

# A Study on the Effectiveness of the Traditional Word of Mouth Marketing Among the Youth

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**Abstract—** The authors study the effect of word-of-mouth (WOM) marketing on member growth at an Internet social networking site and compare it with traditional marketing vehicles. Because social network sites record the electronic invitations from existing members, outbound WOM can be precisely tracked. Along with traditional marketing, WOM can then be linked to the number of new members subsequently joining the site (sign-ups). Because of the endogeneity among WOM, new sign-ups, and traditional marketing activity, the authors employ a vector auto regressive (VAR) modeling approach. Estimates from the VAR model show that WOM referrals have substantially longer carryover effects than traditional marketing actions and produce substantially higher response elasticity's. Based on revenue from advertising impressions served to a new member, the monetary value of a WOM referral can be calculated; this yields an upper-bound estimate for the financial incentives the firm might offer to stimulate WOM.

**Index Terms-** Word-of-Mouth, Advertisement, Traditional Marketing and Internet

## I. INTRODUCTION

Marketing touches every aspect our lives, from our very birth to our death. Our entire life, our lifestyles and our existence are continuously affected by marketing. Marketing is a comprehensive term. It comprises of all activities performed by firms to direct and facilitate flow of goods and services from producers to buyers. It is the exchange of value between the buyer and seller. Like most things in life, the world of marketing is dynamic. Even over the last of decade, there have been many innovations in marketing. One of the most important innovations in marketing is Word of Mouth Marketing.

Word of Mouth is a marketing method that relies on casual social interaction to promote a product. This method has been in place even before the advent of the

internet and widely touted as the most effective form of communication. A person is more likely to believe something that comes from a person that he knows and respect instead of a canned source like TV commercials and print ads. Word of Mouth is anytime talks about your brand. That can be in a conversation with their friends, it can be on social media, it can be in your own product reviews - essentially, it can be anywhere. It is an act of encouraging word of mouth about your brand.

According to Silverman "Word of mouth is a positive or negative communication of products, services and ideas via personnel communication of people who have no commercial vested interest in making that recommendation."

## II. STATEMENT OF THE PROBLEM

Many people buy products by seeing advertisements, because of brand loyalty, taste's and preference's, personal communication, etc. recent reports state that word of mouth is adopted as a buying technique by most of the people. The satisfied people are recommending the products/ services to their friends or siblings. Even though it is an oldest form of marketing many people are not aware of the term word of mouth marketing and its effectiveness. So, this study aims to know the effectiveness of word-of-mouth marketing among the youth.

## III. OBJECTIVES OF THE STUDY

- To study the perception of customers towards traditional Word-of-Mouth marketing.
- To study the factors influencing Word of Mouth marketing.

#### IV. RESEARCH METHODOLOGY

##### Data Collection:

There are mainly two sources of data, Primary Sources and Secondary Sources:

##### Primary Data:

The study is mainly based on primary data. They are first-hand information collected. The data collected are pure and original and collected for a specific purpose undergone any statistical treatment before. In the study, data is collected from the respondents through a well-structured questionnaire.

##### Secondary Data:

This type of data is opposite to primary data. They are collected and published already by someone else. They can be used as a source of data and used by surveyors to collect data from and conduct the analysis. Secondary data have undergone statistical treatment at least once. Secondary source of data is also used for conducting the study. They include journals and magazines.

##### Tools of Data Collection:

Data collection tools refer to the devices/instruments used to collect data. The success of any research depends solely on the data which drives it. In this study, data is collected through well-structured questionnaire.

##### Sampling Design and Sample Size:

Judgmental sampling technique is used to select the sample and the sample size is 75.

##### Limitations of the Study:

- Scope of the study covered is limited to youth and teenagers.
- The study is based on response given by the selected respondents; hence the hesitation of some individuals in revealing their frank opinion might have affected the outcome.
- Due to lack of time the number of sample size is limited to 75 respondents.

#### V. REVIEW OF LITERATURE

- 1) Francis A Buttle from Manchester Business School conducted a research on marketing: understanding & managing referral marketing in the year 1998. Researcher's has identified a number of specific contexts which evoke consumer word of mouth. Bayus (1985) observed that frequent repetitive advertisement can increase word of mouth particularly in absence of the information sources. These findings are in keeping with the advertising axiom that it is vital to create advertisement high in conversational value & consistent with the evidence that if an advertising message generates uncertainty about a product/service consumer will seek word of mouth in order to reduce perceived risk.
- 2) The study Conducted by WOMMA on word of mouth marketing was: The state of word of mouth marketing survey in 2014. The study says that While marketers have confirmed the importance of word of mouth & social media marketing nearly two third of marketers say social marketing is more effective than traditional marketing (64%), relatively few think they can effectively measure the ROI of online social media (34%) or offline word of mouth (22%).
- 3) Wikipedia The free encyclopedia conducted a study on word of mouth marketing. Research has identified thirteen brand characteristics that stimulate word of mouth. Namely Age of the brand in market place, type of good, complexity, knowledge about the brand, differentiation, relevance of a brand, quality, premium, visibility, excitement, satisfaction, perceived risk, involvement. This research also found that while social & functional divers are the most important for promotion via WOM online, the emotional driver predominate offline word of mouth.
- 4) Arnand De Bruyn, Gary L Lilien conducted a study on A multi stage model of WOM influence through viral marketing. In this paper we develop a model to help identify the role WOM plays during each stage of a viral marketing. Recipients decision making process including the conditions that moderate such influence. The research concluded with a discussion of the theoretical & methodological contributions of their work & of managerial implication of these findings for online

marketers interested in strategies for leveraging peer to peer referral networks.

VI. MARKETING BY WORD OF MOUTH

The most efficient kind of promotion is word of mouth marketing, which is an oral or written referral by a delighted consumer to a prospective buyer of a good or service. It's often known as word-of-mouth marketing, which is wrong because advertising is, by definition, a paid and non-personal communication.

In marketing, word of mouth communication refers to the exchange of information about a brand, a product, or a service between a non-commercial communicator and a receiver. Electronic word of mouth refers to any statement customers share about a product, service, brand, or company on the internet when word of mouth is mediated through electronic methods. If the sender of word-of mouth communication is compensated, this technique is referred to as word-of mouth marketing.

A personal recommendation is referred to as word of mouth marketing, which relies on the extra credibility of person to person communication. "When a consumer's interest in a company's product or service is evident in their daily dialogues," according to Investopedia. Companies can increase word of mouth marketing through various publicity operations or by providing possibilities for consumer to consumer and consumer to marketer contacts. Buzz, viral, blog, emotive, and social media marketing are all part of it.

This strategy existed long before the internet and is often regarded as the most successful form of marketing. A person is more likely to believe anything that comes from someone he knows or appreciates rather than something that comes from a canned source such as commercials, advertisements in print. It's a marketing strategy that promotes a product through casual social contacts.

Data Analysis and Interpretation

Table 4.1

Gender	No. of Respondents	Percentage
Male	48	64
Female	27	36
Total	75	100

Source: Primary Data

Genders of the Respondents

Interpretation

From the above table it is interpreted that 64% of the respondents are Male and 36% of the respondents are Female

Majority of the respondents are Male

Chart-4.1

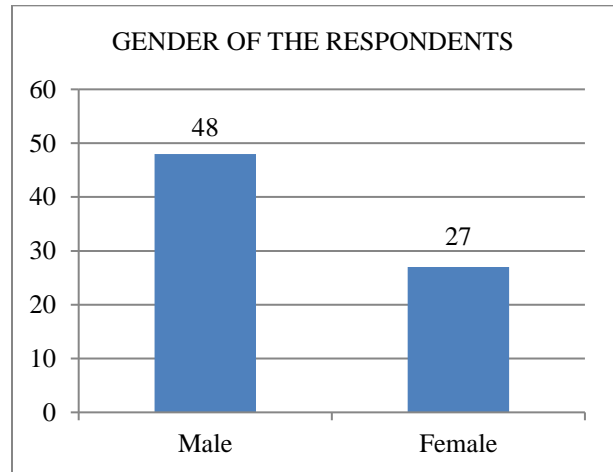


Table 4.2

Status of the Respondents

Current Status	No. of Respondents	Percentage
Student	48	64%
Employed	12	16%
Unemployed	15	20%
Total	75	100%

Source: Primary Data

Interpretation

From the above table it is interpreted that 64% of the respondents are Student and 16% of the respondents are employed and 20% of the respondents are Unemployed

Majority of the Respondents are Student

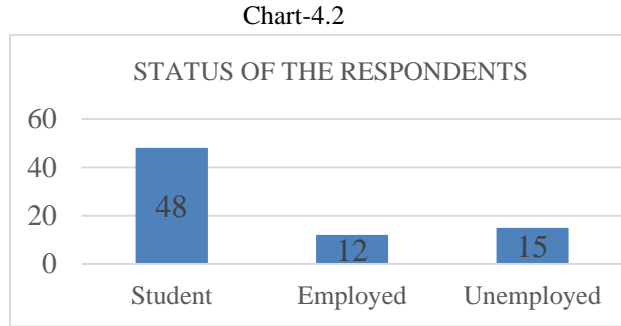


Table-4.3  
Types of Products Preferred

Type of Product	No. of Respondents	Percentage
Movies	30	40%
Travel/Tourism	15	20%
Electronic Gadgets	10	13.33%
Health Services	5	6.66%
Automobiles	3	4%
Stationary Goods	2	2.66%
Books	1	1.33%
Restaurants/Hotels	5	6.66%
Clothing/Fashion	7	9.33%
Cosmetics	8	10.66%
Hair Products	3	4%
Total	75	100%

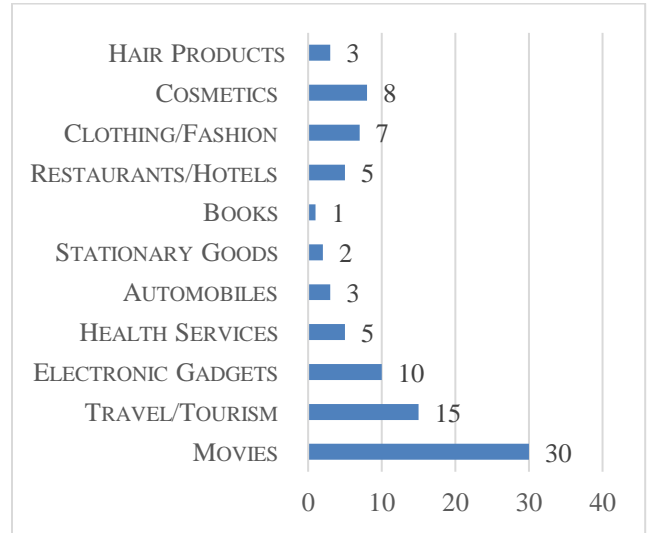
Source: Primary Data

### VII. INTERPRETATION

From the above table it is interpreted that 40% of the respondents are Movies and 20% of the respondents are Travel/Tourism and 13% of the respondents are Electronic Gadgets and 7% of the respondents are Health Services and 4% of the respondents are Automobiles and 3% of the respondents are Stationary Goods and 1% of the respondents are Books and 7% of the respondents are Restaurants/Hotels and 9% of the respondents are Clothing/Fashion and 10% of the respondents are Cosmetics and 4% of the respondents are Hair Products

Majority of respondents are Movies

Chart-4.3  
Types of Products Preferred



### VIII. FINDINGS

- Majority of the study respondents suggest a product to others if satisfied.
- Majority of the study respondents prefer a product suggested by others through word of mouth.
- Majority of the respondents are neither satisfied nor dissatisfied after using a product suggested by others through word of mouth.
- Majority of the study respondents only buy products suggested by their friends if they have greater knowledge and previous experience with that product.
- Study reveals that majority of the study respondents often receive intermediate responses from others after using a product.
- Survey reveals that majority of the respondents have got deceived by traditional word of mouth so it can be inferred that traditional word-of mouth marketing could be deceiving.
- Even after getting deceived once by traditional word-of-mouth respondents may further prefer word of mouth depending on the situation.
- 8. SUGGESTIONS:
- Reduce dangerous factor of word-of-mouth marketing by providing correct suggestions about a product /service.
- Try to promote electronic word of mouth and other marketing methods.

- To improve the satisfaction level right message should be delivered after using a product.
- Try to improve word of mouth among both girls and boys.
- Try to collect suggestions from wide variety of people rather than just relying on friends.

### CONCLUSION

This study was conducted to know the concept, effectiveness, and factors influencing the traditional word of mouth marketing. The study reveals that traditional word of mouth marketing is a powerful way of advertising to market a product/service and it is the oldest form of marketing. The less expensive and least time-consuming features of traditional word of mouth are mostly attracted by the users.

The factors influencing the word of mouth are product, place, gender, age, etc. Youth prefer traditional word of mouth than any other marketing techniques even though it can be deceiving at times. All the youth suggest and prefer a suggested product by others but are not highly satisfied nor neither highly dissatisfied after using it. Most of the youth get an intermediate response after using a product.

Word of mouth marketing only works if the person who is suggesting has greater knowledge and previous experience with that product. Word of mouth is very effective because even after getting deceived by it youth still prefer that marketing methodology because it is the most reliable source for buying a product.

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