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**Investigating the Significance of Word-of-Mouth Marketing
from a Consumer Perspective in the German Sanitary
Industry**

Dissertation submitted in part of fulfilment of the requirements for the degree of

Master of Science in Marketing

at Dublin Business School

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Declaration

I, Luca Lam, declare that this research is my original work and that it has never been presented to any institution or university for the award of Degree or Diploma. In addition, I have referenced correctly all literature and sources used in this work and this work is fully compliant with the Dublin Business School's academic honesty policy.

Signed: 

Date: 07.01.2018

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Acknowledgement

At first, I would like to thank the Dublin Business School with its great staff, and lecturers for the inspiring master course with great courses and issues.

My special thanks go to Alan Morgan for his great supervision. He helped me through any stage of the dissertation with his professional advice and expertise.

Further, I want to express my gratitude to all participants who gave me their time and trust. Without you all, this dissertation would not have been realisable.

Last but not least, I would like to thank my friends and family who always supported me during the whole master course and dissertation. Your support always motivated me to give all my best.

Abstract

The modern digital age leads to an ongoing communication between consumers and companies. Consumers exchange experiences about products and services, recommend them or warn others against a bad buy. In addition, consumers are constantly overwhelmed by persistent advertisements, which leads to an overstimulation. They perceive advertisements as disturbing or ignore them completely. Word-of-mouth can provide a great connection and a solid base of trust between consumers and companies (Schueller, 2015, pp. 12-14; Silverman, 2011, pp. 28-30). Therefore, it can significantly influence the company's success in a positive and negative way.

The aim of this dissertation is to investigate the significance of word-of-mouth marketing from a consumer perspective in the German sanitary industry. In the end, it shall provide a qualitative answer about how significant this marketing tool is in the context of this specific industry.

The research is conducted through a qualitative research based on in-depth interviews with semi-structured questionnaires and two different research populations. The first population consists of wholesalers and installers who are considered as influencers. The second population consists of consumers who are or were involved with a purchase of a sanitary product. The samples are selected based on the researcher's location. The research revealed deep insights into the word-of-mouth and influencer marketing as well as into the consumer behaviour in the German sanitary industry. Overall, it revealed that word-of-mouth plays a crucial role in the sanitary industry from different perspectives.

Based on the primary and secondary research, it is recommended that businesses of the German sanitary industry should consider word-of-mouth as a controlled marketing tool and understand its importance for customers. Further research could be undertaken to investigate further into the consumer behaviour and especially into branding strategies for the German sanitary industry.

KEYWORDS:

Word-of-Mouth Marketing, Influencer Marketing, Consumer Behaviour, Sanitary Industry

1. Introduction

1.1 Background

1.1.1 The Issue Word-of-Mouth Marketing

“People influence people. Nothing influences people more than recommendation from a trusted friend. A trusted referral influences people more than the best broadcast message. A trusted referral is the Holy Grail of advertising. “

Mark Zuckerberg, Facebook CEO and Founder

As Mark Zuckerberg stated, the word-of-mouth is powerful and influences people decisively. Furthermore, a positive word-of-mouth is the best value businesses can get from its customers. It is not a new phenomenon and probably as old as the human itself because it is human nature to communicate and exchange experiences. People trust people (Schueller, 2015, pp. 48-50).

Word-of-mouth is a well-known and often researched issue. Nevertheless, it is often not perceived as a conscious marketing tool which is more powerful than traditional advertising. The digitalisation and the web 2.0 strengthen its effects because for the first time, the digital revolution provides an opportunity to measure and monitor word-of-mouth consciously. Furthermore, consumers are always connected to each other and share experiences about brands, products or services (Huete-Alcocer, 2017, pp.2-3; Barreto, 2014, p. 631; Carr and Hayes, 2014, pp.38-39; Daugherty and Hoffmann, 2014, pp. 82-83). However, it is still a natural phenomenon which occurs mostly offline through face-to-face conversations (Keller and Robinson, 2010, pp.1-12; Baker et al., 2016, p. 229; Fulgoni and Lipsman, 2015, p. 18). The literature review will provide an extensive overview about the issue of word-of-mouth marketing with a focus on influencers and consumer behaviour.

Word-of-mouth plays a crucial role in the German sanitary industry because consumers are often unfamiliar with brands or products and trust therefore the recommendations from others. This research shall investigate the significance of this phenomenon as a controlled marketing tool for consumers and businesses.

1.1.2 The German Sanitary Industry

The sanitary industry includes any constructional component that serves as personal care and promotes the hygiene of people. The sanitary technology is used both in private living spaces in the form of bathroom and kitchen as well as in public spaces such as swimming pools or commercial kitchens. A major component of this industry are sanitary ceramics and fittings

(Wikipedia; Duden) It is an attractive and extensive industry which has recorded a steady growth since 2005. Currently, the market volume in Germany is over 13.6 billion euros (Lerch, 2016).

In recent years, the consumer behaviour is changing and people consider the bathroom as an important living space and feel-good oasis. The bathroom is increasingly functioning as a health and wellness facility. All generations have high expectations for a modern and comfortable bathroom. The demographic change leads to high requirements for sanitary facilities such as barrier-free or simple handling. Bathrooms are more and more equipped with digital technologies to simplify the usage for consumers (Lerch, 2016; Vereinigung Deutsche Sanitärwirtschaft e.V., 2014; Vereinigung Deutsche Sanitärwirtschaft e.V., 2015).

For years, the three-step distribution channel has dominated in the German sanitary industry. However, the tradition is changing and products are increasingly distributed through a two- or one-step process. More and more installers buy products directly from the manufacturers whereby the wholesalers are skipped. The e-commerce is competing with the traditional distribution process and forces manufacturers to adapt. However, in 2015, the online trade only accounted for a small market share of about 1 percent. The installers are the main step where 71 percent of the materials turnover is generated (Lerch, 2016; Riethmüller 2013; Bosy; Zentralverband, 2013). The consumer has several possibilities to buy sanitary products from different sources. The internet leads to a higher information exchange which has effects on consumers' behaviour. The following graphic illustrates the most common distribution processes:

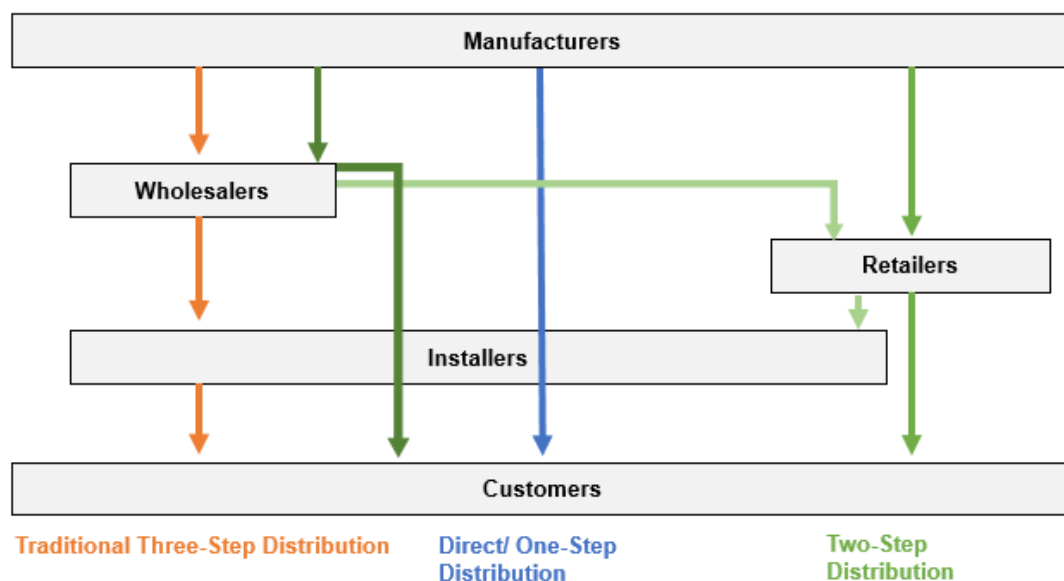


Figure 1: Distribution processes of the German sanitary industry

All these facts about the industry and the changing consumer behaviour make the sanitary industry to an interesting context to investigate the significance of word-of-mouth marketing.

1.1.3 Background of the Researcher

The researcher is a German graduate with a bachelor of arts in international business and management. In addition, the researcher developed great expertise in marketing and the German sanitary industry through working experiences and business studies. Furthermore, the bachelor thesis was conducted in collaboration with a big global player in the industry and dealt also with recommendation marketing. The researcher is a confident speaker who is able to lead conversations in a professional way to receive important insights. Therefore, the researcher is suitable to execute a qualitative research.

1.2 Research Question, Objectives and Hypotheses

The overall aim of this dissertation is to find a qualitative answer for the following research question:

How significant is word-of-mouth marketing from a consumer perspective in the German sanitary industry?

This question is complex and specific but at the same time not too narrow. Per this research question, there are seven research objectives which this dissertation will work out:

1. To analyse and understand the importance of different word-of-mouth channels in the German sanitary industry
2. To analyse the influence of wholesalers and installers on the decision-making process of consumers in the German sanitary industry
3. To identify the main sources of influence which are responsible for consumers' decisions
4. To define consumers' and influencers' main drivers to engage in word-of-mouth
5. To investigate consumers' involvement-level for the purchase of a new sanitary product or service
6. To identify the main characteristics for consumers' decision-making in the German sanitary industry
7. To analyse consumers' brand awareness in the German sanitary industry

There also hypotheses which this research will test:

1. Wholesalers and installers have a significant influence on consumers buying decisions
2. Word-of-Mouth is the main driver for consumers' decision-making process
3. The purchase of new sanitary products or service is mostly a high involvement process

In the end, the research shall provide new insights into the field of word-of-mouth marketing with a perspective on consumers within the German sanitary industry. In addition, it will lead to useful consequences and recommendations for every business in this industry.

In the context of this research, the researcher uses the term "influencer" to describe two different types: The wholesalers and installers. The term "consumer" and "customer" is related to consumers of the German sanitary industry.

1.3 Research Justification

As previously mentioned, the word-of-mouth is for a long time an important research topic which requires regular revisions because of changing conditions such as the digitalisation. There are several authors who tried to develop a specific approach for measuring and controlling word-of-mouth. However, it is a natural phenomenon and therefore difficult to approach.

Word-of-mouth affects every business and industry. To this day, there is no research which investigates the word-of-mouth phenomenon in the German sanitary industry. Furthermore, the sanitary industry is a little-studied sector regarding marketing. Therefore, this dissertation is filling an important gap and can be the starting point for further researches in the industry.

This research is a great opportunity for companies in the industry to get a deeper insight into the word-of-mouth phenomenon and consumer behaviour. They could use the results to implement word-of-mouth as a marketing tool and to adapt sales and marketing strategies. Furthermore, every interested individual and company can benefit from this research and learn more about the significance of word-of-mouth marketing in the context of consumer behaviour. The research is narrowed to a smaller context but provides at the same time relevant and useful consequences for every business.

1.4 Scope and Limitations

This dissertation is conducted in the context of the German sanitary industry with the focus on bathroom products because they are a major part of the industry. The sanitary industry consists of several different product groups such as fittings, furniture, accessories or heating and air-conditioning systems. The scope of the dissertation is not enough to investigate each different product group.

In addition, the word-of-mouth is still a natural phenomenon which is hard to research especially in the context of consumer behaviour. Further limitations regarding the research methodology will be explained in detail in chapter 3.

1.5 Roadmap

The dissertation is organised into seven chapters which are explained below.

1. Introduction

This is the first chapter where by now the dissertation was introduced. It explained the background of the research, the research question, objectives and hypotheses as well as the justifications. In addition, the scope and limitations were outlined.

2. Literature Review

The second chapter provides an extensive literature review about word-of-mouth and influencer marketing as well as about consumer behaviour. The review is the theoretical basis for the primary research where theories and expert opinions are applied and tested.

3. Research Methodology

The third chapter explains in detail how the research was conducted. In more detail, the chapter outlines the research design, the research population and samplings, the data collection and analysis process as well as the research ethics and limitations.

4. Data Analysis and Findings

The next chapter will then present and illustrate the key findings of the primary research. This chapter is the basis for the following discussion.

5. Discussion

The discussion will review and interpret the primary and secondary data and relate them to the research objectives, hypotheses and the overall research question. It will be explained in

detail how the research worked out all objectives and tested the hypotheses. In addition, a qualitative answer to the research question from different perspectives will be presented.

6. Conclusions and Recommendations

The sixth chapter will conclude the dissertation and point out the theoretical contributions and its limits. In addition, recommendations for managerial implications and for further research are formulated.

7. Self-Reflection

The last chapter of the dissertation will present a critical self-assessment where the researcher will reflect on learning experiences during the entire master program and the dissertation process.

2. Literature Review

2.1 Introduction

The following chapter provides a detailed literature review which leads the reader through the broad theory of word-of-mouth marketing to deeper insights into influencer marketing and the consumer behaviour. Furthermore, the review shall investigate how academics evaluate this marketing instrument and how they approach it differently.

This secondary research leads to first assumptions about the significance of word-of-mouth for businesses. Therefore, it provides a first theoretical answer for the research question and brings the research closer to its objectives. It provides decent insights into the influence, opportunities, and threats of word-of-mouth. To sum up, the literature review leads to solid findings for the further primary research in the German sanitary industry.

2.2 The Word-of-Mouth Phenomenon

To start the secondary research about word-of-mouth, it is important to formulate a decent definition for this phenomenon. In general, word-of-mouth is the communication between two individuals. In the context of marketing, word-of-mouth is every kind of online and offline communications about companies, brands, services or goods. This information exchange can be positive, negative or neutral. (Anderson, 1998, p. 6; Rosario et al, 2016, p. 297).

The word-of-mouth marketing provides an effective approach for a customer-oriented marketing strategy (Silverman, 2011, pp. 28-30; Bughin, et al., 2010). For a long time, word-of-mouth is an important term of the entire marketing field which is well-known and at the same time future-oriented (Rosario et al, 2016, pp. 297-298).

In 2011, George Silverman described the word-of-mouth marketing as a revolution, in which nobody is fully informed. He explained the difficulty of getting an overview of a revolutionary issue. To understand word-of-mouth marketing, it is necessary to look at the entire context (pp. 7-8). The digital age brings the word-of-mouth to a next level and therefore new opportunities and threats for companies. If companies can adapt they will benefit from this change. Silverman describes word-of-mouth marketing as a new way to do business which is hardly possible to integrate into the usual marketing mix. Furthermore, he states that word-of-mouth marketing is the most powerful instrument which requires a new mindset There is only one way to be successful with word-of-mouth marketing, either completely or not at all. (Silverman, 2011, pp. 16-18). Consumer are overwhelmed because of the overload of

impressions. The consumer decision-making process is complex and characterised by uncertainty. Word-of-mouth marketing provides an effective approach to simplify this process and to help the customer through their decisions (Silverman, 2011, pp. 28-30; Schueller, 2015, p.12-14).

2.3 The History of Word-of-Mouth

It is hardly possible to define the start of the history of word-of-mouth marketing. As mentioned before it is a natural phenomenon which occurs between individuals and is therefore difficult to measure or control. It is assumed that the general word-of-mouth is as old as the human being itself because they exchanged information to get survival advantages.

The research of word-of-mouth is probably as old as the field of psychology and sociology. In 1955, Katz and Lazarsfeld researched the personal interaction as a crucial part of the mass communication. This research was based on group behaviour and communication. Nevertheless, it provided great insights into the person to person communication and first approaches for marketers to use this information to influence buying behaviours (Irving, p. 129-130, 1956).

Two years later in 1957, Brooks wrote one of the oldest trackable academic paper about word-of-mouth as a powerful advertising instrument for new products. He refers to some books of the early 40's which deal with sociological issues. The basis of his paper are several pieces of research from Katz and Lazarsfeld and their previous mentioned book "The Part Played by People in the Flow of Mass Communications". Brooks also refers to an old book from 1954 called "The Web of Word of Mouth" by Whyte. It seems that William H. Jr. Whyte was the first academic who mentioned word-of-mouth in a business context. However, Brooks paper is interesting because it assembled different research about the field of personal communication and approached word-of-mouth as a marketing tool to sell new products. Furthermore, he discussed the opinion leadership and its influence on human behaviour which is also today a common investigated issue (Brooks, 1957, pp. 154-161).

Nowadays, word-of-mouth marketing is an established research topic. The field of word-of-mouth has evolved with the digitalisation and present research papers investigate the well-known phenomenon in conjunction with the digital world. Since 2004, the Word-Of-Mouth Association (WOMMA) exists which is the official trade association for word-of-mouth and social media marketing. The objective is to develop the word-of-mouth marketing through education, advocacy and ethics. Furthermore, the WOMM shall become a highly valued marketing instrument for the entire economy (WOMMA, 2017).

Summarising, the word-of-mouth is for a long time an important research topic which got more and more attention. Furthermore, the digitalisation brought new technologies and approaches for the word-of-mouth marketing. Today, it is a well-known marketing instrument which is often researched by several academics.

2.4 Advantages and Disadvantages of Word-of-Mouth

The word-of-mouth marketing provides several advantages and disadvantages. The next chapter provides an overview of the main opportunities and threats occurring of word-of-mouth.

2.4.1 Positive WOM

The word-of-mouth marketing is classified as one of the most valuable marketing instrument and more powerful than traditional advertising. The positive word-of-mouth (pWOM) is the exchange of positive experiences about brands or products. The following benefits illustrate the power of positive word-of-mouth.

Word-of-mouth provides brands an effective way to build a credible and trustworthy relationship with its consumers. In 2015, a Nielsen study investigated the trust of consumers in different advertising formats in the entire world. It revealed that in all five investigated regions (Asian-Pacific, Europe, Africa/Middle East, Latin America and North America) the word-of-mouth recommendation from known persons is comparatively the most trusted advertising format. On an average, 83 percent of the respondents reported that they trust the recommendation from their social environment (Nielsen, 2015, p. 11). Therefore, the positive WOM is the best way to build a trusting relationship with existing customers and also to potential new customers (Fink, 2014, pp. 12-15; Milakovic´ and Mihic, 2016, pp. 40; Hajjili et al., 2014, pp. 673-675).

According to Bughin et al., the word-of-mouth is accountable for 20 to 50% of all buying decisions. Furthermore, its influence is greatest if the consumer has not enough knowledge about a product or it is a high-involvement purchase. So, it is especially powerful for first-time purchases and expensive and complex products (Bughin et al., 2010; Solomon, 2015, pp. 523-525). Another important fact is that word-of-mouth is a fixed part of the daily life. People talk about brands, companies, products or services all the time (Solomon, 2015, pp. 524; Keller, 2007, p.4).

According to Silverman and Schueller, consumers are overloaded by the large number of advertisements, brands and products which leads to an uncertainty for buying decisions. The power of word-of-mouth is the reduction of this emotional state to simplify the decision-making process (Silverman, 2011, pp. 27-30; Schueller, 2015 pp. 12-13; Aora, 2007, p. 55; Keller, 2007, p. 4-7)

Word-of-mouth is also considered as a low-cost marketing instrument which has a great impact on customer acquisition and retention (East et al., 2017, pp. 331-332; Schueller, 2015, pp. 13-17; Friedrich, 2004, pp. 8-20). According to Schueller, active advocates are the best sales agents (Schueller, 2015, pp. 19-40). Furthermore, there is a positive correlation between positive word-of-mouth and sales growth (Marsden, 2006, pp. 1-5; Vázquez-Casielles et al., 2013, pp. 19; Keller and Fay, 2012, pp. 460-462; Barreto, 2014, p. 639).

2.4.2 The Return of Investment

One huge factor of every marketing instrument is the financial aspect. Companies only invest in advertisements if it provides a proper return on investment (ROI). The word of mouth marketing association published a meaningful study in 2014 which investigated the return on word-of-mouth marketing. This investigation provides specific numbers which prove the importance of word-of-mouth marketing.

The investigation revealed that word-of-mouth is accountable for 13 percent of sales. By comparison, all other paid advertisements are accountable for 20-30 percent of sales. As previously mentioned, offline (two-third) has a greater impact than online (one-third) word-of-mouth. Another important fact is that the word-of-mouth reinforces the other paid advertisements by 15 percent. Additionally, the word-of-mouth has a more direct effect than other advertisements, especially in the first two weeks. The last key point is that word-of-mouth impressions have a five times greater impact on sales than paid marketing impressions especially for products with high demands (WOMMA, 2014, pp. 1-23). This study shows scientifically that the targeted handling with word-of-mouth can provide a significant value. It can support the traditional media or even replace some of them.

Summarising, it is not a secret anymore that word-of-mouth is more powerful than traditional advertising. It is an effective and efficient tool to build credible and trustworthy relationships with existing and potential customers. In addition, positive WOM can provide a great value for the branding process. People trust the recommendation from others because it helps them

through the complex decision-making process. Furthermore, word-of-mouth marketing leads to low-cost customer acquisition and retention. It is one of the most valuable marketing instruments.

2.4.3 Negative WOM

After all the positive aspects, it is important to investigate the negative aspects of word-of-mouth. It can have a dangerous negative impact which jeopardises a whole brand or company.

Negative word-of-mouth occurs as a result of unsatisfactory products and services. According to Silverman and Schueller, people are more likely to share negative experiences rather than positive because of the frustration and disappointment (Silverman, 2011, p. 69; Schueller, 2015, pp. 30-34; Kotler and Armstrong, 2016, p. 186). This fact is confirmed by Jerr Wilson, a US-American expert for word-of-mouth who developed the 3:33-principle as a result of an interdisciplinary research. A satisfied customer will recommend the product or service to three other persons. A dissatisfied customer will discourage 33 other persons from buying the product or service (Friedrich, 2004, p. 88).

However, some other pieces of research revealed that customers are more likely to engage in positive than in negative word-of-mouth. Several studies investigated the correlation between customer satisfaction and word-of-mouth. The different research methodologies led to different conclusions. For example, Richins investigated the impact of dissatisfied customer and found that most of them don't complain or spread negative word-of-mouth. If a dissatisfied customer complains it is a great opportunity to make compromises (Richins, 1983, pp. 76-77). Silverman explains that complaining customers are gifts because the company can change the negative experience to a positive one through an extraordinary service (Silverman, 2011, pp. 69). In 1998, Anderson found that high dissatisfied customers are more likely to spread negative word-of-mouth than high satisfied customers spread positive word-of-mouth. Furthermore, negative WOM is communicated with more engagement (p.15).

Solomon explains, that people are more likely to believe negative than positive word-of-mouth especially regarding new products (2015, pp. 527-528). Nevertheless, Vázquez-Casielles et al. found that positive WOM has a higher impact on the brand-purchase probability than negative WOM. They explain that the expression (negative or positive) of the sender is the decisive factor for the purchase probability (Vázquez-Casielles et al., 2013, pp. 17-18).

Is important to mention that all these researches are limited on different factors such as a specific product or service, geographical area or industry. There are several factors which

influence the spread of word-of-mouth marketing. It is difficult to find an overall statement if positive or negative WOM has a greater impact and which is more communicated. However, negative WOM can have a significant influence on consumers decisions and perceptions.

Furthermore, it can lead into a so-called “shitstorm” which is hard to defend. The benefit of a solid and trustworthy relationship is at the same time the biggest threat. If the brand disappoints their advocates they will change their opinion and start to spread negative word-of-mouth. The digitalisation plays a huge role because it accelerates this process and makes it even more difficult to control. Companies have to monitor the engagement on the internet to predict this kind of situation and to prevent the spreading of negative WOM (Friedrich, 2004, p.88; Schueller, 2008, pp. 18-22; Weiber and Wolf, 2015, p. 384).

So, with the power of positive word-of-mouth comes the challenge to meet the high expectations of consumers. Whereby, it is difficult to control and measure all factors of the word-of-mouth spreading. Word-of-mouth can have both great negative or positive impact on consumers buying behaviour. It is not clear to determine if positive or negative word-of-mouth is more influential.

Summarising, word-of-mouth can be powerful in a negative and positive way. It can be a blessing or curse for every brand or company. It is important to promote positive WOM and to avoid and counteract negative WOM.

2.5 Electronic Word-of-Mouth

The digitalisation with all its new technologies and innovations such as the web 2.0 or social networks changed the whole business world. The world wide web provides consumers the opportunity to search information or buy products online. In the context of word-of-mouth, it changed the way how people communicate. Electronic word-of-mouth is similar to the face-to-face (also: offline or traditional) word-of-mouth. The difference is that the communication takes place online. Electronic word-of-mouth is defined as the exchange of information about products, service or brands online. It takes the phenomenon to a next level where people are able to communicate with everybody at any time about everything (Huete-Alcocer, 2017, pp. 2-3; Barreto, 2014, p. 631; Carr and Hayes, 2014, pp. 38-39; Daugherty and Hoffmann, 2014, pp. 82-83).

According to Petrescu and Korgankar, the internet leads to more interactions, communications, engagements and to a higher reach. The consumers have more control and can choose how they want to receive advertisings. Furthermore, they decide which content is

interesting enough to spread. Online advertising benefits from its viral potential (2017, pp. 208-210).

Electronic word-of-mouth has some key benefits compared to the traditional. It is available for everybody for a long period. The internet provides a quick access to a large variety of comments, reviews and information. In the digital era, consumers don't have to know each other personally to exchange these experiences. In some cases, this anonymity can have a negative impact on the credibility of the sender. Whereas, the traditional word-of-mouth provides a personal and real-time based exchange which leads to a more credible exchange (Huete-Alcocer, 2017, pp. 2-3, Barreto, 2014, pp. 631-643).

Social networks or social media are the breeding ground for eWOM because people are connected with each other and use the online platform to communicate (Daugherty and Hoffmann, 2014, pp. 84-85). Furthermore, also marketers can reach consumers through online platforms directly. According to Fulgoni and Lipsman, not all social media have the same influence on consumers behaviour. They developed the "Digital WOM Funnel" which explains the role of different social media from driving interest and awareness up to purchase decisions (Fulgoni and Lipsman, 2015, pp. 19-21).

In the context of e-commerce, eWOM plays a crucial role when it comes down to purchase decisions. Fulgoni and Lipsman pointed out that consumers using existing reviews or feedbacks to take a final purchase decision. The influence of these reviews and feedbacks is strong and can affect consumers' decisions decisively. It is important to mention that only a small part of consumers produces this content and engage in rating systems. (2015, p. 20).

The authors made another important suggestion and explained that eWOM and traditional WOM aren't divided from each other. They recommend seeing word-of-mouth marketing as a holistic instrument which occurs online and offline (Fulgoni and Lipsman, 2015, p. 18; Barreto, 2014, p. 637). For example, a person can spread word-of-mouth online and offline through social media and face-to-face conversations.

It is important to mention that the electronic WOM did not replace the traditional WOM. According to several authors, approximately 90 percent of word-of-mouth still takes place offline (Keller and Robinson, 2010, pp. 1-12; Baker et al., 2016, p. 229; Fulgoni and Lipsman, 2015, p. 18). Therefore, word-of-mouth marketing is applicable both offline and online, whereby the offline word-of-mouth has, by comparison, a greater influence on the consumer and therefore on the sales (Fulgoni and Lipsman, 2015, p. 18; WOMMA, 2014, pp. 1-23).

Summarising, the digitalisation increased the impact of word-of-mouth and its viral potential. Social media provide consumers virtual platforms to communicate about their daily life or brands and products. The electronic WOM is for a long period available for a large number of people. Online and offline WOM are complementary and should be seen as one marketing instrument (Barreto, 2014, pp. 646-650). However, about 90 percent of word-of-mouth still occurs offline and have a greater impact on consumers behaviour.

2.6 Models and Theories of Word-of-Mouth

The history of word-of-mouth showed that it is an old phenomenon but at the same time the basis for the modern word-of-mouth marketing. The importance of word-of-mouth increased with further researches and the digitalisation. Today, it is an extensive marketing term which led and still leads to models and theories. This chapter provides an overview of some well-known and common used models and theories.

One of the oldest and most known models is the “Two-Step Flow Communication” which was established by Lazarsfeld and Katz in 1955. The basis was a study from 1994 of mass communication by Paul Lazarsfeld called “The Decatur Study”. It investigated the influence of media and individuals on the buying decisions among women. They found that mass media is more powerful if it is delivered through opinion leaders who spread the information to the audience (Keller and Fay, 2009, pp. 1-2). The opinion leader takes the role of an intermediary for the communication between advertiser and consumers (Silverman, 2011, p. 124). Samson and Kirby declare the two-step flow theory as the beginning of influencer marketing theories (2008, pp. 1-2).

Social Networks aren't directly a theory or model but the breeding ground for word-of-mouth because the social ties to other people allow the individual to exchange information. Furthermore, social networks are the basis for several psychological and sociological pieces of research. For the spreading of word-of-mouth, both the weak and strong ties are important. The Social Network Theory from 1961 by Rapoport and Horvath found that weak ties have a higher diffusion of information than strong ties. A Few years later Granovetter confirmed that statement and explained that acquaintances have more likely access to different social circles than close friends (Liu and Duff, 1972, pp. 361-363, Granovetter, 1973, pp. 1361-1375). Therefore, the weak ties are crucial for the spreading of word-of-mouth through different social groups. Nevertheless, the influence of strong ties at the micro level (social circle) is much

higher (Smith et al., 2007, p. 3; Samson and Kirby, 2008, p. 2; Brown and Reingen, 1987, pp. 352-361).

The Trickle-Down Effect/Theory is another commonly used model in the context of word-of-mouth. It describes the social influence process where “lower class” people imitate the “upper class” people. Furthermore, this theory assumes that innovations starting at the higher social class and diffuse from there to lower classes. However, this effect was found about 100 years ago and shows some limitations in its applicability. Sethna and Blythe explain that the trickle-down theory is replaced by the homophilous influence where the exchange of information takes place between individuals who have similar characteristics such as age, job or education (Tyagi and Kumar, 2004, pp. 123-124; Sethna and Blythe, 2016, pp. 351-555).

The trickle-down effect is still an important part of modern marketing strategies. For example, the advertising through celebrities is a commonly used strategy. The “higher class” (celebrities) advertise brands or products and the “lower class” (their fans) imitates them by buying these (Sethna and Blythe, 2016, pp. 352-353; Maltz, 2017, p. 4; Schaefer, 2015, p. 3). Summarising, the trickle-down effect or theory is an old but modern concept of influencing people by using opinion leaders and influencer. Therefore, the basic idea is similar to Lazarsfeld’s and Katz’s two-step flow communication model.

In 2000, Malcom Gladwell wrote the well-known book “The Tipping Point” in which he describes “The Law of the Few”. He identified three different types of personalities which are crucial for the spreading of messages. The first are the “Connectors” who know a large number of people. The connectors are present in different social circles and provide a huge network for the diffusion of information. The second personality are the “Mavens” who actively seek for knowledge to spread it. They want to help other people with their knowledge of prices and products. The last group are the “Salesmen” who are able to spread the word-of-mouth convincingly. They know how to talk to people and get their attention and trust. According to Gladwell, these are the main influencer personalities in word-of-mouth epidemic (Gladwell, 2000, pp. 30-88).

The Law of the Few is still a present term in the context of word-of-mouth although there are some criticisms. According to Watts, the word-of-mouth phenomenon is more random than assumed and that the main factors are the content of the message, network effects and especially the influenceability of the recipient itself (Samson and Kirby, 2008, p. 1; Allsop et al., 2007, p. 3). In 2005, Balter and Butman stated that the spreading of word-of-mouth is not

depending on small influencer groups rather than on each person (Allsop et al., 2007, p. 3; Balter and Butman, 2005).

The next model is found by Watts and Peretti and based on the previous statement that word-of-mouth does not need particular influencers. Their Big Seed Marketing (BSM) model is depending on ordinary people and not on influencers. The core idea is to seed the message by a large number of people to achieve a high average reproduction rate. Therefore, the BSM connects viral marketing strategies with mass media communication (Watts and Peretti, 2007). According to Samson and Kirby, the BSM is not the opposition of influencer strategies rather than a complement. They think that the BSM model is not fully applicable. Furthermore, they call the BSM “traditional mass marketing on steroids” (2008, pp. 4-5).

The Guerilla and Buzz marketing are the last two concepts this chapter will discuss in detail. Both terms are commonly used in the context of viral and word-of-mouth marketing. In 1983, Jay Conrad Levinson wrote the first book about Guerilla Marketing and established since then the term in the field of marketing. He is considered as the father of guerrilla marketing (Margolis and Garrigan, 2008, pp. xxiii-xxiv). According to Margolis and Garrigan, guerrilla marketing is an unconventional advertising strategy which engages with consumers in a personal and unexpected way (2008, p.6). Furthermore, it is considered as a low-cost marketing strategy with a high outcome (Prévot, 2009, p. 33). Anne M. Schueller, a German expert in loyalty management and recommendation marketing, describes the guerrilla marketing as an offensive tool which is based on creative and polarizing concepts. The overall core idea is to create an emotional moment for consumers who share their experience with others and increase therefore the word-of-mouth (Schueller, 2015, pp. 208-214).

Buzz marketing has the same core idea but works with a different approach. It uses consumers as promoters to increase the “Buzz” about a product or brand. In the end, the objective is to increase word-of-mouth through influential consumers who are recognised as unselfish and trustworthy by other consumers (Wharton University of Pennsylvania, 2005; Schueller, 2015, pp. 214-217).

The review of models and theories of the word-of-mouth revealed that it is an old term which is also researched today in modern contexts. Furthermore, the different presented opinions and criticism show that word-of-mouth is still a natural phenomenon which is hard to approach and conceptualise. Furthermore, it is tough to differentiate all these marketing instruments (Viral, Guerilla, Buzz and Word-of-Mouth Marketing) from each other. In the end, they have the same idea of spreading a message in the world through different approaches.

2.7 Influencers and Word-of-Mouth

As the previous chapter revealed, influencers are an important part of the word-of-mouth marketing and have different forms of appearance. It is as simple as it sounds, influencers have an influence on other people decisions and behaviour. In the theory, the different types of influencer are differently defined.

For example, Anne M. Schueller defined influencers in two different categories, the multipliers with strong relationships and the influential opinion leaders. The first category describes a person who spreads word-of-mouth actively through his extensive social network. They are able to reach a large number of people from different social circles. Therefore, they are hubs for word-of-mouth communications. The second category are influential opinion leaders who are seeking for information and have an extensive knowledge in their fields (Schueller, 2015, pp. 191-192).

In his book "The Secrets of Word-Of-Mouth Marketing", Silverman describes the role of experts and their power in the word-of-mouth process. He explains that experts are people who are able to evaluate information and turn them into knowledge or even wisdom. However, he wrote that "not all influencers are experts and not all experts are influential". He categorised the experts in 5 different groups regarding to their degree of knowledge and wisdom (Silverman, 2011, pp. 129-131).

Solomon has a different approach and describes influencer as opinion leaders who are specialised in their specific field. He categorises them in monomorphic (one field) and polymorphic (several fields). The benefit of opinion leaders is that they communicate positive and negative aspects of products and provide therefore a solid recommendation. Solomon explains that opinion leader can give advice for products of a similar field but a generalised opinion leader is rare. For example, an expert of home furniture can give an advice for garden furniture. Opinion leaders are socially connected and have a good reputation. He defines different types of influencers which are not strictly separated from each other. The first type are innovative communicators who take the risk of a first buy and like to try new things. They can be trendsetters for new products or brands. Opinion leaders are often also opinion seekers who like to search for information and other opinions to specialise their knowledge. Another type is the Market Mavens who have an extensive knowledge of products, prices and brands of different fields. The last type are the surrogate consumers who are professionals and influence consumers buying decisions and receive money for the advice (Solomon, 2015, pp. 529- 535). For example, an assigned architect recommends his client a specific brand.

To sum up, experts in the field have different approaches to classify influencer. However, they all agree on the fact that influencers have a great impact on consumers' buying decisions. They reduce the anxiety of a bad buy through the transmission of knowledge and confirmation (Silverman, 2011, pp. 129-132; Schueller, 2015, pp. 187-190; Solomon, 2015, pp. 529-531).

Schueller states four reasons why influencers are powerful and important. They have a great reach through their extensive network which consists of weak and strong ties. Furthermore, they only communicate and transmit important messages and therefore they have a high relevance for the social network. Another important reason is the great reputation which leads to a solid base of trust to other consumers. People trust the advice and knowledge of influencers. The last reason is the results which influencers achieve. They have a great impact on the decision-making process and reduce consumers' anxiety and unknowingness (Schueller, 2015, p. 190; Sudha M. and Sheena K., 2017, pp. 16-17).

Influencers are coming from different social levels and have therefore influence on different social circles. In general, influencers have a greater impact if they are in the same circle as the consumers. Celebrities are often not close enough to the ordinary people but they provide a greater reach. The following graphic is a translated version of Schueller's illustration and shows how the impact of influencer changes in different social circles. To sum up, close influencers are more convincing than celebrities but have a smaller reach (Schueller, 2015, pp. 188-193; Solomon, 2015, pp. 534-535; WARC Best Practice, 2017, pp. 1-4).

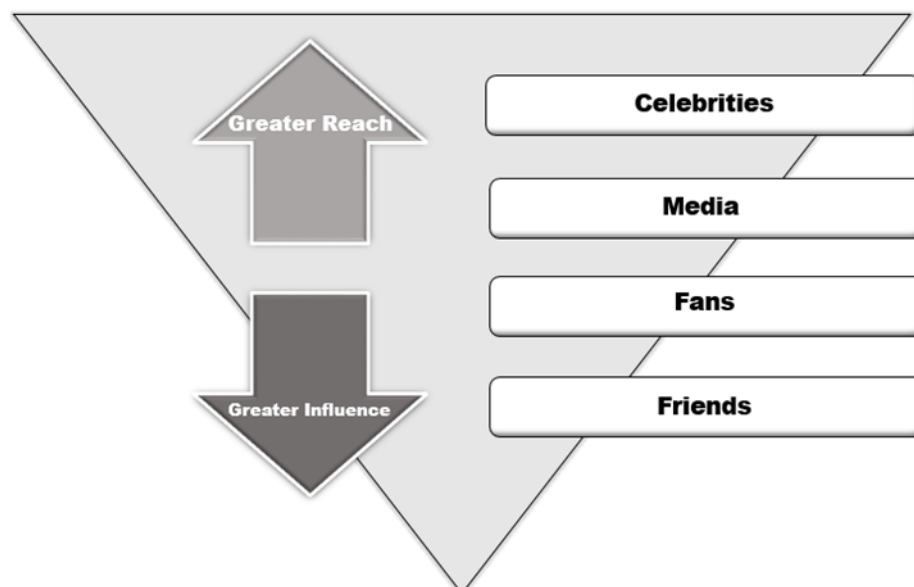


Figure 2: The impact of influencers on different social levels (Source: Translated presentation based on Schueller, 2015, p. 189)

It is important to mention that the influencer activities still occur offline but mostly online. Therefore, it is difficult for companies to identify all influencers because they often act on a local level and influence a small group. The word-of-mouth of recognised influencers is stronger than from the average person (Warc Best Practice, 2017, pp. 1-4; Solomon, 2015, p. 533)

The main challenge for brands is to identify and evaluate influencers. The experts have different approaches to identify and convince influencers. Schueller describes different factors to rank influencers and Morgan provides advice how to work with them (Schueller, 2015, pp. 195-196; Morgan, 2017, pp. 1-7).

Summarising, influencer marketing is a crucial part of word-of-mouth phenomenon. They have a great impact on consumers behaviour and strengthen the impact of word-of-mouth. The existing research provides different influencer types and groups. Influencers still act offline but mostly online whereby brands get the opportunity to approach them and develop a decent strategy to use influencer for marketing and sales.

2.8 Consumer Behaviour and Word-of-Mouth

2.8.1 The Decision-Making Process

The decision-making process is an important issue of the field of consumer behaviour and a crucial part of the word-of-mouth marketing. As Silverman explained, the power of word-of-mouth comes down to the decision-making where it simplifies the process and reduce anxiety and uncertainty (2011, pp. 79-103).

The decision-making process is a frequently researched issue which provides great insights into the economic psychology. In the context of this research, it is important to find out how consumers make their decisions and which factors influence them. Furthermore, this research will reveal if consumers feel a high or low involvement while purchasing new sanitary products.

Kotler and Armstrong defined four different buying behaviours: Complex, variety-seeking, dissonance-reducing and habitual. The **complex buying behaviour** occurs when the buyer is highly involved because the purchase is irregular, risky, expensive and important for self-esteem. Furthermore, brands have significant differences. Therefore, he needs professional advice to compensate missing knowledge.

The **dissonance-reducing buying behaviour** occurs when buyers are highly involved but brands show only a few differences. The product is less complex thus consumers are buying

more quickly. For this process, the after-sale service is important because it can make the difference and causes a positive post-purchase behaviour.

The **habitual buying behaviour** occurs when the buyer is to a lesser extent involved and brands show only a few differences. Buyers act and buy based on habits. This situation describes the buying process for everyday items. Brands need to become and stay a habitual decision for consumers.

The **variety-seeking buying behaviour** occurs when the involvement is low but the difference of brands more significant. The buyers are often trying new brands and evaluate them while consuming. The challenge for brands is to stay in the consumers' mind with special offers or a high availability (Kotler and Armstrong, 2016, pp. 182-183).

The following graphic shows how Kotler and Armstrong classify the buying behaviours regarding differences between brands and the involvement-level of consumers.

	High Involvement	Low Involvement
Significant differences between brands	Complex buying behavior	Variety-seeking buying behavior
Few differences between brands	Dissonance-reducing buying behavior	Habitual buying behavior

Figure 3: Four Types of Buying Behaviour (Source: Kotler and Armstrong, 2016 p. 182)

Solomon defined three different categories of decision making. The **cognitive decision making** occurs when the buyer follows certain steps to make his decision (Figure 5). He runs through an information seeking and evaluation process to find the suitable product.

The **habitual decision making** applies for purchases which buyers make without a great consciousness. The buyer often decides based on biases or shortcuts to simplify his decision-making process.

The **affective decision making** occurs for emotional decisions rather than on rational and thought out ones. Emotions are crucial for consumers' buying decision and brands have great opportunities to use this from a marketing perspective. These emotions can have a positive or negative effect on consumers' final purchase decision (Solomon, 2015, pp. 69-90).

Solomon also developed a graphic to illustrate the relationship between involvement and decision-making. The models have different approaches but explain the decision-making in an appropriate way.

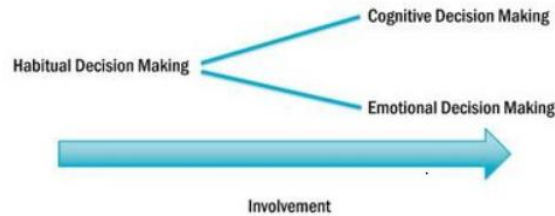


Figure 4: Involvement and Decision Making (Source: Solomon, 2015, p. 62)

The following graphic illustrates the different steps of a decision-making process. Solomon, Kotler and Armstrong defined the same process whereby Solomon explained it as the cognitive decision-making process (Solomon, 2015, pp. 69-80). Kotler and Armstrong stated that this process applies to every purchase but the emphasis of each step differs regarding the types of buying behaviour (2016, pp. 183). For example, a consumer needs toilet paper (habitual buying behaviour) which is a daily used and frequently purchased product. He doesn't need much information about the product and different brands, therefore, he skips the second and third step and makes his decision more quickly. To sum up, the process is appropriate to explain the cognitive decision-making process by Solomon as well as the four buying behaviours by Kotler and Armstrong.



Figure 5: Buyer Decision Process (Source: Kotler and Armstrong, 2016 p. 183; Solomon, 2015, p. 70)

Silverman has a similar approach whereby he defined 6 different stages from zero to five. In general, the model describes the same process as the previous one. In his book "The Secrets of Word-of-Mouth", Silverman focused on the diffusion of innovation model and adopted his model of decision-making to each adopter type (2011, pp. 79-103).

Kahneman developed another interesting framework of the decision-making process based on two mental systems, System 1 and System 2. The System 1 uses shortcuts to simplify the decision-making process. It is automatic and based on unconscious thinking. The System 2 is

reflective and based on a conscious thinking and is therefore useful for more complex decision-making processes. Which system dominates is depending on the specific context (Barden, 2013, pp. 8-30; Walker and Page, 2015, pp. 1-22). In his book “Decoded”, Barden also calls the systems Autopilot (System 1) and Pilot (System 2) (2013, pp. 8-30). The following illustration explains the framework more understandable:

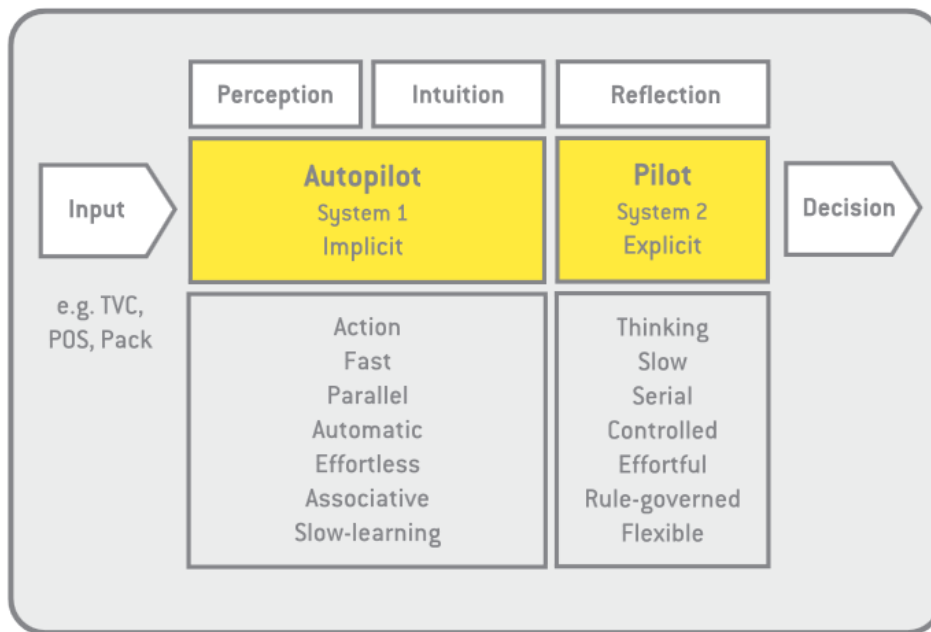


Figure 6: Illustration of Kahneman's framework by Phil Barden (Source: Barden, 2013, p. 8)

It is important to mention that the involvement-level is individual for each buyer. For example, the purchase of a new mobile phone can be a special process for one consumer but a regular for another. Therefore, also the different types of decision making or buying behaviour differ for different products, brands or situations. People can change their buying behaviour based on emotional or financial states (Solomon, 2015, p. 61; Kotler and Armstrong, 2016, p. 183).

The presented models and theories are useful to understand how consumers make their decision based on different levels of involvement and mental aspects. However, it is difficult to explain every purchase decision based on theories and models. The human brain is complex and therefore every decision making is based on several factors which are difficult to analyse and to determine.

2.8.2 The Drivers of Word-of-Mouth

The last chapter of this literature review discusses the drivers of word-of-mouth. The previous chapter provided an overview of different decision-making processes and on which basis people make these decisions. There are still open questions which need to be answered to understand consumers behaviour regarding word-of-mouth. First, why consumers are seeking and following recommendations from others? Second, what drives consumers to engage in word-of-mouth and to recommend or warn others about brands, products or services?

As Schueller explains, humans are social beings where group memberships and herd instincts play a crucial role. To determine the drivers of word-of-mouth it is necessary to understand the basics of group psychology. The fear of isolation from others is the basis for psychological and sociological phenomena such as group pressure, mass movement or swarm intelligence. Furthermore, this fear is the reason why social networks are so successful. People follow people and trust their decisions. They buy products because many others bought it too which is called “Social Proof” (Schueller, 2015, pp. 48-50).

The following graphic illustrates the relational-triangle between the word-of-mouth transmitter, receiver and the discussed subject (brand, product or service).

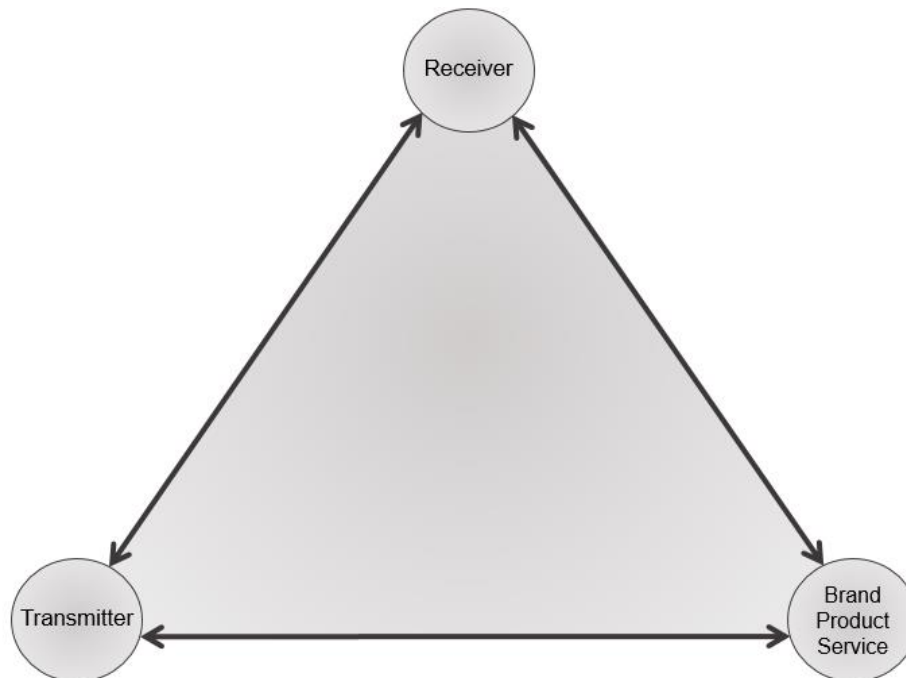


Figure 7: Relational-Triangle between the advocate, receiver and the brand, product or service which is subject of the word-of-mouth (Source: Translated presentation based on Schueller, 2015, p. 51)

Consumers recommend or warn others about brands, products or services based on their emotional experiences which can be both negative and positive. They only recommend something if they are convinced on an emotional level through excellence performance by the brand or company. Recommendations from consumers are the best gift companies can get (Schueller, 2015, p. 48). As Silverman suggest, people don't need to be animated to transmit word-of-mouth because it is a natural result of interesting, abnormal and joyful experiences. Therefore, it is more important to provide consumer this kind of experience and emotions through products or services. Companies need to create the right incentives for consumers to engage in word-of-mouth naturally and freely (Silverman, 2011, pp. 141-142).

Furthermore, Silverman explains that pushing consumers to spread word-of-mouth based on coupons or cashback doesn't work because it is not fully voluntary. They won't tell somebody about it because they feel bought by the company (2011, p. 144). Schueller shares this opinion and states that money is rarely the main driver for transmitting word-of-mouth (2015, p. 53). So, what are the main drivers for word-of-mouth?

As previously mentioned, consumers are overwhelmed and confused by the numerous possibilities of consumption. They are afraid to make a bad decision and spend their hard-earned money for the wrong product. Therefore, they are seeking for orientation, simplification and discharge through recommendations by trusted sources. The higher the involvement and complexity of the decision, the higher is the influence of word-of-mouth (Schueller, 2015, pp. 51-58; Verhaeghe et al., 2007, pp. 4-6; Milaković and Mihić, 2016, pp. 42-46).

The consumers' motivations to transmit word-of-mouth are more complex and based on different factors. Milaković and Mihić compared several pieces of literatures and define them as individual (social status and network; personality; culture etc.), interpersonal (relationship between sender and receiver) and situational factors. They also state that there is a need for further research to investigate the consumer behaviour regarding to word-of-mouth in more detail.

The following graphic shows a summary of the main drivers for consumers to engage in word-of-mouth by Milaković and Mihić. They reviewed a sufficient number of academic works and revealed different motives:

Motives – reasons for WOM
Involvement (Interest) <ul style="list-style-type: none"> ▪ Theme – Engel et al. 1993 in Hennig-Thurau et al. 2004, Leeuwis 2009 Product - Katz and Lazarsfeld 1955 in Schoefer 1998, Dichter 1966 and Sundaram, Mitra and Webster 1998 in Hennig-Thurau et al. 2004, Leeuwis 2009, Fang 2013 ▪ Self-involvement (sender) – Sundaram, Mitra and Webster 1998, Dichter 1966 in Hennig-Thurau et al. 2004, Leeuwis 2009 ▪ Involvement of other (sender) – Dichter 1966 in Hennig-Thurau et al. 2004, Leeuwis 2009 ▪ Message – Dichter 1966 in Sundaram, Mitra and Webster 1998, Leeuwis 2009, Engel et al. 1993 in Hennig-Thurau et al. 2004 ▪ Enduring involvement – Assael 1992 according to Schoefer 1998
Self-enhancement <ul style="list-style-type: none"> ▪ Status, knowledge, superiority, approval from others – Engel et al. 1993 in Hennig-Thurau et al. 2004, Sundaram, Mitra and Webster 1998, Leeuwis 2009, Angelis et al. 2012, Fang 2013 ▪ 'Me' as a smart shopper - Sundaram, Mitra and Webster 1998, Hennig-Thurau et al. 2004
Care for others <ul style="list-style-type: none"> ▪ Engel et al. 1993 in Leeuwis 2009, Hennig-Thurau et al. 2004 in Leeuwis 2009
Dissonance reduction <ul style="list-style-type: none"> ▪ Sundaram, Mitra and Webster 1998, Engel et al. 1993 in Hennig-Thurau et al. 2004
Altruism, helping the company, revenge, anxiety reduction, advice seeking <ul style="list-style-type: none"> ▪ Sundaram, Mitra and Webster 1998 in Hennig-Thurau et al. 2004, Leeuwis 2009, Fang 2013
Expertise, opinion leader, perceived risk, WOM preference <ul style="list-style-type: none"> ▪ Sender and receiver - Bansal and Voyer 2000 in Liu and Payne 2008
Relationship strength <ul style="list-style-type: none"> ▪ Sender and receiver - Brown and Reingen 1987 in Lin and Liao 2008, Goldenberg, Libai and Muller 2001, DeBruyn and Lilien 2008
Characteristics of the sender and receiver <ul style="list-style-type: none"> ▪ Similarity, credibility of the sender - Chung 2000, Shin 2007, Mazzarol, Sweeney and Soutar 2007, Mowen, Park and Zablah 2007, Lin and Liao 2008, Moore 2009, Ho and Dempsey 2010, Li, Lin and Lai 2010 ▪ Receiver – Mowen, Park and Zablah 2007, Sweeney, Soutar and Mazzarol 2008

Figure 8: Motivation (reasons) for word-of-mouth communication participation (Source: Milaković and Mihić, 2016, p. 43)

Consumers engage in word-of-mouth based on one or more of these motives. As Schueller explains, consumers don't only want money or fun. They want to be a respected member of the society who helps others with their advice and recommendations. However, each consumer is different and has other motives to transmit word-of-mouth (2015, pp. 55-61).

Furthermore, word-of-mouth is based on emotions which always prevail in the human brain. Emotions help consumers to make their decisions based on positive or negative experiences. As David Ogilvy, "father of advertising", once said, customers need rational excuses for an emotional decision (Schueller, 2015, pp. 55-57).

Chen (2017) and Dubois et al. (2016) recently investigated the interpersonal factor in more detail. They studied the differences in word-of-mouth communication between friends and strangers. Both studies revealed that strangers share more positive and friends more negative word-of-mouth. Dubois et al. explain that strangers want to impress each other to enhance the

relationship, whereby friends share negative word-of-mouth to protect each other. Chen confirmed this phenomenon and tried to investigate further. The researchers of both studies explain that their research is limited and need further investigations to reveal a fundamental understanding of the interpersonal factor (Dubois et al., 2016, pp. 722-724; Chen, 2017, pp. 628-630). However, it is interesting that word-of-mouth changes with different interpersonal closeness.

The reviewed literature showed that the research on key motives of word-of-mouth is going deep in the human psyche and brain processes. Basically, it is human nature to transmit word-of-mouth but the communication is always based on different motives. The existing pieces of research studied these motives for several years and revealed new insights. Milaković and Mihić summarised these academic papers and key drivers, that led to a decent overview. The research on this issue is still unfinished and will go on in the future. However, the reviewed literature provides a great basis to draw conclusions about the main motives for consumers in the sanitary industry to engage in word-of-mouth communication.

2.9 Conclusion

The literature review provided an extensive overview of word-of-mouth marketing from the broad theory to deeper insights in influencer marketing and the consumer behaviour. This conclusion will highlight the main findings and explain the further strategy to use these to analyse and interpret the primary data.

Word-of-mouth marketing is more powerful than traditional advertising and provides a great return on investment. Consumers are trusting the recommendations from their social environment and experts. Therefore, the word-of-mouth marketing can be used to build a trustworthy and solid relationship with consumers which leads to a low-cost acquisition and retention. It has a long-term and positive effect on the branding process.

However, there are also several threats which come with the power of word-of-mouth. It can be harmful to company's reputation and jeopardise the whole business. Word-of-mouth can influence consumers' decision both negative and positive whereby it is not clear which form is more influential. As mentioned before, it can be a blessing or curse for every business but it is one of the most valuable marketing instruments.

The digitalisation increased the impact of word-of-mouth and its viral potential. It changed the characteristics of word-of-mouth because now consumers have access to many information for a long period. A decent word-of-mouth marketing strategy will respect both online and

offline. The secondary data revealed that about 90% of word-of-mouth communication still occurs offline. However, this fact doesn't decrease the importance of online word-of-mouth.

In addition, the review explained some of the main theories and models of word-of-mouth which illustrated that it is difficult to approach and conceptualise a natural phenomenon. They showed that the word-of-mouth marketing has its roots in psychology and sociology.

The influencer marketing turned out to be an important part of the overall word-of-mouth strategy. Influencers are spreading the word-of-mouth effectively and influence the consumers' behaviour and decisions. There are several approaches to characterise different types of influencer and how companies can use them to market brands, products or services.

The consumer behaviour chapter provided great insights into the decision-making process of consumers and their drivers to engage in word-of-mouth communication. These findings are decent to compare the existing theories and models with the new primary data of the sanitary industry.

Summarising, the literature review is a crucial part of the overall research and provides the theoretical fundament to analyse and evaluate the primary data. Furthermore, it leads to a first theory-based answer to the research question namely that word-of-mouth marketing is a powerful instrument from a consumer perspective. In the end, the researcher will use these and the primary findings to give an overall conclusion.

3. Research Methodology

3.1 Introduction

This chapter explains which research methodology is used for the primary research. The underlying research question, objectives and hypotheses were explained in detail in chapter 1.2. The research methodology is based on the research onion by Saunders, Lewis and Thornhill:

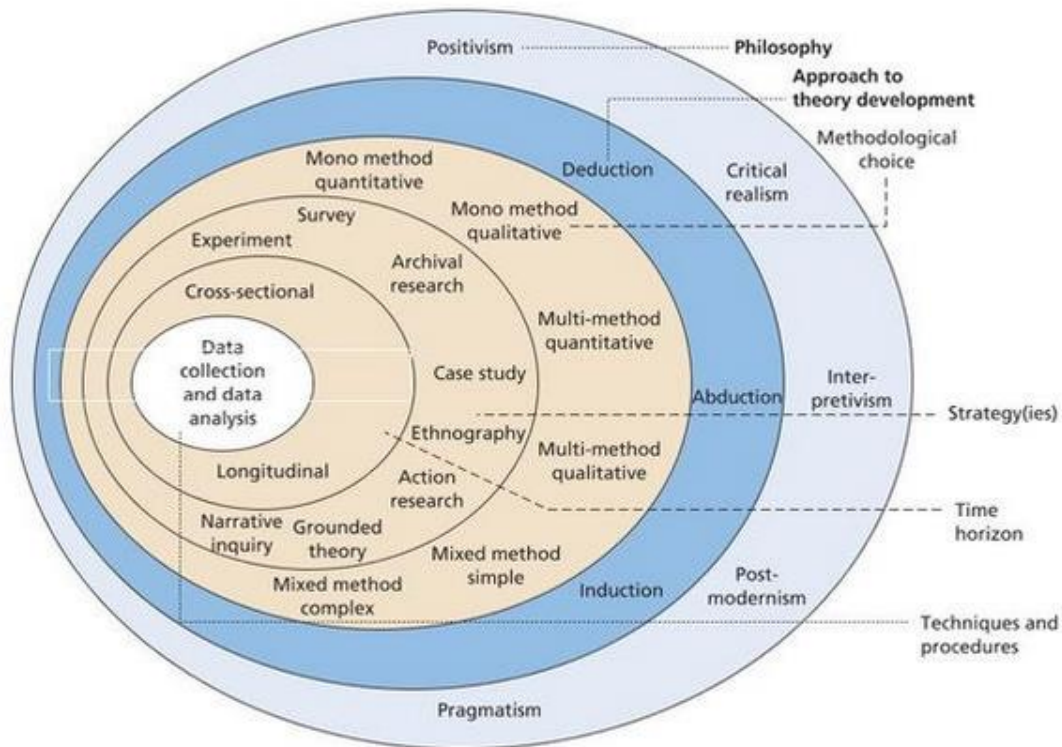


Figure 9: Research Onion (Source: Saunders, et al., 2015, p. 124)

Every choice for the used methodology is justified throughout this chapter based on the research background and existing literature.

3.2 Research Design

3.2.1 Research Philosophy

According to the research onion, the choice of the philosophy is the first step. This research is conducted with regard to the interpretivism approach because as Crotty explained, this approach is applied for a research which “looks for culturally derived and historically situated interpretations of the social life-world” (Crotty, 1998, p. 68). In more detail, the research is based on the phenomenology because the researcher believes that the understanding of the

word-of-mouth phenomenon requires a research based on people's experiences. Furthermore, the phenomenology requires a research without any biases or previous thoughts to get a fresh understanding of the phenomenon based on the new research (Gray, 2013, pp. 25-26; Bryman and Bell, 2011, pp. 17-20).

This philosophy is suitable for the research because it investigates the significance of word-of-mouth based on subjective experiences from different individuals. Furthermore, word-of-mouth is a natural phenomenon which is experienced differently by each individual. Therefore, the phenomenological approach is appropriate to get an understanding of the significance of word-of-mouth in the German sanitary industry.

3.2.2 Research Approach

After the research philosophy is set, the next step is to determine the research approach. Based on the phenomenology the research applies an inductive approach because theories and patterns will be developed based on the collected data (Saunders et al., 2007, p. 117). As Saunders et al. explained "Research using an inductive approach is likely to be particularly concerned with the context in which such events were taking place" (2007, p. 19). In this case, the research is focusing on word-of-mouth as the event and the German sanitary industry as the context in which it takes place.

The research won't review the entire field of word-of-mouth and induce therefore an interest for further research. Furthermore, the researcher has an active role to collect data and interpret them in a proper way. He is a crucial part of the research process. To ensure a degree of reliability conclusions will be drawn from various collected data of different cases (Gray, 2013, pp. 17-18).

Based on the objective to build a theory or to identify patterns the inductive is the best suitable research approach. This the reason why a deductive approach is not applied.

3.2.3 Research Strategy

Based on the research phenomenological approach, this research applies a qualitative research method (direct and non-disguised) in form of individual in-depth interviews (semi-structured). Furthermore, the research is cross-sectional because it investigates a particular phenomenon in a particular time (Saunders et al., 2012, p. 190) This approach is suitable to gain deep insights about word-of-mouth and consumer behaviour.

According to Saunders et al., interviews are not only used “to reveal and understand the “what” and the “how” but also to place more emphasis on exploring the “why” (2007, p. 313). As Robson explained in-depth interviews are appropriate to “find out what is happening and to seek new insights” (Saunders et al., 2007, p. 313). The overall objective of the research is to understand how and why word-of-mouth marketing is significant from a consumer perspective in the German sanitary industry.

The interviews provide a great atmosphere to discuss important issues, there is no pressure caused by competitors or brands. The researcher is a good speaker and experienced in the communication with the selected research population because of a former work within the industry. Therefore, he is suitable to execute the interviews to gain valuable results. Furthermore, he has a deep knowledge in the field of word-of-mouth and consumer behaviour thus he is capable to discuss the issue in a practical manner. He has a crucial role in the overall research process and needs to motivate interviewees to give deep and informative answers.

The researcher will use prepared questionnaires as guidelines to lead conversations in the right direction. The questions are focused on different themes: Word-of-mouth in general, the influences and the consumer behaviour. It is important to mention, that the questions have to be precise and simple at the same time to avoid overstrained interviewees. Therefore, it is even more important to use a proper wording and language to create great conversations.

It is important for the research to gain as much as possible qualitative data from consumers and influencers to develop theories and patterns based on various answers (inductive approach). For this research, the mentioned strategy is appropriate to gain the needed information and to provide a good basis for an analysis and interpretation. The interviews are flexible, so it is crucial that the researcher can lead the conversation and is able to dig deeper into important answers. It is for this reason why the quantitative research won't be applied because the researcher wouldn't have the opportunity to lead the conversation and ask in more detail.

3.2.4 Research Population and Sampling

The research populations of the qualitative research consist of two different groups. The first group are influencers (wholesalers and installers) of the German sanitary industry. The second groups are consumers who are or were involved in a purchase decision. The following illustration shows how the research populations are selected based on the location of the researcher.

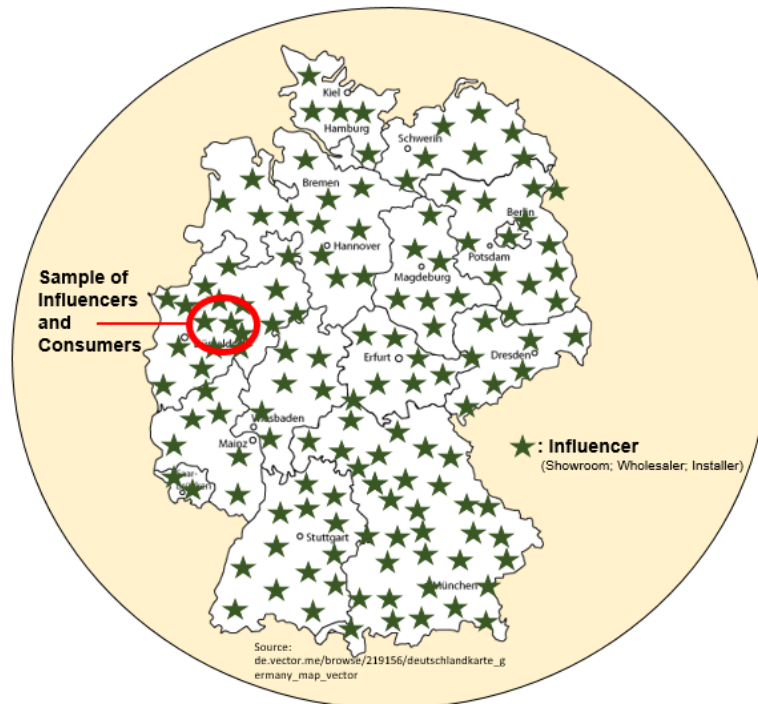


Figure 10: Illustration of the selected research population

The First Research Population (Influencer)

The selection of influencers is limited to a specific area because the time horizon of the research is not enough to visit influencers throughout Germany. However, in Germany, the purchase processes are standardised therefore every wholesaler or installer is suitable for the research. The determined sample of influencers is decent for the qualitative research because they have a direct and close contact with consumers. Therefore, they can provide crucial insights about the significance of word-of-mouth and consumer behaviour in the sanitary industry.

The Sampling Design Process

- ❖ **Population:**
Wholesalers and installers of the sanitary industry in Germany in 2017 which are located close to the researcher
- ❖ **Sample Size:** 15, selected influencers in the near.
- ❖ **Sample Frame:**
Google Maps and Beste-Badstudios (www.beste-badstudios.de) are used to identify the elements of the target population regarding to the previous set characteristics (location). A detailed list of all elements won't be public available to respect the anonymity of all participants.
- ❖ **Sampling Technique:** Judgmental Sampling without replacement.
The researcher believes that the selected sample represent the whole population of interest.

The selected influencers are a decent population because they are usually the first contact for consumers. Therefore, they provide a great basis to gain deep insights about word-of-mouth from a consumer perspective. In the end, these insights will lead to an answer to the research question.

It is important to mention that the interview can be held with more than one person. For example, two sales agents could participate and answer the questions together.

The Second Research Population (Consumer)

The opportunity to reach consumers who are or were involved in a decision making about a sanitary product is quite limited. Only a few consumers are visiting wholesaler or installers without an appointment. So, there is limited foot-traffic and the likelihood to reach them is quite low. The researcher relies on the influencers to hold interviews with end-users. It is not the common research approach but the only way to hold interviews with both research populations. The researcher was allowed to be attendant while a consultation meeting. The results will be presented in the following chapters. The sample size will be lower than the first research population but the findings will go deeper into consumers' behaviour. It is also tough to determine the whole research population regarding the exact number of elements.

The Sampling Design Process

❖ Population:

- 1) Consumers who are visiting the wholesalers and installers of the first research population during the primary data collection
- 2) Existing customers of installers or wholesalers who purchased or will purchase a new sanitary product/service

The age has to be over 18 but there is no restriction regarding the gender or origin.

❖ Sample Size: 5, selected by chance or through wholesalers and installers

❖ Sample Frame:

- 1) The researcher will randomly select visitors of the wholesalers and installers to approach them directly and by chance.
- 2) The researcher will ask influencers if he may interview their customers

A detailed list of all elements won't be public available to respect the anonymity of all participants.

❖ Sampling Technique:

Mix of probability (1) and non-probability (2) sampling based on the previous judgemental technique of the first research population. The researcher is only able to approach consumer within this population.

- 1) Probability Sampling: Consumers by chance (rather than on special characteristics).
- 2) Convenience Sampling: Customers of the selected wholesalers and installer which the researcher is allowed to approach.

The second research population is appropriate to gain different insights from different types of consumers because they have individual opinions and behaviours. The researcher uses the data analysis to see patterns in consumers' answers. In the end, the different answers combined with a decent analysis will lead to great insights and results.

It is important to mention that the interview can be held with more than one person. For example, a couple could participate and answer the questions because they make their decision together.

The overall primary data collection will be limited to about two weeks because of the time frame of this research paper.

Summarising, the selected research populations are suitable to investigate the word-of-mouth marketing and consumer behaviour in the German sanitary industry. The results will lead to an overall answer to the research question and hypotheses.

3.3 Data Collection Instruments

3.3.1 Qualitative Data Collection

The qualitative data will be collected through of in-depth interviews (semi-structured questionnaires) with selected influencers (wholesaler and installer) and consumers of the German sanitary industry. The researcher will take notes and use the questionnaires as a guideline for the interview. This approach is suitable for the research because it provides the consumers, experts and researcher the opportunity to discuss the significance of word-of-mouth in detail and face-to-face. The researcher has a good knowledge about word-of-mouth and consumer behaviour and is, therefore, capable to lead the conversation in the right direction to gain important insights. This is the reason why the depth interviews are the best approach and other data collection options are not suitable. The access is given because of a close distance to the selected research populations. The meetings can be set up in advance through a telephone call or more spontaneous. Furthermore, the interview takes not long and the participant don't have to prepare something. Therefore, a spontaneous meeting is also suitable to execute the research.

The prepared questions are designed interesting and simple to understand thus the interviewees can talk freely and share their opinions or feelings with the researcher. This process is important to receive honest and exploratory information.

3.3.2 Questionnaire Design Process

The questionnaires are coded in different themes and were tested and revised before the qualitative data collection started. The final questionnaires of both populations are available in the appendices (*Questionnaires for both Populations*)

3.3.3 Secondary Data Collection

The researcher used existing academic papers to build a theoretical framework for the practical primary research. The researcher applies well-known theories and model for his own research in the German sanitary industry.

3.4 Data Analysis Procedures

The researcher will use a narrative analysis to analyse the data because the results will consist of personal experience of influencers and consumers. In addition, the questionnaires are coded in different section which helps to compare the results and draw conclusions (Saunders et al., 2007, pp. 504-505).

While the interview, the researcher will make notes which will be analysed and evaluated regarding the different research focuses (word-of-mouth, influencer, consumer behaviour). The questionnaires are divided into these three parts and consist of specific questions which shall investigate the research question and hypotheses. There won't be more than 12 questions and the interview shouldn't take longer than 20 minutes.

It takes time to analyse and evaluate all taken notes as well as to reproduce the conversations to draft conclusions. The researcher needs special skills to execute a decent analysis. The findings will be presented with graphics and lists.

3.5 Research Ethics

The only expected ethical issue is anonymity for the respondents. The consumers and influencers could be afraid that there will be a negative consequence if they give negative insights about brands, products or services.

It is for this reason that the research will provide full anonymity for every consumer, wholesaler and installer. It is not important that the reader know the exact name of the participants. Furthermore, the participation is voluntary and there won't be a disadvantage if they reject the interview. Some of the businesses are even not allowed to take a part in a research.

3.6 Limitations of Methodology

An obstacle of the methodology will consist in the coordination with all participants. It takes time to execute the interviews with consumers and influencers.

The researcher will overcome this obstacle with an early and well-prepared coordination. The great knowledge and experience of the researcher about the industry provides a good basis to approach influencers and consumers. He will use his soft skills to motivate the participants to take an active part in the research.

Consumers could be feeling under pressure to talk about their decision-making if the installer or wholesaler is present. The researcher will use personal skills to give them the feeling that they can share their opinions and emotions without any consequences.

Another limitation is that the word-of-mouth is still a natural phenomenon which is hard to review or control. The primary research will provide great insights into the significance of word-of-mouth but can't provide a full view for every context.

In addition, it is important to mention that this research is limited to wholesaler, installers and consumers which are located in the near of the researcher. However, the research will provide informative results. The researcher has an active role for the analysis and evaluation of the results thus he will make sure that all findings are presented in a decent way.

Based on the research time frame, the researcher is not able to interview the entire research population because it would be too cost and time intensive. Therefore, implications for further research will be presented in the end of the dissertation.

4. Data Analysis and Findings

4.1 Introduction

This chapter will present the key findings of the primary research. Firstly, the findings of the interviews with the first research population (Influencers) will be presented followed by these of the second population (Consumers). In the discussion, the researcher will compare all findings (Influencers + Consumers) to analyse and illustrate differences and patterns in their answers.

The data was collected and analysed in personally by the researcher. This chapter will only present the key findings and not all answers. It is for this reason that the paper also provides a complete list of all results of all questions and both populations in the appendices (*Interview Notes and Analysis of both Research Populations*)

It is important to mention that the purpose of this list is only to support the researcher through the data analysis, so the list is not understandable for everybody.

As explained before, the researcher uses a phenomenological approach to investigate the word-of-mouth phenomenon through lived experiences by influencers and consumers. He coded the questionnaires in different themes which is crucial for the following analysis.

The used questionnaires were presented in chapter 3 (3.3.2 *Questionnaire Design Process*). Overall, the researcher held 20 in-depth interviews with 27 people (19 influencers and 8 consumers). The key findings will be the fundament for a further discussion and a comparison with the findings of the secondary research in chapter 5.

4.2 Influencers - First Research Population

The following chapter presents all research findings of the first population. It is separated into three themes and the associated questions.

The purpose of this research population was to reveal great insights about word-of-mouth and consumer behaviour based on the main influencers of the German sanitary industry.

4.2.1 Participants Background

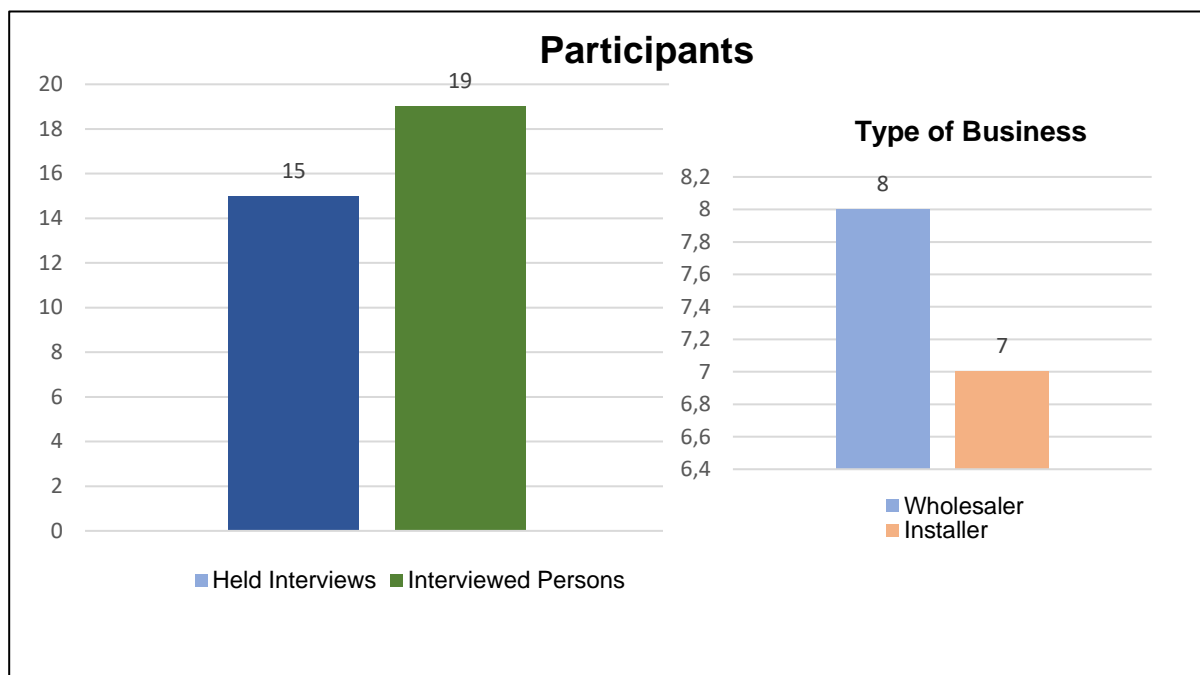


Figure 11: Influencer: Number of Participants and their Type of Business

The researcher held 15 interviews with overall 19 persons. There were 11 interviews with just one influencer and 4 interviews with two colleagues. Overall, there were 8 interviews with wholesalers and 7 with installers. The participants were independent installers, business owners, sales consultants (bathroom planning), one regional director and one architect. It is possible that one person holds more than one role.

It is important to mention that it is common that a wholesaler has its own showroom. Installers don't always have a showroom if this is the case they have close partnerships with wholesalers to use their showrooms for customers.

4.2.2 Findings about Word-of-Mouth in general

Awareness about Word-of-Mouth Marketing

Q1: Did you hear about word-of-mouth/recommendation marketing before?

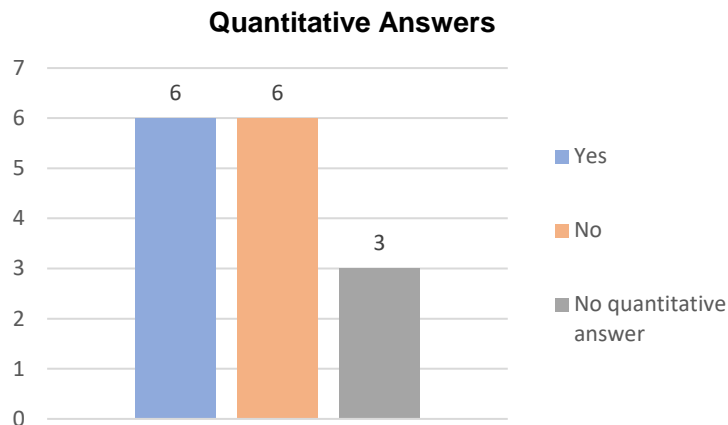


Figure 12: Question 1 Quantitative Answers

Six influencers said yes and six said no whereby 3 influencers neither said yes nor no. However, the purpose of this question was to gain qualitative answers, therefore the researcher continued to dig deeper. The most participants answered the question with a quantitative yes or no and with a qualitative answer regarding the role of recommendations. Following, some translated quotations are presented to illustrate the importance of recommendations in the sanitary industry:



Figure 13: Question 1 Qualitative Answers

The quantitative answers (yes or no) mostly depending on the educational and professional background. Sales consultants often have a commercial background whereby installers mostly have a manual background. Therefore, the knowledge about marketing is different between the influencers. However, all participants shared the opinion that recommendations are important.

The quotations show that recommendations play a crucial role in the sanitary industry. Furthermore, the researcher analysed that recommendations are even more important for installers rather than for wholesaler. In addition, installers and wholesalers often recommend each other. This finding is based on the previous explained three-step distribution process (Figure 1: Distribution processes of the German sanitary industry).

Consumers' Awareness about Product, Brands and Services

Q2: Do your customers have a specific idea/awareness of brands, products or services when they visit you?

Some influencers identified two different groups of consumers. The first group are consumers who have a specific idea which product or brand they want to buy. The second group are consumers who have rough ideas about which design or brand they want. The following bullet points illustrate the main findings about consumers' awareness:

- On average, the influencers determined that 70% of the customers don't have a specific idea or awareness. Therefore, only 30% have a specific idea before they visit the influencer.
- Customers often have wrong ideas about what is possible to realise in their own bathroom
- Customers know which kind of service they want (product replacement, complete bathroom solution etc.). One installer said that 99% of his customers want a completely new bathroom.
- Customers know long-established brands because they heard about them or they used them before.

Summarising, the answers showed that the most customers don't have a specific idea or awareness about brands or products when they visit the influencer but they know which service they need. They often know which style direction they want but are uninformed if their wishes are realisable. It is important to mention that there are also consumers who exactly

know which brand and product they want. However, the researcher analysed that the most consumers (about 70%) don't have a specific idea. Exceptions prove the rule.

Brands Corporate Communication to Influencer and Consumers

Q3: A) Do you think brands communicate their corporate image enough to you and the end user?

The answers showed that the communication to influencers is often adequate. They know the corporate image through sales forces or their own expertise and experience. The research revealed a problem for the communication between brands and consumers because they are mostly uninformed and need the influencers to understand the corporate image. Therefore, the influencers serve as brand ambassadors even if sometimes in a forced way. The following graphic illustrates the finding:

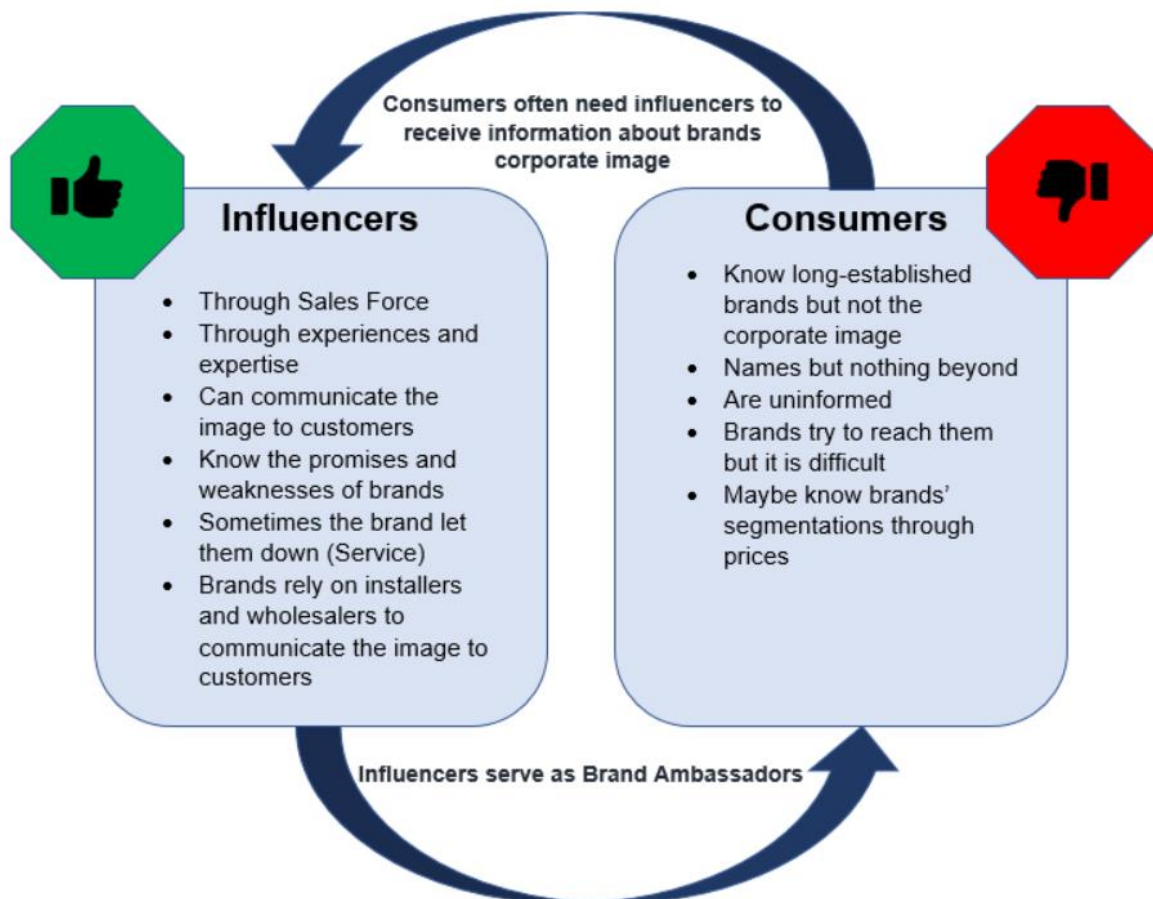


Figure 14: Brands Corporate Communication to Influencer and Consumers

B) If not, can you imagine how they can reach and engage more with you and the consumers?

The following findings show how brands can improve their corporate communication to influencers and consumers. Therefore, it will lead to useful managerial implications in the overall research conclusion. The following results represent the key opinions of the interviewed influencers:

- Brands don't need to communicate more with consumers because it is the job of the influencers
→ They see themselves as brand ambassadors and a further communication would jeopardise their business area
- Sales Force could be more present and provide better service
- The internet provides consumers enough information to inform themselves which could be complicated because some advertisings are not realistic and show the consumer solutions/surroundings which are not realisable for their own bathroom
- The customer service for installers could be better (Support, Product Information, Complaint, Delivery etc.)
- Branding is quite (maybe too) expensive
- Influencers said that branding is important but very difficult to realise. Some have the opinion that the industry is not built on deep branding such as other industries (e.g. automotive)
- Consumers know enough through internet, sometimes even too much, too fast and wrong

Summarising, influencers play a crucial role in the overall branding process because they serve as brand ambassador. Branding is important to reach consumers, but the most companies have not found a suitable approach yet. Furthermore, it is expensive as well as difficult and the brand image is not the main driver of the sanitary industry. Branding has to go beyond the brand name to be recommendable. Influencers demand that brands and manufacturers make more effort to build a better relationship with them. Especially, installers need a better customer service to recommend or sell a brand to end-users. The influencers suggest it is better to create advertisings which are more focused on the product and not the whole bathroom. A regional director of a well-known wholesaler-chain said he sees great potential to use the internet and especially new advertising tools to reach end-users (Google AdWords, Facebook etc.).

Electronic Word-of-Mouth and e-Commerce

Q4: Which Role plays electronic word-of-mouth and e-commerce (reviews, comments etc.) for consumers decision-making?

For this question, there was a clear answer from all influencers: The internet is and is becoming more and more important for consumers. The majority of consumers is using the internet for their decision-making. Some influencers explained that even the older generation is arriving with the smartphone/tablet in their hand. However, consumers using the internet for a rough research, to get first impressions but mainly to compare prices.

The internet is a harmful problem for the influencers because it leads to a price war and consumers are receiving a wrong view of the provided service. It is interesting that electronic word-of-mouth plays a secondary role and there are only a few reviews and comments available. However, a sales consultant of a well-known online retailer explained that a negative review or comment for a product on the online shop lead to a direct exclusion of this product, even if it is not justified. The online shop has several hundred thousand visitors per month. Online retailers are becoming more and more important and jeopardise the traditional three-step distribution process.

All influencers (except online-retailer) shared the opinion that the internet is a huge problem because consumers are getting wrong expectations of prices and services. They said is tough to explain to customers why the service is more expensive than on the internet. The internet prices are often not realistic and only include the product price but nothing beyond.

The most consumers still buying on a traditional way through installers and wholesalers. However, it is depending on their interests. If they only want to replace a product or need only a few new products they are using more and more online shops. Installers explained that consumers wanted to buy online but they should install the product. However, most installers refuse to install products which are bought online.

The following graphic summarises the main findings for electronic word-of-mouth and e-commerce:



Figure 15: How the internet influences consumers decision-making

Summarising, the internet is crucial for consumers decision-making and especially for their price comparison. Even older generations are strongly using the internet for their information seeking. There is only a few electronic word-of-mouth but it is becoming more and more important, especially for online retailers. The internet and the e-commerce are a real threat for the traditional three-step distribution process. Consumers are buying more and more products online but they often are getting wrong expectations about products and services. Therefore, many influencers are seeing their businesses in danger and have a hard time to convince customers that the internet does not show all costs and is sometimes unrealistic. However, all influencers agreed that the internet is the future and its influence will increase.

Influencers' Drivers for Word-of-Mouth

Q5: What are your main criteria to recommend/ not recommend a brand, product or service besides the customer needs?

The fifth question was crucial to investigate the drivers for influencers to recommend or not recommend a brand, product or service besides the customer needs which should be always the first priority. The following list shows the main drivers which the research revealed:

- The reliability through customer service for wholesaler, installers and consumers (complaint management, product information, delivery, training etc.)
- Low complaint rate (influencers want a problem-free realisation with satisfied customers)
- Own experience and conviction
- Margin (wholesalers are often trying to sell own brands because consumers can't compare prices)
- Delivery Capability and high availability (especially for installers to provide a quick realisation)
- The overall Price-Performance ratio (includes quality and design)
- Pleasant product with quality (easy to install, long-lasting, sustainable)

4.2.3 Findings about Sources of Influence

Influencers' Role in the Decision-Making Process

Q6: How do you evaluate your role in the overall decision-making process?

The research shows that the influencers evaluate their role in the decision-making process as important and influential. These are the main findings:

- The influence is depending on consumers level of involvement and knowledge (low/higher involvement → lower/higher influence, low/high knowledge → great/low influence)
- The "Nose-Factor" is crucial (Sympathy + Trust)
- Cooperation between installers and wholesalers
- Influencers can intervene and lead the customer in a favoured direction
- Influencers have an extremely important role with a decisive impetus
- In general, installers have more influence than wholesaler
→ The most influencers see the consultation as a common task for installer and wholesalers together

Summarising, the answers showed that all influencers evaluated their role as important with a strong influence on consumers decisions. It is interesting that even wholesalers explained that installers have the most influence. On average, the influencers evaluate installers influence with about 70%. However, overall the influencers said that the consultation and realisation is a common task which should be solved by installer and wholesaler together.

The main influential Sources for Consumers

Q7: What do you think who or what has the most influence on consumers decisions?

This question was crucial to investigate the main sources of influence for the consumers which can be a person or another factor. The following graphic illustrates the causal relationship between all identified sources the resulting influence on the consumer:

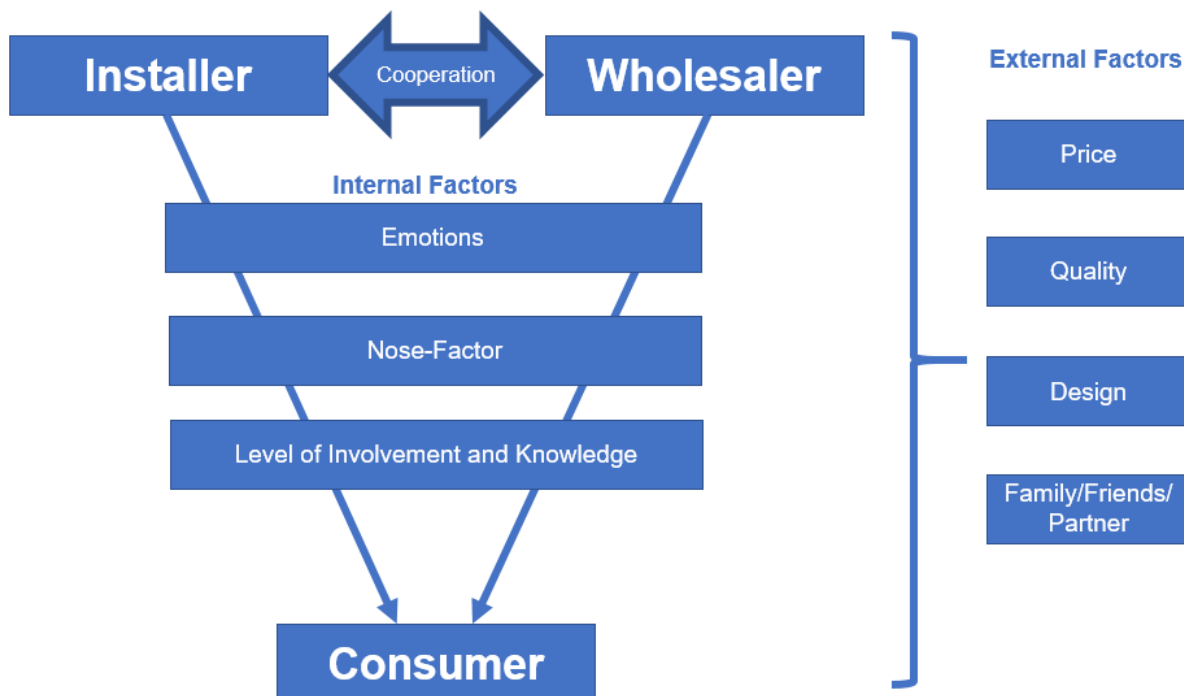


Figure 16: Framework: Causal relationship of the main sources of influence

The installer has the main influence followed by the wholesaler whereby a good cooperation between both increases the influence. Furthermore, if the installer is less involved the wholesaler takes his role as the main source of influence. The strength of their influence is always depending internal factors such as consumers emotions, the nose-factor (sympathy and trust) and their level of involvement and knowledge (as previously explained). Throughout the whole consultation, there are external factors such as the quality, design, price but also the social network (friends, family, partner, etc.) which influence the consumers' decisions.

In addition, the answers revealed that the wife often is more involved than the husband and decides what they should buy. The researcher analysed two groups of opinions about the price. The first group of influencers said that the price is a crucial criterion for the buying decision. The second group explained that the price plays a secondary role in the overall buying decision.

The presented framework provides a first approach to understand the main sources of influence for consumers decision-making process. The influence strength of all factors will differ for each consumer and their field of interest (product replacement or complete bathroom solution). It is important to mention that these findings are based on influencers experiences and opinions and can't explain every individual decision-making process. However, the analysis revealed trends and pattern which are illustrated in the framework.

4.2.4 Findings about Consumers' Decision-Making Process

Differences between Brands

Q8: Do you see big differences between brands? What are these differences?

This question was crucial to identify which type of buying behaviour (by Kotler and Armstrong) is common for the sanitary industry. Furthermore, it is important to analyse what differences make a brand outstanding. The analysis of the answers is difficult because they were strongly depending on the personal view. It is a matter of personal feeling if brands or manufacturers have big differences.

The analysis revealed that there is no clear statement about differences in quality, design or prices. The design is always a matter of taste and quality a matter of experience and therefore individual for each influencer.

However, the researcher was able to analyse some patterns in the influencers answers. Some influencers stated that there are big differences in the delivery capability of manufacturers/brands. As previously revealed the delivery capability is one of the main drivers for influencers to recommend a brand. The answers also revealed that the most brands have different price segmentations with different pricing strategies. So, a brand could have expensive and more favourable price segments.

In the end, the findings show that the design, high quality and a high delivery capability are unique selling positions (USP).

Consumers' Level of Involvement

Q9: What do you think, what involvement-level your consumers have during the purchase process?

The purpose of this question is also based on Kotlers and Armstrongs types of buying behaviour. To reveal new findings in consumers decision-making process it is crucial to know their level of involvement. The following statements are based on influencers' answers and illustrate the involvement-level:

- Consultations take a long time (about 2 hours per meeting)
- Consumers need about 20 hours to decide which product they want (10 hours with installer and again 10 hours on their own)
- Consumers are forced to take their time
- It is an irregular purchase (every 25 years or 1-2 times in their lifetime)
- A quick purchase/decision is the exception
- A complete solution is expensive (average project costs shared by an installer 12.000 to 20.000 euro)
- Consumers want a quick realisation, the sooner the better (it is their personal space for personal care so they need the bathroom)
- Consultations show the consumers that their involvement (time and costs) is high

Summarising, consumers need a long time to decide and purchase a product or service. They often have wrong expectations or are uninformed about the required time and money, but the consultation makes them clear how involved they are. Furthermore, the bathroom is the space for their personal care, therefore it is an important decision. Influencers explained that some consumers are visiting the showroom 5 times only to review one product repeatedly.

Consumers involvement-level is also depending on their field of interest. If they only want to replace a product the involvement is lower than for a completely new bathroom. As previously revealed, an installer explained that 99% of new customers want a complete bathroom solution and are have therefore a high level of involvement.

A sales consultant from an online wholesaler explained that they only spend 30 minutes for one consultation. Therefore, there are differences for the time-involvement between online and offline wholesalers.

In the end, the answers revealed that the involvement-level is different for each consumer and his field of interest. However, all influencers agreed that the most consumers have a high involvement-level while making their decision or purchasing a product or service. It is a time- and cost-intensive as well as an irregular decision.

Some wholesalers work with a classification-system to evaluate costumers. A sales consultant shared one classification regarding consumers' age:

- 30+/40+: price sensitive and want cheaper solutions (often more informed about prices and products)
- 50+: informed and wealthy (less price sensitive)
- 60+: less informed and need more consultation but have money to spend

The purpose of this rough classification is to help sales consultants to identify customers' needs based on their age/ look.

Consumers' Main Drivers for the Purchase Decision

Q10: What are the main criteria for your customer to buy a specific brand, product or service?

The last question should investigate which criteria are most important for the final buying decision. The following list shows the main drivers for consumers' purchase decision:

- Price-Performance ratio
- Nose-Factor (Sympathy, Trust, Competencies, Experiences, Conviction etc.)
- Consultation (They feel understood and well cared for)
- Design
- Customer Experience at the Point of Sale (Colours, 3D Sketch, Virtual-Reality etc.)
- Installers recommendations

In the end, the consumers make their decision based on the interplay between emotions (design, nose-factor etc.) and more rational (price-performance ratio, etc.) criteria. Furthermore, the whole consultation is important to promote these emotions and to give the customers a good feeling for their decisions. The research revealed that consumers who are buying at a DIY or online wholesaler are more price sensitive.

- Trust
- Sympathy
- Design
- Conviction
- Reliability
- Customer Experience
- Etc.



- Price
- Performance
- Quality
- Recommendations
- Corporate Image
- Etc.

4.3 Consumers - Second Research Population

The following chapter presents all research findings of the second population. It is separated into three themes and the associated questions.

The purpose of the second research was to review the findings of the first population and to gain some deep insights into consumers' behaviour. However, each customer is different regarding his decision-making and purchase intentions. The combination of all findings of both populations will reveal patterns and trends about word-of-mouth marketing and consumer behaviour in the German sanitary industry.

4.3.1 Participants Background

As previously explained, it is difficult to reach end-users in the German sanitary industry because they don't purchase sanitary products regularly and visit installers and wholesalers mostly based on planned appointments. However, the researcher was able to hold 5 interviews with overall 8 customers.

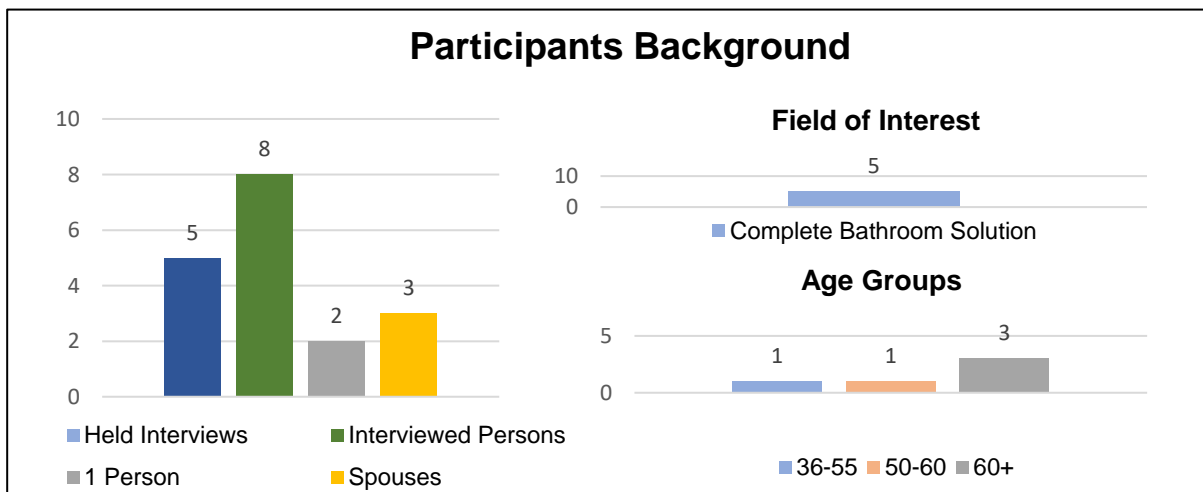


Figure 17: Consumers: Participants background

From all 5 interviews, the participants were between 36 and 60+ years old. This information is based on their real age or the appraisal of the researcher. All interviewed persons/ spouses want or wanted to buy a complete bathroom solution or already bought one.

4.3.2 Findings about Word-of-Mouth in General

Consumers' Level of Knowledge

Q1: How do you evaluate your knowledge about brands, products and services?

The answers revealed the following main findings:

- Consumers have overall little knowledge (Exceptions prove the rule)
- Consumers have solid ideas about a design/style direction
- The consultation is crucial to convey knowledge
- First impressions are more important than brand names
- Consumers know old established brand names

Summarising, consumers have a low level of knowledge overall. However, one interviewed person had a high level of knowledge which is based on long working experiences in the German sanitary industry. Therefore, there are also informed consumers but the findings of both research populations revealed that the most consumers have a low level of knowledge.

Consumers' Awareness about Product, Brands and Services

Q2: Do you have specific idea which brand, product or service you want to buy? If yes why?

The most consumer said that their ideas are based on favoured design and good quality. Brand names don't play a secondary role because the design and quality are the priority. The informed participant added that for her/him the flush-mounted products are more important and she/he relies on brands with high quality. In addition, the consumers stated that the consultation was important to get a clearer idea.

Summarising, consumers have rough ideas about which brand they want to buy but a detailed concept of how the bathroom should look like. These findings are also confirmed by the

analysis of the answers of the first research population because influencers explained that their customers have only rough ideas except the design.

The Role of the Internet (eWOM and e-Commerce)

Q3: Do you use or used the internet inform yourself about brands, products or services?

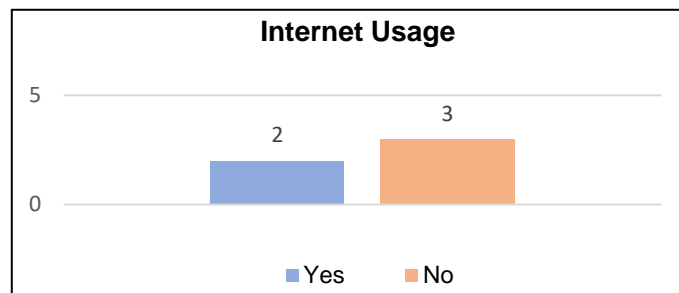


Figure 18: Role of the Internet

A): If yes, when and what are you searching for (reviews, products information etc.)?

Consumers who answered yes mostly used the internet for:

- Price comparison
- Bathroom planning tool
- Homepage of brands (based on installers recommendations)
- First impressions about Design, styles and possible concepts

They used the internet throughout the whole decision-process (before and after consultations/appointments).

B): If yes, how do this information influence your decision-making?

The interviewed consumers agreed that the research on the internet is only the first step to get some impressions and to inform themselves. The main influence is occurring during the consultation through influencer. Therefore, the internet is not the main source of influence for the purchase decision.

C): If not, why you don't use the internet for the information search?

The consumers who answered the question with no gave following reasons:

- No or rare use of the internet
- More trust for the face-to-face consultation
- Use of offline media (e.g. brochures or recommendations through friends, neighbours etc.)

Summarising, there are two groups of consumers depending on if they are using the internet for their decision-making. The answers revealed that the internet is not the main source of influence for the purchase decision but crucial to gain first impressions about design, styles and concepts. The influencers are important to give the customer a specific and possible idea based on their preferences. It seems that the face-to-face conversation with influencers has more influence on consumers than electronic word-of-mouth or the e-commerce whereby some customers explained that they used the company's homepage to review the brand.

The researcher can't make a statement about the relationship between age and internet usage but it is assumed that the older generation relies more on offline media than the younger generation. However, as the influencers explained even older people are using the internet massively. The scope of this research was not enough to investigate further.

Consumers' Drivers for Word-of-Mouth

Q4: What criteria must be met for you to recommend/ not recommend a brand, product or service to your friends or family?

These are the main criteria for consumers to recommend a brand, product or service:

- Quality (proper work, products, consultation)
- Design
- Functionality
- Service/ Care-Factor (reliability, trust, sympathy, guarantees, etc.)
- Price-Performance ratio
- Adherences to delivery time

Summarising, these criteria are based on the brand (design, quality, delivery, functionality, service) and the influencer (proper work, consultation, service and care for the customer, quick realisation). Therefore, it is even more crucial that brands and influencer work closely together

to meet all these criteria. An installer or brand is only recommendable if their realisation, products and service meet these criteria

These criteria are similar to the influencers' drivers what is explainable because influencers want to satisfy the customers to get a positive feedback and new customers through recommendations.

4.3.3 Findings about Sources of Influence

Consumers' main sources of influence

Q5: Who or what influences your buying-decision the most? Why?

These are the main factors which influence the consumers:

- Installer and his recommendations/proposals
- Experts (Sales Consultant, Installer etc.)
- Own ideas and concepts / partner
- Price / Quality / Design
- Emotions

Summarising, consumers trust the recommendations and proposals from experts whereby the installer has the most influence because he is the person who has to realise the project. For the majority, the quality and design are crucial for their decisions. The price is more selective because for some consumers it is secondary and for others, it is a main criterion. The interviewed consumers often said that their partner's opinion is also important whereby the women have more power in the overall decision. In the end, emotions based on the design and care-factor lead to a purchase decision.

4.3.4 Findings about Consumers' Decision-Making Process

Consumers' Main Drivers for the Purchase Decision

Q6: What are your main criteria to buy a specific brand, product or service? Why?

What:

- Quality, Design, Price- Performance ratio
- Brand image (divided: 1) is important 2) is not important)
- Functionality, especially for the future (barrier-free, cleaning etc.)
- All from one provider (quick and easy realisation with one responsible contact)
- Recommendations by influencers
- Trust for installer and the whole team

Who:

- Installer, Wholesaler (Sales Consultant)
- Partner, Friends, Family

These are the main criteria of influence for consumers which are similar to their criteria for recommendations. As one participant said, "we only buy a product if we would also recommend it to others".

Consumers' Level of Involvement

Q7: How do you evaluate your involvement-level in this purchase process? Why?

The answers revealed that all interviewed consumers have a high level of involvement because:

- They are uninformed
- The decision is time and cost intensive
- It is not only one buying decision, they have many decisions to make (multiple decisions)
- It is their private space and they need it for their daily care (the sooner, the better)
- It is an irregular purchase for a long time
- It is an investment for the future

All these facts show that the involvement of customers in the sanitary industry for the purchase of a complete bathroom solution is mostly high. To buy a sanitary product is rarely a quick purchase decision. As one interviewed person said, “The effort was enormous to evaluate all possibilities. In the end, it was a tough decision because we will use it for a long time”.

Differences between Brands

Q8: Do you see big differences between brands? What are these differences?

The evaluation of differences between brands is as previously mentioned a matter of taste and personal view. The participants see the most differences between the design, quality and technology whereby they also stated it is difficult for a layperson to evaluate the quality. There were also some interviewees who thought that the design of all brands is quite similar. However, some consumers said that there are differences between different segments (e.g. premium-, middle- and low-price segment)

4.3.5 Findings from Customer Consultation

The researcher was allowed to attend a consultation of an installer with his customers (spouses). He analysed the conversation based on the research context and revealed following findings:

- They had to search for prices on the internet because one wholesaler didn't present them at the showroom
- Wife was more emotionally involved and had more ideas
- Husband was more sceptical and rational but for some products also emotional
- Researcher's evaluation of their role in the decision-making: 70% Wife and 30% Husband

These findings are not representative for all consumers but they confirm some findings of both research population. Furthermore, it was interesting for the researcher to see how installer and customers interact during the conversation.

4.4 Conclusion of Data Analysis and Findings

The collected primary data and the associated findings are extensive and provide insights into the word-of-mouth and influencer marketing as well as into the consumer behaviour in the German sanitary industry. The researcher worked out an overall summary of all findings, which is separated into the different sub-themes and available in the appendices (*Summary of Primary Research Findings*)

5. Discussion

The discussion chapter will bring together the findings of the primary and secondary research to illustrate how the researcher worked out the research objectives and hypotheses. At the end of this chapter, the researcher will answer the overall research question based on all findings.

How significant is word-of-mouth marketing from a consumer perspective in the German sanitary industry?

This research question is based on the three themes of this academic paper: The word-of-mouth and influencer marketing as well as the consumer behaviour. Furthermore, the primary research was the crucial part of this dissertation to work out all objectives, to review the hypotheses and to answer the research question.

5.1 Research Objectives

Per this question, the researcher defined seven objectives which should be accomplished through this dissertation. The primary research was based on the thematic frame which consists of the three different themes.

Objective 1: To analyse and understand the importance of different word-of-mouth channels in the German sanitary industry

The first objective was important to review which word-of-mouth channels play a role in the German sanitary industry. The literature review provided an extensive overview of the theoretical basis of word-of-mouth marketing and existing channels. These channels differ based on two characteristics: Online (eWOM) or offline (traditional WOM). The primary research used these findings to investigate the main channels in the German sanitary industry:

Online (eWOM): The research revealed that electronic word-of-mouth is not a main source of influence yet but it is becoming more and more important. The industry is still based on traditional processes (three-step-distribution) and therefore more offline. However, the online world becomes more important so that online retailers are getting stronger and jeopardise the traditional way. Furthermore, the internet plays more a crucial role in consumers' decision-making because they use it to review products or services. However, the primary data revealed that the electronic sources have only little influence on consumers' decisions.

All Influencers agreed that the internet will increase its importance and play also a crucial role in the future. In addition, the researcher assumes that also electronic word-of-mouth will increase because of the increasing significance of the web 2.0 and the growing number of users.

Offline (traditional WOM): In contrast to the online channels, the traditional channels are way more important and influential. The primary research revealed that word-of-mouth occurs more offline than online. Especially important are experts/influencers who generally have a significant influence on consumers.

Objective 2: To analyse the influence of wholesaler and installers on the decision-making process of consumers in the German sanitary industry

The second objective is based on the first one and investigated deeper in the traditional WOM and the role of influencer. The literature review provided some theories about influencer and their role in word-of-mouth marketing. Wholesalers and installers are definitely influencers but the process is different from influencers who actively try to reach consumers and to influence them. In the sanitary industry, consumers are mostly uninformed and therefore they are seeking for installers and wholesalers because they need them to realise the project and to get advises. In addition, the experts help customers throughout the whole decision-making process. This is the reason why wholesalers and installer are so influential and consumers want to be influenced by them. So, in the case of the sanitary industry, the consumers are trying to reach influencers and not vice versa.

The primary data revealed that wholesalers and installers are the main sources of influence for consumers' decisions. Consumers choose their partner because they trust them and their recommendations.

Based on the findings of the primary and secondary research as well as on the recommendation of Silverman to differentiate between experts an influencer (2011, p. 130) the researcher wants to redefine this type of influencer. It is more appropriate to define wholesalers and installers as experts who have a decisive influence on consumers' decision-making process. To sum up, they are influencers because they are experts in the sanitary industry, and consumers seeking for their advice.

Objective 3: To identify the main sources of influence which are responsible for consumers' decisions

The previously discussed objectives explain some points for the third objective. The main sources of influence are offline-channels. Furthermore, the primary data revealed that the experts (wholesalers and installers) are the main source of influence but their strength of influence is depending on internal and external factors. The researcher developed a framework which includes the main sources and factors. The framework was worked out based on the findings of the first research population and confirmed by the second population. The findings won't be explained again, therefore see *Findings about Sources of Influence* to check the framework.

Objective 4: To define consumers' and influencers' main drivers to engage in word-of-mouth

This objective was crucial to investigate why consumers and influencers engage in word-of-mouth. Therefore, this issue is important to give recommendations to promote positive word-of-mouth.

The primary research revealed the main drivers through specific questions but not the psychological reasons. However, the researcher won't repeat them but compare the primary data with the secondary data. To see the drivers of consumers and influencers check the summary in the appendices (*Summary of Primary Research Findings*).

The researcher will classify the primary findings based the list of motives for WOM by Milaković and Mihić. Firstly, it is important to mention that the relationship between the experts and consumers is mostly professional and less personal, so their social tie strength is quite low.

The motives for the experts to transmit word-of-mouth is quite simple. It is their job to help customers and they get paid. Furthermore, the main motive is to satisfy their customers to promote word-of-mouth about themselves. The research revealed which criteria must be met for them to recommend a brand or product to their customer.

The motives for consumers are more complex but the primary research revealed some common reasons why they engage in word-of-mouth. The main motives are related to their level of knowledge and involvement. They are seeking for advice to reduce anxiety and dissonance. It is assumed that the most consumers will never be an expert in the field of

sanitary products and therefore they won't spread word-of-mouth to show their expertise or to increase their self-enhancement. Based on the primary and secondary research, the researcher assumes that the most consumers will transmit word-of-mouth to help others (altruism) because they were in the same situation before and needed advice.

These assessments are based on the collected data and analysis of the researcher and provide therefore no overall explanations for consumers behaviour regarding word-of-mouth. The consumer psychology is too complex to fully explain it in the context of this dissertation. However, it is a first approach to investigate the drivers of word-of-mouth in the sanitary industry.

Objective 5: To investigate consumers' involvement-level for the purchase of a new sanitary product or service

This objective is related to the third hypothesis and the next objective. It was important to investigate the involvement-level to reveal new insights into the consumer behaviour in the German sanitary industry. Furthermore, the findings are important to apply models and theories about the consumer decision-making process. The primary data revealed that most consumers have a high level of involvement. They explained that the purchase is complex, irregular as well as time and cost intensive. In addition, the interview customers explained that they needed several days to make a final decision.

It is important to explain that the involvement-level is individual and differs for each consumer. So, the researcher can only make assumptions based on the primary data. There is no proof that all consumers of the German sanitary industry are highly involved. Furthermore, the level is also depending on what consumers want to buy (field of interest). If they want to replace a product the involvement-level is often lower than for a whole new bathroom solution.

However, the extensive quality research and its results provide great evidence to assume that the purchase of a complete bathroom solution is a decision-making with a high level of involvement for consumers.

Objective 6: To identify the main characteristics for consumers' decision-making in the German sanitary industry

The literature review provided a great theoretical framework to execute the primary data collection. The research revealed great insights about consumers behaviour and their decision-making process. The combination of the primary and secondary data provides a great approach for the decision-making in the German sanitary industry.

(To read the chapter again click here [2.8.1 The Decision-Making Process](#))

The research revealed that consumers are uninformed and high involved. In addition, the purchase of a new bathroom is irregular, time and cost intensive as well as important for consumers' personal care. They are seeking for professional advice to compensate missing knowledge. Per Kotler and Armstrong, these characteristics point to a complex buying behaviour. Even if the primary data couldn't make a statement about the differences between brands, the interviews showed that consumers evaluate the purchase as complex and highly important.

It is more difficult to classify consumers' decision-making process regarding Solomon's theory. Based on the high-involvement, the decision-making could be cognitive or affective. The research revealed that every consumer goes through the five steps of the buying decision process. Per Solomon, that would point to the cognitive decision-making. The researcher agrees that every decision-making in the German sanitary industry (with exceptions depending on the field of interest) is cognitive. However, the affective decision-making can also apply to some consumers. In the end, it is depending on consumer's personality if he decides based on rational or emotional factors.

Per Kahneman's framework, consumers are using the mental system 2 (or pilot system by Barden) for their decision-making process because it is reflective and used for complex decisions.

Summarising, the literature review provides great models and theories to apply the primary data. Furthermore, it leads to a better understanding of the decision-making process of consumers in the German sanitary industry.

Objective 7: To analyse consumers' brand awareness in the German sanitary industry

The last objective was important to investigate to what extent consumers are aware of brands, products or services. Furthermore, the primary research analysed how brands maintain a corporate communication with influencers (experts) and consumers.

Per the primary data, about 70% of consumers don't have a high awareness about brands and their corporate image. In addition, they are often unfamiliar with different sanitary products but they know what service they need. The research revealed that consumers' awareness is focused on their preferences for design and quality. The interviewed end-users agreed that they had a specific idea about how the bathroom should look like.

The research revealed that the design is a crucial factor in the sanitary industry and can be a significant unique selling position (USP). Consumers are often more focused on design rather than on prices. The second focus is the quality which is, therefore, another USP. So, if a brand can combine a unique design with a solid quality, it has great opportunities to attract consumers attention during their impression seeking.

The low awareness of consumers' is explainable through the characteristics of the sanitary industry. Per some experts, the industry is not based on extensive branding strategies because the product lifecycle is high (about every 25 years or 1-2 times in a lifetime). In addition, they explained that branding is very expensive and difficult and therefore not fully implemented by all brands. However, the research also revealed that some brands are using branding strategy to be unique and outstanding.

The corporate communication to experts are quite decent but there are some potentials for improvements. The communication to consumers is not perfect but as mentioned before the sanitary industry is not based on branding and many experts said that too much branding would jeopardise their business field. They often see themselves as brand ambassadors which are needed to transmit knowledge to consumers.

These findings provide great recommendations for all actors of the sanitary industry. The conclusion and recommendation chapter will further discuss this issue.

5.2 Research Hypotheses

The research was also conducted to test the following three hypotheses which were formulated based on the researcher's expertise in marketing and in the sanitary industry. The review of the hypotheses is always based on the German sanitary industry and can't be applied for an international context. However, some of the findings might be also true for other countries.

Hypothesis 1: Wholesalers and installers have a significant influence on consumers buying decisions

The first hypothesis was important to investigate the role of influencer/experts in the sanitary industry. As the literature review showed, the influencer marketing is a crucial tool which is directly connected to the word-of-mouth marketing. The hypothesis was tested through the **Objective 2** and **Objective 3**.

To sum up, the wholesalers and installer, who are defined as experts, are the main source of influence of consumers and have therefore a significant influence on their buying decision. Furthermore, they accompany customer throughout the whole decision-making process. The primary data shows that the recommendations and proposal by these experts is one main reason to buy brand or product. The reason why they are so powerful is based on consumers' low level of knowledge and the high level of involvement. Consumers are seeking advice from experts and therefore they trust their recommendations.

There are also other reasons for consumers to buy a specific brand or product which were presented. However, the research confirmed the first hypothesis.

Hypothesis 2: Word-of-Mouth is the main driver for consumers' decision-making process

The second hypothesis is connected to the first one and was important to investigate the role of word-of-mouth for consumers' decision-making. The research revealed that word-of-mouth through experts and social contacts are crucial for consumers to make their decisions. However, the research also revealed that there are more drivers and word-of-mouth is only one main driver, but not the only one. Therefore, the hypothesis is partly confirmed, but the researcher suggests redefining the hypothesis:

"Word-of-Mouth is one of the main drivers for consumers' decision-making process"

Hypothesis 3: The purchase of new sanitary product or service is mostly a high involvement process

As the research showed the level of involvement was a crucial part because of different aspects. First, it was important for the investigation of the decision-making process and second to evaluate the strength of influence through experts. The **Objective 5** has already explained and answered this hypothesis in detail. To sum up, the hypothesis is confirmed for the German sanitary industry. However, the researcher suggests differing between a product replacement or a complete bathroom solution. A product replacement might be a low-involvement purchase for consumers. The research revealed that a complete bathroom solution is in most of the cases a high-involvement purchase decision.

5.3 Research Question

The last issue which needs to be discussed in the context of this dissertation is the overall research question:

How significant is word-of-mouth marketing from a consumer perspective in the German sanitary industry?

The entire research was designed to find a qualitative answer to this question. The consumer perspective was crucial to gain deep insights into the effects of word-of-mouth for their decision-making.

To get an appropriate answer, it is important to differentiate between word-of-mouth as the natural phenomenon and as a marketing tool. The research question is based on the word-of-mouth marketing and therefore the answer will show how important it is as a marketing strategy in the German sanitary industry. However, to evaluate the significance of word-of-mouth as a marketing tool, it is crucial to evaluate first how important it is a natural phenomenon.

As Solomon explained, word-of-mouth is especially powerful for complex and overwhelming decisions (2011, pp. 29-30). Based on this statement and all discussed findings, the researcher developed the first formula to illustrate the power of word-of-mouth from a consumer perspective in the German industry based on different factors:



Figure 19: Formula for the power of word-of-mouth from a consumer perspective

So, if a consumer's decision-making process meets all these criteria the influence of receiving word-of-mouth is maximised. If any factor changes the influence strength decreases. As the literature review revealed there are also other factors which play a crucial role such as the tie strength (interpersonal factor) or situational factor but they are individual and difficult to determine. However, strong social ties have a greater influence on consumers but as explained through the discussion the relationship between the experts and customers are mostly professional and not personal.

The most decision-making processes of the German sanitary industry meet all these factors and therefore the influence of word-of-mouth is strong. As always explained, there are also exceptions but the answer to the research question has to be an overall result and not an individual view.

Therefore, word-of-mouth is in the most cases strongly influential. In addition, the primary and secondary research revealed that influencers/experts are the main source of influence for consumers in the sanitary industry. To sum up, the word-of-mouth (especially recommendations) through experts is extremely important for consumers' decision-making. Therefore, the word-of-mouth phenomenon is significant from a consumer perspective in the German sanitary industry.

After the significance of word-of-mouth in the German sanitary industry is evaluated and explained, the following discussion will answer the research question regarding word-of-mouth as a marketing tool. It is important to differentiate between word-of-mouth marketing for brands/manufacturers or for experts (wholesalers and installers).

First, the significance for experts will be discussed. As the primary data (Awareness about Word-of-Mouth Marketing) revealed word-of-mouth is an indispensable component of the industry. The experts need recommendations to acquire new customers. Some installers even get the majority of new customers based on word-of-mouth. Therefore, word-of-mouth has a high priority but many experts have never heard about it as a marketing tool. It is assumed that they see word-of-mouth as a natural phenomenon and never tried to implement a strategy to influence it positively. However, the research also showed that some experts (wholesalers) are actively working with word-of-mouth marketing.

The next step is to evaluate the word-of-mouth marketing for brands or manufacturers. Based on the three-step distribution process, they only have few touchpoints to the consumers and no direct influence at the point of sale. Therefore, they strongly rely on their distribution partners. Based on these findings, the influencer marketing is a crucial part of their business. They have to maintain relationships with experts to market and sell their products.

To sum up, also for brands and manufacturers word-of-mouth marketing is significant and especially the influencer marketing. Furthermore, negative word-of-mouth can be very harmful to their image and can jeopardise their business. It is important that they provide a great service and satisfactory products to promote positive word-of-mouth through experts as well as consumers. A decent word-of-mouth strategy is implemented throughout the company, through various departments such as customer service, product development or marketing. Based on the scope of this research, it is not possible to fully explain how word-of-mouth marketing should be implemented.

Summarising, the discussion answered the research question based on different perspectives and explained the significance of the word-of-mouth marketing for various actors of the industry. The following overall conclusion will provide further details about how this research helps experts and brands to use word-of-mouth marketing more consciously.

6. Conclusions and Recommendations

The following chapter will conclude the dissertation and point out the theoretical contributions and its limitations. Furthermore, recommendations for managerial implications as well as for further research will be presented.

6.1 Theoretical Contributions

This dissertation makes several contributions to the field of word-of-mouth marketing and especially for the German sanitary industry. It investigated a well-known research topic and marketing instrument in a specific industry. Furthermore, the literature review revealed that this research might be the first one which investigates the German sanitary industry regarding the field of marketing.

First, the research provided a great and extensive overview of existing academic works which illustrated the significance of word-of-mouth marketing from a literary point of view. Therefore, this dissertation is not a ground-breaking research regarding the word-of-mouth marketing in general because it is already confirmed that it is a powerful and important instrument. However, it is a ground-breaking research regarding word-of-mouth marketing in a specific industry. As previously mentioned, this research might be the first one which is dealing with the word-of-mouth as a phenomenon and marketing tool in the German sanitary industry.

After the literature review, the researcher used the theoretical findings to underpin this research regarding its objectives, hypotheses and the overall research question. The qualitative research was appropriate to gain deep insights into word-of-mouth and influencer marketing as well as into consumer behaviour in the German sanitary industry.

The research conducts to the understanding of word-of-mouth, influencer marketing and consumer behaviour in the German sanitary industry. In more detail, the research investigated the importance of different word-of-mouth channels and their influence on consumers. The research revealed that the word-of-mouth is occurring more offline than online which confirms Keller and Robinson's statement that about 90% of word-of-mouth is still occurring offline (Keller and Robinson, 2010, pp. 1-12). However, this research couldn't reveal a specific percentage. The internet plays a crucial role in consumers' decision-making process but less as a word-of-mouth channel.

Another contribution is the understanding of different sources of influence and especially the role of experts (wholesalers and installers). The research showed that these experts have a strong influence on consumers' decision-making. However, there are more sources and

associated internal and external factors which have all an influence on consumers. The researcher developed a framework to illustrate the identified sources and their impact (*The main influential Sources for Consumers*).

In addition, the research revealed some theories about why consumers' transmit word-of-mouth. The researcher assumed that the altruism motive is the main driver. However, there is no specific evidence to determine the motives. However, the research revealed psychological insights into consumers' level of involvement and their buying behaviour/ decision-making process. The primary data showed that the purchase of a complete bathroom solution is mostly a high involvement decision. It is assumed that a product replacement could be both high and low involvement. However, all interviewed consumers' field of interest was based on a complete solution and the experts explained that the most customers want a new complete bathroom solution. Furthermore, the research revealed that the decision-making processes are mostly complex and cognitive.

Regarding consumers' brand awareness, the research showed that their awareness is limited to well-known and long-established brands. Furthermore, consumers rarely in contact with sanitary products because they buy it for a long time. Therefore, experts are not sure if extensive branding strategies are appropriate. However, the research revealed that the design and quality can be a unique selling position because they have high priority for consumers.

Based on the researcher's expertise in the field of word-of-mouth marketing as well as in the German sanitary industry three different hypotheses were formulated which needed to be tested throughout the research:

H1: Wholesalers and installers have a significant influence on consumers buying decisions

H2: Word-of-Mouth is the main driver for consumers' decision-making process

H3: The purchase of new sanitary product or service is mostly a high involvement process

The research findings led to an answer to each hypothesis:

A1: Wholesaler and installers are one of the main sources of influence for consumers and have therefore a great impact on their decision-making process.

A2: Word-of-Mouth is one main driver for consumers' decision-making process and especially, as H1 revealed, through experts.

A3: The purchase of a new sanitary product or service can be both a low or high involvement. For a complete bathroom solution, the level of involvement is mostly high.

In the end, the overall aim of the research was to find a qualitative answer to the research question:

How significant is word-of-mouth marketing from a consumer perspective in the German sanitary industry?

Based on the research findings, the researcher developed a formula which illustrates how the influence of word-of-mouth on consumers' decision-making process is maximised. The discussion revealed that word-of-mouth as a natural phenomenon is in the most cases very influential for consumers in the German sanitary industry. Therefore, the word-of-mouth as a marketing tool is crucial for experts, brands, and manufacturers of the industry and provide great potential for consumer-oriented strategies.

6.2 Managerial Implications

The research and its theoretical contributions lead to several managerial implications. The most businesses of the German sanitary already knew that word-of-mouth is powerful and important but they rarely thought about it as a controlled marketing instrument. Marketers can use this research to implement an appropriate word-of-mouth marketing strategy to increase sales through improving corporate images, customer relationships and customer satisfaction.

The main contribution of this research is the illustration of how significant word-of-mouth is throughout the whole distribution process and for every associated business (manufacturer, installer, wholesaler, architect etc). Therefore, an important recommendation is that word-of-mouth should not only be classified as a natural phenomenon but also as a powerful and important marketing instrument. As previously discussed, the word-of-mouth is especially powerful in the sanitary industry because of consumers' high level of involvement and their complex/cognitive decision-making process. As Silverman explains, word-of-mouth is a crucial instrument to help consumers throughout the decision-making (Silverman, 2011, pp. 28-3). However, he also explains that word-of-mouth marketing is only successful if it is fully implemented in the whole company. It works according to the principle "Completely or not at all" (Silverman, 2011, pp. 16.18).

Another issue is that marketers still don't exploit the potential of online word-of-mouth. They could promote electronic word-of-mouth through social media strategies and with rating systems. However, the research showed that the internet is a real threat to the traditional processes of the industry. Many interviewees see their businesses in danger. Therefore, another recommendation is to start thinking more digital and to use the associated potentials. Only if marketers are prepared for these unavoidable changes they can adapt and survive.

One main finding is that consumers are emotionally attached to the project and it is in the most cases an important purchase decision. Therefore, manufacturers and also experts need to convince them on an emotional level of products and services. The research showed that the emotional purchase decision is always based on design, quality and the experts (Nose-Factor).

The research revealed several managerial implications for manufacturers. They need to promote word-of-mouth by experts and consumers through all three steps. As this research revealed branding is expensive and currently not always well implemented. The main recommendation for manufacturers is to maintain and improve the relationship to experts because they are the main source of influence for consumers. Furthermore, they should actively try to win them as fans and brand ambassadors.

The next recommendation is to invest more in the revealed unique selling positions (design and quality) to create a great basis for the word-of-mouth spreading. The following graphic combines these recommendations and the three-step distribution process to illustrate how manufacturers can promote word-of-mouth actively. It is a three-level communication process because they need to actively communicate with each level (Wholesaler – Installer – Consumer).

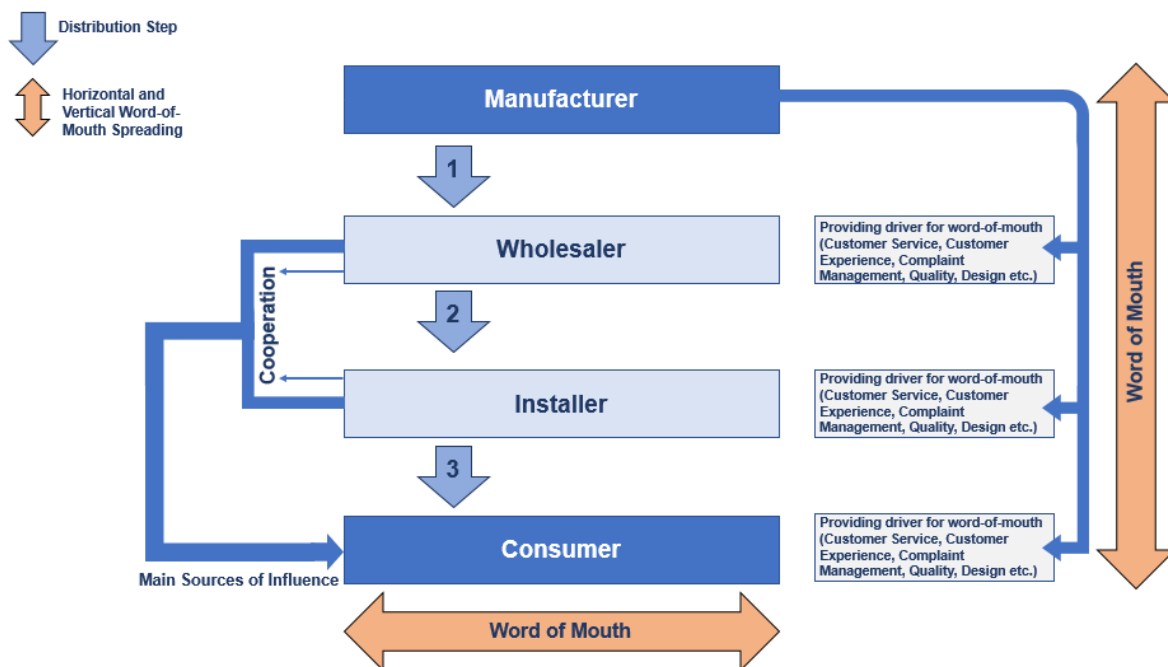


Figure 20: Word-of-mouth marketing implementation within the three-step distribution process

Summarising, this research provides all actors of the German sanitary industry great findings of word-of-mouth from a consumer perspective. They can use these recommendations to implement a first but appropriate word-of-mouth marketing strategy. The main point is to promote positive word-of-mouth and counteract negative ones.

6.3 Limitations and Further Research

This research was conducted with the knowledge that there are some limitations. The scope and limitations were explained in detail in chapter 1.4 Scope and Limitations and 3.6 Limitations of Methodology. The following limitations are the main ones regarding this research.

The first limitation is based on the research topic. Word-of-mouth is a natural phenomenon which is tough to investigate in detail. Furthermore, it is complex and connected to several psychological factors. Word-of-mouth is changing for different consumers and situations. It is hard to reveal prevailing effects or behavioural patterns. However, within its scope, this research revealed great insights about word-of-mouth in the German sanitary industry.

The second limitation is based on the research methodology. The qualitative research approach was labour intensive and time-consuming. The researcher was not able to investigate the whole research population. The sampling populations were spatially limited to the researcher's location. Furthermore, based on the qualitative findings there are less objective verifications as for a quantitative approach. However, the qualitative research was crucial to gain deep insights into experts' and consumers' behaviour, feelings and opinions. The revealed findings are decent and led to a solid discussion and conclusions.

There are recommendations for further research based on these limitations and the fact that this research might be the first about word-of-mouth in the German sanitary industry. Firstly, the researcher suggests undertaking more and extensive studies about the German sanitary industry and especially about the consumer behaviour. A quantitative approach would be great to gain broader results which can lead to objective verifications. However, the researcher thinks that the best approach would be a mix of both qualitative and quantitative to gain deep and broad results. This research can be the starting point for further researchers in a specific direction, for example, "branding in the (German) sanitary industry" or "consumer behaviour regarding different sanitary products".

Summarising, this dissertation tested existing theories and findings about word-of-mouth in the Germany sanitary industry. In addition, the research confirmed several expert opinions about word-of-mouth in the context of a specific industry. It provides a better understanding how and why word-of-mouth influences consumers' decision-making process and how marketers can benefit from these facts. This research can be the basis for new marketing and sales strategies as well as for further research in this industry.

7. Self-Reflection

7.1 Introduction

This is the last chapter of the dissertation where I, the researcher, will reflect and evaluate my experiences and learnings through the dissertation and the entire master program. As Saunders et al. explained reflection is always a key component of learning (Saunders et al., 2015, p. 662). Furthermore, it is important to evaluate what this learning experience contributes to your personal and professional development and what its benefits for further learnings.

In general, I want to reflect on to what extent the dissertation and the overall master course are crucial parts of my personal and professional development. Saunders et al. provide a great list of questions which will help me to write a decent and intensive reflection (2015, p.662). Before that, I want to assess which learning style is the most suitable for me and how my studies at the DBS fit in with it.

7.2 My Learning Style

Learning style theories are great to show students but also professionals which learning methods are the best for them. Although I don't believe that all theories are applicable, it is good to reflect on how you learn new things and how these experiences change your mindset. Furthermore, in my opinion, learning styles are depending on the current situation and challenge. However, my studies at DBS showed me that it is always beneficial to reflect on learning experiences consciously. You rarely think about your personal and professional development in a conscious way but I think this ability is important for a master student but also for a professional.

The literature provides several existing models about different learning style theories. However, I want to focus on the well-known model of Kolb as well as on the concept of Honey and Mumford.

David Kolb developed one of the most known model the "Learning Styles Inventory (LSI)". Kolb explain that learning is an ongoing cycle which consists of four different phases of experience (John Wiley & Sons, 2011, p.267, McLeod, 2017):

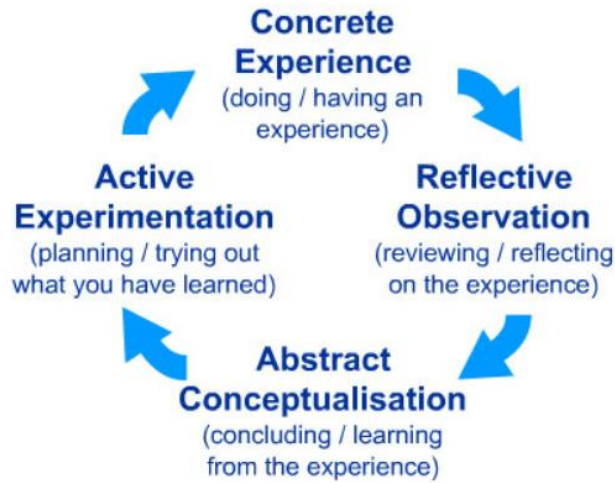


Figure 21: Four-Stage-Learning Cycle (Source: McLeod, 2017)

According to Kolb, a learning experience is always based on all four phases. Per this cycle, Kolb developed four different learning styles

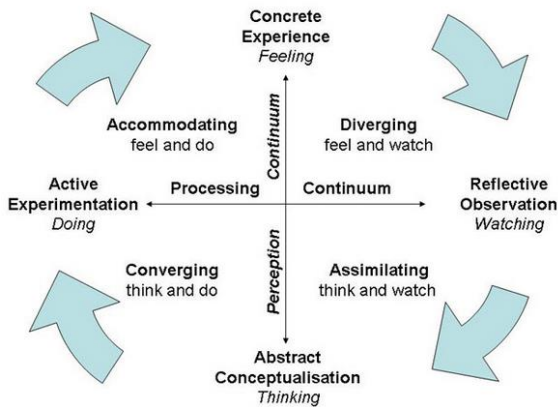


Figure 23: Kolb's Learning Cycle and Learning Styles (Source: McLeod, 2017)

	Active Experimentation (Doing)	Reflective Observation (Watching)
Concrete Experience (Feeling)	Accommodating (CE/AE)	Diverging (CE/RO)
Abstract Conceptualization (Thinking)	Converging (AC/AE)	Assimilating (AC/RO)

Figure 22: Two-by-Two Matrix of Kolb's Learning Styles (Source: McLeod, 2017)

The Learning Styles always consist of two different phases of the cycle. I evaluate myself to be the Accommodating learning style because I know from my experiences that I like to take an active role while I am seeking for new challenges and experiences. However, in my opinion, I can also use another learning style depending on the current situation or challenge but the Accommodating style is my most present one.

Another well-known concept which is based on Kolb's idea was developed by Honey and Mumford. Their concept is called "Learning Styles Questionnaire (LSQ)" whereby a person has to answer questions to find his suitable learning style. The LSQ is also based on four different learning styles: The Activist, the Reflector, the Theorist and the Pragmatist. Like

Kolb's model, Honey and Mumford explain their learning styles as an ongoing circle with different stages which build on one another (Rosewell, 2005, pp. 1-5).

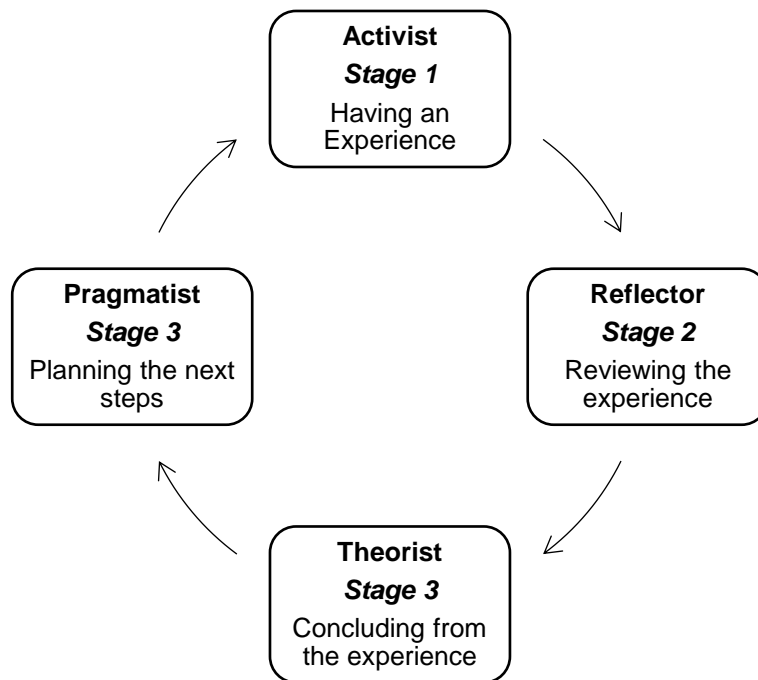


Figure 24: Learning Styles and Cycle by Honey and Mumford

During the Personal and Professional Development course, I completed the questionnaire (80-item version) to evaluate my personal preferred learning style. The answers revealed that I am mostly an Activist (14 Points) who likes to learn things by doing it. This result fits with my evaluation regarding Kolb's model and my experiences. However, the answers showed also a high score for the Reflector (11) and Pragmatist (11) (Appendix D). Therefore, I am also able to use another style to learn effectively whereby the activist is my personal preference. This reflection also fits with my earlier statement that in my opinion the learning styles change with different situations and challenges.

7.3 Dissertation Learning Experiences

For me, the Dissertation was always the "end-challenge" where all my skills and previous learnings come together. Furthermore, it is the ending of my master program which is highly valued based on its credit points. In the beginning of my studies at DBS, I was not sure if my English writing and speaking skills are good enough to complete a whole dissertation. I always had high respect for writing academic papers in a foreign language. However, the courses at DBS and especially the Research Methods course helped me to develop my writing and critical thinking skills. After all assignment and academic papers, I felt ready to write my dissertation.

I made my first experiences with academic writing through my bachelor thesis which I completed at the beginning of 2017. It was also a challenging process which was labour and time intensive. It was a tough time but also a crucial task for my personal and professional development because it was the last step to be a bachelor graduate. Furthermore, it opened the door for a postgraduate study in a foreign country. In the end, I am proud that I mastered this challenge.

This dissertation was the key challenge regarding academic writing because I never conducted an own primary research and wrote an extensive academic paper in a foreign language. It was a challenging and important process because it will be my last study as a student. Furthermore, the dissertation is the final ending of my master course and it will open me several new doors for my professional career. I look forward to holding my certificate in my hands. I can say it was the biggest challenge so far in my academic development and therefore I am proud that I completed an own research based on my interests and skills.

The whole process was important for me to improve my personal skills regarding researching, writing, and critical thinking. It was tough to execute an own qualitative research and to hold interviews with several different persons. However, it confirmed my self-assessment that I am an eloquent speaker who is able to lead conversations and motivate people to take part in a research. The conducted interviews improved this skill and I feel a way more confident to approach people and talk to them. I want to work as sales representative, therefore this skill is crucial for my personal and professional development.

Furthermore, the dissertation taught me to prepare an academic research which is grounded in sound literature and methods. In addition, I learned to question myself and my methods at any stage. I think the greatest progress is my development regarding academic writing skills. I was able to write a whole dissertation in English and on my own.

The research and its topic were important for me because I have several experiences in the German sanitary industry and I would like to start my professional career there. Furthermore, I completed my bachelor thesis on a similar topic and I wanted to research further and in more detail. Due my working experiences as a working student for a big global player and my upcoming graduation, I look forward to finding an appropriate job and maybe in the sanitary industry.

Overall, the dissertation was a great and beneficial experience which helped me to complete my academic education and to improve personal and professional skills. Furthermore, it showed me that I am an "Activist" who learns the best by doing stuff. I was always aware of the challenges of the dissertation but there were some situations I needed to question myself

and my approach. In the end, I found a solution and based my dissertation on sound research although it was tough to execute a qualitative research with several individuals.

7.4 Master of Science in Marketing

As mentioned before, the Msc in Marketing will be my last study and therefore I am looking forward to graduating. Furthermore, the Msc in combination with my bachelor completes my educational development. I always wanted to study abroad and to complete my master degree. Therefore, the combination of both at the DBS was a great experience. It was challenging to live and study in a foreign country without any familiar people. It was great to meet new people from all over the world and to use the language as a door opener to have conversations and to develop friendships.

During the Personal and Professional Development course, I reflected on my expectations of this degree:

“To be honest, I don’t have high expectations for the master course because I completed my bachelor course and know how it works. One huge difference is my student attendance. Here in Dublin, I visit every lecture and I am more motivated to write my Assignments as in my undergraduate course.... As I mentioned before, I am not the most excited student and therefore happy to start working and to achieve my first goals....”

This degree will be the fundament for my goals. I think the education is crucial to develop my own successful career and life.... For me, this degree plays a big role in my way to success. From the beginning, it was my wish to go abroad and achieve a foreign degree. I will be very proud and happy to complete this dream. In addition, the degree will help me to find my own start in the big business world..”

I am glad to say that these reflections changed during the year at DBS. The master course was a way more interesting than I expected. Furthermore, I enjoyed to study and to improve my skills especially the writing and speaking skills. However, I still think that this degree will be a great basis for a professional career and it played always a big role since I started to study in 2013.

The whole master course showed me again that I am an ambitious person who always tries to give his best. Sometimes, this characteristic was and will be an issue regarding time management and submission deadlines. I always try to improve my academic papers even though they are solid. I am often not satisfied with my own work. However, the master course and my received grades for all courses showed me that I can rely on my work and skills.

The whole master course showed me that the previous evaluation of my learning styles is true. I can learn best by doing stuff and then think about how it worked. Furthermore, the course structure supported my learning experiences by working with others and preparing

presentations. However, I know that I change my learning style and strategy sometimes based on the task and situation. I often evaluate the significance of a task and then adjust my effort.

Overall, the entire master course helped me to achieve important life goals and to prepare myself for the tough business world. I could improve several skills regarding team working, researching, learning, critical thinking, communicating and time managing. However, I think my main developments are the improved skills regarding writing and speaking. It was always a personal aim to improve my English and now I can speak and write without any problems.

In addition, the taken courses gave me a deep knowledge in the field of marketing. I learned how to conduct an academic research based on sound methods. I developed my own digital marketing strategy and innovative projects. To sum up, I feel specialised in Marketing and look forward to implementing my knowledge in a practical manner.

Summarising, the dissertation and the whole master course was a great opportunity and experience. I enjoyed studying at the DBS as well as writing the dissertation. I feel confident to use my theoretical and practical knowledge to start successfully as a professional. In this year abroad, I was able to achieve several of my personal aims such as an abroad experience, a master degree and the improvement of personal and professional skills.

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Appendices

A) Questionnaires for both Populations

Questionnaire First Research Population (English Version)

Company name:

Date:

Field of activity:

Number of participants:

Questions about word-of-mouth in general:

1. Did you hear about word-of-mouth marketing/recommendation marketing before?
2. Do customers have a specific idea/awareness of brands, products or services when they visit you?
3. A) Do you think that brands communicate their corporate image enough to you and the end user?

B) If not, can you imagine how they can reach and engage more with you and the consumers?
4. Which role plays electronic word-of-mouth and e-commerce (reviews, comments etc.) for consumers decision-making?

Driver of Word-of-Mouth:

5. What are your criteria to recommend/ not recommend a brand, product or service besides the customer needs?

Subtheme Influencer:

6. How do you evaluate your role in the overall decision-making process?
7. What do you think who or what has the most influence on consumers decisions?

Subtheme Decision-Making Process:

8. Do you see big differences between brands? What are these differences?
9. What do you think, what involvement-level your customers have during the purchase process?
10. What are the main criteria for your customer to buy a specific brand, product or service?

Questionnaire Second Research Population

(English Version)

Age group: 18-25/ 26-35/ 36-49/ 50-60/ 60+

Date:

Field of interest:

Number of participants:

Questions about word-of-mouth in general:

1. How do you evaluate your knowledge about the brands, products or services?
2. Do you have a specific idea which brand, product or service you want to buy? If yes why?
3. Do you use the internet inform yourself about brands, products or services?
 - A) If yes, when and what are you searching for (reviews, product information etc.)?
 - B) If yes, how do this information influence your decision-making?
 - C) If no, why do you don't use the internet for the information search?

Driver of Word-of-Mouth:

4. What criteria must be met for you to recommend/ not recommend a brand, product or service to your friends or family?

Subtheme Influencer:

5. Who or what influences your buying decision the most? Why?

Subtheme Decision-Making Process:

6. What are your main criteria to buy a specific brand, product or service? Why?
7. How do you evaluate your involvement-level in this purchase process? Why?
8. Do you see big differences between brands? What are these differences?

B) Interview Notes and Analysis of both Research Populations

First Research Population

Number: 15

Type of Business:

- Installers 7x
- Wholesalers 8x

- It is common that a Wholesaler has a showroom
- Many installers have their own small showroom
- Close partnerships between installer and wholesaler (Using the showrooms of wholesalers for their customer)

Number of Participants during the interview:

- 1 (11x)
 - 2 (4x → 8)
-
- The Participants were self-employed installers, owners, one regional manager, sales consultants (bathroom planning) and an architect
 - Some persons have more than one position. An owner can also be installer and sales consultant

General WOM

1. Did you hear about word-of-mouth/recommendation marketing before?

The Participants answered mostly what role recommendations have.

- No IIIII (Installer, Wholsaler)
- Yes IIIII (Wholesaler, Installer)
- New Customer through recommendations (2x Wholesaler & Installer)
- In the past, customers were more loyal (Installer)
- It is my applause (Installer)
- Active advocates who recommend the service (Installer)
- Consumers using the internet to find a partner (Installer)
- In the past, recommendations were the main source of acquisition but it changed because of the internet. It is not local anymore (Installer)
- I only work on the basis of recommendations, 9 of 10 orders are made through recommendations (Installer)
- Recommendations are an indispensable component of the business. It still occurs a lot offline though traditional word of mouth. (Installer)
- Extremely important, I live on that (Installer)
- Word-of-mouth marketing is used as a marketing tool (Flyer, promotion programs etc.). Many consumers come because of recommendations. For installers, it is even more important (Wholesaler)

- Unknown if consumers come because of recommendations (Wholesaler)
 - It is the strongest instrument of the sanitary industry (Installer)
 - Recommendations are important (2x wholesaler)
- No or Yes is mostly depending on the educational and professional background of the participant but the role of recommendations are clear!
- Recommendations more important for installer and the installer recommend a wholesaler/showroom for consumers to go
2. Do your customers have a specific idea/awareness of brands, products or services when they visit you?
- Two Groups Yes and No. (Wholesaler)
If yes, they have a detailed idea
If no, they only know what style direction they want
 - They often have wrong ideas (what is possible). They know brand names (Wholesaler)
 - The majority don't have a specific idea (Wholesaler)
 - Consumers know brand names and want to have a known name in their bathroom 99% want known names and 1 % don't care (landlord) (Installer)
 - They rarely have a specific idea (Wholesaler)
 - They mostly have a specific idea but only because the installer is involved (Wholesaler)
 - Two Groups Yes and No. They are uninformed. (Wholesaler)
 - Consumers know which service they need (99% new complete solution). But the idea is less detailed (Installer)
 - Only rough ideas. They have a rough concept in their mind but no specific brands. (Installer)
 - The majority don't have a detailed idea (70 % no specific idea and 30% yes) (Wholesaler + Installer)
 - Don't know the products in detail but brand names are familiar. The consultation brings a specific idea/concept (Installer)
 - 60% don't have a specific idea and 30% have a specific idea. Consumers know established brand names and are sceptical with new brands
 - 80% are not detailed/specific. Women often have a more specific concept (Installer)
 - No specific idea. The internet helps the consumer to find a concept. They know the favoured design. brand names are welcome (Installer)

3. A) Do you think brands communicate their corporate image enough to you and the end user?

- Wholesaler: Yes because of a good communication to the sales force
End user: few. Maybe know prices but not more in detail (Wholesaler)
- Not every brand communicates it enough but some very strong. Depending on the experience of the showroom.
End user: Knows brands from the past (previous installed product etc.) No deep corporate image in end users mind. (Wholesaler)
- The wholesaler knows the corporate image but the end user not. The consultation is crucial to communicate the image to them. (Wholesaler)
→ Influencer as brand ambassadors
- Brands rely on wholesaler and installer to market the image etc. End-user only know names but not deep knowledge. Big/ Strong Player (DIY store) are using their marketing budget to market brands. (Installer)
- The communication is not optimal (Us and End-user). They just get started to brand through advertising (TV etc.) (Wholesaler)
- For us it is clear. End-user only knows the brand from past experience (installed brands). They are uninformed. Corporate image only in trade journals communicated (Wholesaler)
- Brands try to reach the end-user but it is difficult.
The communication to us depends on the brand it is really different but we know the corporate image through experience. Some brands only have factory representative who are responsible for more than one brand. So it is depending on the staff (Wholesaler)
- The installer knows the corporate images and for the end-user it is not essential. It is not the common way that consumers know the corporate image in detail (Installer)
- Installer are informed because of the sales force and special trainings through brands and manufacturers.
End-users are using the internet to inform themselves but online retailers give them a wrong view of prices and individual concepts for their bathroom. (Installer)
- The Installer and wholesaler know the corporate image but not many consumers know it. They only know names (Installer+Wholesaler)
- End-users don't know the corporate image but the installer knows because of experience and expertise (Installer)
- Consultant knows the image and is able to communicate it to the consumers. The consumers are mostly uninformed about the images. They only know names but nothing beyond (Wholesaler)
- The installer has a clear view but consumers only know the name because they heard them before. Advertising and pricing is confusing for consumers. (Installer)
- The Installer knows the promises and weaknesses of brands and sales forces often let them down if there is a problem.
End-users only know names nothing beyond (Installer)

B) If not, can you imagine how they can reach and engage more with you and the consumers?

- Not sure if the end user need a better communication. It is our job to communicate the corporate image to the end user. Our business area would be jeopardised. We are an important influencer (Wholesaler)
 - Sales Force more present. The internet makes it easy for the consumer to inform themselves. The business area would be jeopardised if the consumer knows to much about it (Wholesaler)
 - The industry is not build on deep branding. Branding is expensive and not crucial because it is a long-lasting product cycle (Wholesaler)
 - Branding is too expensive. They could use more advertising to reach installer and end-user but also here it is expensive (Installer)
 - It needs 3 months till the consumer knows more than the influencer. The internet is too fast. Branding is nice but too expensive. (Wholesaler)
 - The consumer already knows to much especially through internet and often it is a wrong image/view which they get (Wholesaler)
 - Brands/Manufacturer should try to reach end-users but is tough. A huge potential is branding through internet with GoogleAdwords etc.
 - Not the purpose of the industry to have a strong corporate image. Installer, sales consultants are ambassadors and communicate the image for the brands/manufacturers (Installers)
 - Difficult to reach end-users. the technology is fast so it is tough to inform the consumers quick and decent. They receive a wrong view because of advertising (complete concepts of premium bathrooms are often not realisable in their own room) (Installer)
 - Brands/Manufacturers have to communicate more than only names. But the less the consumer knows the better because then the consultation can be more effective. (Installer + Wholesaler)
 - Advertising is often too much more than the simple product (the consumer sees a unrealisable bathroom with a special view and facilities). Influencers are crucial for branding. Wholesaler want the marge and therefore sell their own brand (Installer)
→ More advertising based on the product and not the surroundings
 - It useful when end-users heard a name before. Advertising in collaboration with wholesaler. They rely on wholesaler/Installer to market the products (Wholesaler)
 - It is important that the brands try to reach and engage with the consumers to establish their image. The installer has a great influence (about 90%) on consumers decisions. Manufacturer has to keep their promises for influencers and consumers. They also need to work closer with Installers and provide a better service (Installer)
 - Customer-Service could be better. More care for installers. Installer is responsible of there is a problem and then they need help from brand or manufacturers (Installer)
- Branding expensive and influencer have the role of a brand ambassador anyway (Use this fact and build a strong relationship to them)
- Internet also crucial for branding purpose to reach consumers directly

- Advertising more product-based
- Branding has to be beyond names
- Better care for Installers, more close relationship to them because they have a great influence on consumers decision

4. Which Role plays electronic word-of-mouth and e-commerce (reviews, comments etc.) for consumers decision-making?

- Extremely important especially for comparison of prices (The cheapest wins) (Wholesaler)
- Important Role. The Majority is able to use the internet for research. Even the older generation arrives with the smartphone in the hand (Wholesaler)
- Only for rough research. The most consumers don't know the differences between products. But definitely the price is something they search for (Wholesaler)
- Consumers are using the internet for first impressions/ first information seeking. But they trust the consultation through experts. The price is the main part consumers searching for. (Installer)
- Extremely (brutal) important. Under one million users per month. The internet is the priority and nothing works without it anymore. Bad reviews lead to an exclusion of the product on the online shop. It doesn't matter if it is justified (Online Wholesaler) !
- It is a problem for us. Consumers using the internet for information seeking (comments and prices) and they are using our web presence to a lesser extent. Also, the old generation is informed in advance. (Wholesaler)
- Important role. Consumers only compare prices (internet vs. showroom) 1 vs. 1 but not the real service behind their expectations. They receive a wrong view of prices and possibilities. Online retailers have other prices because of storage, staff and service costs. The whole service of a new bathroom solution is costly. The internet confuses consumers and they see an advertising and want their on bathroom exactly like this but it is often not possible. EWOM isn't a big issue yet. (Wholesaler regional director)
- EWOM not a big role but consumers using the internet to find an expert. The own homepage is extremely important (professionality) (Installer)
- The internet lead to a price war and therefore to uncertainty for showrooms/Wholesaler and also for the end-user (wrong expectations) Potential customers are influenced by reviews/WOM. It plays a big role and negative WOM stays online (Installer)
- Internet is indispensable component. Every customer is using the internet and mainly to search for prices. They receive a wrong picture of the provided service. Different prices because of the internet. It is annoying (Installer+ Wholesaler)
- The internet provides the consumers are wider spectrum of products. It plays an important role. Doesn't matter if old or young everybody is using it (Installer)
- It is becoming more important every day. Old people also with smartphone. It is the future. But a threat because of the pricing (Wholesaler)
- EWOM plays not an important role it is not common for the industry to have a lot of WOM online. Consumers need the internet for first concept ideas but

they want to touch and see the products in real-life therefore showrooms are still the crucial distributor (Installer)

- The internet is important especially for the price comparison. But it is depending on the consumers field of interest. If they only want a new product they often use the internet. If they need a whole consultation the internet is secondary (Installer)

- EWOM not an important role yet but the internet is important for the decision-making process especially for first impressions and prices.
- It is a threat for the traditional way of the sanitary industry
- It leads to wrong expectations for consumers
- For online retailer reviews are a criterion to exclude a product from the shop
- Even older generations are strongly using the internet
- Depending on the field of interest

Driver of WOM

5. What are your main criteria to recommend/ not recommend a brand, product or service besides the customer needs?
 - Customer Service for the Installer especially for complaints. Important to provide a fast realisation (Wholesaler)
 - Consumer wishes. Own brands because of prices and margins. But mostly own experience. (Wholesaler)
 - Own experience and conviction (Wholesaler)
 - Delivery capability/ high availability in comparison with support through sales forces. Quality-Design and own experiences with products. (Installer)
 - Margin because it's always important (online retailer)
 - Own experiences and conviction. Always taste. Brands which are present and doesn't present all information online. So, the consumer is not too informed (Wholesaler)
 - Own experiences and preferences. Support through the supplier. A brand with good customer service is preferred. (Wholesaler regional director)
 - Quality-Design and delivery time (Installer)
 - Delivery time (Customers don't have time). Quality / Price. Complaint rate (about 0,1%) in combination with a good customer service of the brand/manufacturer (Installer)
 - Customer choose but our own brand is a good way out because there is no comparison with prices online. (Wholesaler)
 - Delivery capability and customer service in the case of problems (Installer)
 - Margin, Price / Performance ratio but first priority is the reliability (Complaint management, Delivery and customer service) (Installer)
 - Marge (often realised though own brands). Quality (Sustainability, few complaints, longevity and if there is a problem a good customer service) (Wholesaler)
 - Pleasant product (easy to install and long-lasting). Quality. Customer Service. Delivery capability and availability. Own experience with installing the product.

- Own experiences (installation + Service/Complaint/Trainings + Quality).
Delivery capability is important to realise a quick project process (Installer)
- Own experience and conviction with brands and manufacturers
- Delivery capability and high availability especially for Installer
- Margin especially for Wholesaler
- Price- Performance ratio (Quality-Design)
- Customer Service, Complaint management
- Low complaint rate (problem free realisation with satisfied customer)

Subtheme Influencer

6. How do you evaluate your role in the overall decision-making process?

- Extremely important with a decisive impetus (Wholesaler)
 - Great influence with the capability to change customers decisions (especially if they have a specific idea already) (Wholesaler)
 - On a scale 1-10 a 7. Customer who are seeking for inspiration are good to lead (Wholesaler)
 - Important the consultant can intervene and lead the customer. Some installer supports the role of wholesalers. Installer need to sell the whole packet. (Wholesaler)
 - Consultation and supporting the installer (secondary importance). The order has to be planned with the installer together. (Wholesaler)
 - Important, but Depending on consumers' needs. Active selling purpose. Decisive advisory function. (Online Wholesaler)
 - Depending on consumer. If he is uninformed decisive impetus. If he is informed less power and more advisory. Also, different for field of interest (exchange of product or complete solution) Depending on involvement (Wholesaler)
 - Possible to lead the customer (Wholesaler)
 - High influence: 90% Installer, 10% customer (Installer)
 - Strong with decisive impetus (Can lead the customer to a decision) (Installer)
 - Depending on consumer (Alphas who stuck with one product/idea). It is always persuasive effort (some customer needs time to decide) but possible to lead the customer. (Installer)
 - 50:50, sympathy Is the main factor (Installer)
 - Depending on sympathy but on average 60%. Decisive role in collaboration with showroom/wholesaler (Installer)
 - Installer has main influence if there is a good base of trust (Installer)
 - 80-90 % the installer has the main influence and is able to convince consumers. Exceptions prove the rule (Installer)
-
- Depending on involvement and level of knowledge and expectations (Wholesaler+ Installer)
 - Trust + Sympathy (Nose-Factor)

- Many: Cooperation between installer and wholesaler plays a crucial role and they are able to convince the consumers
- Installer have more influence than wholesaler (90%, 7 of 10)

7. What do you think who or what has the most influence on consumers decisions?

- What? The price based on their own internet research
Who? Depending on consumer but mostly the installer because he is the nearest person who realise the project in their home (Wholesaler)
 - Installer has the most influencer (but not always the best). In the end all opinions (Installer, Wholesaler and partner) have an effect (Wholesaler)
 - Quality/Design/Brand name is paramount the price is not always the main priority. Installer has the most influence but depending on his engagement. If the customer comes without installer the wholesaler has the most influence. In the end wholesaler + installer together have a great impact. (Wholesaler)
 - Installer has the most influence but if he gives the direction to the wholesaler he is the most influence. Price is not the main criteria. In the end, the consultation leads the customer to a decision (Wholesaler)
 - Installer has the most influence. If everything fits the price gets into the background. It is important to sell the whole packets (Product-Service) (Wholesaler)
 - Emotion in 95% not rational, the wife/family/partner (Wholesaler)
 - Depening on field of interest: Complete solution: Wholesaler Replacement: Price. Opinion of the partner is important too (Wholesaler)
 - 95% Women because it is a "female field" (Wholesaler)
 - 90% the Installer in combination with sympathy (Installer)
 - Installer because he is closest to the customer but many factors play a role (Installer)
 - Women. Men are focused on technology. The price because of the internet. The customer sees what is "possible" (Installer)
 - Architects if charged/assigned. Otherwise the expert with the best base of trust (Installer)
 - Emotion/Design in combination with price. Installer and family/partner (Installer)
 - Installer and wife (Installer)
 - Installers opinion (80-90%). Price + Installers' recommendations. Consumers searching for products in advance and on their own (Price/Design/Brand) and then the installer is okay with these products or recommend some others (Installler)
-
- Depending on consumers and their field of interest (complete solution or replacement)
 - Installer has the most influence followed by the wholesaler and influenced by family/partner
 - Depending on the engagement of the installer if the wholesaler has more power
 - Quality and Design are important

- Two groups of opinions regarding the price: 1. Price plays a crucial role 2. Price plays a secondary role
- The Nose-Factor again
- Wife

8. Do you see big differences between brands? What are these differences?

- There are qualitative differences which is revealed through complaints (Wholesaler)
 - No big differences regarding to quality and price (Online Wholesaler)
 - Main difference is design. For quality, you have an overall good quality but also outlier up/down. Delivery capability of manufacturers (Wholesaler)
 - Design and segmentation (pricing) (Wholesaler)
 - Design no big differences because every brand has a good and special design. Big differences in pricing segmentation. Sometimes big differences between prices for similar design (Whoelsaler)
 - Design: matter of taste but there are differences between brands. Apmost every manufacturer has every price segment. Big differences in quality even in the same product series. (Wholesaler)
 - Price: big differences, design: no big differences. Quality: similar (Wholesaler)
 - Big differences in delivery capability. And in design quality and price also (Installer)
 - Quality is the main difference (Installer)
 - Quality (especially from the inside the product) and functionality (Installer)
 - Segmentation of a brand (pricing), design is matter of taste (Installer)
 - Quality is almost the same. Design important USP (Installer)
 - Qualitative differences. All brands provide a wide spectrum (Installer)
 - Delivery Capability. Price differences (segmentation). Service (Support for installers, trainings, new information etc.). Overall, Design and Quality of brands are good but it's a matter of personal feeling (Installer)
-
- Strongly depending on personal view of the influencer
 - Big differences in the delivery capability of brands/manufacturers
 - No clear statement about differences in quality, design and prices
 - Design is a matter of taste and quality a matter of experience therefore really individual and depending on each influencer
 - They are clear that brands have different segmentations and provide different pricings
 - Design seems to be really important and a unique selling position as well as the quality and DC
 - Matter of personal feeling (Quality and Design)

9. What do you think, what involvement-level your consumers have during the purchase process?

- Consultation takes a long time (one meeting about 2 hours where everything will be explained). The time involvement is high and this is how it should be. It is mostly an investment for consumers (Wholesaler)
- Customers think the realisation is fast. They are high-involved but have wrong expectations. The sooner the better. (Wholesaler)
- High-involvement (time and money). Customer want it fast. So the time is the main problem. Wholesaler have a different system to categorize customers and their knowledge level. Customer have to plan long in advance (Wholesaler)
- Depending on the consumer. Only every 25 years so it is an irregular purchase. Customer think they have a good knowledge but they don't. If they build a new house the price is often the problem because of the overall costs (Wholesaler)
- High-involvement with following categorisation(Wholesaler):

30+/40+: Price sensible

50+: Informed and wealthy

60+: Less informed and need
therefore more consultation
but they have the needed money

- Online Wholesaler spend only 30 min for the consultation. Here it is a lower involvement (cheaper and less time spending) (Online Wholesaler)
- Complete solution: consumers are uninformed and think the realisation is quick. The consultation makes the customer clear that the involvement is higher than they thought
Replacement: 50/50 its quicker and often cheaper (Wholesaler)
- High-Involvement: Some customer come by 5 times to see the same product over and over again. Overall, consumers are uninformed but using the internet to help themselves (Wholesaler)
- Intensive business/purchase. A fast purchase is the exception. Time intensive and costly (Installer)
- A bathroom is an investment for the future. Every bathroom has to be planned individual so its time intensive and mostly costly (Installer)
- Customers have limited time but they are forced to take time for the planning (Installer)
- High-Involvement!! (Installer)
- Forced to take time for the planning. Financial aspect is changing (landlord, own bathroom etc.) (Installer)
- High: Consumers take their time (about 10 hours together with the installer and overall about 20 hours) They need time to think about the opportunities and to decide for a product. For a complete solution, the financial involvement is high (about 12.000 to 20.000 euro). But there are also cheaper solutions (Installer)

- Definitely High-Involvement (Irregular only every 25 years only 1-2 times in a lifetime)
- Customer have no time and want a fast realisation. They often have some wrong expectations (Price and Time also through internet)
- Customers often are uninformed
- Also depending on field of interest if replacement it is often a lower involvement
- But 99% are complete solutions therefore mostly high-involvement
- Differences between online based influencer and traditional influencer
- Consultation is important to make the involvement clear for the consumer
- Complete solution about 12.000 to 20.000 euro
- Consumers need overall 20 hours for the decision (10 with installer and 10 for thoughts)

10. What are the main criteria for your customer to buy a specific brand, product or service?

- If the customer understand that quality has its price: Price-Performance ratio otherwise the price more important (Wholesaler DIY)
 - The mixture of price and performance (ratio) (Wholesaler online)
 - Installer-> Nose-factor (Sympathy, experience, competence) therefore trust. Customer retention for the wholesaler (Wholesaler)
 - Consultation (Feel well with the decision). Emotions (Design, Trust etc.) (Wholesaler)
 - Whole packets. Emotions (especially trust) (Wholesaler)
 - Emotion/Design <->Price (Wholesaler)
 - Feel safe and trust the consultant. Customer Experience at the showroom (3D, colours, VR etc.) (Wholesaler)
 - 1 customer needs 2 budget 3 Sympathy/Honesty (Emotions) (Installer)
 - Price + Emotions (Design) (Installer)
 - Trust/ Conviction / Design → Emotions (Installer)
 - Price plays a crucial role. Sympathy with the team (Emotion) (Installer)
 - Trust! Customer retention is important for the installer. Price plays also a role and has to be decent because there are many cheap alternatives (Installer)
 - Trust in the service and the performance and experts (Emotion) (Installer)
 - Installers' recommendations. 1) Design/ Emotion and 2) The price whereby the installer has an influence on both criteria (Installer)
-
- The main aspect is emotional: Design, Trust, Sympathy, Feeling of safety, Nose-factor
 - Customer experience (Brands should improve it at the selling point)
 - Price is also important for the purchase decision
 - Especially the price- performance ratio
 - In the end, the whole consultation is crucial
 - Installer → influences both main criteria 1)Design and 2) Price

Conclusions:

- It seems that brands/manufacturers are too focused in their branding and forget to use the influencers as ambassadors to market through them. They feel let down from them and need more care and support.
- Branding is too expensive anyways so why don't use the traditional way but in a higher intense
- Working on design because it is a main criterion
- Working in delivery process
- Differences between DIY wholesaler, online retailer e

Second Research Population

Number: 5

Age groups: 60+, 50-60, 60+, 36-55, 60+

Field on Interest: Complete Bathroom Solution (5x)

Number participants during the interview: 2* 1 Person

3* 2 Persons (spouses)

→ Overall, 8 persons

Attention: Each customer is different regarding his decisions and purchase intention. But in combination with the first population, there are patterns to analyse.

General WOM

1. How do you evaluate your knowledge about brands, products and services?
 - Brand names not important for us. Little overall knowledge. The expert showed what is possible in their own bathroom. First impression is more important than the name
 - Little knowledge. Only old established names are present (VB/Grohe etc.)
 - Little knowledge. The consultation was crucial for the customer to gain first knowledge about it. Consultation through influencer
 - 10 from 10 points for knowledge (exception because long working experience in the industry)
 - Solid ideas about style direction. The knowledge increased because of the interest to purchase a new bathroom
- Mostly little knowledge. Exceptions prove the rule. Of course, there are customer who have a more than little knowledge
 - Brand names are not crucial but design/style
 - Consultation crucial for transmitting of knowledge

2. Do you have specific idea which brand, product or service you want to buy? If yes why?

- Yes. Experience in the industry and from fairs (exception). Idea based on style and barrier-free. Only brand-related for flush-mounted products not for fittings etc.
- Only familiar with well-known brands from the past but there are many new brands. The consultation led to a clear idea.
- Complete bathroom realisation (service). No DIY quality. No idea about specific brands but style direction
- Only visual ideas. Brand not important/crucial. The design is first priority
- Brands not important/crucial. Design is more important (good looking products)

- Brand names are secondary important.
- Design/Style and quality is the priority
- Quality and especially for flush-mounted products are important
- Again consultation was important for the decision

3. Do you use internet inform yourself about brands, products or services?

A) If yes, when and what are you searching for (reviews, products information etc.)?

- Prices, Design/Style, Bathroom planning tool online, first impressions/concept. Brands on recommended homepages through installer
- Before and after the consultation. Impressions for design and style

B) If yes, how do this information influence your decision-making?

- Not at all, first step for the purchase. After the consultation, the brand homepage is important
- Only first step. Then wholesaler and then installer

C) If not, why you don't use the internet for the information search?

- We don't use the internet (old generation 70+)
- Low use of the internet and direct and close relationship to the installer therefore great base of trust for his decisions
- Using offline media (brochures, recommendations...)

- Two groups of internet user
- Internet not the main influence for purchase but for impressions and design decision
- Installer/Wholesaler/Consultation is important to give the customer a specific idea based on their preferences
- Younger generations are using the internet more for information seeking and tools for impressions. But also for them the influence of experts is more powerful

Driver of Word-of-Mouth:

4. What criteria must be met for you to recommend/ not recommend a brand, product or service to your friends or family?
 - Quality, Service (Sympathy), adherence to delivery dates (No time)
 - Price- Performance ratio, Quality and Design, functionality
 - Everything from one provider (only one contact person who coordinates the project), proper work, reliability, quality of consultation
 - Brand names not important for our recommendation, like to try new things, time, quality of the work/products
 - Price, long product-life-cycle, guarantees, Price- Performance ratio, proper work and consultation, somebody who cares about us

- Quality, Design, Service, Functionality, Care-factor, Price- Performance ratio, proper work/products, adherences to delivery dates, time factor, reliability
- Not based on brands, more on the service
- Brands can improve quality and delivery time, product lifecycle

Subtheme Influencer:

5. Who or what influences your buying-decision the most? Why?
 - The Installer (He has to realise the project), consultation plays a secondary role
 - Own ideas and concepts (partners each other), a combination of firstly the consultant and secondary the price. We rely on the installers recommendations
 - Partners each other, recommendations through expert/influencer, more the women, firstly design, secondary the quality, price not the priority
 - Installer (his recommendations and proposals), quality and design/emotions
 - Design/Emotions, installer for technical recommendations and wholesaler for the purchase of the products, both together have a great impact

- Installer the most influence, has to realise the project
- Experts in general have the most influence but installer on first position
- Quality and Design are crucial
- Price is individual and for every customer differently important
- Customer rely on the recommendations/proposals of experts
- Partners influence each other, but women have a little bit more influence

Subtheme Decision-Making-Process

6. What are your main criteria to buy specific brand, product or service? Why?

- Price- Performance ratio, Design, guarantee and quality, the whole concept, price not crucial, purchase of brands is not priority but recommendation through installer is crucial
 - Quality, Brands (Image), Trust base to installer/ the whole team
 - All from one provider (only one-time planning and then go), quality of work and products, sympathy
 - Recommendation through experts, price and design
 - Quality, Design, if a known brand only if it is a quick delivery, first priority is the consultation
-
- Quality, Design, Price – Performance ratio
 - Two groups of customers 1) brands important and 2) brands not important
 - Recommendation through experts/consultation (WOM!!)
 - All from one provider (quick and easy realisation) influencer advertise with this claim
 - Functionality for the future (old generation)

7. How do you evaluate your involvement-level in this purchase process? Why?

- Flexible time for consulting, need fast realisation especially for old generation because they can't do it for themselves. High regarding to time and money
 - Preparations are time intensive, want a special bathroom no standard, one-time purchase, limited budget, first ground plans created on their own, two bathrooms therefore high regarding to time and money
 - The sooner the better, no bargain deal, planned with 3-4 weeks expensive therefore high
 - 4-6 weeks, the time aspect was clear for the customer but still it was an investment (High)
 - Many decisions (fittings, tiles, basin etc.), the effort was enormous to evaluate all possibilities, it was a tough decision in the end, you will use it for a long time (high-involvement)
-
- Definitely high-involvement
 - Time and money intensive
 - Many decisions to make not only one buying decision (multiple decisions)
 - The sooner the better (private space, need the bathroom for daily care)
 - Irregular purchase and for a long time
 - Functionality is important specially for the future (barrier-free, etc.)

8. Do you see big differences between brands? What are these differences?

- Matter of taste, big price differences, even products on the lower segment looking good, big differences for technologies (the installer helps to understand technological possibilities)
- Design, Technology and quality

- No big differences especially for the design (they are similar)
 - Quality difficult to evaluate as a layperson, differences between segments (premium, middle price and low price)
 - Functionality for old generations
-
- Of course, a matter of taste but customer sees differences between different segments (premium, middle, low)
 - Design, Quality and Technology differences
 - But some customers find the design similar
 - Of course, for a layperson difficult so evaluate the quality
 - This question is really individual and every person evaluate the differences differently
 - Most of the customer see a difference

Added notes:

- The research is not enough to give an overall view or statistical statements
- Price not always in the focus
- Emotions (Design, Functionality) is the priority
- Young people try to do it on their self (customer comment)

Notes from consultation with a customer:

- They visited a wholesaler which hadn't the prices available
They had to use the internet to compare prices
- Women has more emotional ideas and is therefore more emotional involved
- Men more sceptical and rational but at some point, also emotional
- Researchers evaluation 70% Women, 30% Men
- Management Implications: Brands has to reach women on an emotional level

C) Summary of Primary Research Findings

Theme	Influencers- First Research Population	Consumers – Second Research Population
Awareness about WOMM	<ul style="list-style-type: none"> Depending on educational and professional background All agreed that recommendations are an indispensable component of the industry WOM even more important for installers Installer and Wholesaler often work together and recommend each other 	-
Consumers' Awareness about Products, Brands and Services	<ul style="list-style-type: none"> Consumers rarely have a specific idea (about 70% of customers) But they know which service They have detailed ideas about which design they want 	<ul style="list-style-type: none"> Consumers awareness is based on favoured design and quality They have rough ideas about specific brands but they have a concept in their head how the bathroom should look like
Consumers' Level of Knowledge	-	<ul style="list-style-type: none"> Overall, the interviewed consumers had a low level of knowledge (Exceptions prove the rule) Also, influencers explained that the most consumers are uninformed
Brands Corporate Communication to Influencer and Consumers	<ul style="list-style-type: none"> Overall, good communication to influencers with some potentials for improvement Influencers serve as brand ambassador (even if not always voluntary) Branding is expensive and tough Consumers need the influencers to get knowledge about brands and their images 	-
Electronic Word-of-Mouth and e-Commerce	<ul style="list-style-type: none"> Internet is crucial for consumers' decision-making process especially for price comparison Even older generation is strongly using the internet EWOM is not crucial yet but it is becoming more and more important (only few eWOM) Online retailers are a real threat for the traditional three-step distribution Influencers agreed that the internet will play a crucial role in the future 	<ul style="list-style-type: none"> Consumers are using the internet throughout the whole decision-making process Some consumers are not or rarely using the internet but offline media Consumers rely on the consultation through experts They are using it mainly for price comparison, planning, to review recommended brands on homepages and most important for first impressions about design, styles and possible concepts

		<ul style="list-style-type: none"> This information has only little influence on their decision
Influencers' Drivers for Word-of-Mouth	<ul style="list-style-type: none"> Customer service for wholesaler, installers and consumers Low complaint rate (problem-free realisation with satisfied customers) Own experience and conviction Margin Delivery Capability and high availability (especially for installers to provide a quick realisation) The overall Price-Performance ratio Pleasant product with quality (easy to install, long-lasting, sustainable) 	-
Consumers' Drivers for Word-of-Mouth	-	<ul style="list-style-type: none"> Consumers main drivers are based on brands (design, quality, delivery, functionality, service, etc.) and the influencers (proper work, consultation, service and care for the customer, quick realisation) Similar to influencers' drivers
Influencers' Role in the Decision-Making Process	<ul style="list-style-type: none"> Influencers evaluate their role as important with a strong influence on consumers decision Installers have more influence (about 70%) The consultation and realisation is a common task for both installer and wholesaler Their influence is always depending on the nose-factor 	-
The main influential Sources for Consumers	<ul style="list-style-type: none"> Wholesaler and influencer depending on internal and external factors Internal factors: Emotions, Nose-Factor, Level of Involvement and Knowledge External Factors: Price, Quality, Design, Family/Friends/Partner <p>(To check the framework, see 4.2.3 Question7)</p>	<ul style="list-style-type: none"> Installer and his recommendations/proposals Experts (Sales Consultant, Installer etc.) Own ideas and concepts / partner Price / Quality / Design Emotions
Differences between Brands	<ul style="list-style-type: none"> The opinions about differences are different There is no clear statement about differences in quality, design or price The delivery capability is a big difference between brands 	<ul style="list-style-type: none"> It is individual for each consumer The most differences are in design, quality and technology They are layperson, so they can't fully evaluate the quality

	<ul style="list-style-type: none"> • Most brands have different segmentations and pricing strategies • Design, Quality and the delivery capability can be a unique selling position (USP) 	<ul style="list-style-type: none"> • Consumers are seeing differences between different segments
Consumers Level of Involvement	<ul style="list-style-type: none"> • Depending on their field of interest (Product replacement or complete bathroom solution) • Most consumers have a high level of involvement 	<ul style="list-style-type: none"> • Depending on their field of interest (Product replacement or complete bathroom solution) • Most consumers have a high level of involvement
Consumers' Main Drivers for the Purchase Decision	<ul style="list-style-type: none"> • Consumers make their decision based on the interplay between emotions (design, nose factor, customer experiences, etc.) and more rational (price-performance ratio etc.) criteria • The whole consultation is a crucial component for the decision-making process • Consumers who buying at a DIY or online retailer are more price sensitive 	<p>What:</p> <ul style="list-style-type: none"> • Quality, Design, Price-Performance ratio • Brand image (divided: 1) is important 2) is not important) • Functionality, especially for the future (barrier-free, cleaning etc.) • All from one provider (quick and easy realisation with one responsible contact) • Recommendations by influencers • Trust for installer and the whole team <p>Who:</p> <ul style="list-style-type: none"> • Installer, Wholesaler (Sales Consultant) • Partner, Friends, Family

D) Learning Style Questionnaire

Scoring and Interpreting the Learning Styles Questionnaire

The Questionnaire is scored by awarding one point for each ticked item. There are no points for crossed items. Simply indicate on the lists below which items were ticked by circling the appropriate question number.

2	7	1	5
4	13	3	9
6	15	8	11
10	16	12	19
17	25	14	21
23	28	18	27
24	29	20	35
32	31	22	37
34	33	26	44
38	36	30	49
40	39	42	50
43	41	47	53
45	46	51	54
48	52	57	56
58	55	61	59
64	60	63	65
71	62	68	69
72	66	75	70
74	67	77	73
79	76	78	80
TOTALS	<u>14</u>	<u>9</u>	<u>11</u>
	Activist	Reflector	Theorist
		<u>11</u>	Pragmatist