Reappraising the Role of Word-of-Mouth Communication as Both Antecedent and Outcome in Relationship Marketing: An Abstract

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Abstract The role of word-of-mouth in relationship marketing (RM) has been treated solely as an outcome of relationship activities. This author argues that contemporary research may not fully capture the essential roles of WOM in RM and that WOM is both an antecedent of RM, as well as its outcome. After a comprehensive review of extant literature, the author conducts a multigroup survey, which establishes a significant, positive relationship between WOM valence and two key mediators of RM: trust and commitment (Morgan and Hunt 1994). This study also finds that conflict control and perceived consumer benefits are partial mediators and the level of consumer loyalty is a moderator of those two relationships. As a result, the author calls on marketers to give more attention to proactive WOM campaigns, which are critical for establishing long-term reciprocal relationships with consumers and ultimately for reaching firms' strategic goals.

This study adds incremental knowledge on the role of WOM in effective relationship building, indicating that executives must recognize the importance of proactive efforts to create positive WOM for use as a direct marketing tool to minimize fallout from consumer conflict, which negatively impacts multiple antecedents of RM and undermines relational benefits (Palmatier et al. 2006; Berger and Milkman 2012). Managers also need to recognize that WOM itself can be part of consumers' perceived benefits from a relationship and budget for WOM management in their relationship marketing investment.

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