bring different results to the analysis.