

The Effectiveness between Word-of-Mouth (WOM) Marketing and Social Network on Consumer Acquirement towards AVON products in Malaysia.

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Abstract: *As Malaysia is aiming to become high-income country by 2020, in today's direct selling business such as Avon, the practice of positive WOM is becoming more important with the collaboration of Social network on consumer acquirement. This paper is aim to identify the effect of WOM and Social network on AVON consumer purchase intention. After analysing data from market research shows that most women acquires cosmetic products from Avon Company, the representative's role being extremely important. Most women buy products through the online social network catalogue, 77% of them using the products every day, often buying the personal care products. Overall this study provides a greater knowledge of how does WOM and social network work in a different perceptive to the acquirement of AVON products.*

Keywords: *Word –of –Mouth (WOM), Social Network, Consumer Acquirement, AVON.*

I. INTRODUCTION

Word of Mouth (WOM) is defined as an “oral person to person communication between a receiver and a communicator whom the receiver notices as non-commercial, regarding a brand, a product or a service” (Arndt, 1967, p.3). In this interaction; the beliefs, attitudes and experiences about a product or service are shared by the person who has an opinion or is knowledgeable about that specific product or service to others (Ahuja, et al., 2007). Word of mouth is more credible than information from commercial sources and is effective for reducing consumers' perceived risks related to purchases of products or services (Wien & Olsen, 2014).

Word of Mouth (WOM) can be used to distinguish from others and achieve competitive advantage. Customers acquired through WOM tend to stay longer as an active customer and thus generate more value over time .Besides, a firm's profitability results from positive WOM because people talk about their good experience with products and services to their families, friends, co-workers, and others. Therefore, positive WOM is an important factor in attracting potential consumer to consider important in any service context.

With the rise in social networks, a new era of content creation has emerged, where individuals can easily share experiences and information with other users (Chen et al.2011a). Social networking is a behaviour in which people develop relationships to survive (Coyle & Vaughn, 2008). The next generation of online businesses is already based on communities a good tool for new customer attraction (Bagozzi&Dholakia 2002; Ridings & Gefen 2004). Online communities offer an opportunity to organisations to be able to build a better customer relationship management system (Ridings & Gefen 2004), for instance, giving rise to new development of where businesses can improve performance.

The purpose of this study is to develop a conceptual model of factors influencing a consumer's willingness to generate positive WOM marketing in society, such as recommending others to use or promoting good news about AVON cosmetic products. The study has listed two factors (satisfaction, and experience) as factors influencing consumers' willingness to generate positive WOM about their cosmetic product. On the other hand, there are a number of social media that facilitate these activities, such as Facebook, YouTube and Twitter. Individuals apply different social media tools, such as online forums and communities, recommendations, ratings and reviews, to interact with other users online. In fact, individuals are attracted online to exchange information and receive social support (Ridings & Gefen 2004). Thus, this study will explore the relationship between factors influencing customer's willingness to generate positive WOM marketing (satisfaction, and experience) among AVON user and how Social Network (Facebook, YouTube and twitter) play a key role in customer acquirement toward the usage of AVON product in Malaysia.

II. LITERATURE REVIEW

In order to be successful in business, organization must into the needs and wants of their customers. Satisfied customers may not necessarily generate WOM, but once they did, it is more encouraging. Kotler defined satisfaction as “a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations”. Empirical studies have identified a

positive relationship between customers' satisfaction and WOM. When consumer was satisfied, the WOM generated was more positive. However, findings from another study showed the contrary. Based on a survey done on clothing retailers and customers in Bangkok, there was no relationship between retailer and customer's satisfaction and positive WOM but the relationship between retailer and customers' satisfaction and repurchase intention was highly positive. Based on these studies, it is important to determine whether customer satisfaction with the organization will produce positive WOM.

Katz & Lazarsfeld, (1956) stated that word of mouth plays crucial role in influencing customers to switch brands. It has been proven that the influence of word of mouth on brand switching is seven times greater than newspapers and magazines. Besides that, word of mouth communication gives four times greater for customers to switch brand than the effects of personal selling. Social networking sites, as Weinberg (2009, 149) states, "are generic terms for sites that are used to connect users with similar backgrounds and interests".

Having experienced people to help promote and talk is one of the most powerful marketing tools to spread WOM in an institution or a company at a very low cost. Stokes et al. identified three factors leading toward WOM in an independent health and leisure club in the Greater London area involvement, incentives and experiential factors. Experiential factors, such as friendly staffs, surrounding and quality instructor, are the most important factors when promoting the club to others. The strong opinion of an experienced leader in a business is highly influential on spreading positive WOM. This experienced leader could be identified through his/her characteristics, behaviour, his/her role in the WOM process and the greater impact of having him/her in a business on customers' purchase decision.

III. STATEMENT OF PROBLEM

Word of mouth plays an important role in influencing the consumers in dealing what to buy. Interesting products received more immediate effect through word of mouth method. Based on Schellekens et al., (2010), consumers who does under go negative experience with a product have more abstract terms when they hold less favourable attitudes toward the particular brand. On the receivers side, abstract language in positive, word of mouth leads to the inference that the sender has a more favourable product attitude and a higher buying intention for the product under consideration.

In other words, Berger & Schwartz, (2011) stated that products that are indicated more by the environment or are more publicly visible receive more word of mouth both right away and over time. Consumers have high tendency to instantly share the products and services with others if they are very satisfied or unsatisfied through the experience offer by the organizations.

The uses of social network by marketers help in promoting products and services. It strengthens the consumers' trust towards certain products or services. Besides Internet advertising, electronic word of mouth also have a positive effect on consumers' perceived value and perceived risk (Lim, 2015). Marketers should consider in encouraging customers in sharing this inexpensive marketing strategy to promote their products. Besides that, social commerce constructs have a significant positive influence on consumer trust in new products and services (Hajli, Lin, Featherman, & Wang, 2014).

IV. OBJECTIVES OF THE STUDY

There are few objectives on conducting this study:

1. To find out the previous study respondents in the study area.
2. To find out the effectiveness of WOM and Social Network towards approaching AVON

V. ABOUT THE STUDY AREA

It is crucial for marketers to monitor on what happens around the business. Satisfied customers share positive experience through word of mouth ; while unsatisfied customers usually share negative experiences through word of mouth. It is believed that word of mouth plays an important role in influencing consumers in positive or negative way. Researches have shown that word of mouth is more credible than information from social network and is effective for reducing consumers' purchase intention. Word of mouth influence to consumers' cognitive, feelings and behaviour in positive or negative ways.

VI. RESEARCH METHODOLOGY

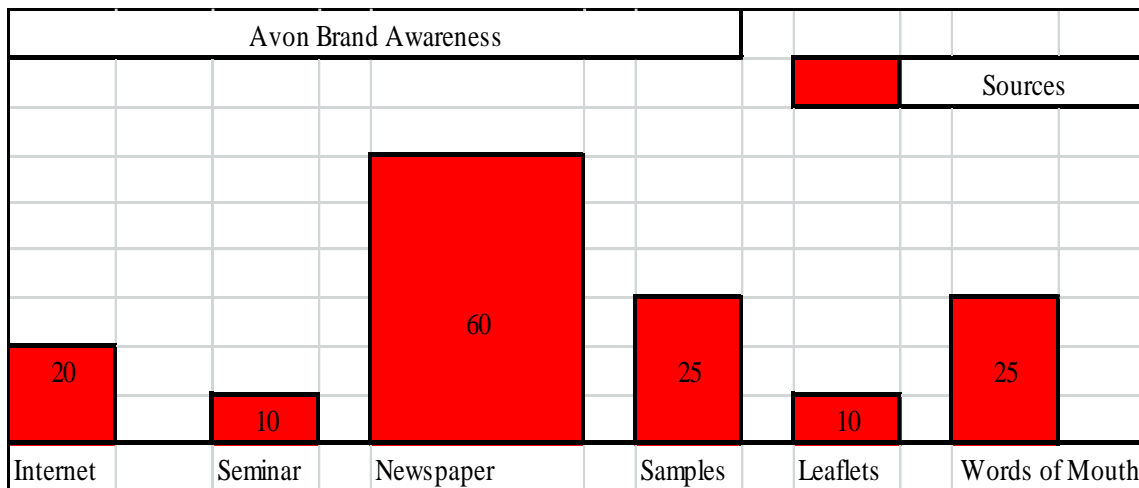
To help put the intended contribution of this study in context, I briefly review previous empirical research on the effectiveness of WOM marketing. The earliest study on the effectiveness of WOM is survey based (Katz and Lazarsfeld 1955) and was followed by more than 70 marketing studies, most of them also inferring WOM from self-reports in surveys (Godes and Mayzlin 2004; Money, Gilly, and Graham 1998). Researchers have examined the conditions under which consumers are likely to rely on others' opinions to make

a purchase decision, the motivations for different people to spread the word about a product, and the variation in strength of people’s influence on their peers in WOM communications.

Social network sites are defined as web-based services that allow individuals to (1) construct a public or semi-public profile within a constrained system on cosmetic, (2) articulate a list of other users with whom they share a connection about the AVON product, (3) view and negotiate their list of connections and those made by others within the system.

VII. RESEARCH FINDINGS

Sources	No of Consumers
Internet	20
Seminar	10
Newspaper	60
Samples	25
Leaflets	10
Words of Mouth	25



The above table shows the different sources from where consumers are able to know about the cosmetic products. 50% of the consumers are getting aware with the products from advertising in TV or some other medium. 28% of consumers are getting aware about the products through some other source like free sampling, mass media. Based on the survey towards 150 people, there is only 20 get to know about AVON product through social network, whereas 25 through Words-of-mouth (WOM).

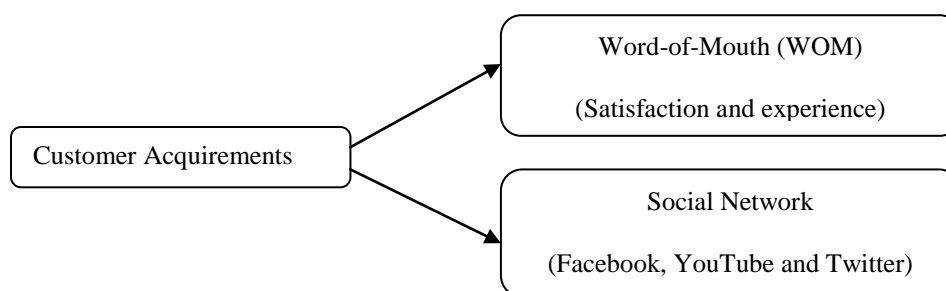
This interactive form of media now touches individuals globally from very young children who are looking to connect with friends to senior citizens who are branching out into the world of social media to have a new level of interaction with people and businesses. More importantly, Facebook has created a nature WOM viral scenario for product promotion and brand management.

VIII. HYPOTHESES OF THE STUDY

The research framework of this study is depicted in Figure 1. There are three main variables in above-mentioned model, namely, customer satisfaction and WOM. Customer acquirement is an independent variable of this study, whereas, WOM and Social network is the ultimate dependent variable. These variables are taken out from the review of existent literature, while their relationship has also been predicted.

H1: Customer Acquirement through positive effect on WOM

H2: Customer Acquirement through positive effect on Social Network.



IX. CONCLUSION

The purpose of this paper is to study what factors influences the effectiveness of customer acquirements towards the usage of AVON cosmetic products using the WOM and Social network marketing techniques among the consumer. Therefore, based on the literature review, a conceptual model of factors influencing positive WOM is proposed in which satisfaction and experience are the two main antecedents that influence the willingness to generate positive WOM among the AVON customer and how social network such as Facebook, YouTube and Twitter influence to attract the customers towards AVON products.

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