# Research on Impaction of On-line Buyers' Lifestyle Factors to Word-of-Mouth Communication Effect

Wen Li and Yani Mei

*Abstract*—With the rocket development of internet, online shopping has become more and more popular. People tend to seek for recommendations from friends or the one who has related experience. Word-of-mouth's influence on e-consumers' buying decisions making grows rapidly due to the potential risk of intangible goods under the condition of online shopping. We discover that different lifestyle e-consumers show different reaction and level on the acceptance of word-of-mouth. Nonetheless there are few researches on the relationship between lifestyle and word-of-mouth effect. Based on the curiosity for this phenomenon, we conduct an investigation through literature review, hypothesis establishment and we design the questionnaire accordingly. Data were collected from 182 respondents and administered by path analysis. The result indicates that 3 lifestyle factors (fashion/cool factor, leadership desire factor and humanities / curiosity factor) show positive correlation with the effect of word-of-mouth. In addition, these factors are found more significantly and positively correlated to attitude trust than behavior trust does. Whereas stimulating / fun factor group depends heavily on their own judgment because this group tend to make themselves conspicuous, which also means they do things unconventionally. The results assume for marketers: when promoting new products or delivering marketing plan, marketers should incorporate the information point of word-of-mouth into it in advance and this information point must be rooted in consumers with different lifestyle. Marketers should also pay attention to the proper management of word-of-mouth to avoid the lack of freshness and excitement because of word-of-mouth overloads.

*Index Terms*—On-line buyer, word-of-mouth, lifestyle, communication effect.

## I. INTRODUCTION

Most of the popular managerial literature contends that the word-of-mouth communication is one of the most powerful forces in the marketplace (e.g. Henricks 1998; Marney 1995; Silverman 1997) [1]-[3]. Indeed, it tends to be highly persuasive and, in turn, to be extremely effective (Bristor 1990; Consiglio, etc., 2018) [4], [5], especially when the information seeker perceives high risk (Arndt 1967; Magnus Soderlund 2007) [6], [7]. For the particularity of on-line buying, consumers who can't have the real experience face high risk (Karyl B. Leggio 2006) [8]. So, consumers buying on-line tend to be more influenced by word-of-mouth than others. In the 1970s~1980s, studies in the field of word-of-mouth marketing research has not stopped, but there is no new breakthroughs, most of them were limited to examine new product diffusion models in which word-of-mouth play as a variable. Then in the 1990s, scholars have done a considerable amount of research on the concepts of "customer relationship management" and "customer loyalty". When it comes to the recent years, the reputation of the contents of this study has changed again: for the internet environment, the virtual community of word-of-mouth research has become a rising force in the field of word-of-mouth marketing research (Huang Ying, etc., 2003; Consiglio, etc., 2018) [5], [9]. Although there exists much opinion regarding the power of word-of-mouth, there is surprisingly little empirical research that examines the impact relationship between lifestyle of the word-of-mouth receiver and the effect of word-of-mouth communication. Lifestyle is the key variables that affect the consumer behaviors, both in directly or indirectly ways (Berman and Evans, 1982; Gounaris, etc., 2004) [10], [11]. Consumer with a spirit of adventure hold more skeptical to word-of-mouth than others (Huang Ying, Zhu Shunde, 2003) [9]. What's more, in the overall model of consumer behavior, lifestyle affect consumer behavior, including information search and evaluation (Hawkins, Best & Coney, 1999) [12]. So different lifestyle of consumers keeps different awareness and attitudes to word-of-mouth. It is this consideration that has led to a greater curiosity of lifestyle's influences on word-of-mouth effect and hence the subject area of this article.

## II. LITERATURE REVIEW AND HYPOTHESES

### A. Lifestyle

Lifestyle is the way people live and spend time and money, it's influenced both by external environment, including culture, sub-culture, social class, reference groups and families and personal aspects, including the individual personality, values (Engel, Blackwell & Kollat, 1995) [13]. Western countries have done a lot of research in the classification of consumer lifestyles both in theory and practice while China's consumer lifestyle study a late start. However, since the 1990s, researches in Chinese consumer lifestyle have entered an active phase. These studies focus on

lifestyle analysis of consumers connected with a specific product or brand, and in another hand, a wider understand of the individual lifestyle. IMI obtained 7 "IMI consumer group" through surveying 7 cities and 7093 samples; AC Nielsen used CATI to research 1,500 respondents in three major cities, drawing five kinds of different groups. Yang Xiaoyan (2003) [14] distinguished five female styles: family style, emotional style, spiritual style, self-expression style and self-development style. Wu Yin (2005) [15] studied Chinese consumer lifestyle on the grouping of consumers, values, lifestyles and social stratification, such as market segmentation theory and application of an in-depth exploration, to build China's unique system of China-15 model paradigm, drawing on Western research results. In this study, we divide lifestyle of word-of-mouth receiver into 5 factors and examine their different influence on word-of-mouth communication effect. The above studies all use different ways to measure lifestyle. And when it comes to the main measure method, there are some classic ones. Constructing and profiling consumer lifestyles through AIO (attitudes, interests and opinions) schedules, demographics and product usage has been established and developed since the 1970s (Plummer, 1974) [16]. This kind of scale is hard to be used in the actual study for its hundred options or its immature scale design which lead to a big deviation in result. Based on about 1600 American families research, Michel designed the VALS system, which has been used on commercial and applied to marketing practice by more than 200 companies and advertising agencies. In 1989, VALS was modified into VALS II which divide American adults into eight groups. VALS II system has become the most popular and authoritative lifestyle measure method in the world. Value and lifestyles was even used for studying fair trade (Coelho, Sandra Lima, 2015) [17]. And in this study, we also use it to research the lifestyle of word-of-mouth receiver.

## B. The Effect of Word-of-Mouth Communication

Word-of-mouth communication, interpersonal communications in which none of the participants are marketing sources, have been studied as both an input into consumer decision-making and an out come of the purchase process. It's a vivid communication about a suggestion/commendation or even just an experience describe about a product/service. Typically, word-of-mouth is assumed to be of two general types: negative word-of-mouth and positive word-of-mouth. And the effect of word-of-mouth communication is mainly reflected in the pre-purchase and post-purchase. In a pre-purchase process, consumers will be affected by word-of-mouth information, thereby affect their awareness to the product, then affect their decision-making and purchase behavior. Similarly, in a post-purchase consumer will be affected by word-of-mouth information, thereby affect their evaluation, and finally affect the word-of-mouth's further communication (Magnus Soderlund, 2007) [7]. Turning to the consequences of word-of-mouth on the receiver, previous research has focused on responses in relation to the object embedded in word-of-mouth conversations (i.e., a supplier, a brand, a vendor, etc), and such research suggests that several variables in a hierarchy-of-effects framework are affected by word-of-mouth. For example, receiving word-of-mouth has an impact on the receiver's awareness (Sheth, 1971) [18], attention (Mikkelsen *et al.*, 2003) [19], consideration (Grewal *et al.*,2003) [20], brand attitudes (Day, 1971; Herr *et al.*, 1991) [23], [24], intentions (Grewal *et al.*, 2003) [22], and expectations. What's more, many studies showed that the link between the sender's transmission of word-of-mouth and the firm's profit is mediated by several variables related to the receiver's psychological and behavior responses. These findings indicate that, from the perspective of receiver, word-of-mouth has direct effect on consumer reflecting on awareness dimension and behavior dimension. In the awareness dimension, consumer will result in trust or distrust. And in the behavior dimension, word-of-mouth effect can prompt consumer to purchase or not purchase the product/service.

## C. Hypotheses

This study focusses on the pre-purchase consumers who receive word-of-mouth information. When it comes to trust, we use two different dimensions to measure it—attitude trust and behavior trust, similarly like loyalty.

### 1) Attitude trust

In a pre-purchase process, consumer firstly perceive the product, then form his awareness, all of these helps to build his attitude. Attitude trust means the consumer agree with the word-of-mouth information, and has the same evaluation with the sender. Thus, the following hypothesis is drawn:

Hypothesis1: Different factors of lifestyle lead to different degree of attitude trust.

### 2) Behavior trust

Behavior trust is a deeper degree dimension. When the information of word-of-mouth is accepted by the consumer, it's easy to influence the receiver's purchase decision-making, leading to behaviors that consistent with word-of-mouth information. That is, under the praise and commend of positive word-of-mouth, consumers will buy the product or service, while under the negative word-of-mouth, consumers will give up buying the products or services. Hence, the following hypothesis is submitted:

Hypothesis2: Different factors of lifestyle lead to different degree of behavior trust.

## III. METHOD

### A. Research Framework

According to the literature review, a research framework is depicted in Fig. 1.
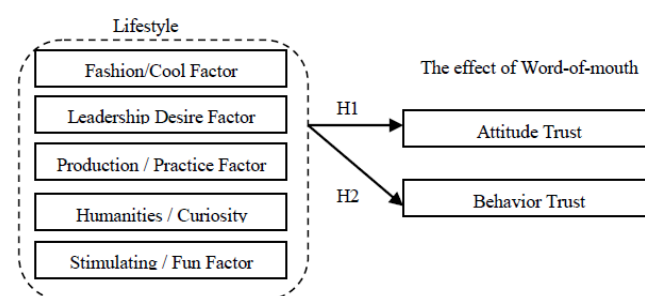


Fig. 1. Research framework.

### B. Sample

Those who has cosmetic on-line buying experiences in last 6 months were random selected from South China University of Technology and were asked to answer the questionnaire by retrospective experience. A total of 500 surveys were e-mailed to those consumers. 193 reply were collected and 11 respondents were irregularities, resulting in a 38.6% return rate. 29.5% of the respondents were male and 70.5% were female. The ages of the respondents were between 18~27, average age was 22.5. Master degree was 51.3%, bachelor degree was 34.7%, and the other was 14%.

### C. Measures

Multiple item scales were created to measure each construct. All of the items were measured on 7-point Likert-type scales from strongly agree to strongly disagree. Lifestyle was measured with 31 items adapted from VALSII. Attitude trust and behavior trust was respectively measured with 3 items adapted from relevant researches (Mary C. Gilly *et al.*, 1998; Harvir S. Bansal *et al.*, 2000; Wu Ying, 2005) [14], [22], [23]. The reliability coefficients of all measures are between 0.729 and 0.957. Lifestyle's factors principal components analysis appears in Table1. Means, standard deviations and inter correlations among the variables appear in Table II.

TABLE I: Lifestyle's Factors principal Components Analysis

| Factor | Name | Eigen value | Explained Variance (%) | Cumulative Variance (%) |
|---|---|---|---|---|
| Factor 1 | Fashion/Cool Factor | 6.983 | 31.740 | 31.740 |
| Factor 2 | Leadership Desire Factor | 2.350 | 10.684 | 42.424 |
| Factor 3 | Production / Practice Factor | 2.076 | 19.435 | 61.859 |
| Factor 4 | Humanities / Curiosity Factor | 1.702 | 17.734 | 79.594 |
| Factor 5 | Stimulating / Fun Factor | 1.090 | 14.955 | 94.549 |

TABLE II: Means, Standard Deviations, and Inter Correlations of All Measures ($N$=182)

| Construct | Mean | S. D | Cronbach's α | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|---|---|---|
| 1.Fashion/Cool | 2.967 | 1.463 | 0.887 | -- | | | | | |
| 2.Leadership Desire | 3.620 | 1.304 | 0.729 | 0.245* | -- | | | | |
| 3.Production / Practice | 3.673 | 1.660 | 0.889 | 0.088* | 0.147 | -- | | | |
| 4.Humanities / Curiosity | 4.419 | 1.753 | 0.957 | 0.129 | 0.231 | 0.185* | -- | | |
| 5.Stimulating / Fun | 4.528 | 1.485 | 0.911 | 0.210 | 0.114 | 0.201 | 0.097 | -- | |
| 6.Attitude Trust | 3.953 | 1.432 | 0.855 | 0.811 | 0.741 | 0.756 | 0.809 | -0.815 | -- |
| 7.Behavior Trust | 3.842 | 1.502 | 0.842 | 0.809* | 0.736 | 0.288 | 0.705 | -0.779 | 0.615 |

Note:(*) $p$<1.01

TABLE III-I: Overall Regression Effectiveness and Regression of Matrix

| R | Coefficient of Determination | Corrected Coefficient of Determination | F | Significant | Durbin-Watson |
|---|---|---|---|---|---|
| .767 | .589 | .578 | 57.707 | .000 a | 2.284 |

TABLE III-II: Regression of Matrix between 5 Factors and Attitude Trust

| Variable | Regression Coefficients | | | T | Significant | Multicollinearity Diagnosis | |
|---|---|---|---|---|---|---|---|
| | B | Error | Standard | | | Tolerance | Variance Inflation Factor |
| 1.Factor1 | .569 | .047 | .540 | 11.987 | .000 | .976 | 1.025 |
| 2.Factor2 | .478 | .078 | .354 | 8.890 | .000 | .875 | 1.142 |
| 3.Factor3 | .223 | .044 | .501 | 5.071 | .000 | .925 | 1.081 |
| 4.Factor4 | .532 | .037 | .658 | 14.213 | .000 | .982 | 1.017 |
| 5.Factor5 | .538 | .060 | -.414 | 14.213. | .000 | .983 | 1.017 |

TABLE III-III: regression of Matrix between 5 Factors and Behavior Trust

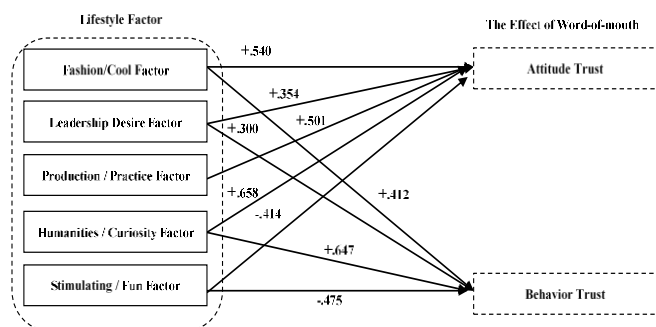| Variable | Regression Coefficients | | | T | Significant | Multi-co linearity Diagnosis | |
|---|---|---|---|---|---|---|---|
| | B | Error | Standard | | | Tolerance | Variance Inflation Factor |
| 1.Factor1 | .324 | .050 | .412 | 6.472 | .000 | .918 | 1.089 |
| 2.Factor2 | .166 | .055 | .300 | 3.019 | .097 | .913 | 1.074 |
| 3.Factor3 | .011 | .047 | .078 | 2.333 | .054 | .968 | 1.452 |
| 4.Factor4 | .384 | .062 | .647 | 6.214 | .000 | .932 | 1.073 |
| 5.Factor5 | .014 | .007 | -.475 | 2.051 | .042 | .972 | 1.029 |

Fig. 2. Path coefficients for the model.

## IV. RESULT

We mainly use path analysis to administer these data. So hypothesized paths in the model were tested using LISREL with maximum likelihood (ML) estimation. Overall fit, predictive power, and the significance of the paths were considered for the model. Fit indexes indicate that the model was reasonably consistent with the data. Table III indicated the overall regression effectiveness of 5 lifestyle factors (R:0.767; F:57.707) and it turned out to be significant in the whole factors. Fig. 2 indicates the path loadings in addition to t values for each path. These results support both the hypothesis 1 and hypothesis 2.

## V. CONCLUSIONS AND SUGGESTIONS

The results indicate that different lifestyle factors lead to different degree of attitude trust or behavior trust in the effect of word-of-mouth communication. Companies should pay more attrition to the consumer driven mainly by the humanities / curiosity factor, fashion/cool factor and leadership desire factor, for these kinds of consumer are more easily influenced by word-of-mouth communication. The findings also assume that the marketer should incorporate the information point of word-of-mouth into their product or marketing plans in advance and ensure that this information point dependent on different lifestyle. Marketers should also pay attention to the proper management of word-of-mouth to avoid the lack of freshness and excitement because of word-of-mouth overloads. What's more, consumers who search for stimulating/fun may not be so interested in and trust word-of-mouth. This particular group shows stronger independency, they enjoy being conspicuous and pursuing the first-hand excitement. They rely more on their judgment. The more the information spreading by word-of-mouth, the less exciting it bears from their point of view. It will be useful for company which operate adventure business (for example Rock Climbing Company) to avoid excessive word-of-mouth communication. Drawing on researches in social psychology and consumer behavior, this study contributes to further realize how different lifestyle factors participate in the communication path of word-of-mouth. Although the variance of model could be well explained in this study, future research could expand the framework to include more elements in word-of-mouth communication path.

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**Wen Li** is an associate professor of South China University of Technology. He was born in June 1966, Yongzhou City, China. He got the master of management science and engineering from South China University of Technology, Guangzhou, China in 1997, and Bachelor of Management of Industrial Enterprise from South China University of Technology, Guangzhou, China in 1988.

He has worded in South China University of Technology as associate professor/lecturer for 22 years.

Professor Li has received some provincial government awards for his research on social science, including First Prize of Outstanding Achievements in Philosophy and Social Science of Guangdong Province, Prize of Guangzhou Social Science Research Bidding Project.

**Yani Mei** was born on May 19, 1997 in Jiangxi, China. She is a second-year student in South China University of Technology, Guangdong, China. Her main research direction is innovation and financial market.