More Adverts or More eWOM’s

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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 complaints 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].

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