

## More Adverts or More eWOM's

A. Mohammed Abubakar\* and Mustafa Ilkan

Eastern Mediterranean University, Gazimagusa, North Cyprus, Mersin 10, Turkey

The increase use of internet as source of information by consumers has raised concern among firms as well as practitioners, regarding the effectiveness of such information. Consumers have become savvier using the internet to gather information about products and/or services; trust in traditional advertisements has decrease and Marketers are particularly interested in better understanding electronic word-of-mouth (eWOM) because traditional forms of communication "advertising" appear to be losing effectiveness [1]. Subsequently, majority of e-Shoppers perceive opinions posted online more trustworthy than brand communities [2]. Hypermedia has created many opportunities for eWOM communication in the field of marketing; as information can be readily accessed online. According to the New York Times 65% of new business comes from referrals; indicating that most customers are gained through referrals and not advertisement.

eWOM diffuses rapidly because of its unique features; these features encompass its anonymous nature, multiple recipients as well as its availability anytime, anywhere [3]. Hypermedia has facilitated power shift in the marketplace from manufacturers to consumers [4], by providing useful information at the fingertips of consumers and at the same time reduce the cost, stress and barriers of information search process. Hence, steady stream of referrals can attract profitable customers and at the same time improve customer loyalty [5]. According to WOMMA [6] 90% of small businesses considered word-of-mouth marketing very important as one of their marketing tools and 59% of people say that a driving force in their purchase decision is based on eWOM.

Manufacturing and leading service organization strive to maintain a superior product and/or service quality in an effort to gain customer loyalty [7]. The key to sustainable competitive advantage lies in delivering high quality service that will in turn result in satisfied customers [8]. One influential empirical study showed that eWOM's possesses influences on consumers' attitudes and purchase intentions [9]. Further, social interaction was found to be a significant motivator for e-shopping activities [10] and the eWOM is cost-effective and convenient alternative to advertising [11]. These findings are statistical estimates, other results are also possible. As a conclusion, a proactive

approach to eWOM is by listening to customers, because listening to their opinions can help firms generate feedbacks, suggestions and complains database, as such they can improve future product features and services. The eWOM is a strong competitive advantage tool which allows marketing managers to use information related to weakness and strength of rival firms [12], in order to develop counter strategic measures. Marketers endlessly working with eWOM platforms may be able to analyze their strength, weakness, opportunities and threats, by assessing their firm's reputation and terms used to describe their products/services [13].

### References

1. Nail J (2005) What's the Buzz on Word-of-Mouth Marketing? Social Computing and Consumer Control Put Momentum into Viral Marketing.
2. WOMMA (2012) Word of Mouth Marketing Association.
3. Litvin SW, Goldsmith RE, Pan B (2008) Electronic Word-Of-Mouth in Hospitality and Tourism Management. *Tourism Management* 29: 458-468.
4. Goldsmith RE, Horowitz D (2006) Measuring Motivations for Online Opinion Seeking. *Journal of Interactive Advertising* 6: 1-16.
5. Van den B (2010) Financial evaluation of customer referral programs.
6. Nielsen AC(2007) (Retrieved September, 2009)
7. Nadiri H (2012) Zone of Tolerance – How to determine whether it is "Narrow" or "Broad"?
8. Shemwell DJU, Bilgil Z (1998) Customer-service provider relationships: an empirical test of a model of service quality, satisfaction and relationship oriented outcome. *International Journal of Service Industry Management* 9: 155-168.
9. (Retrieved December, 2012). Available at <https://repository.unm.edu/handle/1928/10319>
10. Rohm AJ, Swaminathan V (2004) A typology of online shoppers based on shopping motivations. *Journal of Business Research* 57: 748-57.
11. Sormunen V (2009) International Viral Marketing Campaign Planning and Evaluation, Master's Thesis in International Business, Helsinki School of Economics.
12. Goldsmith RE, Horowitz D (2011) Measuring motivations for online opinion seeking. *Journal of Interactive Advertising* 6: 3-14.
13. Bronner F, Hoog de R (2010) Vacationers and eWOM: Who Posts, and Why, Where, and what? *Journal of Travel Research* 1-12.

\*Corresponding author: A. Mohammed Abubakar, Eastern Mediterranean University, Gazimagusa, North Cyprus, Mersin 10, Turkey, Tel: 00905428766882; Fax: 00903923651574; E-mail: [mohammed.abubakar@cc.emu.edu.tr](mailto:mohammed.abubakar@cc.emu.edu.tr)

Received January 16, 2013; Accepted January 17, 2013; Published January 18, 2013

Citation: Abubakar AM, Ilkan M (2013) More Adverts or More eWOM's. *J Bus & Fin Aff* 2:e129. doi:10.4172/2167-0234.1000e129

Copyright: © 2013 Abubakar AM, et al. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.