



An evaluation of e-word-of-mouth communication on brand equity in Cross River State, Nigeria

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Abstract

Word of mouth testimonial on organizations' brands are presently moving in the super high-way of the social network, the internet and other digital medium such as Facebook, Email, MMS, Google, and YouTube, SMS messages etc. The quintessential of brand equity no doubt has relativeness with e-Word-of-Mouth communication; where consumers air out their experiences through electronic means. Surprisingly, little in the way of empirical research is available, that quantifies the effect of e-WOM on brand equity in Nigeria. To this end, the survey research design was employed and data were collected from the customers of selected GSM operators in Nigeria. The Ordinary Least Square was used for the hypotheses and it was discovered that e-WOM influences brand awareness, brand association, perceived brand equity, and brand loyalty. It was therefore recommended that, organizations should spur discussion about their brands through the internet and where a trustworthy source like the social network is used to communicate consumers' experiences; it will contribute in no small measure to brand familiarization, establishment of brand equity and ensure unique association with the brand that gives the required satisfaction, benefit and solution.

Keywords: e-WOM; Brand equity; Brand awareness; Brand association; brand loyalty and Perceived brand equity

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1. Introduction

Word-of-mouth (WOM) has been acknowledged for many years as a major influence on what people know, feel and do about a company's brand without organizations acknowledging it. Prospects always value opinions that are expressed to them by satisfied customers. This is perhaps, the justification of viewing these sources as most trustworthy (Murray, 1991).

The advent of the cell phones, internet and other forms of digital media presently used by satisfied consumers in airing out their experiences on a brand, have unequivocally changed and restructured the communication landscape that companies are faced with and by all means their brand awareness, perception, image and comprehension which are collectively imbedded in brand equity. The indispensability of brand equity as an epitome of higher organizations achievements cannot be over emphasized (Aaker, 1991).

Organisation can stimulate their brand awareness and knowledge by taking the spur of the moment to encourage satisfied consumers into being their best sales persons who transmit their experiences through digital means such as Facebook, Email, MMS, Google, and YouTube, SMS messages etc. This can be called e-Word-of-Mouth communication (e-WOM or online WOM) (Brown, Broderick & Lee, 2007; Xia & Bechwati, 2008).

In today's internet era, consumers seek online information to make brand purchase decision and share their experiences about a brand through a global computer network (Adjei, Noble & Noble, 2009; Zhu & Zhang, 2010). This brand experiences could lead to negative or positive comment online. This e-WOM communication should be a concern for marketers, this is because it is difficult to control and measure but can spread quickly and be highly influential on brand equity.

Keller (1993) added that knowledge on brand equity are the thought, images and experiences that are linked with the brand in the minds of consumers and not just the facts about the brand, while describing the consumer's memory as a function of a set of nodes and links of the various associations related to a brand. Surprisingly, little in the way of empirical research is available, that quantifies the effect of e-WOM on brand equity in Nigeria. It is against this background the study evaluates the influence of e-WOM on brand equity proxy as: brand awareness, brand association, perceived brand equity, and brand loyalty.

2. Literature review

e-Word-of-Mouth communication can provide many advantages to brands (Patterson, 2011). It allows consumers themselves decide how to interpret a brand and share their perception with other potential consumers. Hence, brand becomes dependent on the wish and will of a consumer. Notwithstanding, e-Word-of-Mouth communication if not properly managed and effectively monitored may result in negative consequences for the company.

The role of e-WOM communications to firms cannot be overemphasized in creating awareness about brand, and also a tool to build strong image and status. This is because most products are sold on the basis of

recommendations by users and observers who experience demonstration or read catalogue or literature and inform others (Eze, Nnabuko & Beredugo, 2014).

For marketers, it is not enough to produce products or services and communicating its virtues to the prospective target market. The primary task of the marketer is to let both actual and potential prospects know that a specific brand exists and to keep its brand name uppermost in the minds of consumers. This invariably generates customer trail and higher customer demand, while facilitating possible increases in returns in the current and future periods (Eze, 2013).

The increased use of the internet, especially the social media such as: the Facebook, YouTube, twitter among others had paved way for the exchange of information termed as “electronic word of mouth” (e-WOM) (Armellini & Villanueva, 2006). Information on an organization’s offering, that is made available on the social network platform could be negative or positive and could do untold good or damage on an organization’s prosperity. This no doubt reveals the insightful impact e-WOM could have on brand awareness, brand association, perceived quality and brand loyalty.

2.1. e-WOM communication and brand awareness

Consumer awareness or familiarity is an underlying element of brand equity (Aaker, 1991), and brand awareness plays a dominant role in consumer’s choice of product/services (Hoyer & Brown, 1990). The awareness generated by e-word-of-mouth efforts however, lead to a higher equity brand. Also ascertained is that consumers are predisposed to series of brands, but with online testimonies, delineations are made among them, while the most popular brand(s) earn equity (Brown, 2012).

It is also obvious that e-word-of-mouth as a powerful promotional tool, can ultimately enhance successful brand awareness which is quintessential for brand’s knowledgeableness and easy recognition. Realistically, it can be acknowledged that, improved sales volume relies significantly on the awareness of a brand; through all forms of media including the social networking site such as Facebook, Twitter and MySpace among others (Yi, Day & Cai, 2013; Gustafson & Chabot, 2007). Hence, we propose that: H_2 : *e-WOM communication influences brand awareness.*

2.2. e-WOM communication and brand associations

Brand association is the connection an individual has with the product in term of the satisfaction derivable from the brand. Although, satisfaction is relative; it could be inferred that a satisfied customers can be an organizations best sales persons, while their experiences could also be aired through the internet sources for prospect to emulate. Thus, we propose that: H_2 : *e-WOM communication influences brand associations.*

2.3. e-WOM communication and perceived brand quality

Brand is a perception and also promises, therefore it varies in the amount of power and value they command in the marketplace, and with e-word-of-mouth that is conceived as volitional post-purchase communications

between customers online; information on the quality of a brand can be easily communicated to prospects in larger scale.

Moreover, word-of-mouth is believed to follow from an evaluation of how the acquired service or product performs. Extending these assumptions however, it is argued that customers who find their supplier to deliver satisfactory levels of value will make verbal and online recommendations of their experiences and the perceived quality of the product is comprehensible to make an informed purchase decision (Dick & Basu, 1994). We therefore suggest that H₃: *e-WOM communication influences perceived brand quality.*

2.4. e-WOM communication and brand loyalty

Brand loyalty is a degree of pre-dispositional commitment toward a brand. It is a primary measure of effectiveness in brand marketing, and a partial measure of brand equity (Knox & Walker, 2001). Javalgi and Moberg, (1997) emphasize the importance of brand loyalty:

“The success of a brand on the long term is not based on the number of consumers that buy it once, but on the number of consumers who become regular buyers of the brand.”

Howbeit, trustworthy sources of transmitting consumer experiences of a brand will more likely to encourage customers to return, and enhance their willingness to perform partner-like activities for the product or service (Bowen & Shoemaker, 1998). It is apparent that e-WOM support repurchases decision, communicates on customers' perceived value and brand trust; while a loyal customer becomes more valuable to the organization by subsequently spreading positive words about their experiences through all means necessary and especially the internet. Based on this we propose that H₃: *WOM communication influences brand loyalty.*

3. Research methodology

The paper employs a survey and descriptive research design. The survey technique allows for the use of questionnaires on the respondents. The descriptive research design enhances accurate description of the variables and not necessarily establishing the relationship between these variables.

The study area is Calabar, Cross River State of Nigeria. The state is located in the south-south geopolitical region of the country and the study cut across selected consumers of the four major GSM operators in Nigeria (GLO, AIRTEL, MTN AND ETISALAT). The estimated population of the GSM customer in Calabar is far above 2 million people. This number was subjected to the Yamane's formula, and the sample size derived and used according was 400.

The judgmental sampling technique was used. Respondents are purposefully selected because it is expected that they are representatives of the population of interest (Dillion, 1994). Reliability test was conducted on the survey questionnaire to determine if the scale consistently reflects the construct it is measuring. The Spearman rank correlation coefficient (ρ) was used in this regard and the result was given

as 0.728 indicating the instrument to be reliable. The stated hypotheses were tested using Ordinary Least Square.

4. Data analysis and interpretation

The valid questionnaires retrieved was 389, representing 97.3% of the distributed. This questionnaire set was however used accordingly and the data elicited from the respondents on the influence of e WOM on brand Equity as are presented in table below:

Information from Table 1 shows the data collected from 389 respondents drawn from selected customers of GLO, AIRTEL, MTN AND ETISALAT users in Calabar, Cross River State.

Table 1. e-WOM and Brand Equity

S/N	Questions	SA	A	D	SD	TOTAL
1	e-Word-of-Mouth communication can secure the reputation of a brand and share its perception with prospect using the internet and other digital media.	79 21.3%	118 30.3%	109 28.0%	83 21.3%	389 100.0%
2	Brand awareness is crucial to differentiating a product from other similar products and competitors.	80 20.6%	120 30.8%	109 28.0%	80 20.6%	389 100.0%
3	Prospects can associate themselves with a brand that has been tested and trusted by satisfied consumer.	73 18.8%	82 21.1%	137 35.2%	97 24.9%	389 100.0%
4	Perceived brand quality could be ascertained through consumers' online comments on the brand.	99 25.4%	127 32.6%	102 26.2%	57 14.7%	385 99.0%
5	A Brand enjoys a profound loyalty when accompanied with a good customer experience	87 22.4%	114 29.3%	101 26.0%	86 22.1%	388 99.7%

Source: Field survey, 2014

The data from item 1 on Table 1 shows that more than 50 percent of the respondents were in support of the fact that e-Word-of-Mouth communications could secure the reputation of a brand and share its perception with prospect using the internet and other digital media. Same percentage supports that Brand awareness is crucial to differentiating a product from other similar products and competitors. Although less than 50 percent affirms that prospects can associate themselves with a brand that has been tested and trusted by satisfied consumer. Same cannot be of perceived brand quality and brand loyalty from item 4 and 5 on Table 1, where more than 55 percent of the respondent confirmed that perceived brand quality could be ascertained through consumers' online comments on the brand and that a brand enjoys a profound loyalty when accompanied with a good customer experience.

Table 2. Coefficients for hypothesis one, two three and four^a

Model		Coefficients	Std. Error	T	Sig.	R	R Square	F
1	(Constant)	3.150	.087	6.854	.000	.772 ^a	.597	572.162
	Brand Awareness	.242	.032	23.920	.000			
2	(Constant)	1.146	.110	10.390	.000	.604 ^a	.364	221.906
	Brand Association	.608	.041	14.896	.000			
3	(Constant)	.961	.111	8.626	.555 ^a	.308	.682	170.760
	Perceived brand Equity	.539	.041	13.068	.000			
4	(Constant)	1.494	.129	11.541	.000	.401 ^a	.160	73.794
	Brand Loyalty	.412	.048	8.590	.000			

a. Dependent Variable: e-WOM

SPSS Result, 2014

1. Dependent variable: Brand Awareness
2. Dependent variable: Brand Association
3. Dependent variable: Perceived brand Equity
4. Dependent variable: Brand Loyalty

Information on Table 2 shows the results on the tested hypotheses. The t-statistics for the hypothesis one revealed a positive significant relationship and that e-WOM communication influences brand awareness [$t_{cal} = 23.920 > t_{0.05} = 1.697$]. Same can be said for hypothesis two that e-WOM communication influences brand association [$t_{cal} = 14.896 > t_{0.05} = 1.697$]. Hypothesis three also shows that e-WOM communication influences perceived brand equity [$t_{cal} = 13.068 > t_{0.05} = 1.697$]; while, hypothesis four shows that e-WOM communication influences brand loyalty [$t_{cal} = 8.590 > t_{0.05} = 1.697$]. The F statistics for all the hypotheses tested also show that the regression equation taken as a whole, significantly explain the variation in the dependent variables.

5. Summary of findings, conclusion and recommendation

The study was on the influence of e-word-of-mouth communications on brand equity, and data were collected from selected customers of GLO, AIRTEL, MTN AND ETISALAT users in Calabar, Cross River State. Four hypotheses were however tested using the Ordinary Least Square statistical tool and it was discovered that e-WOM communications influence brand awareness, brand association, perceived brand equity and brand loyalty. This result was supported by Zhu and Zhang (2010), who affirmed that consumers seek online information to make brand purchase decision and share their experience about a brand through the internet.

A favourable brand experience could lead to positive comment online, which spreads quickly. Consumers' comments on a product through Twitter, MMS, Facebook, Youtube and other electronic means or the internet

can encourages organizations to secure the reputation of a brand, expand brand awareness, provide more positive associations and increase consumer loyalty to a brand. This e-WOM communications no doubt creates awareness on a brand, inculcates the identity of the brand into the mind of consumers. And since the information from these sources are testimonies from consumers; it encourages purchase and repurchase decision in the form of brand loyalty.

This invariably suggests that, where brand equity is insured through e-word-of-mouth, increase sales volumes can be maximized and increased profitability is attainable. It is therefore recommended that organizations engage in product quality to enhance consumers in communicating about the company's brands through an electronic means that could reach prospects in their thousands.

Organizations should also spur discussion about their brands by using internet facilities like the Twitter, Youtube, Facebook and other social media; and they should also build their website where relevant information about the company's brand can be made available to further support the e-WOM recommendations. Where all these are made possible, the equity of a brand will be stronger and consumers will hold more favourable, powerful and unique association with the brand and have a more established familiarity with the brand.

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