The Influence of Social Media Intensity and EWOM on Conspicuous Consumption

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Abstract

An increasing number of people all around the globe are spending tremendous amounts of time in the cyber world on activities such as connecting with one another and searching for information. It is undeniable that social media, such as social networking sites (e.g. Facebook), micro blogging sites (e.g. Twitter), photo sharing sites (e.g. Instagram), and video sharing sites (e.g. YouTube) play a considerable role in peoples’ daily lives—changing the way people carry out their routines. This widespread consumption of social media has made an impact on the way marketers design their marketing activities, particularly in the promotion and distribution of their products. Grounded in sociology and marketing literature, this paper proposes a model linking the intensity of social media use with consumers’ reliance on electronic word of mouth (EWOM) and their consumption of conspicuous products. Data were collected from Thai consumers that yielded a final usable sample size of 1,142. The results from structural equation modeling reveal both direct and indirect influences (i.e., via EWOM) of social media intensity on conspicuous consumption. Hence, social media and EWOM are effective tools to entice demand for conspicuous products. In sum, this paper extends social network analysis to investigate evolving consumer behavior, and also suggests innovative marketing tools that enable firms to capitalize on advanced communication technologies and to adapt to the new virtual life style.

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1. Introduction

The introduction of Web 2.0 technologies, which bring about online social media including social networking (e.g., Facebook), micro blogging (e.g., Twitter), photo sharing (e.g., Instagram), and video sharing (e.g., YouTube), has changed the way we live our lives. Based on a study conducted by comScore, the worldwide average time spent on online social networking per person in one month (i.e. November 2012) is 5.2 hours.