1. INTRODUCTION

Word-of-mouth communication represents the "face-to-face" communication between two or more people including the receiver and the sender, where the latter is perceived as a non-commercial source of information regarding the product, service or brand (Stokes and Lomax 2001). WOM communication has a great influence on the consumer's loyalty, selection or switch of the product or service (Wangenheim and Bayon 2004). Since the sender reflects the source of information having no interest in recommending the product or service, WOM communication exhibits a high degree of persuasion (Herr, Kardes and Kim 1991, Murray 1991, Silverman 2001 in Mazzarol et al. 2007). With respect to the efficacy of the WOM communication, the personal influence plays a huge role in forming the attitudes or directing the buying behavior and new product adoption (Kotler et al. 2006).

Word-of-mouth communication accounts for the current and compound marketing research area. Some researchers (Misner 1994 in Leeuwis 2009, Hubijar 2011) pointed out that WOM area, as an efficient marketing communication type, needs additional explanations and researches. The
research contributions so far showed that, in comparison to some traditional marketing communication forms (e.g. advertising), WOM can be seen as very powerful in terms of making the buying decisions (Ho and Dempsey 2010). Some authors argued that, in general, WOM represents a more influential promotional tool than the other types of communication (Bambauer-Sachse and Mangold 2011).

The influence of WOM communication is undoubtedly notable, but the important question is: which factors influence the WOM communication (both sending and receiving) that has a great impact on the consumer's behavior? The point of this paper is to stress the need for WOM communication research, including the perspectives of sender and receiver, as well as application of the multi-dimensional factor approach. Namely, when it comes to the consumer, the consumer behavior needs to be studied from the point of multiple factors’ influences, which should be a direction toward forming the conceptual model of WOM communication that would integrate the relevant factors. Besides the scientific contributions, this problem area has also a practical significance. The marketing experts can benefit from understanding the WOM communication and relevant factors and use the WOM as a promotional tool while developing the successful marketing communication strategy.

2. THE ROLE AND RELEVANCE OF WOM COMMUNICATION

Word-of-mouth communication represents an "old-new" communication phenomenon having a significant promotional role considering other marketing communication types. Namely, WOM marketing can triple the efficiency of advertising (Hogan et al. 2004). Furthermore, 61% of consumers rely on the communication with their friends and family when it comes to buying a particular product (Hampton 2006 in Moore 2009); 15% of consumers' everyday conversations consist of some kind of a recommendation about products or services (Carl 2006 in Moore 2009). This shows that WOM communication constitutes a very powerful and substantial promotional medium.

Past WOM research analysis (Allsop et al. 2007; Sweeney et al. 2008) revealed that the significance of WOM communication is increasing and becoming stronger due to the consumers’ saturation and distrust toward the institutions, standard means of advertising and new communication tools. Positive WOM communication outcome is important for the companies; however it is crucial to understand the factors influencing the positive WOM communication. In addition, Mowen, Park and Zablah (2007) emphasized the importance of stimulating the WOM communication in practice by determining the characteristics of the individuals willing to act as WOM senders and receivers and thus enable the development of the persuasive and successful marketing communication.

Given the fact that the consumers differ in their behavior, the comprehension of WOM communication poses a challenge due to its complexity in terms of the variety of factors that influence WOM communication. Some researchers (Sweeney, Soutar and Mazzarol 2008) argued that the improvement of the knowledge regarding the factors, increasing the efficiency of WOM communication, would result in a better understanding of WOM, which could turn into a more successful promotional instrument.

3. HISTORY OF WOM RESEARCH

Research works in this area started in the 60s of the last century. That was the time when the first researchers, such as Brooks (1958) and Dichter (1966) (according to Lin and Liao 2008), appeared. Since then, according to Lin and Liao (2008), WOM research expanded into three directions. The first direction researchers studied the message as a basis of the communication focusing on the ‘‘face-to-face’’ communication and electronic WOM communication (eWOM). Second research stream dealt with WOM communication in a form of recommendation and its influence on buying decision making, product or service evaluation and consumers’ attitudes formation. The researchers of the third flow investigated the significance and effects of WOM communication in terms of the product, as well as the means of overcoming the negative word-of-mouth communication.

According to Lin and Liao (2008) the most cited works from the field of WOM problem area can be summarized according to the period of time as follows:

- Research before and during the '70s
At this point of time researchers were focused on determining the influence of advertising and consumers' psychological characteristics on the WOM communication (Dichter 1966), the role of the innovators in terms of WOM (Engel et al., 1969), innovation diffusion (Sheth 1971, Dodson and Muller 1978), as well as organization buyer's role in WOM communication (Martilla 1971). The scientific studying of WOM communication was also based on the user's satisfaction (i.e. positive WOM communication) and rarely with dissatisfaction (negative WOM communication).

- **Research in the '80s**

During this period of time, the researchers examined the negative WOM communication like dissatisfaction effects and consumers' complaining behavior in terms of the variety of product categories. This led to the re-examination of the general new product introduction diffusion model that was based on the positive WOM communication (Richins 1983, Richins 1984, Mahajan et al. 1984). Also, the interpersonal connections, like the strength of sender-receiver relationship, were examined (Brown and Reingen 1987), as well as the characteristics of the communicator (sender) especially the similarity and credibility of the source.

- **Research after the '90s**

After the 90s, the researchers started to analyze the meaning of the WOM communication message in comparison to the printed forms of communication (Herr, Kardes and Kim 1991). The research continued with the investigation of the negative WOM communication effects (Blodgett et al. 1993) and the perspective of the product evaluation and buying decision making (Bone 1995).

With respect to the most cited authors in the field of WOM research, it can be said that the research was conducted in the fields of marketing and management. Moreover, the WOM communication was mostly researched from the perspective of retail, advertising, technology, mathematics, law, finances and prediction (Lin and Liao 2008). In addition, WOM communication was studied from the viewpoint of new product demand prediction (Mahajan, Muller and Bass 1990, Mahajan, Muller and Wind 2000) and the WOM influences on the sales effects and organizational buyer (Ennew et al. 2000; Fishman and Rob 2003, Godes and Mayzlin 2004, Beek 2006, Nusair 2007, Ågren and Ölund 2007, Gustafsson 2007, Ibraimowska and Weremko 2007, Molinari, Abratt and Dion 2008). Furthermore, due to the occurrence of the new media and technology, WOM in the online environment (Dellarocas 2003, Godes and Mayzlin 2004, Nusair 2007, Moore 2009) started to intrigue the researchers. Also, WOM research continued within the domain of replication and improvement of the existing communication models (Keong 2006, Ibraimowska and Weremko 2007) and buying decision making (Shin 2007, DeBrwyn and Lilien 2008).


According to some insights (Ibraimowska and Weremko 2007), the importance of researching different factors influencing WOM communication can be justified by the notion that the past research showed inability to form a generally accepted WOM communication model that could explain the factors (at least the greater number of factors) influencing the WOM communication and their potential interdependence while including both sender and receiver.
General communication models consist of basic components, such as message, channels, feedback and communication participants (sender and receiver) (Kesić 2003, Schiffman and Kanuk 2004). From the perspective of the influential factors and sender’s and receiver’s characteristics, it can be seen that past research mostly included one perspective, either the sender (Chung 2000, Shin 2007, Mazzarol, Sweeney and Soutar 2007, Moore 2009, Li, Lin and Lai 2010) or the receiver (Keong 2006, Sweeney, Soutar and Mazzarol 2008). Those studies (Voyer 1999) that considered both participants examined only one or couple of the factors in terms of WOM communication.

Recent studies indicate that the research of WOM, from the point of the influencing factors (antecedents), is scarce (Feng and Papatla 2011, Ng, David and Dagger 2011). The causes of word-of-mouth creation are still unclear (Berger and Iyengar 2012). Therefore, the researchers (Cheung and Thadani 2010) suggest the conduction of new researches introducing the new variables and relationships, as well as the inclusion of a greater number of motives of word-of-mouth communication (Ng, David and Dagger 2011, Chung and Darke 2006). Moreover, the researchers (Moldovan, Goldenberg and Chattopadhyay 2011) stress the need for examining the characteristics of sender and receiver, including the differences between the types of the consumers. Furthermore, some authors argue (Mazzarol, Sweeney and Soutar 2007) that WOM was not researched enough in terms of the motives and antecedents stimulating or preventing word-of-mouth communication.

The literature shows the lack of thorough, inclusive and adequate model of factors that would explain the WOM from the perspective of both sender and receiver. Namely, the researchers studied mostly one domain (sending or receiving) and the characteristics of one WOM participant (sender or receiver), which indicated that the integral WOM communication process from the point of the factor synergy was neglected. Few researchers (Mazzarol, Sweeney and Soutar 2007, Sweeney, Soutar and Mazzarol 2008) examined several groups of factors within the same study; however the researches were qualitative (focus groups) and studied sender and receiver separately. Quantitative approach to this problem area can be seen in work of Mowen, Park and Zablah (2007) who examined sending and receiving through the application of motive hierarchy model developed for the purpose of motivation and personality investigation.

The analysis of the existing literature showed that the past quantitative studies did not provide a model explaining WOM building, while including both sender and receiver and a variety of different factors or categories of factors. Thus, this problem area offers the possibility for new relevant WOM insights that can capture numerous factors and sender and receiver perspectives.

The need for studying WOM communication through a number of influential factors can be explained within the context of the general marketing rules from the field of the consumer behavior. Namely, consumer behavior represents a function of many variables. It is common for the consumer behavior models that they fail to include different groups of factors and accompanying variable relationships and without that such models cannot explain the consumer behavior, for example buying decision making (Kesić 2006). In addition, consumer behavior is a result of the variety of motivational characteristics and not the sole determinants (Mowen, Park and Zablah 2007). It can be concluded that WOM communication should be researched from the point of variety of factors or groups of factors. It seems important to gain insights into the relevant consumer characteristics that influence word-of-mouth sending and receiving information, which was noticed as deficient in the existing literature.

4. FACTORS INFLUENCING CONSUMER BEHAVIOR IN THE CONTEXT OF WOM

According to consumer behavior theory (e.g. Schiffman and Kanuk 2004) in terms of the communication process and credibility of the non-formal source of information, the role of the sender in giving the sought (or unsought) information can be based on the need for satisfying the ego, especially if the sender wants to stress the status of an "expert" or to compensate for the uncertainty and confirmation of one's good choice.

The message understanding and the successful communication outcome depend on the variety of different factors, such as the personal features (demographic characteristics, life-style), motivation, perception, attitudes, expectations, involvement, mood or the message characteristics (Schiffman and Kanuk 2004). According to Tax, Chandrashekaran and Christiansen (1993) communication processes are generally determined by three wide categories of factors that can establish the WOM
understanding, such as the consumer's individual characteristics, situational aspects and the message characteristics. Fang (2013) indicates that WOM represents a dynamic process reflecting the mutual influence of a great number of information, products, situational and (inter)personal factors, especially when considered in the context of searching information. Moreover, WOM efficiency depends on the communication valence (positive or negative WOM communication), characteristics of the sender and receiver and different situational factors (Sundaram and Webster 1999). Lang (2006) stressed the necessity of determining the factors that can contribute to the better understanding of WOM.

Past research analysis shows that the most studied WOM factors encompassed the individual factors, such as the consumer's involvement, care for another person, perceived risk, arousal, product/service satisfaction, the role of complaints, while the situational aspects were neglected (Liu and Payne, 2008.). According to some authors (Sundaram, Mitra and Webster 1998 in Hennig-Thurau et al. 2004 and Leeuwis 2009) there were only few studies that dealt with specific motives while trying to explain the WOM formation. The literature (Hennig-Thurau et al. 2004, Leeuwis 2009) showed that the most researched motives were: involvement, self-enhancement, concern for others, dissonance reduction, altruism (positive, negative), helping the company, revenge, anxiety reduction and advice seeking, which can be seen in Table 1.

Table 1 Motivation (reasons) for word-of-mouth communication participation

<table>
<thead>
<tr>
<th>Motives – reasons for WOM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involvement (Interest)</td>
</tr>
<tr>
<td>Involvement of other (sender) – Dichter 1966 in Hennig-Thurau et al. 2004, Leeuwis 2009</td>
</tr>
<tr>
<td>Enduring involvement – Assael 1992 according to Schoefer 1998</td>
</tr>
<tr>
<td>Self-enhancement</td>
</tr>
<tr>
<td>'Me’ as a smart shopper – Sundaram, Mitra and Webster 1998, Hennig-Thurau et al. 2004</td>
</tr>
<tr>
<td>Care for others</td>
</tr>
<tr>
<td>Dissonance reduction</td>
</tr>
<tr>
<td>Sundaram, Mitra and Webster 1998, Engel et al. 1993 in Hennig-Thurau et al. 2004</td>
</tr>
<tr>
<td>Altruism, helping the company, revenge, anxiety reduction, advice seeking</td>
</tr>
<tr>
<td>Expertise, opinion leader, perceived risk, WOM preference</td>
</tr>
<tr>
<td>Sender and receiver - Bansal and Voyer 2000 in Liu and Payne 2008</td>
</tr>
<tr>
<td>Relationship strength</td>
</tr>
<tr>
<td>Characteristics of the sender and receiver</td>
</tr>
<tr>
<td>Receiver – Mowen, Park and Zablh 2007, Sweeney, Soutar and Mazzarol 2008</td>
</tr>
</tbody>
</table>

Source: Summarized by the authors

Contemporary work on motives in the context of WOM communication can be seen in the study of Lovett, Peres and Shachar (2013) who researched the relationship of different brand characteristics and WOM in off-line and on-line environment, thus showing that the consumers are prone to word-of-mouth information spreading (regarding brands) based on the functional, social and emotional motives. Functional motives refer to giving information based on the brand complexity and familiarity. Social motives comprise sending the social signals to others by expressing the uniqueness, self-promotion and the need for socialization/belongingness. Emotional motives denote the spreading
of positive or negative feelings about brands. These motives show the significance for spreading the information about brands in the off-line environment, while the social and functional motives exhibit the influence on WOM spreading in the on-line environment.

4.1. Individual factors

According to the consumer behavior literature (e.g. Foxall, Goldsmith and Brown 2007, Brancaleone and Gountas 2007, Kesić 2006), the individual factors are useful consumer behavior predictors when studied in combination with other factors, such as social, external, socio-economic or demographic influences (Kassarjian and Sheffet 1991 in Brancaleone and Gountas 2007, Kesić 2006). Great number of variables influences the consumer behavior; therefore it is not surprising that individual factors, as separate variables, cannot explain a high degree of the consumer behavior variability (Kesić 2006). It seems that WOM communication formation could be explained by researching the individual characteristics together with some other influences.

Social status, culture, type of product, social network and also the consumer's personality could be relevant for the frequency and intensity of WOM communication (Lam, Lee and Mizerski 2009). The importance of including the consumer's individual characteristics into the WOM research could be understood from the perspective of the relevance for the communication strategy. Namely, the success of the communication greatly depends on the synchrony of the communicated message and the individual characteristics like values and life-style of the individual/consumer (Kesić 2006). Since WOM, as an interpersonal communication, constitutes the promotion, marketing communication and consumer behavior, individual traits represent unavoidable factors that could influence WOM communication. This raises the question about the unexplored individual factors that can stimulate WOM communication.


4.2. Interpersonal factors

Besides the individual characteristics, the researchers started to pay attention to the interpersonal factors of sender and receiver due to the knowledge that the consumer might not only be motivated by inner drives to stimulate WOM, but also by the social context. The relationship influence was researched mostly from the receiver's perspective (Liu and Payne 2008), however WOM communication sender has an important role as well. This provides the space for the new research findings in terms of the interpersonal factors.

With regards to the past research, it can be said that the most studied interpersonal factors were the strength of the sender - receiver relationship (Voyer 1999, Goldenberg, Libai and Muller...
Word-of-Mouth Communication: A Multi-Dimensional Approach


Concept of similarity (homophily) encompasses the notion that the sender and receiver are similar according to some characteristics (Kiecker and Cowles 2001 in Cheung and Thadani 2010) and when similar, the information is perceived as more credible (Hoyer and MacInnis 2001). Homophily constitutes the degree of similarity between the individuals in terms of age, gender, education or social status (Rogers 1983 according to Chelariu and Zait 2007, Falwell 2002, Steffes and Burgee 2009 in Cheung and Thadani 2010). It is closely related to the relationship strength, however the difference is that homophily reflects the similarity of the individuals that are similar (for example according to the social class), while the relationship strength accounts for the type of connectedness (e.g. the member of the family, friend) (Chelariu and Zait 2007, Hoyer and MacInnis 2001).

As part as the strength of the relationship is concerned, primary relationships can play an important role as a source of information due to the possibility that such group members share similar beliefs and behavior (Leuwis 2009). Consumers can have more social benefits if they send information in the context of the strong relationships (Cheema and Kaikati 2010) and are prone to trust the WOM information from the people they personally know (Lam, Lee and Mizerski 2009).

Some authors (e.g. Voyer 1999) assumed the greater influence of WOM communication due to the strong relationships, while others (Sweeney, Soutar and Mazzarol 2008) gained insights into the importance of the weak relationships for the WOM communication. In addition, Leuwis (2009) stated that both strong and weak relationships showed significance for the WOM flow of information. Gremler, Gwinner and Brown (2001) claimed that the strength of the relationship can depend on other features, such as trust and care.

The similarity of sender and receiver in the context of WOM was studied from the perspective of demographic similarities and the results were contradictory (Brown and Reingen 1987, Schiffman and Kanuk 2004, DeBruyn and Lilien 2008; East, Hammond and Lomax 2008, Ferguson 2008), which surely provides the space for the further research of this factor. On one side, the results showed that the WOM communication can depend on the same/similar age, gender, social status (De Bruyn and Lilien 2008, Schiffman and Kanuk 2004), while on the other side, differences in gender for sending the information exist, but in terms of the specific product category (Allsop, Bassett and Hoskins 2007). Contrary to that, the age and gender do not influence the sending of the WOM information communication (East, Hammond and Lomax 2008) and demographic dissimilarity plays an important role for WOM communication formation (De Bruyn and Lilien 2008).

Past research analysis revealed the possibility of studying the relevance of psychographic sender-receiver similarity since this factor was ignored in the past. Namely, some authors (e.g. Chelariu and Zait 2007) emphasized that the similarity studies should not be limited to the demographic determinants, but should also include the other aspects like the consumers’ life-styles and attitudes. Moreover, it was indicated that similar individuals ("like me" principle) (Allsop, Bassett and Hoskins 2007 and De Bruyn and Lilien 2008) are more inclined to easier and frequent WOM communication, which might suggest the research orientation in the new direction whereby the interpersonal factors could provide new insights and better understanding of the WOM communication influences.

4.3. Situational determinants

According to the relevant literature (e.g. Schiffman and Kanuk 2004; Allsop et al. 2007), situational factors constitute the context that serves the WOM occurrence and can include any kind of a situation that can create or stimulate the word-of-mouth communication. In a broader aspect (Keller
2001), situational factors consist of the place and time. They differ from the environment which encompasses the broader construct, while the situation specifically includes the concept of moment (Belk 1974).

With regards to the general marketing (consumer behavior) insights, whereby individual traits are connected to situational variables (Kesić 2006), it can be concluded that the research of WOM in terms of the situational factors, as well as in combination with individual and interpersonal factors, might provide some new knowledge. The situational factors that could be explored can be time availability and price.

Past empirical results showed that the most researched situational factors, in the context of WOM, were the active information seeking (Bansal and Voyer 2000, Schiffman and Kanuk 2004, Wangenheim and Bayon 2004, Lin and Fang 2006, East 2007, Woodside and Delozier 1976 in Sweeney, Soutar and Mazzarol 2008, Gremler 1994 according to Sweeney, Soutar and Mazzarol 2008, Sweeney, Soutar and Mazzarol 2008, Ho and Dempsey 2010), past behavior information (Chung 2000, Ferguson 2008, Moore 2009), the role of the perceived risk and the lack of time (Sweeney, Soutar and Mazzarol 2008). According to some notions (Liu and Payne 2008) the situational factors, as potential WOM antecedents, were not researched enough.

5. IMPLICATIONS FOR MARKETING PRACTICE

Further research of word-of-mouth communication from the perspective of sender and receiver and variety of different factors or categories of factors might reveal some new influential relationships and variables, as well as the possibility for developing the adequate model of factors (antecedents) that could explain the WOM communication generation.

In addition, there are also certain practical implications. Namely, new insights about WOM communication creation, as an important marketing communication element significantly impacting the consumer behavior, can help marketing experts (and companies) to better understand the factors that drive the WOM communication. In that sense, they would be able to identify the crucial sender and receiver characteristics, which could assist in creating the advertising message appeals that could stimulate the WOM communication. Additionally, such approach can result in development of the effective promotional strategy and achievement of the communication goals, such as the preference and demand stimulation and positive attitudes creation.

There is also an implication from the point of the market segmentation. Identification of the critical influences for the WOM sending and receiving can help marketing experts/companies to determine the influential consumer segments (senders, receivers) based on their relevant characteristics.

6. CONCLUSION

On the basis of the analyzed research insights, it can be seen that the past WOM communication studies mostly examined one domain, the sender or the receiver, hardly both participants within the same research. Also, the analysis revealed the non-existence of the model based on the variety of factors (or categories of factors), which could explain the influential relationships. Such insights show the persisting need for further WOM communication research, as it represents a quite complex but interesting field of promotion and consumer behavior.

Existing empirical results show that the researchers rarely studied numerous groups of the factors influencing the WOM communication. Mostly, the single or couple of factors research approach was adopted. This might be the reason for inability of developing the general WOM model. However, it might be helpful to include some new variables that could provide a better understanding of WOM communication creation.

The past research analysis indicated that rare studies which considered a greater number of factors used a qualitative approach. Studies that dealt with quantitative research manner mostly examined the outcomes of the WOM communication, hardly the WOM antecedents. This leaves the space for a different research orientation that should comprise an integral comprehension of WOM
communication, that is, the inclusion of both participants (sender and receiver) and a greater number of groups of factors within the same research.

The further research directions can encompass the following:

- include the variety of (unexplored) individual characteristics, as well as the combination of some researched factors that might provide new insights when combined,
- take into account the interpersonal factors, such as demographic similarity factor that showed differing research results and psychographic similarity neglected in the past studies,
- incorporate some unexplored situational factors, such as the role of time and money,
- include the combination of individual, interpersonal and situational characteristics, or some other factors (like cultural and social),
- integrate both sender and receiver within the same research,
- develop the integral model that would explain the WOM generation based on the individual, interpersonal and situational factors in terms of both sender and receiver,
- enrich the base of knowledge by conducting the research in the quantitative manner.

In conclusion, word-of-mouth communication represents a relevant, dynamic and still unexplored field that poses new challenges in research, understanding and application within the business context.

REFERENCES


Proceedings of the Faculty of Economics in East Sarajevo, 2016, 12, pp. 39-50.


