A Study of the Factors Influencing WOM Effects in Online Environments

온라인 구전효과의 영향요인에 관한 연구

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Online communication created new paradigm of information flow via consumer-to-consumer communication.
Few research has been done for Word of Mouth(WOM) effects in online environments even though its expanding importance in practical and academic marketing environments.
This study broadly reviewed the factors influencing WOM effects in online environments and proposed a research model for WOM effects.
First, we identified information characteristics of WOM in online context. Consensus, Vividness, Community interaction, Accessibility and Flexibility are proposed as information characteristics of online WOM. Second, we proposed dual path model of online WOM that information characteristics influence the WOM effects via the mediating variables of credibility and referability. Finally, the implications of this work to both researchers and practitioners were discussed.

Key words: online word-of-mouth, online information, credibility, referability, consensus, vividness, community interaction, information accessibility, information flexibility

I. Introduction

Until recently, most Word of Mouth(WOM) communication was limited to a consumer's existing social networks. These are confined to local geographic areas, friends, or family members. But the Internet allows previously

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unacquainted individuals, who are separated by great distances, to locate and communicate with people who share their interests. Through online exchanges, consumers can learn about the first hand product experiences of people they're never met. The exponential growth of the Internet has rendered the WOM process as one of the most powerful interpersonal communication means in our society today—capable of reaching an unlimited number of Internet users.

we can see the impact of WOM in the internet community or newsgroup, in which consumers make compliments and negative reviews, seek information, share experiences, ask other's favor about the products or services.

Consumer to consumer communications as well as these reciprocal communication and interactions expanded with the internet. Information exchange among consumers through the internet means that companies can search and browse their customers’ opinion for products and services easily in the computers in the form of text. Also they can identify their customers and segment their customers based on these communication exchange.

Internet communications provoke the new forms of communication of online WOM and made it more powerful, WOM communication became more powerful in its reach and speed in internet environments becoming more explicit and collective rather than implicit and personal.

Message characteristics is more important in online WOM rather than traditional WOM. So it would be one of the main issues to identify the information characteristics of WOM in online environments.

Although many companies are paying attention to WOM or online WOM, there are few researches on online WOM. Some explorative researches focus on the characteristics and motives of online WOM, but little about the factors affecting on online WOM effects.

Studies on the information characteristics of online WOM and the factors influencing the effects of online WOM are needed.

The purpose of this study is to investigate the applicability of online WOM to marketing, find some implications and develop a model relating to online WOM effects.

Specific purposes of this study are fourfold. First, we explore the characteristics of online WOM, find some implications and develop a model relating to online WOM characteristics and its effects. Second, we examine the successful way to utilize online WOM for marketing activities in online environments. By doing this, the potential effectiveness of online WOM can also be studies in the business-to-consumer and consumer-to-consumer relationship management. How to manage online WOM information and organize and operate it based on online community will be presented. Third, the model accounting for online WOM characteristics and effects is designed on the