



‘INFLUENCE OF CONSUMER PERSONALITY ON WORD OF MOUTH BEHAVIOUR LEADING TO BRAND ACTIVITY’

Prachi Gupta

Research Scholar, Faculty of Management, Pacific Academy of Higher Education and Research University, Udaipur, India.

Shagun Singh

Student, Department of Marketing, ITM Business School, Navi Mumbai-410210, India.

ABSTRACT

Some of the major developments that mark the world today are the clutter of media, heavy spending on these media by marketers, information overload for the consumers, increasingly complex nature of the newly introduced products. Surprisingly all this is not bringing desired results for the marketers, mass media not coming at their rescue, leading them to rethink and relook in different directions.

Ultimate objective of every marketer is to invest resources and efforts towards gaining loyalties of customers. Media sources, reliable and credible ones definitely help marketers in achieving this objective, as it is media that brings consumers in connect with the product/service. Word of Mouth is one media which projects high credibility & trustworthiness as it is free from marketers' commercial objectives and is based on customers' experiences.

In the current research the aim is to identify the personality traits of those individuals who indulge in WOM dissemination with regard to hospitality market especially the restaurants segment which is a growing area, where media messages and advertisements have increased immensely. The results of this study will help marketers in the development of effective WOM strategy.

Keywords: Personality traits, word-of-mouth, influencer, strategy, brand activity

Research Gap

Impact of globalization and consumerism today is seen by the existence of markets overloaded with multitude of options for the customers, leading to increased confusion in decision making. Marketers are facing challenge on both sides of their business, weak loyalties on one hand and low ROI on the other. Companies are constantly on the lookout for some methods through which they can maximize profits without shelling out millions of dollars for mass advertising. At the same time consumers are looking for help which comes from a trustworthy source. Word-of-mouth as a media cost effective for marketers & credible for customers comes as a rescue for providing the right impact. Development of effective WOM strategy depends on identifying the individuals who can act as catalyst for the same.

The overdose of information and the content gives the marketers tough time in breaking through the clutter as well as in targeting their segments. So the major problem faced by marketers is in convincing the customers about the authenticity of their service.

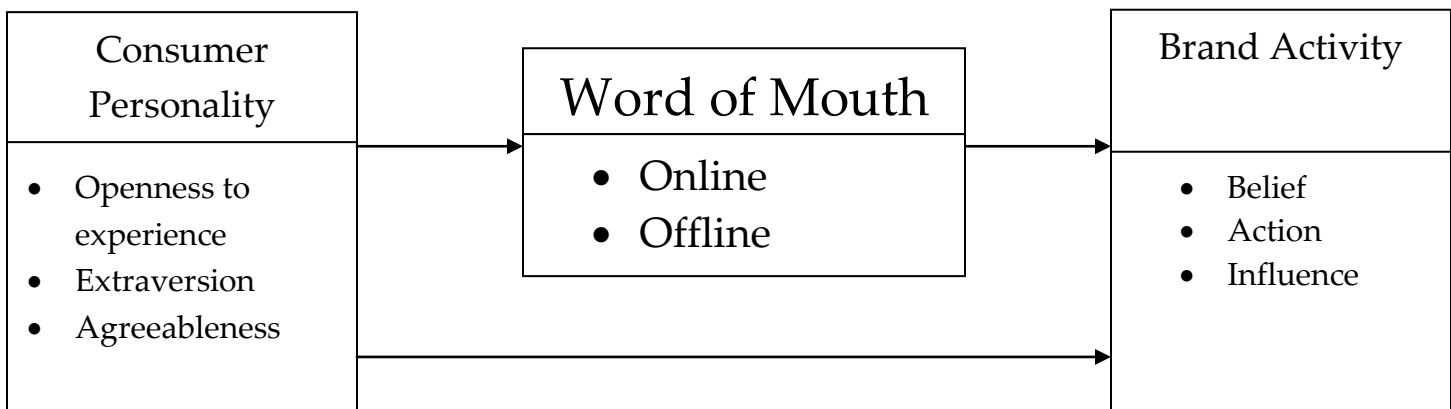
There are people who often get influenced by content and the experience shared in the review. Marketers shall therefore target those personalities which get influenced by experience based marketing and are capable of being influencers for others by spreading the word of mouth. Hence, this study seeks to fill the gap in research that exists in the area of identifying the personality traits (based on Big Five factor model) and then connecting these traits to WOM.

Interpersonal communications have been enjoying a very important place in the social parlance since long and thus being considered a very effective tool by marketers to generate influence and gain positive results. Such interpersonal communications, popularly referred to as Word-of-Mouth (WOM), definitely show their stronger influence in shaping consumer choice than the medium of advertising which circulates only firm sponsored & controlled messages (Godes et al., 2005; Walsh, Gwinner, & Swanson, 2004; Buttle, 1998). Word-of-Mouth helps in developing community and thus through this community power is able to exercise a positive influence on the brand. Identifying consumers with relevant personality traits and then directing communication strategies specifically focused on the attitude behavior of these individuals paves the path towards developing relationships with them which may lead to some level of brand activity.

Objectives of Research

1. To understand the online and offline word-of-mouth behaviour of individuals
2. To identify the impact of word of mouth in marketing hospitality services, especially in restaurants segment
3. To assess the strength of the impact of online v/s offline word of mouth which leads to certain level of brand activity
4. To identify the personality traits of individuals with regard to their word of mouth beliefs, actions and influence
5. To identify if lifestyle has a role to play in the word-of-mouth behaviour of individuals
6. To identify if demographics has a role to play in the word-of-mouth behaviour of individuals

Conceptual Model



Literature Review

Word of Mouth and its importance

There are so many purchases that we make & so many services that we avail everyday based on the recommendations made by our friends or family members. This recommendation as a force is getting stronger in driving people towards buying decisions. To this force, marketers have given the term which is known as word-of-mouth (WOM) communication and which is very persuasive and influential in nature.

Further on, in this regard Schiffman and Kanuk (2005), have stated that from consumer's point of view, it's the informal sources of communication which hold more importance than formal sources as in the former the disseminator of information has no inherent gain involved in the purchases if made by the receiver of information. This definitely makes the WOM communication greatly persuasive.

On the importance of WOM, different researchers at different times have come out with numerous data which draw a comparison between WOM and other traditional sources of media. Katz and Lazarsfeld (1955) in their research have stated WOM to be a highly effective tool in making consumers to switch brands. Their research found WOM to be seven times more effective than print media, four times more than personal selling and twice that of radio in influencing consumers in this phase. Day (1971), in his study compared WOM with advertising on the power of each to convert consumer's negative/neutral attitudes to positive ones and found WOM to be nine times more effective on this dimension. Another researcher Morin (1983), brought in more specificity in his research as he studied the power of WOM & advertising over 600 different products and found the former to be thrice as effective in increasing purchases. WOM as a means to attract customers and turn them into loyal ones has been widely covered in the works of various researchers (Duhan, Johnson, Wilcox, Harrell, 1997).

Silverman, one prominent writer in this field also gives great importance to the two factors of credibility and independence of the source of the WOM message. Consumers are giving high importance to interpersonal communication and have started basing their purchasing decisions more and more on the suggestions & recommendations coming from their social circle and now even from the unknowns on the internet (Harris, 1999).

Organisations have started to realize the power of word-of-mouth which can give effective results if controlled & managed correctly. Generating positive word-of-mouth and controlling negative word-of-mouth are the twin objectives of the corporations to manage their image.

Online v/s Offline WOM

The internet as a medium and the e-WOM that it generates has today become an important phenomenon (De Bruyn and Lilien, 2008, cited in Longart, 2008). In the purchase decision

making process of consumers, new elements of electronic reviews, viral campaigns, e-WOM have added further complexity (Mintel,2008). Since the text reviews posted on the internet can maintain anonymity, thus it gives ample scope to the marketers to influence the consumers with fake e-WOM that may be perceived as user generated content (UGC) by the gullible readers basing their decisions on the same. So, here again arises the question of credibility and trust on the media

Many marketing researchers and their studies support the offline media over online for the sharing of information about brands. Authors of ‘The Face-to Face Book: Why Real Relationships Rule in a Digital Marketplace’, Ed Keller and Brad Fay state that more than two-thirds of conversations which Americans engage in take place in person which involves a recommendation to buy, consider or avoid the brand. The annual marketing management survey run by the magazine PR Week, also found that 69% of marketing managers in the US include the targeting of influencers as part of their strategy. The UK trade association WOMMA puts offline WOM activity at 85%, it being emanated from communicator known to the recipient and hence a trusted one.

There are some researchers who do not undermine the importance of any one media over the other, but consider each to be relevant for specific kinds of sectors. According to “On Brands and Word of Mouth,” published in the Journal of Marketing Research in August 2013, sectors like media and entertainment, technology and automotives create more impact through online media as compared to household products, beverages, food and dining, where offline media works better.

The role of personality traits on WOM dissemination

WOM dissemination takes place at the interpersonal level, where each individual unit has an important role to play. Which individuals indulge in dissemination of WOM, what messages they spread, how effective is their word-of-mouth communication, all this can have a strong connection with individual’s personality traits.

Not everybody is concerned about giving or receiving reviews, there are few types of personality which are dedicated towards the same. The Big Five personality traits, also known as the Five Factor model (FFM), is a widely examined theory of five broad dimensions used by

some psychologists to describe the human personality and psyche. The five factors have been defined as openness to experience, conscientiousness, extraversion, agreeableness and neuroticism. This research focuses on three personality types of the Five Factor model.

Openness to experience

Individuals with this personality are mentally inquisitive, open to feeling, delicate to excellence and willing to attempt new things. They tend to be, when compared to closed people, more creative and more aware of their feelings. They are also more likely to hold unconventional beliefs.

Extraversion

Extraverts appreciate connecting with individuals, and are regularly seen as brimming with vitality. They have a tendency to be excited, activity arranged people. They have high gathering perceivability, as to talk, and declare themselves.

Agreeableness

The Agreeableness characteristic reflects singular contrasts when all is said and done in sympathy toward social harmony. Pleasant people, believe in getting along with others. They are for the most part accommodating, kind, liberal, trusting and dependable, supportive, and willing to trade off their interests with others.

Research methodology

The study was conducted in two phases.

Phase 1

A pilot study was conducted on 30 respondents to find out the influence of online and offline WOM in hospitality sector and which type of personalities play a vital role in the spread of WOM. Data collection was done through structured questionnaire and data was analysed using SPSS 20.

Phase 2

A Descriptive study is carried on for a sample of 162 after incorporating the findings from pilot study. A structured Questionnaire using Likert's scale is used for the primary data collection.

Both Bi-variate as well as Multi-variate statistical tools are used to analyse the data. ANOVA, Correlation tests, multiple regression are used to analyse the data using SPSS 20.

Data was collected from both secondary sources and primary sources. Secondary sources include books, journals, online journal sites like Ebsco and Proquest.

Data Analysis & Results

Demographic Profile

		Frequency	Percentage
1	Age		
	20-24	84	51.9
	25-29	27	16.7
	30-34	10	6.2
	35-40	3	1.9
	41-45	20	12.3
	Above 45	18	11.1
2	Gender		
	Male	98	60.5
	Female	64	39.5
3	Education qualification		
	Graduate	81	50.0
	Post Graduate	71	43.8
	PhD	8	4.9
	Diploma	2	1.2
4	Marital Status		
	Married	53	32.7
	Unmarried	106	65.4
	Other	3	1.9

The sample for study had a balanced composition wherein care was taken to gain perspective from groups across various demographics.

Hypothesis 1

Ho There is no significant correlation between consumer personality and offline WOM behaviour

Ha There is significant correlation between consumer personality and offline WOM behaviour

Hypothesis 2

Ho There is no significant correlation between consumer personality and online WOM behaviour

Ha There is significant correlation between consumer personality and online WOM behaviour

Table 1 Correlation:

	ONLINE	OFFLINE
EXTRAVERSION		
Pearson Correlation	.478**	.459**
Sig. (2- Tailed)	.000	.000
OPENNESS		
Pearson Correlation	.436**	.371**
Sig. (2- Tailed)	.000	.000
AGREEABLENESS		
Pearson Correlation	.436**	.394**
Sig. (2- Tailed)	.000	.000

** . Correlation is significant at the 0.01 level (2-tailed).

Hypothesis 3

Ho There is no significant difference between various demographics with regard to offline WOM behaviour

Ha There is significant difference between various demographics with regard to offline WOM behaviour

Hypothesis 4

Ho There is no significant difference between various demographics with regard to online WOM behaviour

Ha There is significant difference between various demographics with regard to online WOM behaviour

Table 2 ANOVA:

			Sig.	Mean Value
AGE	ONLINE	Between Group Within Groups Within Groups	.058	3.304
	OFFLINE	Between Group Within Groups Within Groups	.202	3.794
Education	ONLINE	Between Group Within Groups Within Groups	.105	3.304
	OFFLINE	Between Group Within Groups Within Groups	.979	3.794

Interpretation

Table 1 shows that openness to experience, extraversion, agreeableness as personality traits are significantly correlated with online and offline WOM behaviour of an individual.

Whereas Table 2 shows that there is no significant difference between the various education groups and various age groups in regard to their online and offline WOM behaviour. T

he mean values as is clear from Table 2 fall between 3 & 4 i.e. between neutral and agree, which indicates that there is not much impact of demographics on online and offline WOM behaviour.

Thus the research indicates evidently the need for marketers to identify the consumers with specific personalities across different demographics who can play an effective role in spreading WOM online and offline.

Hypothesis 5

Ho There is no association between consumer personality and lifestyle related online activities

Ha There is association between consumer personality and lifestyle related online activities

Hypothesis 6

Ho There is no association between consumer personality and lifestyle related offline activities

Ha There is association between consumer personality and lifestyle related offline activities

Table 3 Multiple Regression:

	ONLINE ACTIVITIES	OFFLINE ACTIVITIES
EXTRAVERSION		
Standardized Coefficient B	.238	.256
Sig	.008	.013
OPENNESS		
Standardized Coefficient B	.213	.004
Sig	.018	.968
AGREEABLENESS		
Standardized Coefficient B	.174	.027
Sig	.042	.786

Interpretation

In this research time spent on networking, booking, shopping etc are included in lifestyle related online activities and activities like travel, eating out are included in lifestyle related offline activities. Table 3 shows the significance value as less than .05 in the first column of online activities, thus consumer personality has an association with the lifestyle related online activities that individuals indulge in. Extraversion as a personality has strongest association herein.

With regards to the offline activities Table above shows association with extraversion personality and not with openness to experience and agreeableness. This states that marketers need to focus on extravert individuals as their lifestyle is high on both online and offline activities. For online WOM dissemination all three personality types can be targeted but for offline WOM dissemination, individuals with extraversion personality should be marketer's first choice.

Hypothesis 7

Ho Brand activities do not depend upon consumer personality

Ha Brand activities depend upon consumer personality

Table 4 Multiple Regression:

	ONLINE Action	ONLINE Belief	ONLINE Influence	OFFLINE Action	OFFLINE Belief	OFFLINE Influence
EXTRAVERSION						
Standardized Coefficient B	.204	.256	.201	.305	.266	.227
Sig	.025	.009	.043	.001	.004	.024
OPENNESS						
Standardized Coefficient B	.217	.093	.065	.112	.088	.048
Sig	.017	.338	.512	.223	.335	.627

AGREEABLENESS						
Standardized Coefficient B	.192	.107	.133	.141	.216	.100
Sig	.032	.264	.172	.123	.018	.308

Interpretation

Table 4 provides some very interesting and useful results. Online action which comprises of posting and checking reviews about a restaurant, shows dependency on all three personality types as this is the latest trend picking up especially in the experience based services. With regard to online beliefs dependency is seen only on Extraversion personality. This once again brings forth the previous result where strong association was seen between extraversion personality and their engagement in various online activities, which can be because of their strong belief in the media. Strong belief on media and high amount of time spent on various online activities definitely indicates this type of personality getting influenced by the same, as is also brought forward through the result of multiple regression in table 4.

On the offline action, belief and influence, dependency is once again seen on extraversion. These offline brand tendencies are not dependent on the personality of openness to experience but offline belief is showing dependence on the personality of agreeableness. These results can help the restaurant food and service providers to target different personalities for building online and offline WOM strategies.

Managerial Implications

One critical question that has been posed to researchers since long relates to the way of identifying the WOM disseminators. This study will help the marketers in this endeavour as it will enable them in identifying the different personality traits of people who disseminate WOM. This study can make an important contribution by connecting the concept of individual personality with Word of Mouth and Brand activity for the growing sector related to restaurant services

The results of this study can aid the marketers in the design of marketing and influence strategies which can both reduce waste in resources and generate greater sales. The study will help the marketers to explicitly target the people of this important segment individually or as a relative homogeneous group. It will go a long way in helping the marketers in their pursuit to identify customers who have a role in building trust for the firm.

References:

1. Bruyn, Lilien, A multi-stage model of word-of-mouth influence through viral marketing, *Intern. J. of Research in Marketing* 25 (2008) 151–163
2. Buttle (1998), Word of mouth: understanding and managing referral marketing, *JOURNAL OF STRATEGIC MARKETING* 6 241–254
3. Clark, R.A. & R.E. Goldsmith (2005). Market mavens; Psychological influences. *Psychology & Marketing*, 22 (4): 289-312
4. David Roberts (2009) Word of Mouth and Influencer Marketing Literature Review Summary
5. Day G.S. Attitude change, media and word of mouth / G.S. Day // *Journal of advertising research*. – 1971. – № 6, Vol. 11. – P. 31-40.
6. Duhan D.F., Johnson S.D., Wilcox J.B., Harrell G.D., Influences on consumer use of WOM recommendation sources, *Journal of the Academy of Marketing Science*. – 1997. – № 4, Vol. 25, pp. 283-295.
7. Egli, A. and Gremaud, T. (2008), ‘Die Kundenrevolution: Warum Unternehmen umdenken müssen’. Kaul, H. and Steinmann, C. (Eds.), *Community Marketing: Wie Unternehmen in sozialen Netzwerken Werte schaffen*, Stuttgart, SchaefferPoeschel, pp. 3-15.
8. Godes and Mayzlin (2009) Firm-Created Word-of-Mouth Communication: Evidence from a Field Test, *Marketing Science* 28(4), pp. 721–739
9. Harris, G. (1999), *Empfehlen Sie uns weiter: Mundpropaganda als Marketinginstrument*, Wien, Signum Verlag.
10. Heuer, S. (2008), Darf ich behilflich sein, <http://www.brandeins.de/archiv/magazin/das-marketing-ist-tot-es-lebe-dasmarketing/artikel/darf-ich-behilflich-sein.html> (accessed 4/6/2010).
11. Jacques Bughin, Jonathan Doogan, and Ole Jørgen Vetvik (2010), a new way to measure word of mouth marketing
12. Katz, E., P. F. Lazarsfeld. (1955). *Personal Influence*. Free Press, Glencoe, IL.
13. Kimberly A. Whitler (2014), *Why Word Of Mouth Marketing Is the Most Important*
14. Markert, G., 2008, *Weiterempfehlung als Marketingziel: Analyse, empirische Prüfung und Managementimplikationen*, Wiesbaden, GWV Fachverlage.
15. Morin S.P. Influentials advising their friends to sell lots of high-tech gadgetry / S.P. Morin // *Wall street journal*. – 1983. – Vol. 28. – P. 30.
16. National restaurant association (2013), *Word of mouth, convenience, technology key to restaurant selection*
17. Radic, D. and Posselt, T. (2009), ‘Word-of-Mouth Kommunikation’. Bruhn, M, Esch, F.-R. and Langner, T. (Eds.), *Handbuch Kommunikation: Grundlagen – Innovative Ansätze – Praktische Umsetzungen*, Wiesbaden, GWV Fachverlage, pp. 249-266.

18. ROSEN (2000), E. The Anatomy of buzz: how to create word-of-mouth marketing. New York: Doubleday.
19. Schiffman G Leon and Kanuk Leslie Lazar (2005), Consumer Behaviour, Pearson Education, Singapore.
20. Walsh, G., K.P. Gwinner & S.R. Swanson (2004). What makes mavens tick? Exploring the motives of market mavens' initiation of information diffusion. Journal of Consumer Marketing, 21 (2), 109-122