

## Effect of Word of Mouth on Consumer Buying Behavior

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**Abstract** *The objective of this study is to examine the negative and positive affect of word of mouth marketing on consumer buying behaviour. The study is based on primary data collected from one hundred households and university students from the area of Rawalpindi and Islamabad cities of Pakistan. The data is analyzed using the techniques of frequency distribution and ranking. The result reveals that consumers tend to rely on word of mouth for the purchase of everyday items as well as long-term goods. The people that seem to have an influence on the decision of the consumers the most are closed family, friends and acquaintances. Results further show that a bitter experience of a product/place can create problems for the company as it is a major factor of negative word of mouth. Viral Marketing is gaining rapid popularity among consumers as it's depicts in the results. Finally, a negative word of mouth travels faster than positive comments.*

**Keywords:** *Consumer buying behaviour, Products, Viral marketing, Externalities, Pakistan.*

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### 1. Introduction

Consumer behavior is a young discipline; the earlier books were written in 1960's however, its intellectual forefathers are much older. Understanding of consumers is the consumption process provides a number of benefits. These benefits include assisting the manager in decision making and providing the marketing research with a theoretical base from which to analyse consumers in making better purchase decision. The study of consumer can help to understand more about psychological, sociological and economics factors that influence human behavior. A general knowledge of consumer behaviors also has personal value. It can help people to become better consumers by informing them of the way in which they and others go about their consumption activities. In addition it can assist consumers in the buying process by informing them about some of the strategies used by companies to market their products (Foxall & Goldsmith, 1994).

The field of consumer behavior explores why people make certain purchasing decisions, what products and services they buy, where they buy them, how they use them, the frequency with which they purchase them, and the consumer decision process in action. In this context, consumer behavior has been defined as the activities of people engaged in actual or potential use of market items—whether products, services, retail environment, or ideas (Berkman & Gilson, 1978).

One of the important means of dissemination for information is word of mouth. Word of mouth both negative and positive can have a profound impact on consumer behavior. If utilized correctly, it can go a long way to promote products or service and build a perception created through this method can persist for a long time and adversely effect to the marketing. Therefore the effect of word of mouth can be harsh as well as beneficial (Solomon, 1996). Word-of-Mouth Marketing progress align advertising campaign messaging and product releases with local market influencers, Trendsetters, and Tastemakers to craft mass opinion and purchase behavior.

Effective word of mouth marketing campaign connects with Influencers and Trendsetters who initiate consumer trends (e.g. Fashion trend, automobile purchase trends, consumer product trends, entertainment trends, and beverage consumption trends) that are followed by mainstream consumers. Consumers value word-of-mouth twice as much as they value advertising. In a world in which we all are bombarded with advertising all day (and all night), what is the first thing we usually do to learn more about a business, a restaurant for example? We try to find someone we know who has been there, or someone who knows someone who's been there. It's true. Word of mouth does have more credibility than advertisers can even imagine, much less conjure up. And yet word of mouth suffers from the same virtue that makes it so strong. It is personal and therefore, limited in its reach (Pusateri, 1999).

In this paper an analysis has been carried out to find the impact of word of mouth on consumer buying behavior in Pakistan using primary data of one hundred households and universities students in the periphery of Rawalpindi and Islamabad. This paper does not include all dimensions and factors of the consumer buying behavior but limited to the following key terms:

- **Consumer Behavior:** According to Loudon and Bitta (1994); the decision process and psychosocial activity individuals engage in, when evaluating, acquiring, using or disposing off goods and services. With growing numbers of consumers suffering from 'confusion by over-choice' and distrusting product claims, cutting through advertising "clutter" with a credible message has never been more important.
- **Word of Mouth:** It is not Street teaming, where people hand out freebies or flyers to you while you're walking down the street. Word of mouth is not Shill marketing, where companies hire actors to create staged conversation with consumers, without telling consumers they're staged (also known as "reaching marketing"). Word of mouth is not fake online marketing, where people send e-mails to individuals who don't want them, or companies post fake opinions online in chat rooms, or review sites like Amazon. Word of mouth is honest, real and powerful. It's something we all do everyday – it's the way we communicate. It's part of our social fabric. Word of mouth is shared opinion about a product or services between two or more people. Share your honest opinion, and you're creating word of mouth (Balter, 2004).
- **Viral Marketing:** It is the most effective when promoting experiential, complex, premium, quirky and cool products. Given that most packaged goods products do not meet these criteria, marketers will benefit from devising campaigns that enhance consumers' involvement in general product purchases and their emotional attachment to brands.

This study investigates the influence and effect that word of mouth marketing can have on consumers and their buying decisions. Further, how positive and negative word of mouth can manipulate the behavior of consumers? The more specific objectives are:

- i. To study the influence of word of mouth marketing on the buying decision and individuals.
  - ii. To gather first hand knowledge about the influence of other's opinions, this at times can be more powerful than one's own perception.
  - iii. To study the relationship between influencer and the consumer.
  - iv. To see weather consumers are likely to pay more attention to negative word of mouth rather than positive comments.
  - v. To understand which situations are more likely to be influenced by word of mouth?
- Based on the above objectives, the present study seeks to test the following hypothesis:

H1: A previous bad experience of a particular product/service leads to negative word-of-

- mouth.
- H2: International word-of-mouth campaigns started by marketers can be beneficial for them.
- H3: Word-of-mouth regarding a particular product/service provided by a reliable source carries greater credibility.
- H4: People learn from others' experience and forward that information through word-of-mouth and
- H5: Viral marketing leads to word-of-mouth both online as well as offline.

This paper is organized as follows: after introduction in section 1, literature review is carried out in section 2. Research framework and methodology is mentioned in section 3. Result and discussion is provided in section 4. Final section concludes the study.

## 2. Literature Review

A growing number of literatures are citing word of mouth as the most important factor influencing their interest in products. Word-of-mouth communication exposes three fundamental concerns of researchers who currently investigate this phenomenon: i) The frequency and types of word-of-mouth behavior, ii) The effect of word-of-mouth behavior on product evaluation and iii) The impact of word-of-mouth information on social relationships. All of the articles reviewed link word-of-mouth communication to company product assessments by consumers. With the latest Euro-barometer survey showing that 58% of Europeans do not trust corporate, relying on relatives credibility, honesty and impartiality of word of mouth will continue to grow (Harris, 2004). The idea of understanding consumer behavior as a sequential decision-making process is one that is common in marketing (Engel et al., 1993; Wilkie, 1994; Solomon, 1993; Assael, 1992; Loudon and Bitta, 1993; Kotler, 1997). The decision-making process itself is presented as a logical flow of activities, working from problem recognition to purchase to post-purchase evaluation. This decision-making process is affected by a number of other more complex influences. Some of these influences relate to the wider environment in which the decision is being made while others relate to the individual who makes the decision.

Study conducted by Feick and Price (1987) investigate the frequency with which companies furnish information that is significant to customers' judgments for retailer as expressed to other customers. They conducted telephone interviews with one hundred fifty residents of Metropolitan County in the northeast area of the United States. The results indicated that there are certain characteristics of retailers including product availability that are more likely to be circulated by customers. The study also reports that, contrary to previous findings, there is not a variance of discussion of the types of retailers. Feick et al (1987) further finds that the class of customers described as "Market mavens" (individuals who have information about numerous products and locations and that motivate dialogue with other customers) voluntarily divulge more information about retailers than do other customers. They pose methods for retailers to propagate information to "market mavens" (like sending free samples of products).

Giese and Spangenberg (1997) are less interested in the frequency and types of word-of-mouth communication and, instead, concentrate on the effects of word-of-mouth behavior on product evaluation. They conducted an experiment using undergraduate students attending an introductory marketing course at a large Midwestern University. The students were asked to view a video and decide if the person making recommendations of a product on the video was credible. They found the most fascinating aspect of the study to be the occurrence of negative word-of-mouth information is apparently more influential on customers who are already familiar and involved with a product. Conversely, they found that positive information does not enhance familiarity with a product. There have been many attempts to create models of consumer decision-making such as those proposed by Howard and Sheth (1969), Nicosia (1966) and Engel et al. (1968). Since a review of these models would be beyond the scope of this study, however, a simplified approach has been adopted to guide the discussion. A diagram of this approach is presented in figure 1.

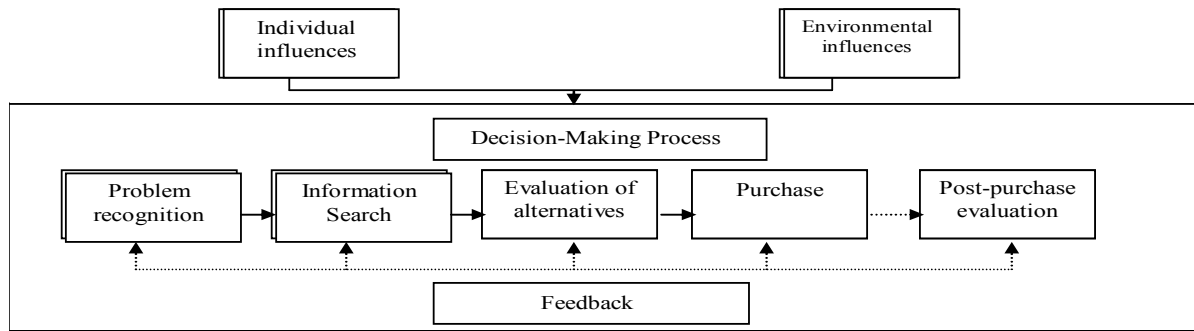


Figure 1. Consumer decision-making framework [adapted from: Dibb et al., 1997]

Reference to figure 1 reveals that it is made up of three major sections: (1) the consumer's decision-making process, (2) individual determinants of behaviour, and (3) environmental variables influencing behaviour. Herr et al (1991) seem to find similar results related to word-of-mouth information and product evaluation. Among other things, they found that negative word-of-mouth information does indeed decrease familiarity with the product. Their research concentrates on the method in which the message is delivered (vividly and pallidly) and the type of information that is given (by anecdotal and Attribute information). They present three hypotheses that extend over two experiments. In the first experiment, 84 college undergraduates used to determine if word-of-mouth information is more potent than pallid printed information. Information about a particular item (in this case a computer) was presented to the undergraduates through word-of-mouth and print. The results indicated that word-of-mouth communication is more potent and more important in consumer judgment of a product than vivid printed information. CBC (2010) model is based on four primary layers of word of mouth that take people from being unaware completely through to brand engagement and referrals:

- \* Buzz Campaigns — Cut through the clutter to create awareness among people who did not previously know about your bank or credit union.
- \* WOM Programs — Transition mere awareness into interest and consideration.
- \* WOM Initiatives — Convert interested people into customers/members by creating sincere brand engagement.
- \* Customer WOM — Turn existing customers/members into referral sources.

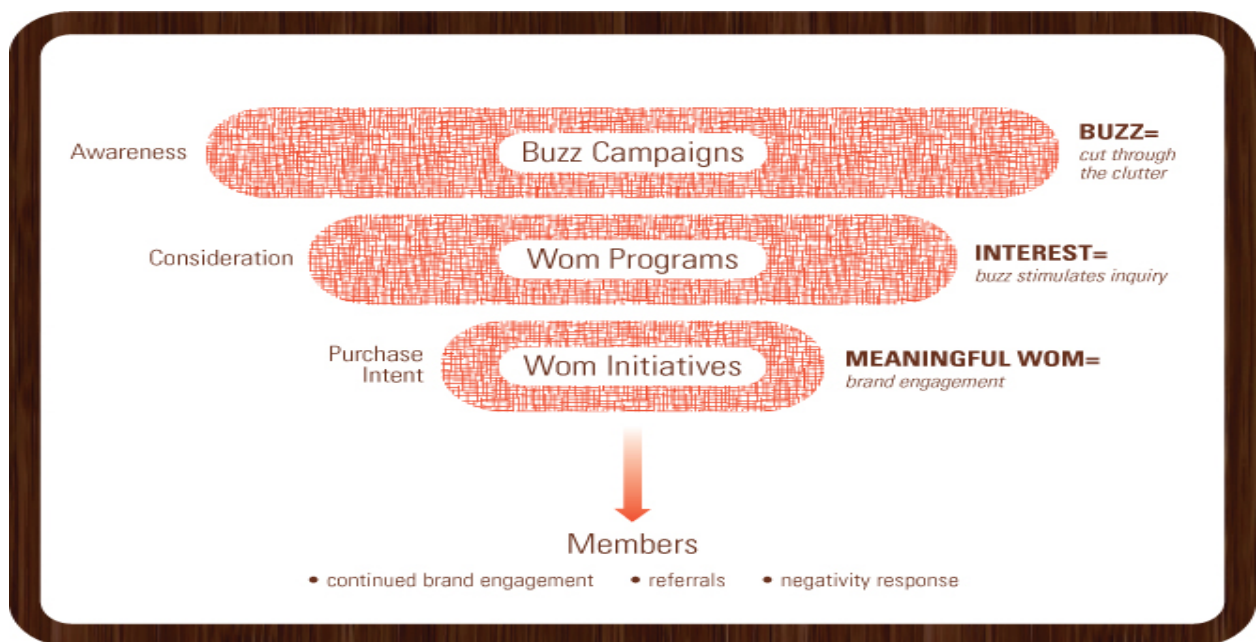


Figure 2. Word-of-Mouth Marketing Strategy (CBC-2010)



Brown and Reingen (1987) believe that previous research on word-of-mouth communication did not effectively look at the impact on dyads and groups. Previous research failed to determine how word-of-mouth starts with the individual and ends up aggregating to large groups. The researchers study the role of word-of-mouth communication in interpersonal process and discover how this is intertwined in the macro and micro word-of-mouth process. By examining and interviewing a population of sixty-seven students of piano teachers, the researchers tried to find all referral sources for the students' piano teachers. By finding this information, the researchers could then find data to support their hypotheses. At the end of the study they found that ties between consumers (piano students) are important in explaining how dyadic communication forms large scale aggregates. Strong ties between consumers were found to play an important role in consumer attitudes. VM (2007) refers to Internet-based stealth automatic marketing campaigns, including the use of blogs, seemingly amateur sites, and other forms of astroturfing, designed to create massive word of mouth for a new product or service. The goal of viral marketing campaigns is to create media coverage via "offbeat" stories value many times more than the campaigning company's advertising budget.

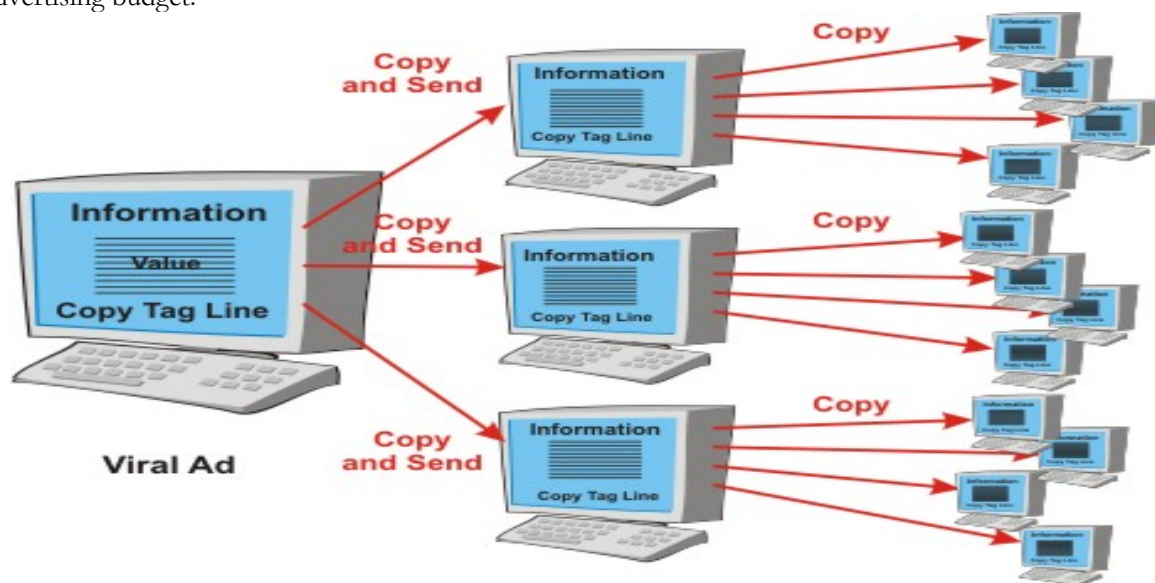


Figure 3. *Viral Marketing Strategy (VM-2007)*

Ellison and Fudenburg (1995) study how word-of-mouth communication summarizes information for individuals. The two researchers focus on how word-of-mouth creates "conformity and diversity." They divide consumers into two groups- "conformity" and "diversity." They test whether word-of-mouth communication support their positioning. They found that consumers receive more detailed word-of-mouth information they display more diversity than when they receive limited and/ or general information. The researchers used textual analysis to support their hypotheses. In summary, word-of-mouth not only plays an important role in the evaluation of products but also plays an important role in the evaluation of products but also plays an important role in society as well.

### 3. Data Source and Methodological Framework

The respondents of this study are randomly selected consumers within the area of Islamabad and Rawalpindi. Questionnaires were distributed at various households and universities so as to understand the point of view of young youth and the old. The practice of using student samples has been questioned with regard to its external validity; however in certain cases a student sample may be appropriate if the context is taken into consideration. Students are an attractive and viable market and are market innovators for many products. They have the advantage of reaching a sufficiently large number of consumers in a short period.

The sample size selected was 100 respondents. The choice of the data methods and sample size was in accordance with the accuracy required and the facilities available. The final survey was administered to household during randomly selected hours and students during college hours at randomly selected classes from the universities and other institutions within the reachable areas of Rawalpindi and Islamabad. Each respondent was presented with the questionnaire.

Data sources are classified as being secondary and primary. Secondary data is developed to help for

some purpose other than helping to solve the problem at hand while primary data is collected to help solve a problem by taking first hand information. In this research data was collected from both sources. Primary data was collected by distributing first hand questionnaires. Secondary data source was internet, journals, past trends, past researches, etc. the data was analyzed and interpreted once the survey had been carried out. Each questionnaire was studied individually to analyze the answers of the respondents.

### 3.1. Instruments and Measures

The research instruments used in this study is personally administered questionnaires. The main advantage of this is that the researcher can collect all completed response within a short period of time. And any doubts that the respondents might have regarding any question could be clarified on the spot. A questionnaire is a pre-formulated set of question to which respondents recode their answers, usually within rather closely defined alternatives. Questionnaires are an efficient data collection mechanism when the researcher knows exactly what is required and how to measure the variables on interests. A questionnaire is appropriate for collecting precise and specific information in data collecting method. The final questionnaire was combination of open ended and close-ended questions in which the respondents were asked about the questions related to the relationship between word of mouth marketing and its influence on their buying decisions. Thus the questionnaire is designed keeping in mind the objectives of the study. The questionnaire in the last three items gathered identification data of the selected sample. They were asked to state their name, age, gender and marital status.

### 3.2. Sampling Procedure

The sampling procedure used in this study is simple random sampling. Respondents were selected randomly at both places. In simple random sampling every element in the population has a known and equal chance of being selected as a subject. Simple random sampling has the least bias and offers the most generalizability. However, this sampling process could sometimes become cumbersome and expensive. A structure questionnaire was developed. The respondents were asked to respond to the questionnaire that was a combination of open-ended and close-ended questions. The frequency distribution is used in order to give clear and reliable analysis and interpretation of the data.

## 4. Results & Discussion

The questionnaires were distributed among a sample of 100 respondents belonging to various walks of life. Following are the findings of these questionnaires:

**Table 1.** Frequency Distribution with respect to Gender

| Gender | Frequency (F) | Percentage (%) | Rank |
|--------|---------------|----------------|------|
| Male   | 55            | 55 %           | 1    |
| Female | 45            | 45 %           | 2    |
| Total  | 1000          | 100%           |      |

The percentage of female respondents was 45% whereas, the number of male respondents were 55%. Both female and male respondents were selected to have an idea of the point of view of both the genders.

**Table 2.** Frequency Distribution with respect to Age (N=100)

| Age      | Frequency (F) | Percentage (%) | Rank |
|----------|---------------|----------------|------|
| 15 – 25  | 65            | 65 %           | 1    |
| 26 – 35  | 16            | 16 %           | 2    |
| 36 – 50  | 8             | 8 %            | 4    |
| Above 50 | 11            | 11 %           | 3    |
| Total    | 100           | 100%           |      |

The age group that majority of the respondents belonged to was 15-35. 65% percentage of the people aged between “15-25”, 16% were of aged “26-35”. 11% were “above 50” and only 8 % of the respondents were between “36-50”. The aim was to get an opinion of people belonging to all the different age groups. This provides a better understanding of the subject under study.

**Table 3.** Frequency Distribution with respect to Marital status (N=100)

| Marital Status | Frequency (F) | Percentage (%) | Rank |
|----------------|---------------|----------------|------|
| Married        | 34            | 34 %           | 2    |
| Unmarried      | 66            | 66 %           | 1    |
| Total          | 100           | 100%           |      |

As word of mouth is the most important source of information for certain household items, and many consumers also feel that family and friends have a major influence on their decisions regarding specific brands, Therefore the respondents selected belonged to all walks of life and different age groups. They were both married as well as unmarried but number of students was relatively more, therefore the percentage of “married” respondents was only 34% and “unmarried” was 66%.

**Table 4.** Frequency Distribution with respect to Consumer Buying Behavior

| Answers         | Frequency (F) | Percentage (%) | Rank |
|-----------------|---------------|----------------|------|
| Advertising     | 48            | 48 %           | 1    |
| Word of Mouth   | 31            | 31 %           | 2    |
| Opinion Leaders | 21            | 21 %           | 3    |
| Total           | 100           | 100%           |      |

When people were asked that what influences their buying behavior the most 48% preferred “advertising”, 31% opted for “word of mouth” and 21% selected “opinion leaders”. This shows that most of the people agreed upon advertising, which they think is the most influential factor affecting their buying behavior. With the growing fragmentation of conventional media, and with consumers getting increasingly networked, word of mouth, or ‘buzz’, will become a more important tool for firms and marketers as compared to advertising.

**Table 5.** Frequency Distribution with respect to previous Bad Experience-1

| Answers | Frequency (F) | Percentage (%) | Rank |
|---------|---------------|----------------|------|
| Yes     | 40            | 40 %           | 2    |
| No      | 60            | 60 %           | 1    |
| Total   | 100           | 100%           |      |

The analysis shows that 60% People said “No” and 40% people said “Yes”, when asked whether they would try a place or product about which they had heard something bad. The first thing that people usually do to learn more about a business or a product is that they try to find someone they know who has been there , or has used to go through the same, Certainly, Word of Mouth carries greater credibility , and therefore, has greater potential impact than any other communication channel. Although in the first question it was determined that people rely on advertising more than word of mouth, but in this case not many people were inclined to tryout a product/place after hearing negative comments about it.

**Table 5.1.** Frequency Distribution with respect to Previous Bad Experience-11

| Answers       | Frequency (F) | Percentage (%) | Rank |
|---------------|---------------|----------------|------|
| Always        | 27            | 27 %           | 2    |
| Most of times | 48            | 48 %           | 1    |
| Sometimes     | 21            | 21 %           | 3    |
| Rarely        | 4             | 4 %            | 4    |

When asked, that whenever they have a bad experience do they also try to inform others about it? 48% said “most of the times”, 27% said “always”, 21% said “sometimes” and only 4% said “rarely”. Marketers believe that a related to the buzz it generates, and that it directly as a leading indicator of success. This is because simple word of mouth has more credibility. It is common that whenever one experiences a bad product/service or place we usually make it a point to tell others about it so that they stay aware of it.

**Table 6.** Frequency Distribution with respect to Word of mouth by marketers

| Answers       | Frequency (F) | Percentage (%) | Rank |
|---------------|---------------|----------------|------|
| Always        | 19            | 19 %           | 3    |
| Most of times | 43            | 43 %           | 1    |
| Sometimes     | 33            | 33 %           | 2    |
| Rarely        | 5             | 5 %            | 4    |
| Total         | 100           | 100%           |      |

Regarding this question, 43% people agreed that intentional word of mouth campaigns started by marketers could help in promoting a particular product/service. Most word of mouth campaigns happen created a “buzz”. There is an issue of ethics can firms take advantage of the most credible form of information for consumers? But apart from that over the years word of mouth has tremendously helped marketers to create the required hype, so that people are very much aware of the existence of the product/service.

**Table 7.** Frequency Distribution with respect to Word of mouth by relatives

| Answers | Frequency (F) | Percentage (%) | Rank |
|---------|---------------|----------------|------|
| Yes     | 84            | 84 %           | 1    |
| No      | 16            | 16 %           | 2    |
| Total   | 100           | 100%           |      |

They analysis of this question shows that the buying decisions of people are better made when they talk to their family, friends or acquaintances regarding a purchase item. 84% of the respondents answered "Yes" and only 16% said "No". When some close says good things about a particular product or business, it serves as a real-life testimonial, which is much more believable than any other means of information. Consumers today place more weight on the recommendations of their more influential neighbors

**Table 8.** Frequency Distribution with respect to Word Of Mouth on everyday use item

| Answers       | Frequency (F) | Percentage (%) | Rank |
|---------------|---------------|----------------|------|
| Always        | 10            | 10 %           | 4    |
| Most of times | 29            | 29 %           | 2    |
| Sometimes     | 46            | 46%            | 1    |
| Rarely        | 15            | 15 %           | 3    |
| Total         | 100           | 100%           |      |

When the respondents were asked that would they rely on word of mouth regarding items of everyday use, 46% said "sometimes", 29% said “mostly”, 15% said “hardly”, and the response to “Always” is 10%. When people are about to buy a new item they prefer word of mouth because the items of day-to-day use are not very expensive. Thus, they can rely on word of mouth while making a purchase decision of this nature.

**Table 9.** Frequency Distribution with respect to Expensive items

| Answers | Frequency (F) | Percentage (%) | Rank |
|---------|---------------|----------------|------|
| Yes     | 44            | 44 %           | 2    |
| No      | 56            | 56 %           | 1    |
| Total   | 100           | 100%           |      |

Respondents were asked to give their opinion whether they would rely on word of mouth while



purchasing expensive items such as cars, jewelry, furniture, etc. In response 46% of them said "Yes" whereas 56% said "No". This shows that word of mouth has its impact, but while spending a larger amount of money people do not completely rely on it. They were also asked to provide a reason for their answers which are as follows

#### 4.1. Discussion

The respondents provided many reasons as to why they would rely on word of mouth while purchasing expensive items. The one reason that seemed to be influencing most of the people was that, while making such decisions a lot of money is involved and the stakes are very high thus they would like gain as much information as possible about the product/service. Such expensive items are long term items therefore they want to make the best choice of all. Some people simply answered that they get opinionated easily so they don't mind the information. Also, because those who have already experienced the product/service have authentic knowledge about it, therefore one should make use of others experience. The respondents feel that close relatives, friends, family and acquaintances always provide an honest opinion which is completely reliable and helps make the decision easier, they feel that intuitive decision making can be very risky therefore for a rational decision they consult knowledgeable people around them. Another reason that they provided was that first-hand experience of others can be very helpful because it has some truth to it and can be easily trusted, Some people just simply consider a second opinion because it helps them make a decision about a product they don't know much about, Word of mouth from credible sources provides them satisfaction that whether the item they are about to purchase is worth it or not. Last but not the least, another reason for relying on word of mouth is that they want to be cautious as well as careful in order to get better results,

Similarly, the respondents also provided reason for not relying on word of mouth for the purchase of expensive items, The main reason why people did not opt for word of mouth was because while purchasing expensive items, they are investing a large amount of money that is a lump sum is going out of their pocket, for that matter they prefer information coming for proper sources. Because it involves a lot of investment it requires much more consideration thus people want to be sure of what they are about to buy. Another major reason that a larger number of respondents provided was that they have strong likes and dislikes, and they like to go to the market and check for themselves rather than relying on what they have heard from others. Whereas, a few people responded that word of mouth has no affect on them and they trust their decision because information from other sources is usually unreliable. They feel that such items are long term and durable thus they don't require any information coming from word of mouth. On the other hand a lot of them said that they prefer to carry out a proper research or survey to be sure what they will be getting in return for all that money they are paying, They also said that they want to try out the purchase item themselves because they believe that experience teaches you and on should believe in their own judgment, the respondents believe that they have their own choice and prefer making their decisions on their own because it provides themselves satisfaction. Some of them responded that once they like a purchase item they just simply buy it rather than listening to what others have to say about it,

**Table 10.** Frequency Distribution with respect to Viral Marketing

| Answers | Frequency (F) | Percentage (%) | Rank |
|---------|---------------|----------------|------|
| Yes     | 71            | 71 %           | 1    |
| No      | 29            | 29 %           | 2    |
| Total   | 100           | 100%           |      |

When respondents were asked, whether Viral Marketing could be efficient enough for marketers to create hype for their product, 71% said Yes and only 29% said No. Buzz spreads more quickly when it begins in different places or among people with different interests-Online conversations are the easiest and most cost-effective way to measure word of mouth, which is also called 'viral marketing' in its online form. Though there are multiple methods that enable communities to be 'virtual' the most common form of communication is good old - fashioned email. And email is fast, very fast, particularly when it involves transmitting "word - of - mouth", good or bad, about a company, product, or industry, As the use of computers and internet is growing by the day and it's the most upcoming medium for gaining information, viral marketing is bound to become a much more powerful source than any other form of advertising.

The response for this question, that whether viral marketing can lead people to talk about purchase

items/services or not, both on-line as well as off-line was the same as in the previous question. 71% of the responded negatively, Word -of -mouth has always been one of the best forms of marketing and that's true in the e-business world as well. Consumers -even low involved consumers commonly discuss the purchase, use, and disposition of products in the marketplace. In generic-product-category virtual communities, this type of discussion is the norm. As such, they talk a lot about the product/service, And they tell others, too both on-line and offline ,This shows that Viral Marketing has certainly evolved since the day it was first introduced and since then has continued to influence people a great deal.

**Table 11.** Frequency Distribution with respect to Negative & Positive word of mouth

| Answers | Frequency (F) | Percentage (%) | Rank |
|---------|---------------|----------------|------|
| Yes     | 94            | 94 %           | 1    |
| No      | 6             | 6 %            | 2    |
| Total   | 100           | 100%           |      |

In Response to this question 94% people agreed that negative word of mouth definitely travels much faster positive comments and only 6% of the people disagreed, If it 's not controlled ,word of mouth can very easily get out of hand and become a game of Chinese Whispers. There's an old saying that if you have a good experience, you'll tell two friends, but if you have a bad one, you will not tell them, That incentive enough for marketers to ensure that they design experiential programs that inspire their customers to talk positively about their products and brand -not just talk. Therefore, as we conclude from the answers of question number 2 and 3 that people tend to be more sensitive about harmful or risky products/services as compared to the positive ones.

## 5. Conclusion

The purpose of this study is to examine what positive and negative effects word of mouth has on the consumer buying behavior. The results reveal that people of all ages, marital status and genders do rely heavily on word of mouth to arrive at a decision to purchase any item. Although it has been identified through the first question of the questionnaire that people prefer advertising over word of mouth but as the Questionnaire continues and detailed questions have been asked, it can be safely concluded that word of mouth certainly has as enormous impact on the buying decision of individuals. This is the fact that one time bad experience can create a permanent bad impression of the product/service and thus leads to negative word of mouth. This clearly proves that negative word of mouth can have extremely undesirable effects but at the same time positive word of mouth can have magical effect on the sales of products/service.

A great deal of reliance on the guidance and advice of close friends, relatives and acquaintances has been observed. This is because of the degree of accuracy and sincerity assigned to their point of views. In situations where a small amount of money is involved people mostly don't have to urge to carry out a survey before spending. But whenever the stakes are high it's just about the opposite. However, the basic urge to have first-hand knowledge or experience is also reflected in some of the respondents, who would not like to learn through other peoples' experience. Another piece of information that the results have revealed is that if utilized correctly word of mouth can be tremendous helpful for marketers to create the required hype for their product/service, so that people are very much aware of its existence.

Viral Marketing is a topic which people are still not familiar with. Internet and e-mail has given new immediacy and new term. Good viral marketing makes every customer a salesperson. As it is clear from the results, that it can be more powerful than many other marketing techniques because it is accurate, fast, cheap and allows retailed information. It is not only beneficial for people who can access the net, but also others because it generates online as well as off-line discussions. Another fact that has come to light from results is that negative word of mouth always spreads wildfire and has the potential of completely wiping off any business. There in an absolute unanimity about efficient use if word of mouth being a contributing factor in sale/promotion of products and services. It has been brought out through the survey that 'word of mouth' is a potent means of promoting a product as well as formulating favorable decision regarding purchase of personal items.

### 5.1. Recommendations

There are numbers of suggestions i.e.,

- (i) Marketers should not solely rely on the word of mouth campaigns. They should also use formal means of communication such as newspapers, magazines, television and internet.
- (ii) Consumers should also carry out proper survey apart from Word-of-mouth before buying expensive items.
- (iii) Bad experience should always be shared so that others can also benefit from it.
- (iv) Consumers must always provide as honest opinion regarding product/services.
- (v) Viral Marketing is an effective tool but should not be used in a negative way.

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