

Word of Mouth -An Intentional Marketing Technique in Service Sector - A Study with Special Reference to Banking Sector

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ABSTRACT

Word of mouth is highly influenced by the experiences felt by consumers after consuming a product or availing a service. People express positives only when they get delighted, otherwise they may spread negative words. The study focused on banking services and 84 account holders were personally interviewed. The results revealed that most of the consumers were influenced by Word of mouth of others. So a good Word of mouth can be intentionally created, with a view to hike marketing potential. It can be created with minimum effort when things are done right.

Keywords: Word of Mouth, Word of Mouth Marketing, Buzz marketing, Viral Marketing, Audience – tuning.

INTRODUCTION:

Word-of-mouth is the most effective form of advertising. Word-of-mouth is defined as "any positive or negative statement made by customers' experiences about a product or company, which is made available to a mass of people and institutions using the Internet or otherwise" (Hennig et al. 2004, Naz Fatima, 2014). Unlike other forms of marketing and advertisement word of mouth advertisement do not give any design tips, targeting strategies, or copy points. It is the process of transferring information from one individual to another either in person or through some communication medium. It is concerned with Exchange of comments, thoughts, and ideas among two or more individuals (Bone, 1992).

Success of banking sector depends how effectively they could handle word of mouth of their customers. Even a slight dissatisfaction leads to unhealthy relation between service providers and customers, which may generate negative opinion about Banks. In order to get good Word of Mouth from customers, bank employees should concentrate more on;

- Ask for the complaints.
- Make feedback and comments forms easily available, or include them in Chelan forms, pay in slips or otherwise.
- Randomly call customers to ask about their problems. Use service warranty program to search for and handle complaints.
- Conduct surveys, ask for suggestions, and give discount for good ideas.
- If one knows a customer feels good about the services, ask him or her for testimonial statement or letter. The written testimonial really is a form of Word of Mouth advertising.
- Create an incentive program for references.
- Give appraisal for each references, free services and special treatments.

A little extra perk will always helps for creating positive WOM.

People believe what their friends, relatives, and neighbors say about a product or service experiences and they

remember it for a long time. As an advertisement, Word of Mouth is based on the concept 'Saying believes'. When communicating information about a product or service, the audience's characteristics, such as attitudes, behavior, memory etc. may influence Word of Mouth. Consumer's interpersonal Word of Mouth communications of the consumption experiences have long been recognized as a powerful weapon to disseminate marketing information (Frenzen and Nakamoto 1993, Yu Hu, 2008) and more importantly, to influence consumer's judgments and choices (Herr, Kardes and Kim, 1991, Yu Hu, 2008). Hence, a considerable attention has been paid to the influence of Word of Mouth communication on the message recipients. Word of Mouth is usually considered as more credible (Murray 1991, Yu Hu 2008), it has both short-term and long-term impact on the consumer's judgment and choices (Bone 1995). However, for a usual social interaction, the Word of Mouth audience surprisingly very little is known about the influence of Word of Mouth communications on the speakers. In Word of Mouth communications, consumers often selectively communicate their service experience with others in order to achieve interactive goals or to meet situational demands; as a consequence of this selective message construction process, consumer's recollections of the service experience tend to be realigned with the contents of the communicated messages (Yu Hu, 2008). It is often found that when the audience is a close friend or relative, the Word of Mouth communicator might feel obliged to speak more about the services.

As a consequence of the communications, people developed an interpretation of the past events and thus interpretations are directly biased later judgments and remembering of those events. Consumers may selectively communicate certain aspects of their product knowledge or services experienced to different audiences in different situations. Thus, they may give different Word of Mouth in respect of the same thing. Traditionally, the construction of Word of Mouth information is conceptualized as a piece of market information or evaluative summary of a product, a service, or a consumption experience. Usually, Consumers do not have well formed judgments of the product purchased or service availed that they have used until they are asked by other for their opinions. Furthermore, Word of Mouth behaviors usually happen after the communicators have acquired the product or service information.

STATEMENT OF PROBLEM:

It is often said that "a mad customer is a very bad enemy to have." If a customer with a problem, it would probably act to resolve it, and satisfy them. This would be the best thing to do, because the customer who have problems that are satisfactorily resolved are far more likely to be loyal, and to say good things about the bank. That is one of the major reasons why certain banks have customer service departments.

Not every customer is a good customer. Some people may have unrealistic expectations about banking services and they will not be happy no matter. Dissatisfied customers usually don't complain. They just don't come back, and they spread negative Word of Mouth about the Bank. Complaints are a great way to learn about what the customers think and feel about service. It will give new ideas and improve customer services.

The Word of Mouth become fruitful only if there is proper listening. The people after availing service or using a product provide Word of Mouth on the basis of satisfaction they enjoyed. Managers have to listen such Word of Mouth properly. Listening helps in improving performance. Listening of Word of Mouth can improve quality of services. The bank has to listen to the Word of Mouth of customers, investors, shareholders and environment. In this backdrop this study is undertaken to know whether Word of Mouth can be used as an intentional marketing force to promote service of banking sector.

OBJECTIVE OF THE STUDY:

To study whether Word of Mouth can be used as an intentional marketing technique in service sector - special attention to SBI.

METHODS AND TECHNIQUES ADOPTED:

The study was purely based on primary data collected from customers. The study was conducted among 84 account holders of SBI, Ennakkad branch. Judgment sampling was used for selecting the sample respondents. In order to control personal bias and prejudices and to increase the reliability of collected data, a structured questionnaire was used. Five point scaling technique was used for collecting information regarding the word-of-mouth, level of customer trust, bonding, service quality etc. The data collected from the respondents were presented in tabular form and for attractive representation of the data diagrams were used. Statistical tool like ANOVA, averages, standard deviation, skewness etc. were applied for interpreting the data.

RESULTS AND DISCUSSION:

Following tables are used for analysis of collected data.

Good Word Of Mouth influenced others to choose services from the bank - Age wise analysis:

Table 1: Good Word of Mouth influenced others to choose services from the bank - Age wise analysis

Degree of Agreement	Age of the Respondents (in Years)				Total	%
	Up to 20	20 to 45	45 to 60	Above 60		
Strongly Disagree	0	1	0	0	1	1.19
Disagree	0	2	7	1	10	11.90
No Opinion	1	9	5	2	17	20.24
Agree	0	15	24	5	44	52.38
Strongly Agree	0	6	3	3	12	14.29
Total	1	33	39	11	84	100

Source: Primary Survey

It is clear from the above table that Age-wise cross classification of the degree of opinion regarding the statement 'Good Word of Mouth influenced others to choose services from the bank' shows that 44 out of 84 respondents are agreeing with it and another 12 strongly agree with this. That is 56 out of 84(66.67%) are either agreeing or strongly agreeing that their good word of mouth about the bank branch influenced others to choose services from the bank. Only 11 out of 84 are disagreeing with this. Hence, good word of mouth can influence others to choose banking services of a particular bank.

Age wise comparison reveals that 27 out of 39 respondents (ie,69.23%) (45 to 60 years) either strongly agree or agree that their good word of mouth influenced others to choose services from the bank. This proportion is almost same in case of respondents belonging to the age group of 20 to 45 years (63.63%) and is higher in case of respondents having above 60 years(72.72%). Hence people belonging to higher age are more successful in influencing others to choose services of a bank through their good word of mouth.

Good Word of Mouth influenced others to choose services from the bank - educational qualification wise analysis:

Table 2: Good Word of Mouth influenced others to choose services from the bank – educational qualification wise analysis

Degree of Agreement	Educational qualification				Total	%
	School education	Degree	P G	Technical		
Strongly Disagree	0	0	1	0	1	1.19
Disagree	7	1	2	0	10	11.90
No Opinion	7	4	5	1	17	20.24
Agree	14	12	10	8	44	52.38
Strongly Agree	2	4	3	3	12	14.29
Total	30	21	21	12	84	100

Source: Primary Survey

Educational qualification-wise cross classification of the degree of opinion regarding the statement 'Good Word Of Mouth influenced others to choose services from the bank' shows that 44 out of 84 respondents are agreeing with it and another 12 strongly agree with this. That is 56 out of 84 (66.67%) are either agreeing or strongly agreeing that their good word of mouth about the bank branch influenced others to choose services from the bank. Only 11 out of 84 are disagreeing with this. Hence, good word of mouth influenced others to choose banking services.

Educational qualification-wise comparison reveals that 13post graduates out of 21 (61.90%) either strongly agree or agree that their good word of mouth influenced others to choose services from the bank. This proportion is 76.19% in case of degree holders and 91.67% in case of customers with some technical education.

Positive Word Of Mouth by others influenced me to choose the services of the bank - Age wise analysis:

Table 3: Positive Word of Mouth by others influenced me to choose the services of the bank - Age wise analysis

Degree of Agreement	Age of the Respondents (in Years)				Total	%
	Up to 20	20 to 45	45 to 60	Above 60		
Strongly Disagree	0	1	0	0	1	1.19
Disagree	0	3	3	1	7	8.33
No Opinion	0	11	9	1	21	25
Agree	1	13	19	9	42	50
Strongly Agree	0	5	8	0	13	15.47
Total	1	33	39	11	84	100

Source: Primary Survey

Age-wise cross classification of the degree of opinion regarding the statement 'Positive Word Of Mouth by others influenced me to choose the services of the bank ' shows that 42 out of 84 respondents are agreeing with it and another 13 strongly agree with this. That is 55 out of 84(65.47%) are either agreeing or strongly agreeing that the positive Word Of Mouth by others influenced them to choose the banking services. Only 8 out of 84 are disagreeing with this. Hence, positive Word Of Mouth by others influenced the respondents in choosing the services of the bank branch.

Age wise comparison reveals that 27 out of 39 (69.23%) respondents belonging to 45 to 60 years either strongly agree or agree that positive Word Of Mouth by others influenced them to choose the services of the bank. This proportion is 81.81 % in case of customers whose age exceeding 60 years. It reveals that they highly depend on the word of mouth of others.

Positive Word-of-Mouth by others influenced me to choose the services of the bank - Monthly income wise analysis:

Table 4: Positive Word-of-Mouth by others influenced me to choose the services of the bank - Monthly income wise analysis

Degree of Agreement	Monthly Income (in Rs.)			Total	%
	Up to 5000	5000 to 10000	Above 10000		
Strongly Disagree	1	0	0	1	1.19
Disagree	2	2	3	7	8.33
No Opinion	11	2	8	21	25
Agree	15	10	17	42	50
Strongly Agree	3	2	8	13	15.47
Total	32	16	36	84	100

Source: Primary Survey

Monthly income wise cross classification of the degree of opinion regarding the statement 'Positive Word Of Mouth by others influenced me to choose the services of the bank ' shows that 42 out of 84 respondents are agreeing with it and another 13 strongly agree with this. That is 55 out of 84 are either agreeing or strongly agreeing that the positive Word Of Mouth by others influenced them to choose the banking services. Only 8 out of 84 are disagreeing with this. Hence, positive Word Of Mouth by others influenced respondents in choose the services of the bank branch.

Monthly income-wise comparison reveals that 18 out of 32 (56.25%)(lower income customers) either strongly agree or agree that positive Word Of Mouth by others influenced them in choosing the services of the bank. This proportion is 69.44 % and 75 % respectively in case of those having income above Rs.10000 pm and those incomes between Rs. 5000 & Rs.10000pm. Hence it can be stated that medium income classes are more prone to be influenced by others in choosing services of a bank based on positive word-of-mouth by others. In order to test whether there is any income-wise difference in the opinion of customers, the following hypothesis is tested.

Ho: Customers belonging to different income classes do not differ in their opinion about the influence of word of mouth by others in choosing services offered by banks

Ha: Customers belonging to different income classes differ significantly in their opinion about the influence of word of mouth by others in choosing services offered by banks.

ANOVA: Significance Based on Income of the Respondents

Table 4.1: ANOVA Significance Based on Income of the Respondents

Source of Variation	Sum of Squares	df	Mean Squares	F Ratio	Sig.
Between Groups	1.591	2	0.795	1.040	0.358
Within Groups	61.969	81	0.765		
Total	63.560	83			

Source: Primary Survey

ANOVA was applied to test whether the opinion of people belonging to different income classes differ on the impact of word-of mouth by others on their opinion about the bank. The above table shows the F Ratio 1.040 and the significance value (0.358). Since the significance value is greater than 0.05, the null hypothesis is accepted and hence there is no significant difference between different age groups in their degree of agreement towards the statement. Hence it is very clear that the positive word of mouth by others will definitely influence the word of mouth of those who listen to them.

Positive Word of Mouth by others influenced to choose the services of the bank - Frequency of visit wise analysis:

Table 5: Positive Word of Mouth by others influenced to choose the services of the bank – Frequency of visit wise analysis

Degree of Agreement	Frequency of visiting				Total	%
	Daily	Once in a week	Once in a month	Once in a while		
Strongly Disagree	0	0	0	1	1	1.19
Disagree	0	0	5	2	7	8.33
No Opinion	1	0	8	12	21	25
Agree	1	3	26	12	42	50
Strongly Agree	0	1	7	5	13	15.47
Total	2	4	46	32	84	100

Source: Primary Survey

Frequency of visiting the bank wise cross classification of the degree of opinion regarding the statement 'Positive Word of Mouth by others influenced to choose the services of the bank ' shows that 42 out of 84 respondents are agreeing with it and another 13 strongly agree with this. That is 55 out of 84 are either agreeing or strongly agreeing that the positive Word Of Mouth by others influenced them to choose the banking services. Only 8 out of 84 are disagreeing with this. Hence, positive Word Of Mouth by others influenced respondents to choose the services of the bank branch.

Customer classification based on the regularity in visiting the bank branch reveals that 33 out of 46 respondents (71.73%) who visit the bank at least once in a month either strongly agree or agree that positive Word Of Mouth by others influenced them in choosing the services of the bank. This proportion is 53.13% in case of customers visiting the bank once in awhile.

Positive and Negative Word of Mouth by others influenced my opinion about the bank.- Age wise analysis:

Table 6: Positive and Negative Word of Mouth by others influenced my opinion about the bank.- Age wise analysis

Degree of Agreement	Age of the Respondents (in Years)				Total	%
	Up to 20	20 to 45	45 to 60	Above 60		
Strongly Disagree	0	3	2	2	7	8.33
Disagree	0	1	10	1	12	14.29
No Opinion	0	14	6	2	22	26.19
Agree	1	14	17	6	38	45.24
Strongly Agree	0	1	4	0	5	5.95
Total	1	33	39	11	84	100

Source: Primary Survey

Age wise cross classification of the degree of opinion regarding the statement 'Positive and Negative Word Of Mouth by others influenced my opinion about the bank' shows that 38 out of 84 respondents agree with this and another 5 strongly agree with this. That is 43 out of 84 (51.19%) are either agreeing or strongly agreeing that positive and negative Word Of Mouth by others influenced their opinion about the bank. Only 19 out of 84 are disagreeing with this. Hence, Word Of Mouth by others can influence the customer's opinion about the bank branch.

Age wise comparison reveals that 21 out of 39 respondents (53.85%) belonging to 45 to 60 age-group either agree or strongly agree that the positive and negative Word Of Mouth by others influence their opinion about the bank branch. This proportion is almost similar in case of respondents belonging to other age groups.

Positive and Negative Word of Mouth by others influenced my opinion about the bank - Length of relation wise analysis:

Table 7: Positive and Negative Word of Mouth by others influenced my opinion about the bank - Length of relation wise analysis

Degree of Agreement	Length of relationship (years)				Total	%
	Up to 2	2 to 5	5 to 10	Above 10		
Strongly Disagree	0	2	0	5	7	8.33
Disagree	1	1	3	7	12	14.29
No Opinion	4	6	3	9	22	26.19
Agree	2	10	17	9	38	45.24
Strongly Agree	0	2	2	1	5	5.95
Total	7	21	25	31	84	100

Source: Primary Survey

Length of relationship wise cross classification of the degree of opinion regarding the statement 'Positive and Negative Word of Mouth by others influenced my opinion about the bank' shows that 38 out of 84 respondents agree with this and another 5 strongly agree with this. That is 43 out of 100 are either agreeing or strongly agreeing that positive and negative Word Of Mouth by others influenced their opinion about the bank. Only 19 out of 84 are disagreeing with this. Hence, Word Of Mouth by others influenced the respondent's opinion about the bank branch.

In case of customers whose length of relationship is up to 2 years, only 28.57 % agree that their word of mouth opinion is being influenced by the word of mouth opinion by others. But in case of customers with length of relationship is 2 to 5 years, this proportion is 57.14 % and in case of those with relationship ranges from 5 to 10 years, 76 % agree with this. But in case of customers with the longest relationship with the bank, only 32.26 % agree with this. This indicates that very old customers are genuine and their word of mouth about the bank is not being influenced by others.

FINDINGS:

Word of Mouth communicators tend to tailor their messages to suit different communication situations. Consumers often voluntarily or involuntarily, communicate their consumption knowledge or experiences with other people for various personal or situational purposes. Communicators tailor their messages of the communication targets to suit their audience's knowledge of attitudes towards the targets: a phenomenon referred to as audience - tuning (Yu Hu, 2008). Communicator's own characteristics influence in shaping the construction of communication messages, such as communication goals or personality traits. In order to communicate consumption knowledge a sensible and appropriate manner detected by social norms and situational goals, consumers inevitably has to engage in a selective message construction process. Important findings of this study are as follows:

- 66.67 % of the respondents feel that good word of mouth from their part influenced others in choosing services from SBI, Ennakkadu Branch.
- People with higher education are more successful in influencing others through positive word of mouth about the bank.
- There is no significant difference between customers belonging to different income class in influencing others to avail the services of bank through their positive word of mouth.
- Majority of respondents agree that positive Word Of Mouth by others influenced them to choose the services of the bank.
- More than 80 % of the senior respondents agree that they are being influenced by the positive comments of others about the SBI Ennakkadu branch. This proportion is less in case of younger customers.

- People belonging to different classes of income do not differ significantly in the influence of the positive word of mouth by others on their decision to avail the services of SBI Ennakkadu branch.
- Out of 84 respondents, 43 agree that positive and negative Word Of Mouth by others influenced their opinion about the bank and 19 respondents disagree with this.
- Customers belonging to different age groups do not differ in their opinion about the influence of positive and negative word of mouth by others in forming their opinion about the bank.
- Very small proportion of customers with minimum as well as maximum length of relationship agrees that their opinion about the bank is being influenced by the word of mouth of others.

SUGGESTIONS:

In order to get a good Word of Mouth bank should take steps to improve customer satisfaction. The After Sale Services provided by the bank promote customer satisfaction. For example, banks may do the following;

- Approach customers over the phone for a post sale survey of customer satisfaction
- Ascertain whether service were proper and timely
- Invite customer feedback or objections immediately after sale, rather than letting him complain or become more distant and delivering a negative WOM
- Good Word of Mouth can be achieved with minimum cash outlays, by doing things right

CONCLUSION:

It is not an intentional advertising. i.e., people making Word of Mouth do not have any intention either to promote or demote a product or service. The Word of Mouth is the result of satisfaction they have experienced from use of a product or availing of any service. It automatically arises during conversations between persons. Good Word of Mouth is the result of delightment enjoyed by customers. However, modern marketing thinkers believe that a positive Word of Mouth can be created intentionally. It can be created with minimum cash outlays when things doing right. Consumers weight negative information more heavily in product or service judgment and choice than positive information. But positive information conveys a sense of agreement and clarity; they are more likely to be conveyed only when consumers are highly delighted. So every marketer should try to provide good quality services, then Good Word of Mouth automatically arises without any augments.

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