

The Impact of Social Influences Word of Mouth and e-Word of Mouth on 5G Sales

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### Introduction Part

Online shopping is a revolutionary trend in the market that has brought the rise of e-commerce and changed conventional marketing approaches. Social media networks, easily accessible through mobile phones, are the fastest means of communication and can reach as many people as possible within a short period. Marketers have shifted their strategies to online sites through approaches such as buzz and viral marketing. It helps create brand awareness and appeals to consumers to purchase a product and effectively become a loyal client. Perhaps the most powerful marketing strategy is e-word of mouth. It is a communication approach that helps reduce perceived risk and increase brand recognition. The social influences that word of mouth and eWOM have on the sales of 5G include reducing perceived risk, enhancing product and brand awareness and creating a positive image for the company.

### Definition part

The dictionary definition of “word of mouth” is that it is a process of transmission of information through spoken communication. Word of mouth occurs when people talk or tell others about something. In marketing, word of mouth involves people telling others about a product that they think is good and encouraging others to purchase it (Babić et al. 2016). It is a traditional marketing strategy and remains the most influential, as it reduces consumer risks and is supported by the words of consumers who have used the product. Word of mouth can either build a positive image or break it. In cases where the product does not deliver on its proposed value, consumers can discourage potential clients from purchasing it. Hence, word of mouth is the communication of a product’s merits by people who encourage others to buy it.

The era of social media has significantly transformed the conventional concept of word of mouth, bringing about the rise of e-word of mouth (eWOM). As an extension of the word of mouth definition, eWOM is the positive and negative statements made by actual, previous and potential consumers of a product or a company, which can be accessed by many people through the internet (Babić et al. 2016). The traditional word of mouth involved one individual speaking about a product to another potential customer. However, in the case of eWOM, consumers can make statements about a product via the internet, where it can be communicated to a multitude of people. Today, eWOM has significant influence on the perception of products and the public image of the companies producing them. Potential consumers seek information about a product from client recommendations made through eWOM. It has revolutionized marketing, product endorsement and public relations for corporations.

#### Types of eWOM and WOM

Marketers, understanding the power and potential of eWOM, have learned to utilize this strategy to enhance brand awareness and create a positive image for the company. Buzz marketing is the most elaborate form of eWOM. First, one person makes a brand statement or a product endorsement to another through the internet. The second individual tells two or more people who then communicate it to others. Eventually, the statement is communicated to many people. Unlike word of mouth, electronic word of mouth leaves a digital footprint that allows other potential consumers to view the comments as they browse for a product they wish to purchase (Choi, Thoeni & Kroff, 2018). Other times, marketers can create funny comments that transition from buzz into viral marketing. These manifestations of eWOM have enhanced product purchasing and brand recognition, and created positive images for products and companies.

### Impact of social influences part

Consequently, marketers have tapped into the full potential of eWOM by creating online consumer communities (Choi, Thoeni & Kroff, 2018). These groups are comprised of consumers loyal to a brand. For corporations, online communities act as a strategy to improve clientele engagement. Online communities provide companies with recommendations on how to improve their products by providing feedback on existing products. They also offer insight into innovative ways in which the company can create new products. Regarding eWOM, online communities are the initial groups of people who start a buzz online and recommend a product to potential users (Choi, Thoeni & Kroff, 2018). Tapping into eWOM by creating brand communities has enhanced product promotion, generated sales and enhanced brand positioning and image for corporations.

Existing products that can deliver on their proposed value have benefited from eWOM's extensive reach. For new products such as 5G, eWOM has enabled marketers to enhance market acceptance. The perceived risk is high for new products as they have not been used (Bataineh, 2015). However, in cases where the pre-existing product was successful in the market, market acceptance of a new generation can be achieved in a more straightforward way. The challenge lies in communicating and selling the upgrades made from 4G to 5G and how they will improve connectivity. Electronic word of mouth can either make or break the sales of 5G. Where consumers feel that the innovations are minimal, eWOM can influence potential consumers not to accept 5G, thus driving down sales. Hence, eWOM holds significant social influence on the sale of products.

The social influences of electronic word of mouth and conventional word of mouth range from consumer perception of risk and their intention to buy to consumer behavior and sales of a product. Electronic word of mouth increases based on the level of innovation of a

new product. 5G launches have been done in different regions such as the USA, South Korea, and Europe, and by companies such as Verizon and Samsung (Sbeglia, 2019). At the point of launch, the consumers' perceived risk of the product was significant. Most consumers were skeptical about the upgrades made from 4G to 5G. There was ambiguity before purchasing the 5G products, as consumers feared that the upgrade would make 4G products obsolete. Electronic word of mouth helped in supporting the launch by communicating that 5G would not replace 4G but would rather serve as an upgrade. While access to 5G is still years away from full actualization, eWOM has helped with market acceptance and reducing perceived risk (Bataineh, 2015). Consumers who tested the product could potentially communicate the value proposition of 5G to increase its sales.

Secondly, eWOM helps in shifting the intention to buy to actual purchases and influencing consumer behavior (Ismagilova, Slade, Rana, & Dwivedi, 2019). As noted, eWOM is the statement made by an actual, potential and previous consumer of a product via the internet. Positive comments made by users of a product can encourage others to buy. Sbeglia (2019) notes that the estimated sales of 5G devices will be double the current sales by 2020 in the North American region. Electronic word of mouth has driven the increase of 5G. Recommendation from actual users has created a positive statement for potential users. Though other factors, such as the infrastructure and development of innovative products using 5G, have derailed the rollout of 5G products, electronic word of mouth has positively influenced consumer behavior and switched intention to actual sales of 5G. Electronic word of mouth propelled the launches made by Huawei in China and is likely to contribute to the increased sales in North America. Word of mouth and eWOM are, therefore, instrumental in enhancing market acceptance, product promotion, and influencing consumer behavior.

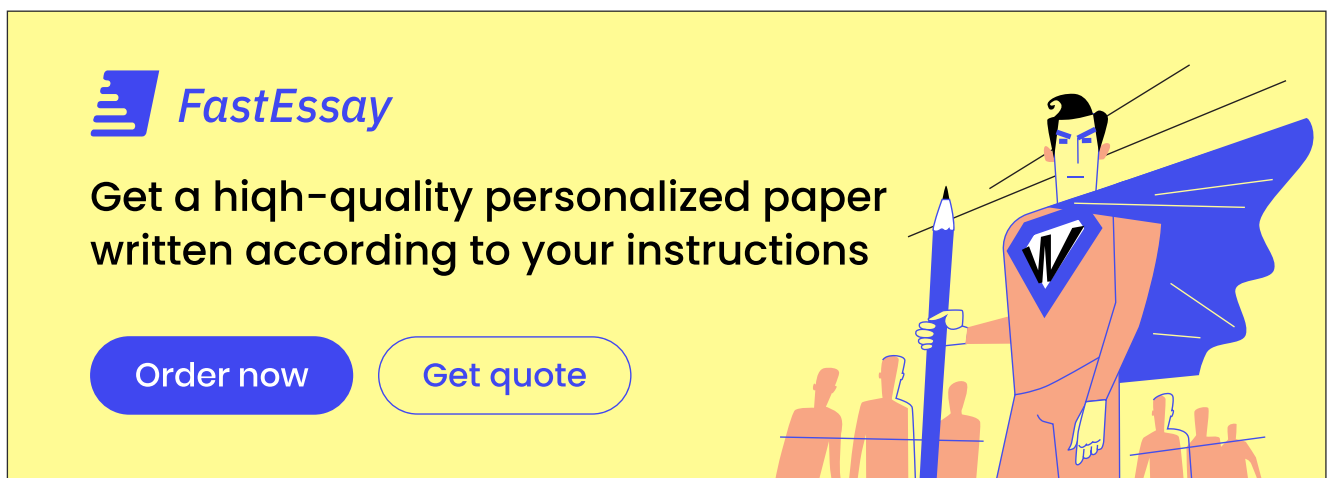
Despite the positive influences derived from word of mouth and eWOM, marketers are aware of the negative social impacts they can have on the sales of a product. Just as consumer endorsement of a product can encourage others to purchase a product, negative statements can discourage potential purchasers. Electronic word of mouth can be accessed through the internet. Consumers who have had negative experiences with services or have been disappointed by a product can place negative statements online. Such negative comments have affected the launch of new products and affected brand images negatively. It creates a PR nightmare for marketers as they strive to remedy the impact of negative comments about the brand (Babić et al. 2016). The extensive reach of eWOM worsens the problem. For 5G sales, negative statements have rarely been made. The perceived risk relating to making 4G products obsolete has been the primary concern since pre-existing products were similarly affected. Hence, eWOM can have both positive and adverse influences on the sales of a product.

#### Conclusion part

Word of mouth and eWOM are forms of communications from one person to another that can encourage or discourage the purchase of a product. Electronic word of mouth is done through the internet and has an extensive reach. This communication has propelled the sales of 5G by enhancing market acceptance, reducing perceived risk and influencing consumer purchasing behavior. However, the negative impact of eWOM can also derail the sales of a product and create a negative brand image.

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