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The role of electronic word-of-mouth on customer-based brand equity and purchase intention by Millennials in South African

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing

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ABSTRACT

This paper examines the effects of negative electronic word of mouth (eWOM) performed on social network sites towards customer-based brand equity and ultimately, the effect this may have on purchase intention by South African Millennials in the specific industry of telecommunications.

Customer-based brand equity is a widely referred marketing concept used as insight in understanding customer value and the relevance of brands in the marketplace. As organisations embark on building strong brand equity, ultimately it is the customer that decides how significant the brand is to them and gauges the success of the brand. The main variables of the study that make up customer-based brand equity are brand loyalty, perceived quality, brand awareness and the strength of brand association outlined by (Aaker, 1991; Keller, 1993). This study embarked on testing the unfavourable situation of negative electronic word of mouth shared on social network sites and the impact on the antecedents of customer-based brand equity which would evidently discourage purchase intention. The exponential growth and adoption of social network sites as we embrace the digital era has offered marketers an opportunity to advertise their brands online and to engage their target audience with a more relevant, instantaneous content. This study focused specifically on Millennials, a generational cohort of wide interest in marketing and business in general, because of their sheer size in South Africa and their purchasing power, a cohort that is highly invested in brands and is the driving force of social media adoption (Rodney & Wakeham, 2016). The study also focuses on the telecommunications industry and the top mobile carrier brands (Vodacom, MTN, Cell C & Telkom) that possess the strongest brand equity in the market according to (BrandSA, 2017).

The research methodology adopted an online cross-sectional survey where they completed a questionnaire adapted from previous studies was used. The results of the empirical study supported some of the hypothesised statements, however dispelled two of the constructs. The findings are that negative electronic word of mouth has detrimental effects on brand loyalty, perceived quality and ultimately, purchase intention. However, the results did not hold the same premise in that negative word of mouth had a negligible impact on the strength of brand association that Millennials hold towards telecommunication brands.

The managerial implications of this study is for telecommunication companies to proactively monitor and track negative eWOM diligently by investing in the technology and social media tools that allow this level of tracking; this data builds invaluable customer insights that will allow them to implement mitigating brand marketing campaigns to regain trust with Millennials and reinstate the brand loyalty levels and tainted perceived quality. Through this, they will be able to continue to dominate brand resonance amongst Millennials who need this service. The theoretical implications are the addition to the study of negative electronic word of mouth which is under-developed in South Africa, albeit the growing adoption of social network sites, and the impact these have on the broad construct of customer-based brand equity reflecting a negative relationship. The study further contributes to the study of purchase intention, however it is extended because we look at the negative impact of the spread of negative eWOM towards brand loyalty, perceived quality, brand awareness and the brand association.

Key words: Customer-based brand loyalty, negative electronic word of mouth (eWOM), Millennials, social network sites (SNS), social media.

DECLARATION

I, Boitumelo Kgonare, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements of the degree of Master of Management in Strategic Marketing at the University of the Witwatersrand, Johannesburg . This research report has not been submitted before for any degree or examination in this or any other university.



Boitumelo Tlhologelo Kgonare

Signed at Johannesburg, South Africa

On the....20th.... day of.....April..... 2020

DEDICATION

This dissertation is dedicated to my mother, a teacher who contributed tirelessly in educating many children and imparted the importance of education in my life whilst raising me single-handedly, and to my late father, who instilled a spirit of accomplishment and discipline in me at a very young age, may his soul rest in peace.

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Jeremiah 29:11 – "For I know the plans I have for you," declares the Lord, "plans to prosper you and not to harm you, plans to give you hope and a future".

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CHAPTER 1. INTRODUCTION

1.1 Purpose of the study

This research aims to investigate negative electronic word-of-mouth (eWOM) generated by Millennials in South Africa who are actively using social media platforms namely; Instagram, Facebook, Twitter, YouTube and LinkedIn and the effects it has on customer-based brand equity of large Telecommunications brands and how this will impact their purchase intentions. Electronic Word of Mouth (eWOM) is a form of communication, shared from person to person and is gaining momentum through social media (Aaker, 1991; Bambauer-Sachse & Mangold, 2011). There are minimal scientific studies that focus on South African Millennials and their social media behaviour (Rodney & Wakeham Dr, 2016); poor brand experiences may shift their brand preference and loyalty and Brand Managers need to embark on building strong brand equity and investing more of their marketing spend on digital advertising(Bambauer-Sachse and Mangold (2011); it is imperative to understand and respond to negative eWOM appropriately, especially if this may deter purchase intention.

This study measures the effects of negative eWOM, focusing on this crucial generational cohort because of their prolific use of social network sites (SNS). This study also focuses on the telecommunications (Telco) industry primarily on the large Telco companies; Telkom, MTN, Vodacom and CellC. The study thus contributes to the academic body of customer-based brand equity as well as social media studies which is under-developed but a growing medium and particularly to the eWOM field of research.

1.2 Context of the study

The South African population constitutes 59.6 Million, a quarter of which are Millennials (StatisticsSA, 2020), described as a generational cohort born between 1980 to 1999 (Gurău, 2012; Howe & Strauss, 2007); although there are various generation theorists, Howe and Strauss (2007) seemed to have coined the term “Millennials” (Elam, Stratton, & Gibson, 2007), also known as Generation Y. Millennials are known to be tech savvy, sophisticated consumers (Lissitsa & Kol, 2016); the same generation that launched the largest social media network site – Facebook which was founded by Mark Zuckerberg (Howe & Strauss, 2007).

Millennials in South Africa, like their peers in many parts of the world, spend a lot of time on social network sites and they have access to mobile technology which has yielded the high adoption and use of social media, despite the fact that Africa lags compared to the rest of the world in internet access (Rodney & Wakeham, 2016).

Social media affords the youth access to large amounts of information instantaneously and they have become market experts. As consumers they are known to possess general product knowledge with the power to share this information, their opinions, and experiences with other consumers (Mangold & Smith, 2012). Unfortunately for many marketers and brand managers, the opinions held about their brands are expressed openly by Millennials (Gerzema & D'Antonio, 2011); this makes them a very important market for companies as they are strong influencers in the market. According to (Mangold & Smith, 2012), brands must have the same values as this generation to win them over as customers.

The characteristics described of Millennials and their prolific use of social network sites brings about rising electronic Word-of-Mouth (Doh & Hwang, 2009), which has since gained momentum with, broadly, the emergence of the internet and the launch of various social network sites (SNS). SNS offered a perfect opportunity for consumer-to-consumer conversations on brand related topics and hence are termed electronic word of mouth (Chu & Kim, 2011) as consumers freely share brand related information with their immediate friends, family and acquaintances. Offline, traditional word-of-mouth research has been covered extensively and is known to play a significant role in customer buying behaviour (Chu & Kim, 2011; Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004). Further studies are needed to expand the digital aspect of word-of-mouth, particularly those negative opinions shared on social network sites (Chu & Kim, 2011).

Literature summarised the effects of negative online reviews to unfavourable outcomes in customer attitudes and purchase intentions (Mangold & Smith, 2012). This study tests this view amongst Millennials and also focuses on the telecommunications (telecom) market in South Africa. The South African mobile market has 108 million mobile connections and there are four major cellular providers, namely Vodacom, MTN, Cell C and Telkom Mobile. As at the end of the first quarter of 2019, Vodacom led the market and reported 43.2 million subscribers, MTN are at

second place and have 30 million subscribers. Cell C is the third largest telecommunications company, with 17.3 million and lastly, Telkom which reported 9.7 million (Writer, 2019). There are other mobile network providers who offer wireless mobile communication services as opposed to the traditional mobile network providers, they are referred to as mobile virtual network operator (MVNO) and have entered the telecom market, for example, FNB Connect, MRP Mobile and others (Writer, 2019). For the purpose of this study we focus on the four leading companies.

Telecom brands are among the strongest brands in South Africa, with MTN announced as the number one most valued brand, Vodacom is ranked number two, Telkom is number seventeen and Cell C ranked 47th (BrandSA, 2017; MTN, 2017). The brands were measured, based on their financial value and consumer perception (BrandSA, 2017). MTN has a business aspiration of being the most valued brand by driving better customer experience and refreshing their brand (MTN, 2017). Vodacom also have an aspiration of offering the best customer experience by 2020 and improving their brand reputation (Vodacom, 2017). The mobile network industry has some challenges in the market; namely that there are resource constraints in South Africa therefore accessibility to the internet is limited in that data costs are much higher than other developing countries; this may exclude a certain class and young people (Mathur, Schlotfeldt, & Chetty, 2015). Albeit the brand strength of the telecoms, the mentioned challenges may have implications on the customer-based brand equity of these organisations

Brand equity is a valued concept for businesses because it affords marketers a framework to create a competitive advantage through strong and successful brands (Bambauer-Sachse & Mangold, 2011; Lassar, Mittal, & Sharma, 1995).

The study analyses the impact of the negative feedback shared digitally by Millennials, notwithstanding the brand strength of the telecommunication companies, which is a key performance indicator informed in their corporate results. Brand equity and negative word-of-mouth remain key cornerstones of marketing.

1.3 Problem statement

Measuring the impact of negative electronic word of mouth towards customer-based brand equity on social network sites by Millennials in South Africa, with a specific focus on the telecommunication industry and the impact on purchase intention.

There is limited research around negative eWOM (Cheung & Thadani, 2012) whilst the world is becoming increasingly digital and the use of SNS is growing exponentially (Hughes, Rowe, Batey, & Lee, 2012). Evidently there is an increase in customer feedback on their brand experience online (Woodside, Sood, & Miller, 2008), however there is a dearth of knowledge in understanding the impact of negative eWOM towards brand equity and all antecedents that account for customer-based brand equity (brand loyalty, perceived quality, brand awareness and brand association). It has been suggested by Bambauer-Sachse and Mangold (2011) the level of eWOM engagement by consumers can have an impact on their purchase inclinations and this study will explore this in the context of Millennials in South Africa.

This study focuses on South African Millennials since empirical studies have not considered developing markets, such as South Africa (Aksoy et al., 2013; Rodney & Wakeham Dr, 2016; X. Wang, Yu, & Wei, 2012). Social media usage, in terms of adoption and accessibility differs between countries (Jackson & Wang, 2013). Millennials are an important consumer group to study because they provide future purchase inclinations (which informs their behavioural loyalty), based on their brand perception regarding marketing social media communications (Barenblatt, 2015).

1.3.1 Main problem

To investigate the effects of negative eWOM on customer-based brand equity and its constructs of brand loyalty, perceived quality, brand awareness and Strength of brand association of telecommunications brands, amongst Millennials through social media and the effects on purchase intention.

1.3.2 Sub Problem 1

There is an unfavourable relationship between **negative eWOM** and **brand loyalty.**

1.3.3 Sub Problem 2

The resulting impact of **brand loyalty** leads to poor **purchase intentions** of Millennials through social media.

1.3.4 Sub Problem 3

There is an unfavourable relationship between **negative eWOM** and **perceived quality.**

1.3.5 Sub Problem 4

The resulting impact of **perceived quality** leads to poor **purchase intention** of Millennials through social media.

1.3.6 Sub Problem 5

There is an unfavourable relationship between **negative eWOM** and **brand awareness.**

1.3.7 Sub Problem 6

The resulting impact of **brand awareness** leads to poor **purchase intention** of Millennials through social media.

1.3.8 Sub Problem 7

There is an unfavourable relationship between **negative eWOM** and **brand association.**

1.3.9 Sub Problem 8

The resulting impact of **Strength of brand association** leads to poor **purchase intention** of Millennials through social media.

1.4 Research questions

Based on the sub-problems shared above, the research problems are outlined as follows:

1.4.1 Sub-problem 1: Research question

What is the relationship between negative eWOM and brand loyalty?

1.4.2 Sub-problem 2: Research question

What is the resulting influence of brand loyalty towards purchase intention?

1.4.3 Sub-problem 3: Research question

What is the relationship between negative eWOM and perceived quality?

1.4.4 Sub-problem 4: Research question

What is the resulting influence of perceived quality towards purchase intention?

1.4.5 Sub-problem 5: Research question

What is the relationship between negative eWOM and brand awareness?

1.4.6 Sub-problem 6: Research question

What is the resulting influence of brand awareness and purchase intention?

1.4.7 Sub-problem 7: Research question

What is the relationship between negative eWOM and brand association?

1.4.8 Sub-problem 8: Research question

What is the resulting influence of strength of brand association on purchase intention?

1.5 Research Objectives

1.5.1 Theoretical Objectives

- To review literature on negative electronic word of mouth (eWOM);
- Review literature on brand equity;
- Review literature on Customer-based brand equity and its constructs, brand loyalty; perceived quality, brand awareness and the brand association;
- Review literature on purchase intention
- Review literature on social network sites (definition and growth, usage and ranking, brand management on SNS, social media challenges)

1.5.2 Empirical Objectives

- To investigate the relationship between negative eWOM and brand loyalty
- To investigate the relationship between brand loyalty and purchase intention
- To investigate the relationship between negative eWOM and perceived quality
- To investigate the relationship between perceived quality and purchase intention
- To investigate the relationship between negative eWOM and brand awareness
- To investigate the relationship between brand awareness and purchase intention
- To investigate the relationship between negative eWOM and strength of brand association
- To investigate the relationship between strength of brand association and purchase intention.

1.6 Significance of the study

Brand equity is a considerable construct for businesses and is a contribution to academic research because marketers can gauge the level of competitive advantage with successful brands (Mangold & Smith, 2012; Lassar et al., 1995). This study focuses on customer-based brand equity that is concerned with consumers' outlook of brand equity, where the power of the brand is evaluated based on the consumer

and what they have experienced and learned over a period of time around that brand (Keller, 2003).

The internet has become a disruptor for many brand managers in that the opinions and brand experiences held by mainly Millennials is now shared online (Singh & Sonnenburg, 2012) and it is therefore important for marketers to know how to manage these opinions, especially if they are negative, creating dissatisfaction through negative electronic word of mouth. Dissatisfied customers are highly likely to share their negative experiences and to as many people as possible, thus when consumers search for product reviews online they are persuaded by negative feedback because it is seen as more informative and diagnostic than positive reviews which is believed to be basic information (Bambauer-Sachse & Mangold, 2011). Therefore, the effects of negative eWOM are more harmful to brands and the significance of this study is to measure how these communications online will impact customer-based brand equity and eWOM, moreover it has been suggested by (Bambauer-Sachse & Mangold, 2011) that the consumers participation in eWOM can affect purchase behaviour.

Businesses are under pressure to remain competitive in this fast-moving world and need a strong social media strategy (Erdoğmuş & Cicek, 2012), especially because the growth in social media adoption grew by 130% between 2012 and 2016, particularly within Millennials as 97% are using Facebook (BlueMagnet, 2016). An independent report by (QwertyDigital, 2017) further finds that 15 million users in South Africa make use of social media, which is a 27% penetration rate of the population.

The uptake in social media use is also perpetuated by an increase in mobile devices; cell phones, smart phones, tablets and allows for greater accessibility for Millennials to engage with brands (Rodney & Wakeham Dr, 2016). One of the best use cases of social media among Millennials is product reviews in terms of content sharing and this yields word-of-mouth (Erdoğmuş & Cicek, 2012). While social media marketing is about establishing relationships with customers and creating positive images of their brands on the customers minds, failure to do this may result in a negative attitude towards the brand and loss of revenue (Erdoğmuş & Cicek, 2012). Organisations need to be aware of the risks that negative eWOM has on high equity brands (Mangold & Smith, 2012).

1.7 Delimitations of the study

- Brand equity can be conveyed in three aspects; one of financial asset value to the organisation, second, business-based measured by the revenue derived from the brand name, however this research focused on the third aspect – customer-based brand equity which focuses on the consumer's brand beliefs, attitudes and behaviours (Bambauer-Sachse & Mangold, 2011; Lassar et al., 1995)
- The study used the generational cohort born between 1980 to 1999 prescribed by (Howe & Strauss, 2007) as Millennials because there are various theories around the definitive years.
- The term Social Media and Social Network Sites was used interchangeably throughout the study and focused on the top five platforms, based on usage, namely, Facebook, LinkedIn, YouTube, Twitter and Instagram.

1.8 Definition of terms

- Social Media:

  Social media, simply put, are written, visual or audio content which allows people to share and respondents can like and comment, this is also allows them to share this media content with very low cost implications. The internet and applications developed has made it easy for people to publish and distribute content (Stokes, 2013).

- Social Network Sites:

  Ellison (2007) defines SNS as web-based services which affords users to their personalised online profiles which are public which they can use to connect with their network, equally also pursue their required connection, all within a system.

1.9 Assumptions

- Respondents were active users of Social Network Sites (once a week) and had at least one account of either Facebook, LinkedIn, YouTube, Twitter or Instagram.

- Respondents were truthful and open to answer all survey questions.

CHAPTER 2. LITERATURE REVIEW

2.1 Introduction

The literature of the proposed study covers the effects of negative electronic word-of-mouth on customer-based brand equity, using social media; it focuses on the demographic of Millennials and on large telecommunication companies. The theoretical framework tackles the importance of brand equity and specifically, customer-based brand equity and some of the main constructs, namely brand loyalty, perceived quality, brand awareness and brand association, following the research contribution by Keller (1993) and Aaker (1997). The review connects the impact of customer-based brand equity to purchase intention which has been shown to have a significant and positive relationship (Chi, Yeh, & Yang, 2009).

Negative electronic Word of mouth, abbreviated eWOM, is supported by the literature that covers dissatisfaction in consumer behaviour (Hawkins, 2010). Studies are presented that have contributed to the knowledge around Millennials and their fast adoption of social media. Thereafter, the exponential growth of social media is explored, and research findings present the varying and leading SNSs, their usage models, as well as the challenges that arise from SNSs.

2.2 Theoretical framework: Word-of-mouth and Electronic word-of-mouth (eWOM)

Word-of-mouth (WOM) communication is generally referred to as person-to-person communication between consumers about products and services provided in the market (Bambauer-Sachse & Mangold, 2011; Hogg, Askegaard, Bamossy, & Solomon, 2006). WOM is perceived as valuable information source because it is shared by those closest to the consumer; relatives, friends and colleagues and it is seen as more trustworthy than generic advertisements (Hogg et al., 2006). Consumers are becoming less trusting of institutions and public figures as they find them to be unreliable and are growing cynical of all commercial communication media (Hogg et al., 2006; Kimmel, 2013). WOM communication plays a considerable role in the attitudes that consumer adopt and thus their behaviours (Bambauer-Sachse and Mangold (2011) in that the more positive word of mouth shared by peers, the more consumers tend to purchase the product (Hogg et al., 2006). WOM is therefore an

important aspect of the consumer buying decision making process (Hennig-Thurau et al., 2004).

The literature of word-of-mouth is discussed by firstly outlining its roots as a mode of the promotional mix, then weighing in on the negative aspect of word-of-mouth, thirdly, discussing electronic word-of-mouth; with the extensive use of the internet this communication process has been extended online, and lastly, it has been translated to social network sites.

2.2.1 Promotional mix: Word-of-mouth

Word-of-mouth forms part of the promotional mix, (Kotler & Keller, 2014) discuss it as one of the eight major modes of communication that marketers have leverage to use in promoting brands, namely; advertising, sales promotions, public relations and publicity, events and exhibitions, direct and interactive marketing, personal selling, and lastly, word-of-mouth which can be either online or offline. Word-of-mouth as a promotional mix has key characteristics of being;

- **Influential** - people trust and believe those that they know better.
- **Personal** - word of mouth can be an intimate discussion, where people express their personal preferences, opinions and experiences.
- **Timely** – only when it suits the person and is usually followed by a meaningful event and experiences.

The growth of the internet and social media platforms, communication options can further be grouped into paid, owned and earned media, where paid media allows companies to showcase their brands through advertising at a fee (newspapers, television, paid search), owned media are communication channels owned by the company, such as their websites, brochures and social media accounts in Facebook, Twitter, etc. Lastly, earned media is where word-of-mouth fits in, where customers and the press communicate about your brand to others (Kotler & Keller, 2016) and this type of earned media is preferred by advertisers which gains them strong brand equity and is cost effective (Baker, Donthu, & Kumar, 2016; Kotler & Keller, 2016). When companies actively promote word of mouth in their campaigns, it is then called word-of-mouth marketing (WOMM) and the Word of Mouth Marketing Association (2007) has defined WOMM as *“giving people a reason to talk about your products and*

services and making it easier for that conversation to take place. It is the art and science of building active, mutually beneficial consumer-to-consumer and consumer-to-marketer communications."(López & Sicilia, 2013, p. 1091).

This study will focus more on the negative part of word of mouth, where the customers with the intention to purchase, actively search various social network sites and the effects negative word of mouth would have on the customer based brand equity and ultimately, their purchase decision.

2.2.2 Electronic word-of-mouth (eWOM)

The internet has provided a new platform for consumers to share their consumption experiences and opinions with other consumers easily and instantaneously, that is to engage in eWOM (Bambauer-Sachse & Mangold, 2011; Chang, Hsieh, & Tseng, 2013; Hennig-Thurau et al., 2004). eWOM is defined by (Hennig-Thurau et al., 2004, p. 39) as "*any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet."* The term electronic word of mouth can be used interchangeably with online word-of-mouth.

Before the launch of various social network sites and the uptake of social media, eWOM communication would take place through news groups, web-based opinion sites, boycott websites and online discussion forums (Hennig-Thurau et al., 2004). This study focuses on eWOM shared through social media, specifically, as this remains an emerging platform for consumer-to-consumer communication (Chu & Kim, 2011). There are also unique characteristics that SNSs have compared to other mediums of eWOM, in that they are easily accessible to users, therefore it is quick and easy to posts opinions and because users share within their network of friends and family, their opinions are seen as more trustworthy than strangers, which leaves SNS eWOM to be more credible and a good source of product information (Chu & Kim, 2011). Baker et al. (2016) argue in defining eWOM, that there must be interaction between consumers, for example, a discussion on Twitter between complete strangers about a brand would be word-of-mouth, however a product review on a website would not be because there is no interaction.

Further arguments around the impact of negative eWOM has been explored by (Baker et al., 2016) where they present negative eWOM having a positive impact on brands, stating that customers who have developed a strong brand connection take negative word-of-mouth as an attack against their favoured brands, and will counter-argue the source defensively and re-affirm their own positive views around that brand. This study is concerned with telecommunication brands that have a strong brand equity and possibly with consumers with a strong brand association, therefore it assess the propensity to such findings.

Previous empirical studies have examined the impact of eWOM on consumer purchase decisions, on product sales and on attitudes towards brand and websites (Chu & Kim, 2011; Hutter, Hautz, Dennhardt, & Füller, 2013), this study focuses on the eWOM behaviour of Millennials as a demographic age group who are major contributors of eWOM through their prolific use of social media in South Africa.

2.2.3 eWOM behaviour in SNSs

An empirical study developed by (Lovett, Peres, & Shachar, 2013) identifies brand characteristics in relation to WOM and assesses the key drivers of consumers engaging in WOM. These drivers are social, emotional and functional, where social and functional drives more online/eWOM and emotional is more for offline WOM. The social drivers are anchored in the need to socialise and communicate with others, to express uniqueness and as self-enhancements. Emotional drivers are geared by a consumer's feeling of satisfaction or excitement about a brand that create WOM, lastly, functional drivers are conversations that consumers have to share useful and practical information about a brand or product (Lovett et al., 2013), this study focuses on the more social drivers, particularly through social network sites.

According (Chu & Kim, 2011; Doh & Hwang, 2009) eWOM in SNSs is facilitated when customers actively search or provide product related advice through specific social media platforms, and because SNSs are members that interact with their networks instantaneously, consumers deem content shared as a form of eWOM more trustworthy and credible than unknown strangers, hence the impact of social media as a vehicle for eWOM is tremendous (Chu & Kim, 2011).

eWOM conducted through social media is carried out by three drivers; those that seek for opinions, those that give opinions online and those that pass on opinions (Chu & Kim, 2011; Y. Kim, Sohn, & Choi, 2011). Opinion seeking and giving has always been seen as offline WOM dimensions, where opinion seeking consumers have a behaviour inclined to seek opinions before they make a purchase (Flynn, Goldsmith, & Eastman, 1996). Consumers with an opinion giving behaviour, on the other hand, tend to be opinion leaders and influential in imparting their knowledge and experiences to others (Chu & Kim, 2011). Opinion passing behaviour is unique to social media where the action of forwarding and sharing information is facilitated online, consumers are able to digitally spread the word around a brand seamlessly (Chu & Kim, 2011).

Goldsmith and Horowitz (2006) discuss two dimensions of motivation for consumers to seek opinions online which are firstly, driven by the need to seek further and in-depth information regarding that specific services offered or product and secondly, to get assurance from other consumers through their experience (Goldsmith & Horowitz, 2006).

Further motivations for eWOM are categorised as follows by (Goldsmith & Horowitz, 2006):

Focus-related utility – where consumers feel they are contributing and adding value to the community through the content they are sharing online.

Consumption utility – where a consumer consumes the content shared online by the community members and feels the communication has been beneficial.

Approval utility – when a consumer is commended by others for their contribution.

Moderator-related utility – when a third party intervenes and makes it easy for complaints and negative WOM to be voiced out.

Homeostasis utility – this occurs where there is a balance in views and equilibrium is reached in the people's lives.

In summary, it is important for this study to analyse what the motivations around WOM and particularly negative eWOM are, particularly because there is distinction in offline WOM and online WOM; the impact of opinion leaders through social media, particularly where there are negative emotions around the brand. Customer-based

brand equity is influenced by eWOM and empirical studies show that this influence has a direct impact on purchase intention.

2.2.4 Negative word-of-mouth

Word-of-mouth can be both positive or negative, where negative WOM has been known to impede sales (Pullig, 2006; Zhu & Zhang, 2010). A study was conducted reflecting that 90% of dissatisfied customers will not buy that product in future and will each share their negative experience with at least nine other people who will in turn, continue to share with others, proving that negative WOM spreads rapidly to potential consumers (Hogg et al., 2006).

Negative WOM is one of the outcomes of a dissatisfaction response in the consumer decision making process, where a consumer evaluates all aspects of the post purchase experience (access to product/service information, price and product performance). Should the evaluation be negative, the dissatisfaction model reflects the possible actions a consumer can take which could lead to complaint behaviour, brand switching, negative word-of-mouth, formal complaint through recognised institutions or legal action taken (Hawkins, 2010).

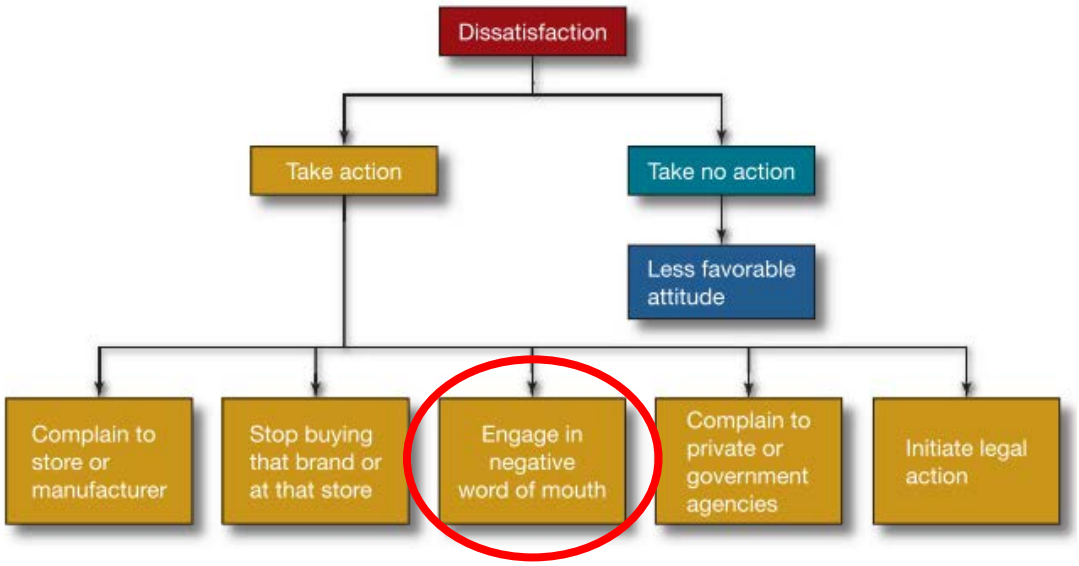


Figure 1: Model of Dissatisfaction Responses
(Hawkins, 2010)

2.3 Millennials

Market segmentation is a widely used in marketing to distinguish various markets and question what resources will be allocated to address these markets, consisting of existing and potential customers (Assael & Roscoe Jr, 1976). Ultimately, it allows marketers to serve specific consumers with common needs and behaviours (Cleveland, Papadopoulos, & Laroche, 2011). Segmentation satisfies the criteria of accessibility, actionability, identifiability and substantiality (Wedel & Kamakura, 2012), age is one of the most commonly used demographic variables as well as gender, education and income. This study focuses on a demographic segmentation method, segmented by an age group or generation.

Generations are moulded by a series of common historical events (political, economic and social), memories, beliefs, habits and life lessons, and that generations vary dramatically from era to era (Howe & Strauss, 2007). These events will shape the generations' core values around money, careers, sexual behaviours and consumer behaviours (Lissitsa & Kol, 2016) therefore generational cohorts are a more efficient way of analysing market segmentation than simply studying a specific age (Schewe & Noble, 2000). The focus of this study is upon the Generation Y cohort also known as Millennials; (Mandhlazi, Dhurup, & Mafini, 2013) state that this group has more money at their disposal than any other generation in history, therefore they are of critical importance for marketers and researchers.

Millennials are a generational born between 1980 to 1999 (Gurău, 2012; Howe & Strauss, 2007); although there are various generation theorists, Howe and Strauss seemed to have coined the term "Millennials" (Elam et al., 2007), also known as Generation Y.

Millennials as consumers in South Africa, have been described to be brand conscious, quality conscious, novelty seekers, hedonistic, fashion conscious and confused by too much choice (Mandhlazi et al., 2013). This generation was born during a time when it was easy to communicate with others due to the emergence of the internet, social media and interactive technologies, they are tech-savvy and have large access to information, therefore decision making is faster (Lissitsa & Kol, 2016; Mandhlazi et al., 2013).

This information seeking behaviour has Millennials searching online for recommendations on products and services, equally they are talking about products and services more online than any other generation and tend to do so on social network sites (Mangold & Smith, 2012); this will give insight on the impact of negative eWOM on their brand preferences thus purchases.

In summary, this study focuses on Millennials because of their inexhaustible use of SNS which is the purpose of this study, secondly, they have strong purchasing power, therefore thirdly, it is of key importance to then study their purchase intention behaviour and particularly because they are brand conscious.

2.4 Brand equity

2.4.1 Defining brand equity

Brand equity has become a significant theoretical construct in the field of marketing and has been studied extensively by marketing experts and researchers (Augusto & Torres, 2018; Bambauer-Sachse & Mangold, 2011; Vahdati & Mousavi Nejad, 2016), this is because it provides a framework of strategic decisions taken by organisations and management who are eager to provide a competitive advantage (Vahdati & Mousavi Nejad, 2016). Literature has measured brand equity in terms of three aspects, first would be financial-based in terms of the financial value to the books of the business. Second, it is customer-based, where the consumer's brand beliefs, attitudes and behaviours are considered. Last, it is business-based, measured by the revenue derived from brand name (Bambauer-Sachse & Mangold, 2011; Dedeoğlu, Van Niekerk, Weinland, & Celuch, 2019; Keller, 1993; Lassar et al., 1995; Vahdati & Mousavi Nejad, 2016).

Brand equity has had various definitions crafted over the past three decades by many researchers, all of which cover at least one of the aspects discussed on brand equity. The earliest definition of brand equity by Farquhar (1990) the value created by the product because of its brand image perceived by customers. A further definition by (Aaker, 1991) "brand equity as a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers". However (Keller, 1993) approaches the concept from a customer-based perspective, " brand knowledge on customers

response to the marketing of the brand". According to (Lassar et al., 1995, p. 12), brand equity has five aspects to be considered which are rather extensive; firstly, brand equity is subjective to the consumer's perceptions and not on any objective indicators. Secondly, brand equity has a global value assigned to it. Thirdly, globally the brand value is reviewed and linked to the brand name and not always based on physical attributes of the brand. Fourthly, brand equity is in measured against competition, brand equity contributes directly to the financial standpoint of a company. Considering all the various aspects of brand equity, (Yoo, Donthu, & Lee, 2000) summarise that perceived quality, brand loyalty and strong association to a brand form dimensions of brand equity.

2.4.2 Customer-based brand equity

Marketing strategies are developed based on the consumer & their direct needs, hence consumer-based approach will influence advertising and marketing efforts at large (Lassar et al., 1995). It is the customer that decides on the success of a firm and a brand can only be deemed relevant if the customer perceives it as significant (Dedeoğlu et al., 2019). This study therefore focuses on customer-based brand equity and specifically focuses on the concepts and research covered by Keller (1993) and Aaker (1991), as they have done extensive studies around brand equity from the perspective of individual consumers.

Keller defines customer-based brand equity as "as the differential effect of brand knowledge on consumer response" (Keller, 1993, p. 8); one of the most important concepts in that definition is brand knowledge and Keller outlines at length the dimensions of brand knowledge as the critical role it plays in brand equity, and brand equity fundamentally creates brand awareness and brand image (Dedeoğlu et al., 2019). On the other hand, Aaker (1991) describes customer-based brand equity as assets indicated by brand loyalty, brand awareness, brand associations, perceived quality and other propriety brand assets. A recent study by (Dedeoğlu et al., 2019) has argued that traditional CBBE models have some shortcomings in that they lack comprehensiveness and there is no widely accepted measurement tool, where some researchers for instance, have included brand trust and brand satisfaction as construct of CBBE, while others have ignored this. This study adopts and combines the most widely used CBBE model developed by Aaker and Keller. The awareness, image

(associations), loyalty and perceived quality dimensions are examined in this study as components of the CBBE model.

According to Aaker, there are four categories that represent customer perceptions of a brand and ultimately, form part of the CBBE model – brand loyalty, perceived quality, brand associations, and brand awareness.

1. Brand Loyalty

There have been an number of studies that cover the topic of brand loyalty and mainly covering two dimensions to brand loyalty: behavioural and attitudinal loyalty (Cengiz & Akdemir-Cengiz, 2016); Behavioural loyalty has to do with repetitive purchasing behaviour, while the commitment a consumer makes psychologically with the intention of buying or their recommendations to others, without necessarily making a purchase is referred to attitudinal loyalty (Nam, Ekinci, & Whyatt, 2011). The general consensus by various scholars is that brand loyalty is a multidimensional construct that measures and defines brand loyalty as both behavioural and attitudinal (Cengiz & Akdemir-Cengiz, 2016). One of the oldest definitions was by (Oliver, 1999, p. 34) who defined brand loyalty as "*a deeply held commitment to rebuy or re-patronise a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour."*

Studies have shown that consistent and repetitive buying is an invalid indicator of loyalty as it could merely be purchases based on shoppers' convenience (Oliver, 1999). A brand could also be bought purely out of habit because it requires less effort and this pattern of buying is due to inertia, if a competitive brand is made available within a similar environment, a fickle customer will switch for the same reasons (Hogg et al., 2006). Where true brand loyalty exists, repeat purchases are made by consumers with a consistent positive attitude towards the brand and there is an emotional attachment to the brand (Hogg et al., 2006).

The marketing importance of brand loyalty has been identified as having increased shareholder value, favourable word of mouth, willingness to pay premium prices, reduced marketing costs and resistance to counter persuasion (Gounaris & Stathakopoulos, 2004). Aaker (1991) finds that brand loyalty is an effective way of

managing brand equity. Therefore, it is crucial for marketers to understand the negative effects that could drive declining brand loyalty, such a negative eWOM, and this research explores this case and tests the impact this has on purchase intention.

2. Perceived quality

Kotler and Keller (2016, p. 156) define quality as “the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs”. Studies have covered two dimensions of quality: where quality can be objective or it can be subjective in nature, where the latter refers to real quality and it is based on a pre-design standard of the product (Chi et al., 2009; Das, 2014). Perceived quality, however is a consumer’s subjective judgement on a product or service (Aaker, 1991). Perceived quality is isolated from real quality because consumers review their personal experiences on the use of the product and on their feelings; education, and their unique buying experiences as well socialisation (Chi et al., 2009).

Aaker (1991) confirms that perceived quality is a key dimension of brand equity but also argues that it may not be sensitive to relative events and this study investigates if negative eWOM deters consumers’ perceived quality and ultimately, brand equity.

3. Brand awareness

Brand awareness refers to “the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category” (Aaker, 1991, p. 114), Brand recall is when a consumer is able to recall the brand name when they see the product category and brand recognition is when the consumer is able to identify the brand when there is a trigger which is linked to that brand (Aaker, 1991). The level of brand awareness is tiered which allows consumer to can reach their brand perceptions and attitudes further: top-of-mind is when it is the only brand recalled, brand knowledge which refers to the consumer knowing at length what the brand stands for and lastly, brand opinion (Aaker, 1991).

Social media platforms have a major effect on brand awareness, marketers communicate various brand activities online to increase brand mindshare among their targeted customers and they also use the platform to increase customer online engagement (Gensler, Völckner, Liu-Thompkins, & Wiertz, 2013; Hutter et al., 2013), especially since well-known brands are much more likely to be chosen as opposed to unknown brands, however, as Hutter et al. (2013) has proven that annoyance with, say, fan pages on Facebook may result in poor effects on consumers' brand awareness and result in negative WOM activities.

Brand awareness plays a significant part in the consumers purchase intention because they tend to buy a brand that are recognisable to them(Keller, 1993). Brand awareness helps consumers recognise a product from a wide range of product categories and helps them make purchase decisions, high levels of brand awareness will drive consumer preferences because it has high market share and quality evaluation (Chi et al., 2009; Keller, 2003). Kotler and Keller (2016) state that brand awareness provides a foundation for brand equity. This study thus interrogates if negative eWOM causes consumers to hold poor levels of brand awareness that subsequently, negatively affect consumer purchase intention.

4. Brand association: **Brand association**

Strength of brand association is defined by (Kotler & Keller, 2016, p. 193) as "all brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes, and so on that become linked to the brand node". Keller (1993), on the other hand, discusses brand association in-depth as a component of brand image, where brand associations are brand informational nodes that give meaning and understanding to the consumer and their memory of the brand, consequently the stature, favourability and exclusivity of brand associations form a strong brand knowledge that plays an important role in brand equity. This study tests the strength of brands and this will focus on the strength of brand association as a focal construct.

There are various types of brand associations that Keller explores, seen in Figure 1; it is based on brand benefits, its attributes and core attitudes. Further to this,

(Keller, Parameswaran, & Jacob, 2011) discusses the strength of brand association and the exclusivity of brand association as separate constructs.

- Attributes: Refer to descriptive features of a product or service – it is the consumers' perspective of what the product can offer and what is involved in the purchase and consumption of that product; Keller further classifies product as non-product related which is to the image, price and packaging and product-related is classifies as a function of the product and the need it served (Keller, 1993). As we focus on purchase intention in this study, price plays an important role as consumers evaluate the price and hold strong beliefs about the value they derive from the brand, which also informs their brand knowledge as they tier the prices and organise the brand.
- Benefits: This is when consumers attach a personal value to the product or service, (Keller, 1993) there are functional benefits which are tied to psychological needs; experiential benefits which is how it feels like to use the service or product and lastly, symbolic benefits which are the advantages of the product that offer self-expression, social approval, a boost in self-esteem).
- Attitudes: Brand attitudes are the "consumers' overall evaluation of the a brand" (Keller, 1993, p. 4). Brand attitudes is an important concept because it relates to consumer behaviour (Augusto & Torres, 2018). When consumers harbour good and general optimistic view of the brand, this will yield positive purchase intentions where their willingness to even pay premium prices will be enabled (Keller, 1993),
- Favourability of the brand association is when a consumer will chose that specific brand over any other.
- When a consumer believes a specific brand is superior against other counterparts, the brand has achieved uniqueness of brand associations (Keller, 1993).

- **Strength of brand association** refers to the strongly implanted associations within the consumer (Keller, 1993). This is achieved when two factors are met, the personal relevance of the brand and the consistency of the brand over time (Keller, 1993). Brand strength is said to be the degree

of attachment the consumer has towards a brand, which implies higher brand value therefore increased cash flows (Martin Strandvik & Heinonen, 2013).

Kotler and Keller (2016) mention that the strength of brand association is amplified by a consumer's direct experience with the brand, resulting in WOM, which is a crucial part in brand strength, particularly in industries such as telecommunications. Martin Strandvik and Heinonen (2013) argue that there have been insufficient studies around consumers' negative reactions to brands and that the strength of brands relies not only on the positive supporters of the brand, but also the negative and indifferent customer views to gain a real and holistic essence of the strength of the brand.

Brand strength is not only measured, based on a customer association to the brand but also to the customers' current purchase activities (Martin Strandvik & Heinonen, 2013). This study tests the impact of negative eWOM on strong brand association and the outcome of that to customer purchase intention.

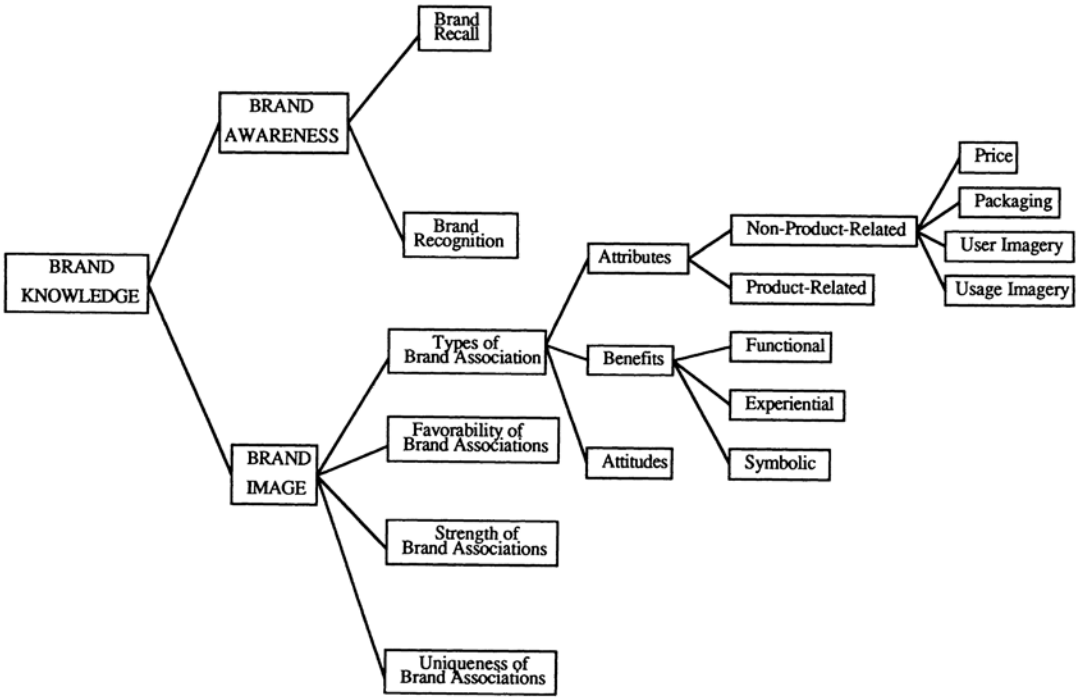


Figure 2: Dimensions of brand knowledge (Keller, 1993)

2.4.3 Building strong brand model: Understanding the strength of brand association:

Keller has developed a brand equity model, as seen in figure 1, that helps organisations build strong brands in a sequence of steps where on the left side of the pyramid, it represents rational brand building steps and on the right side, is a more emotional route, both of which are important in building strong brands (Keller et al., 2011).

The objectives of these steps are to firstly, to ensure brand identification and association in the customers' mind with the product attributes, class and customer needs. Secondly, to establish brand meaning in the minds of the customers. Thirdly, is to incite the desirable response from the customer and lastly, is to reach the top of the pyramid by achieving brand resonance which is an intense level of loyalty (Keller et al., 2011). The aspects of brand equity are interlinked in that if the brand knowledge that the consumer creates is not favourable, the judgements and feelings will not be positive, consumers will therefore not develop strong loyalty or preference to the brand (Keller, 2003; H. Wang, Wei, & Yu, 2008).

Brand Salience:

Brand salience is how much visually does a brand stand out from its competitors, in other words - it is "awareness" of your brand and at this stage it is making sure that the customer can easily recognise the brand (Van der Lans, Pieters, & Wedel, 2008), linking the brand logo, name, symbols to certain memory associations. At this stage, it is important to understand the perceptions the customer holds about the brand and any misalignments need to be addressed either through a communication strategy or adjusting the product and services offering (Keller et al., 2011).

Brand performance and Brand Imagery:

Level two is about creating brand meaning and what the brand should stand for in the minds of the customer by strategically creating perceptible and immaterial brand associations, which has two categories of brand associations namely – brand performance and imagery; which can be developed through the customers' own experience, advertisements or other source of information such as word-of-mouth (Keller et al., 2011); this study focuses on the impact of electronic word-of-mouth.

1. Brand Performance:

The product is at the core of brand equity, satisfying the customers' needs and wants is key to achieving marketing success and the product can either be tangible goods or services; marketers need to ensure that the products meet or exceed customers' expectations to achieve brand loyalty. Brand performance measures how well the customers' needs are met by the product or service and how well does the brand satisfy aesthetic and economic customer needs and wants (Hawkins, 2010; Keller et al., 2011).

Brand performance has five main attributes that form key product ingredients and features; 1. *Primary ingredients and supplementary features* – customers actively think about the core ingredients of the product and possibly the special or secondary elements that could complement the primary functions. Customers will try get the most value from the product*; 2. reliability, durability, and serviceability;* where reliability is understood and the consistency in the performance of the product is dependable even after repeated purchases by the customer (Keller, 2003; Ladhari, 2009). *3. Durability* is the expected lifespan of the product and the economic value. Serviceability is a major component of brand performance as it has to do with how easy is the product repairable, the response time and helpfulness of the customer support team (Keller et al., 2011). 4. *Service effectiveness, efficiency, and empathy*; Good service has the ability of differentiating the brand against competition and customers associate brand performance with service and how well the customer is satisfied with their service requirement. Service efficiency has to do with the promptness and responsiveness of the service while service empathy is how the service provider is concerned with the customers best interests , displaying acts of care and trustworthiness (Keller et al., 2011; Klemz, Boshoff, Mazibuko, & Asquith, 2012).

Unfavourable service levels can have detrimental effects on brand performance, a customer can react quite unfavourably and either choose to voice their complaint to the company or third party and try seek redress and compensation, completely exit the relationship depending on how loyal they are to the brand or they could choose to have a private complaint by engaging in

negative word-of-mouth with friends and family (Klemz et al., 2012; Ladhari, 2009). *5. Style and design;* This is a more functional aspect of the product and brand performance, as the customer is delighted by the aesthetic considerations such as shape, material, size and in general, how the product looks and feels (Ladhari, 2009) *6. Price* is quite important to brand performance because it allows the customer to build associations of how expensive or inexpensive the product is in their mind and build their product knowledge based on the different price brackets of the different brands (Keller et al., 2011). This study analyses the adverse reaction where poor product performance has been experienced and shared on social media and how that impacts brand loyalty.

2. Brand Imagery:

Brand imagery is another brand meaning, where people hold a more abstract view of a brand, it is how brands attempt to meet customers' psychological and social needs (Keller et al., 2011). Customers may form their own imagery associations, either from their own experiences or indirectly through advertisements or other forms of information such as word of mouth. Imagery is the intangible aspects of a brand (Keller et al., 2011).

User profiles are the brand image associations that are based on the types of people or organisations who use the brand, categorised by demographics or psychographic factors (Keller et al., 2011). In this study, we focus on Millennials as the demographic age of focus. The second aspect of associations is purchase and usage information which tells the consumer under which conditions or situations they should buy that brand and this could be associated, based on the channel type (retailers, online etc) or based on the time they choose to buy (weekly, monthly, etc.) (Keller et al., 2011).

Brand personality and values is the third brand image association, where brands adopt a personality trait or human value just like a person because consumers usually choose brands that share the same personality as their own self-concept (Keller et al., 2011). The different brand personalities are either enthusiasm, honesty, competence, superiority or ruggedness.

Lastly, Brand history, heritage, and experiences refers to when brands take on associations based on what happened in their past and any significant experiences or past behaviours of family, friends and others (Keller et al., 2011).

Brand judgments and feelings

Customer response to a brand has two categories – brand judgements and feelings. Customers are constantly making certain judgements about a brand, based on their personal evaluations and opinions and these judgements are centred around four aspects (H. b. Kim, Gon Kim, & An, 2003);

- **Quality** - judgements about a brand based on the customer's perception of quality or actual quality.
- **Brand credibility** – The extend at which customers see the brand as credible, based on trustworthiness, likeability and perceived expertise.
- **Brand Consideration** - No matter how credible and how highly customers regard a brand, if they do not deem it relevant, they will not purchase the product or service, therefore brand consideration depends on strong and favourable brand associations.
- **Brand superiority** – measures the extent to which your customers prefer your brand versus a competitor's brand

Customers also respond according to the emotional connection they have with the brand, brand feelings could be both good or bad, mild or quite intense and are evoked by the marketing activities and other means. According to (Kotler & Keller, 2016), Keller's model has six positive brand feelings namely; fun, warmth, enthusiasm, secure, offer social acceptance, and self-respect.

Ultimately, what matters are positive customer responses driven by the head and the heart where enough theoretical studies cover these responses; this study is concerned with the brand judgement and feelings of customers when they are negative and how this influences their consumer behaviour.

Brand Resonance – is the final step to Keller's model is brand resonance and the most desirable position for companies where customers feel a deep psychological bond with the brand (Keller et al., 2011). This is when consumer is motivated to recommend the product and service and is willing to purchase the barnd (Buil, Martínez, & De Chernatony, 2013; H. Wang et al., 2008).

If the brand knowledge that the consumer creates is poor and unfavourable towards the brand, the consumer will not have any preference or loyalty to that brand (Keller et al., 2011). Therefore brand resonance remains at the top of the brand building pyramid because there is a strong base of loyal customers who will generate a stable source of profits for the organisation (Keller et al., 2011; H. Wang et al., 2008).

Keller further categorises elements of brand resonance as follows:

- **Attitudinal Attachment.** Repeat purchases are not enough to achieve brand resonance as customers may be purchasing out of convenience and because it is easily accessible (Keller et al., 2011; Sun, Youn, Wu, & Kuntaraporn, 2006). Brand resonance needs a much stronger customer personal attachment, where they love the product and see it as a special purchase, therefore creating a deeper sense of loyalty requires a strong sense of attitudinal attachment by developing strong programmes and marketing activities, and products that completely satisfy the customer (Keller et al., 2011).

  One of the consequences of attitudinal loyalty is identified as favourable word-of-mouth (Gounaris & Stathakopoulos, 2004) and for the purpose this study, we look at the effects of a rather negative WOM and test if consumers' purchase intention is affected.

- **Sense of community.** Brands may represent a broader sense of community to customers when they identify with people, employees, and consumers who are associated with the brand (Keller et al., 2011). A sense of community can exist online or offline and this study explores social media at length, where brands can be leveraged through social media connectedness and get customers to engage and participate with the brand through social media activities and build a strong online brand community (Gensler et al., 2013).

  Organisations create brand communities online by creating brand pages through social network sites, consumers who become followers of these brands and support the brand pages become more loyal, highly engaged in the brand and spread positive word of mouth, they also tend to be more emotionally connected to the brand than non-brand followers (De Vries, Gensler, & Leeflang, 2012).

- **Active Engagement**. (Hollebeek, 2011, p. 6) defines “customer brand engagement” as “the level of a customer's motivational, brand-related and context-dependent state of mind characterized by specific levels of cognitive, emotional and behavioural activity in brand interactions.”

  Therefore brand engagement is the strongest affirmation of brand loyalty, where customers actively engage with the brand without necessarily making a purchase, but by investing their time and energy into the brand, this could include them joining a club which is related to the brand, following the brand on social media, attending brand events or marketing rallies, wearing branded merchandise and reflecting their brand loyalty openly (Keller et al., 2011). Consumer engagement is a strategic imperative for creating a strong and sustainable competitive advantage in markets and the tools to predict future performance; it is seen as a sales driver and improves profitability; it is imperative to keep consumers highly engaged with the brand (Hollebeek, 2011). This study investigates the adverse of consumer engagement online, where it is seen to be negative to the brand and the impact this may cause on the consumers’ decision to purchase.

  In summary, Keller’s Equity Pyramid model outlines the steps to take in building strong brands and with clear branding objectives at each building block. The ultimate prize is to develop a strong, active loyalty among customers. The brand equity pyramid is an integral part of customer-based brand equity and a tool that should be used by marketers in organisations and this study gains further understanding on brand equity in the event that negative brand engagement exists through social media in the form of negative word of mouth and what impact this has on consumers’ purchase intention.

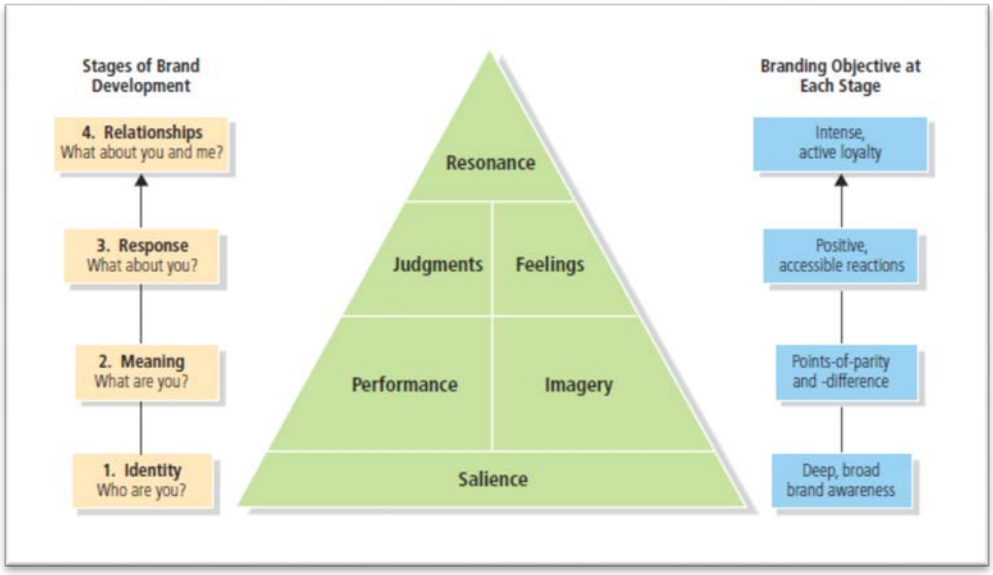


Figure 3: Keller's Customer-based Brand Equity Pyramid (Keller, 2003)

2.5 Purchase Intention

Purchase intention is the attempt to purchase a certain product or services (Das, 2014). The most recognised consumer purchase decision-making model was recognised by (Engel, Blackwell, & Miniard, 1995). Other researchers have refined the model further over the years, such as (Schiffman, Kanuk, & Wisenblit, 2010) and now demonstrates a more holistic and comprehensive model of consumer decision making, as seen in Figure 3. The model has three phases, namely; input, process stage and output. This study focuses on the process stage established by Engel which presents a 5-stage process that a consumer undergoes to ultimately make a purchase:

1. **Purchase recognition:**

   This initial stage is when a consumer recognises a problem and a need is triggered by internal or external factors. Internal factors are driven by the customer's personal needs, such as thirst and hunger, until it reaches a threshold level and gives the consumer a drive to satisfy that need (Kotler & Keller, 2014). External factors could be driven by close peers and friends that inspire the consumer to make certain purchases. Marketers need to develop strategies that stimulate a particular need and spark consumer interest so a potential purchase is considered by the consumers (Kotler & Keller, 2014)

In this study, the stimuli triggered would be a consumer's need to communicate through the use of a mobile connection offered by various telecoms brands.

2. Information Search:

At this stage, the customer searches for information regarding the prospective buy, using various information sources such as personal friends and family, commercial advertisements, web sites, sales people; the general public and mass media or it could be experiential in the form of product demonstrations (Kotler & Keller, 2014).

According to (Kotler & Keller, 2014) customers engage in different ways in their searching phase as some are called *heightened attention*, where the person just becomes receptive to the information about the product or they may enter an active information search by, for example, phoning friends, reading product related material and relevant to this study, would be going online, where Millennials are prone to going online and on social media to search for product information (Rodney & Wakeham, 2016).

3. Evaluation of Alternatives:

At this point, the consumer goes through a process of evaluating all competitive brand information and make a final judgement based on product value, widely so consumers tend to follow a model based on a conscious and rational basis (Kotler & Keller, 2014). Ultimately, consumers are looking for product attributes that will most satisfy their needs and deliver sought after benefits, they will be shaped by their beliefs and attitudes when evaluating the different products (Kotler & Keller, 2014).

4. Purchase Decision:

Ultimately, the consumer forms a preference after evaluating the different brands and decides, based on brand, dealer, quantity, timing and payment method. However, at this stage, the customer may also decide to deviate from the purchase intention and subsequent purchase decision as they take into

consideration the attitudes of others who may hold negative views about the preferred alternative (Kotler & Keller, 2014) – this applies to this study as we focus on negative eWOM shared through social media, implying that it is shared among close friends and family which according to authors (Hennig-Thurau et al., 2004; Kotler & Keller, 2014), the more intense the person's negativism from close people, the more the consumer will adjust their purchase intention.

5. **Post-Purchase Behaviour:**

   After the purchase is made, consumers may have feelings of dissonance after realising some dissatisfying features or hearing more positive things about a competing brand (Kotler & Keller, 2014). Marketers need to evaluate post-purchase behaviours of their customers and monitor their satisfaction levels, post-purchase actions, and post-purchase product uses (Kotler & Keller, 2014).

In summary, (Aaker, 1991; Keller, 1993) mention the importance of cultivating a strong brand awareness is that it builds highly loyalty & trust in the brand, subsequently, the higher the purchase intention of consumers; these are all antecedents of customer-based brand equity. This study then evaluates the existence of negative eWOM on brand equity, as outlined by (Kotler & Keller, 2014) that negative attitudes by peers may sway the purchase decision. Augusto and Torres (2018), on the other hand, have not found empirical evidence that eWOM affects purchase intention especially when the customer is willing to pay premium prices, alluding to a strong brand equity.

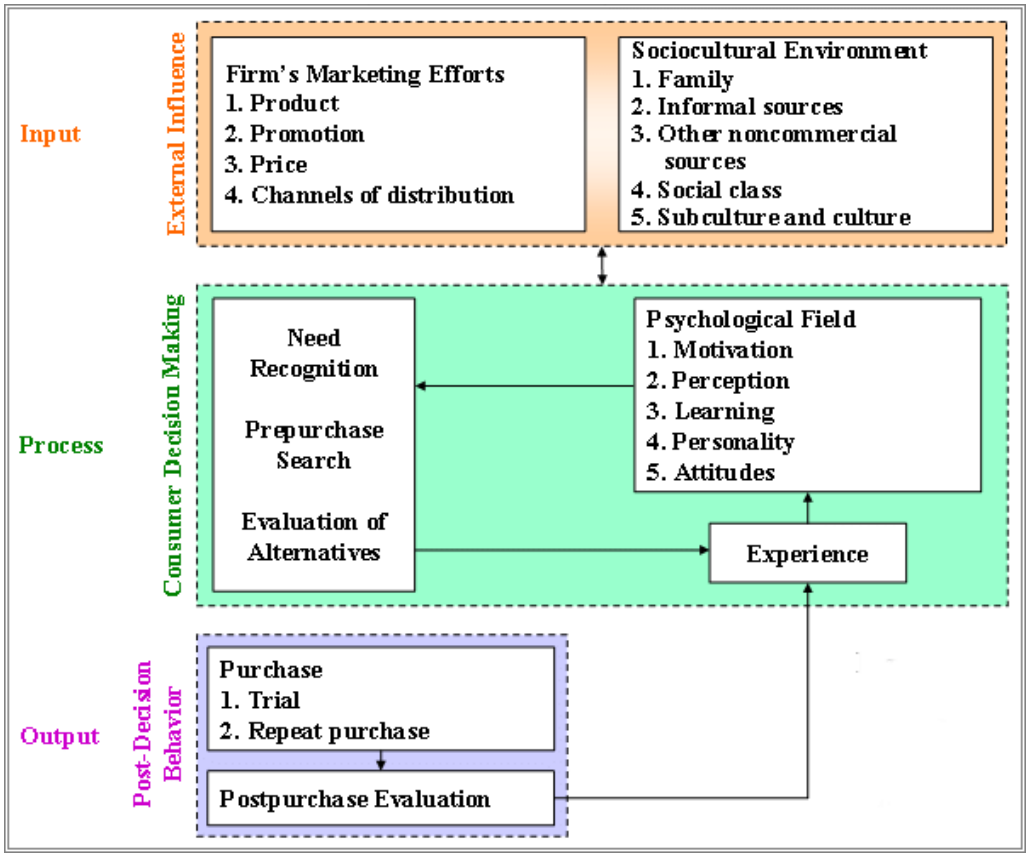


Figure 4: Consumer decision making model (Schiffman et al., 2010)

2.6 Social Media

2.6.1 Definition and Motives of Social Media

Social medial has been defined by (Kaplan & Haenlein, 2010, p. 61) as "a group of internet-based applications that are built on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user Generated Content". Social media has erupted into a plethora of different applications over the past years, categorised into six groups: Collective projects such as Wikipedia; blogs and microblogs (e.g. Twitter, Tumblr); content communities (e.g. YouTube); social networks (e.g. Facebook, Instagram, LinkedIn), virtual games (e.g., World of Warcraft); Social virtual worlds (e.g., SecondLife) (Peters, Chen, Kaplan, Ognibeni, & Pauwels, 2013). Social media, simply put, are written, visual or audio media designed to be shared; sharing makes it easy for audiences to comment, send and copy the online content with very low-cost implications. The internet and applications developed has made it easy for people to publish and distribute content (Stokes, 2013).

The focus of this study is on social networks sites (SNS). Ellison (2007), as one of the oldest contributors to this subject, has defined Social Network Sites as web-based services that allow individuals to (1) create a public profile within a confined system, (2) select a list of users they share a connection with, and (3) peruse their list of connections and their networks within the system. These tools are basically used for social interactions and sharing (Hughes et al., 2012).

Research has evolved further to understand the motives behind the rapid growth of social network sites amongst the youth and according to (Y. Kim et al., 2011), the reasons behind the use of SNS is to “find friends” where new friendships and connections are solicited through various SNSs. “Social support” with close connections for networking purposes, SNSs used as a source of “information”, “entertainment,” it is also used for pleasure and the exchange of music, videos and experiences with their social networks and lastly, for the “convenience” of being able to easily access valuable content in their personal portals and pool of networks.

According to (Van Dijck, 2013), many users, especially the youth, use their online profiles to try to gain popularity and reach a higher level of recognition and connectedness, should they reach a considerable amount of acknowledgement by having many followers, friends and receive many “likes” for their posts, this may earn them the platform to become known as “influencers” where companies approach them to promote certain branded messages and this is lucrative, as they are rewarded materially for those promotional mentions.

Consumers may use varying content for the different platforms; Twitter may be used for complaints, anticipating a faster response from companies; Facebook may be used to brag about a good purchase and Instagram to promote brand visuals (Peters et al., 2013).

2.6.2 Leading social network sites and usage in South Africa

For the context of this study, it is important to present the leading SNS in South Africa. Although all SNSs facilitate social online interaction, they do not all offer the same user experiences(Hughes et al., 2012). According to (World Wide Worx, 2017), the engagement of users had intensified toward the end of 2016, with the rise of the use of hashtags as people used SNSs as a platform of activism.

Facebook:

Facebook is defined as “a social platform that helps people stay connected with friends and family by allowing them to share information and communication efficiently” (Mazman & Usluel, 2010, p. 5). Facebook allows users to create their own unique profiles where the user or their friends can engage by sharing private or public messages, pictures, videos, music, web links and share their interest, political or religious views (Ellison, 2007; Hughes et al., 2012).

Facebook remains the largest SNS at 1.45 billion daily active users globally as at March 2018 (Facebook, 2018). In South Africa, Facebook is a clear leader with 14 million users (World Wide Worx, 2017) becoming the largest SNS.

YouTube:

YouTube is the most popular online video community world-wide (Davidson et al., 2010). YouTube allows anyone to upload their videos captured through mobile phones, webcams or high-end cameras (Stokes, 2013). After a quick registration process, users are able to uploaded an unlimited number of video contents, share and add comments; they can also subscribe to channels and content of individual interest (Stokes, 2013). YouTube also allows personal profile pages called “channel page” and allows for “friending” (Lange, 2007).

The latest statistics by (YouTube, 2018) reveal that there are over one billion users globally and most of the videos are consumed on mobile phones. The first video was uploaded on the 23rd of April 2005 and the SNS is now owned by Google. In the South African context, YouTube is one of the leading SNSs, now at second place with 8.74 million users in 2017 (BlueMagnet, 2016).

LinkedIn

LinkedIn is known as the largest professional network site and has over 562 million users world-wide (LinkedIn, 2018). The use case of LinkedIn is to offer users a professional profile where they compile a summary of their curriculum vitae and seek “connections” (Skeels & Grudin, 2009). Professional adults use LinkedIn for online self-promotion purposes to emphasise their skills and competencies and solicit contacts, customers, contracts and employers (Van Dijck, 2013). It has been nicknamed ‘Facebook in a suit’, however it discourages forms of self-expression or

emotional attachment which may be detrimental to a professional image (Van Dijck, 2013). Young professionals use LinkedIn to grow and maintain their professional networks (Van Dijck, 2013), it therefore needs to be understood whether LinkedIn can be a tool used by Millennials to express their various experiences with companies and brands, especially since LinkedIn was adapted to have features such a ‘newsfeeds’ and ‘network’ updates to promote the use for social networking.

In South Africa, according to the (BlueMagnet, 2016) report, LinkedIn saw a 19% growth by the end of 2015 and has 5.5 million active users and Millennials are the highest joiners, therefor the relevance of LinkedIn cannot be ignored.

Instagram

Instagram is a relatively new SNS, having launched in 2010 (Instagram, 2018). Instagram allows users to upload and share pictures and videos of their choice through their mobile phones and they can add artistic filters to the photographs, making them look beautiful and polished (Stokes, 2013). The platform has gained much popularity over a short space of time and is now sitting at 800 million active users globally (Instagram, 2018).

Instagram users are able to instantaneously share life moments with friends and family through these pictures or videos and they can also follow as many people as they like, which increases their social connectedness (Hu, Manikonda, & Kambhampati, 2014). Users are thrilled by the platform because they can consume photographs and videos by viewing the core page shared by their ‘friends’ that streams by chronological order (Hu et al., 2014). They can participate and favourite or comment on the photos, these functions makes Instagram a social awareness service like Facebook and Twitter (Hu et al., 2014).

In South Africa, Instagram was the fastest growing SNS that climbed from 200 000 users in 2012 to 5.5 million users by end of 2016 (BlueMagnet, 2016).

Twitter

Twitter can be characterised as microblogging which is the practice of posting short text, videos or image updates restricted to between 140 to 200 characters, these posts are known as tweets (Stokes, 2013) and have some key jargon, such as the @ sign used to denote a user name or describe their profile name, **Hashtags** are used by adding a symbol '#' to the text and this allows other users to follow similar hashtags that are all linked through the hashtag symbol, **trending** is also another twitter term where popular topics or posts starts to trend through the network, identified by the hashtag symbol, topics or event of global interest, feature as popular trends frequently, and corporate brands but usually for negative reasons (Stokes, 2013).

Common use case for Twitter is to share information, opinions, complaints, news and to engage in discussions (Smith, Fischer, & Yongjian, 2012).

Twitter was launched in July 2016 and as of March 2017, it had 328 million monthly active user (Statista, 2018). 7.7 million South Africans are active users of Twitter (BlueMagnet, 2016).

2.6.3 Brand Management through Social Network sites

Brand managers have traditionally used a one-to-many approach in advertising to their targeted audience and any feedback from consumers could be ignored or managed at the brand managers' discretion (Gensler et al., 2013). However, with the increased social network sites adoption, brand managers are faced with a unique challenge where consumers are actively sharing and writing the script on brands and their expereinces so they are not the only authors of brands (Gensler et al., 2013). According to (Hennig-Thurau et al., 2004), consumer opinions and experiences shared through social media are more impactful, compared to other traditional platforms because they are shared through their social networks, they are digital, visible, instant, dynamic and pervasive. It is therefore critical for marketers and brand managers to pay attention to how their consumers engage their brands digitally to ensure the brand's success.

The social media environment has afforded brands the opportunity to build on their consumers' network of friends, family and acquaintances allowing for viral content to

spread through the network, develop products and converse on a personal level with consumers through their social network site.

2.6.4 Social network sites challenge and limitations

Although South Africa accounts for 90% internet connectivity through mobile devices (Rodney & Wakeham, 2016) there are some challenges and limitations that affect the accessibility to the internet and thus SNSs.

Millennials are prolific consumers of SNSs but they mostly only have the means to gain access to mobile devices much later in life as compared to their counterparts in other countries, with some only having the economic capacity when they start tertiary education or when they start to work (Rodney & Wakeham, 2016).

Telecommunications offer an internet usage-based billing and the data costs in South Africa are rather high and expensive for users; this restricts users in that they have to be very cautious on how they use their data and access internet applications, especially SNSs (Mathur et al., 2015). Research has proven that because mobile users are cost-conscious when accessing the internet, they disconnect their devices from the internet to try to optimise internet usage and save data cost (Mathur et al., 2015).

The above-mentioned challenges have an impact on how Millennials engage with various brands online and it is key to highlight these challenges as they show a limitation in user experience.

2.7 Sub-problem: Effects of negative eWOM on customer-based brand equity measured through; brand loyalty, perceived quality, brand awareness and strength of brand association affecting purchase intention.

Customer-based brand equity is measured by assessing the brand loyalty, perceived quality, brand awareness and the strength of brand association. In the development of the hypothesis, we summarise the arguments that negative electronic word-of-mouth has an adverse relationship with the brand equity constructs and thus impedes purchase intention.

2.7.1 Sub-problem 1: Negative eWOM and brand loyalty

Marketers have positively linked brand loyalty and word-of-mouth, citing that word-of-mouth is associated with loyal customers (Liao, Chung, Hung, & Widowati, 2010), electronic word-of-mouth is also more deliberate and a motivated behaviour, but less so than offline word-of-mouth (Eelen, Özturan, & Verlegh, 2017) and we have already outlined the two types of brand loyalty that consumers possess; namely behavioural in the form of purchases, and attitudinal where consumers have the intention to buy or make recommendations, spreading positive word of mouth (Cengiz & Akdemir-Cengiz, 2016; Nam et al., 2011). In this study, we argue that brand loyalty is negatively impacted by negative eWOM, especially since consumers have a heightened motivation to spread word-of-mouth online.

H1: There is an adverse relationship between negative eWOM and brand loyalty.

2.7.2 Sub-problem 2: Brand loyalty and purchase intention

Because of this negativity, we further hypothesise that consumers will then make fewer purchases. We are concerned about the net effect of the resulting effects on purchase intention if brand loyalty is negatively affected. Brand loyalty is directly measured by the behaviour of repeated purchases (Cengiz & Akdemir-Cengiz, 2016), failing which, brand loyalty is affected

H1a: Brand loyalty has an influence on purchase intention.

2.7.3 Sub-problem 2: Negative eWOM and perceived quality

The relationship between eWOM and perceived quality has been covered through literature and tied to the behaviour of opinion-seeking where consumers will actively search for product information, particularly Millennials with their high usage of social media platforms where they assess the product quality amongst other aspects (Flynn et al., 1996; Kotler & Keller, 2016; Rodney & Wakeham, 2016). However, there is a gap in empirical studies on the effects of negative eWOM on perceived quality through social media.

H2: There is an adverse relationship between negative eWOM and perceived quality

2.7.4 Sub-problem 2: Perceived quality and purchase intention

Research has found that perceived quality has been positively linked to purchase value, thus yields positive purchase intention (Aaker, 1997; Keller, 1993). Bambauer-Sachse and Mangold (2011) advise that according to the “search and alignment” theory, customers who have a positive initial product attribute, thus perceived quality who are then exposed to a negative product attribute and perceived quality information, tend to revise their perception toward the more negative and challenging information. We therefore argue in this study that the negative eWOM received by the customer has a negative effect on their perceived quality and thus has a detrimental effect on purchase intention.

H2a Perceived quality has an influence on purchase intention.

2.7.5 Sub-problem 3: Negative eWOM and brand awareness

Brand awareness forms part of a critical aspect of brand knowledge which can be diluted if customers have a poor brand association to how they recall and recognise a brand (Aaker, 1991; Hutter et al., 2013), this then leads to poor purchase intention (Aaker, 1991; Keller, 1993). eWOM has been found to be a positive tool in creating positive brand awareness, brand image and ultimately, consumer purchase intention (Keller, 1993).

H3: There is an adverse relationship between negative eWOM and brand awareness.

2.7.6 Sub-problem 3: Negative eWOM and brand awareness

Whilst positive eWOM has been linked to strong brand awareness, the opposite of this needs to be tested where there exists negative eWOM on social network sites, we therefore test the effects of this on purchase intention with the mediating role of brand awareness. We state the hypothesis as follows:

H3a: Brand awareness has an influence on purchase intention

2.7.7 Sub-problem 4: Negative eWOM and strength of brand association.

Strength of brand association is identified by the thoughts and feelings that customers possess, their perceptions, attitudes and beliefs about the brand which yields strong cash flows of companies if it is strong (Keller, 1993; Martin Strandvik & Heinonen, 2013). Brand association is also created through the information sharing of consumers through WOM and the direct experience of purchasing (Keller, 1993). Studies have positively linked word-of-mouth in enhancing strength of brand association and this relationship has been proven in previous research (Hennig-Thurau et al., 2004; Yoo et al., 2000), we however would need to test, in the event negative eWOM is shared, will this negatively affect the strength of brand association, we hypothesise as follows:

H4: There is an adverse relationship between negative eWOM and strength of brand association.

2.7.8 Sub-problem 4: Negative eWOM and strength of brand association.

In this study, we argue that social media is a powerful platform for Millennials, once there exists negative eWOM reviews on a brand, the strength of the strength of brand association will be diluted which will have a negative effect on the purchase intention of Millennials. The hypothesis is therefore outlined as follows:

H4a Brand association has an influence on purchase intention.

2.8 Conclusion of Literature Review

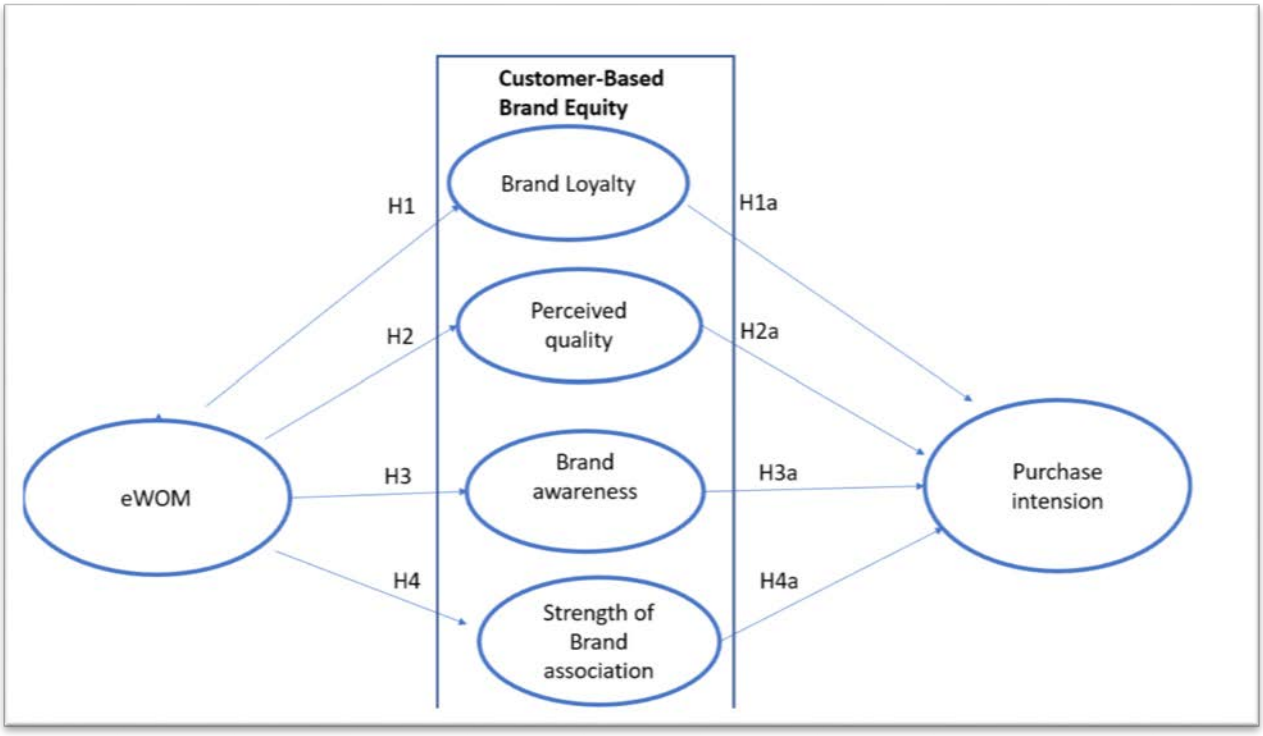


Figure 5: Conceptual framework for the proposed study

3. RESEARCH METHODOLOGY

Research methodology is a systematic model of how research should be embarked upon (M. Saunders, Lewis, & Thornhill, 2016); it follows a process of conducting scientific research which is described in this chapter (Cooper & Schindler, 2003). We also look at the philosophies: ontological assumptions, epistemological assumptions, axiological assumptions, ontological considerations (Bryman, 2012; Cooper & Schindler, 2003). In this chapter, I discuss the objectives of the methodology.

3.1 Research paradigm

Research paradigm is also referred to as research strategy (M. Saunders et al., 2016) and has to do with a pattern, framework or model of scientific and academic ideas and assumptions (Thomas, 2010). The research methodology or strategies could be three-fold, quantitative or qualitative which are the most common, and mixed methods. Quantitative research examines relationships between variables and focuses on numerical data and mostly uses questionnaires, graphs and statistics as a tool to collect data (M. N. Saunders, 2011). Qualitative, in contrast, is concerned with soft data such as words, symbols, stories and sentences (M. Saunders et al., 2016). Mixed methods research is becoming widely used and it encompasses a mix of both quantitative and qualitative research (Bryman, 2012).

A quantitative research method was used for this specific study, a research methodology that emphasises quantifying the collection and analysis of data (Bryman, 2012) and is also said “to be of positivist assumption offering objective facts and the best scientific evidence” (M. Saunders et al., 2016, p. 127), quantitative research is said to be epistemologically objectivist seeking to find out the truth about the societal world through making observations and linking to facts (M. Saunders et al., 2016). The study also carried the same characteristics and benefits mentioned and prior research is outlined below that chose a similar research strategy.

This research focused on measurement scales that incorporated quantitative survey questionnaires where previous empirical studies explored all antecedents of customer-based brand equity and used similar scales - brand loyalty, perceived quality, brand awareness and strength of brand association (Aaker, 1997; Keller, 1993; H. b. Kim et al., 2003), Brand loyalty (H. Wang et al., 2008). Chu and Kim (2011)

demonstrated the use of quantitative research testing for eWOM behaviour within social network site (SNS).

3.2 Research design

Once a research strategy has been selected and, in this case, quantitative research was the focus, research design then outlines the way the research is carried out and how the data is analysed (Bryman, 2012). Research design forms the general plan on how research questions are answered containing clear objectives, specifying the source of data, how data was collected, potential limitations in accessing this data e.g. time, money, location (M. Saunders et al., 2016). There are five different research designs, namely experimental design, cross-sectional or survey design, longitudinal design, comparative design and case study.

This study used a cross-sectional research design where it involved the study of a specific or various phenomena over a particular time period, most research projects lean towards this study because of time constraints (Creswell, 2013; M. Saunders et al., 2016). Cross-sectional studies often use surveys (M. Saunders et al., 2016) and that was the strategy for this study, to demonstrate the relationship between negative eWOM and customer-based brand equity antecedents (brand loyalty, perceived quality, brand awareness, and strength of brand association).

3.3 Population and sample

3.3.1 Population

“The full set of cases or elements from which a sample is taken is called the population” (M. Saunders et al., 2016, p. 274). The research should be further redefined to be more manageable and a subset of the population is thus called targeted population (M. Saunders et al., 2016) which is chosen to answer specific research questions (Creswell, 2013).

The targeted population for this study was based on **age**; as the study described that the generational cohort of focus was Millennials, who are people born between 1980 to 1999. Respondents needed to have a **mobile phone** and use one of the following

mobile carries: Telkom, Vodacom, Cell C or MTN. They also need to be actively using at least one **Social Network Site (SNS)**; Facebook, Twitter, Instagram, LinkedIn or YouTube.

3.3.2 Sample and sampling method

The sample is defined as “the segment of the population that is selected for investigation. It is a subset of the population. The method of selection may be based on a probability or a non-probability approach” (Bryman, 2012, p. 187). The study used the non-probability sampling technique which is described as selecting a sample that is not random, unlike the probability approach, therefore some units of the population stand a greater chance of being selected by the researcher (Bryman, 2012; M. Saunders et al., 2016).

Quantitative research offers three types of non-probability sampling technique, namely: convenience sampling (availability sampling), the snowball sampling (volunteer sampling) and quota sampling (Bryman, 2012; M. Saunders et al., 2016). Convenience sampling was used for this research which selects respondents based on their availability and ease of accessibility (M. Saunders et al., 2016).

SNSs make it difficult to access a specific sampling frame and it is costly to gain access due to confidentiality clauses, while non-probably convenience technique mitigates the costs and hence was the best alternative for this study, this method is also deemed as speedy and economical (Zikmund, Babin, Carr, & Griffin, 2013).

3.4 The research instrument

Instrumentation, as part of intense data collection, provides details around the actual survey instrument to be used (Creswell, 2013). An instrument design could either be modified from existing instruments or an intact instrument developed by someone else (Creswell, 2013). Quantitative research is said to use one of three research instruments; self-administered questionnaires, structured observations or interviewing (Bryman, 2012).

A self-administered questionnaire was the selected instrument for this study where respondents answered the questionnaire by themselves. The general term of questionnaire refers to a data collection technique where a person is asked to respond

to a set of questions in a particular order (Bryman, 2012). The self-administered questionnaire is distributed to respondents through different methods; web-based or internet questionnaires, postal (mail), or delivery and collection questionnaires (M. Saunders et al., 2016). There are several advantages to self-administered questionnaires as per (Bryman, 2012) in that they are cheap to administer, there is no influence in how people respond because there is absence of an interviewer and they are more convenient for respondents.

3.4.1 Research instrument items and source

The research instrument consisted of five sections in the form of an online questionnaire, sections were labelled from A to F. **Section A** covered the screening questions and the respondents were split depending on their preferred social media platform; **Section B** were the predictor variable questions – electronic word of mouth; **Section C** comprised the mediator variables of the research (Brand loyalty, Perceived quality, Brand awareness, and Strength of brand association). **Section D** covered the outcome variable – Purchase intention. Lastly, **Section E** covered demographic variables:

Section A: Four screening questions made sure the study had the correct respondents and covered:

1. Age – Millennials, which are people born between 1980 to 1999.
2. Mobile phone usage – respondents needed to own at least one sim card.
3. Social network site usage – access at least one SNS once monthly minimum.
4. Nationality – work or study in South Africa

Section B: Predictor variables questions – electronic word of mouth (eWOM) was measured using a scale adapted from (Chu & Kim, 2011) which was a similar study that also focused on SNS as the focus medium for eWOM. eWOM behaviours through SNSs was observed through certain behaviours, opinion seeking, giving and passing. Scales were adopted from (Flynn et al., 1996) to measure opinion seeking and giving. Opinion passing behaviour was measured by adopting (Sun et al., 2006)'s scale.

Section C: The mediator variable was covered in this as measures of Customer based Brand Equity, which consisted of Brand loyalty, Perceived quality, Brand awareness, and we singled out the strength of brand association among a few types

of Brand associations. All the measurement items in the section employed a seven-point Likert measurement scale, where 1 was “strongly disagree” and 7 was “strongly agree”

Brand loyalty

Brand loyalty is measured by gauging the customers’ willingness to purchase and recommend the product to others (Keller et al., 2011; H. Wang et al., 2008). A scale adapted from Yoo et al. (2000) was used to measure the overall behavioural and attitudinal loyalty to a brand, despite the negative word-of-mouth.

Perceived quality

Perceived quality is quite a subjective view based on customer’s previous experiences and perceptions and has hardly any bearing on real quality (Aaker, 1991). We measured perceived quality by using an adapted scale from Yoo et al. (2000) to assess the impact of negative eWOM on perceived quality, Aaker (1991) argues that perceived quality may not be sensitive to minimal events and the question to be answered was that does negative eWOM constitute a minor event in this study.

Brand awareness

Assessing how well a brand stands out amongst competition, brand awareness was measured through testing for brand recognition and recall, where brand recognition may use the actual brand name, or its variations and different cues of the brand may also be used such a product category labels (Keller, 1993). Brand awareness measurement scales were adopted from (H. b. Kim et al., 2003) and Aaker (1991).

Strength of Brand association

Strength of Brand association has to do with the level of attachment a customer has towards the brand and it also suggests a high brand value that yields strong revenue (Kotler & Keller, 2014). A seven-point Likert measurement scale where 1 was “strongly disagree” and 7 was “strongly agree” was adopted from (Martin Strandvik & Heinonen, 2013) to prove the link between the negative eWOM and a strong brand association, particularly for telecommunication brands.

Section D: Purchase intention

Purchase intention formed the outcome variable of this study and was measured by adapting a scale from Das (2014). We used a seven-point Likert measurement scale, where 1 was extremely unlikely and 7 was extremely likely. Measuring the purchase intention of customers despite negative eWOM with the mediating variables as the constructs of Customer-based brand equity, concluded the study.

Section E: Demographics variables

The last section was a set of questions that gave us better understanding of the demographic profile of the respondents. The questions covered gender, race, level of education and employment status.

3.5 Data collection procedure

Potential respondents were asked to complete an online questionnaire also referred to as a web survey (M. Saunders et al., 2016) which was developed through a software

programme called Qualtrics. Respondents were sent a web browser link through email, social media platforms and also through mobile instant messaging applications, requesting that they click on the link and complete the online questionnaire (Bryman, 2012; M. Saunders et al., 2016). The online questionnaire had a clear explanation about the objectives of the study and cordially requested respondent participation. The benefit of web-based questionnaires is that they are a cost-effective method and require limited administrative facilitation and costs, online surveys can also be enhanced using visuals, audio and even videos, making it more attractive for respondents (Neuman, 2014)

3.6 Data analysis and interpretation

Data analysis is about applying reasoning to understand the data collected (Zikmund et al., 2013). The study measured the impact of negative electronic word-of-mouth on Customer Based Brand Equity. Regression analysis was applied to test the hypothesis identified and the relationship between the variables (M. Saunders et al., 2016). Multiple regression tested mediations between eWOM and the mediator variables - brand loyalty, perceived quality, brand awareness and strength of brand association, resulting in four regression analyses to finally test the outcome variable of the purchase intention.

3.7 Limitations of the study

There are various limitations in a survey that investigates behaviour which in this study, we observed the behaviour of electronic word-of-mouth and brand loyalty, as per (Bryman, 2012). The following limitations are noted:

- *Limitations is what is stated and what the actual behaviour is*. How respondents say they would respond versus how they behaved may not have been aligned.
- *Social desirability effect.* A tendency to respond based on perceptions of certain social standards and not based on actual experience and behaviour.
- *Problem of memory*. Respondents may have misrepresented the actual occurrence of the behaviour having forgotten.
- *Problem of meaning*. Respondents may have different interpretation of the questions.

Other limitation to the study included the fact that the survey was only open to Millennials which restricted the demographics.

3.8 Validity and reliability

Assessment of research results is largely centred around the reliability and validity issues (Kalof, Dan, & Dietz, 2008). Validity has to do with the integrity of the research conclusions derived (Bryman, 2012; M. Saunders et al., 2016). Validity is a unitary concept because there are different types of validity that seek to ensure that the research is valid; measurement, internal, external validity and ecological validity which refers to the usefulness of the research findings in the everyday lives of the people (Bryman, 2012). Construct validity is aspects of validity where measurement validity, also known as construct validity, questions whether the measure derived from a concept is accurate and truly reflects the concept (Bryman, 2012). Internal validity is about drawing appropriate conclusion from the data (Kalof et al., 2008).

Reliability has to do with the consistency of the research, research findings are deemed reliable if similar results are found after repeated application of the research (Kalof et al., 2008, p. 156). As this is a quantitative study, reliability are question of whether the measures are stable (Bryman, 2012) and to avoid bias and minimise errors, validity and reliability scales were applied to the study carefully (Aaker, 1997; Chu & Kim, 2011; Keller et al., 2011).

3.8.1 External validity

To be able to generalise the study into the broader population without compromising the findings is said to test external validity, to achieve this, it is important to select the participants of the research carefully (Kalof et al., 2008; M. Saunders et al., 2016). The study selected its sample by sheer convenience therefore this could limit external validity and not reflect the broader behaviours of eWOM on social media sites.

3.8.2 Internal validity

Internal validity checks for causality in the researcher's findings and observations versus the theoretical concepts (Bryman, 2012). For this study, questionnaires were administered in self-administered format which was the selected instrument, also

adopted in (Chu & Kim, 2011) which had some disadvantages in that the researcher cannot probe, prompt or assist where respondents are stuck, the variables cannot be controlled by the researcher and so it means the causality of the variables are incidental. This is noted as a limitation in the study.

3.8.3 Reliability

As stated earlier that reliability has to do with the consistency in the research, this was seen in how respondents interpreted a question in the questionnaire which could be inconsistent to what is being tested. Therefore, reliability has to do with the consistency of the research findings, tested under varying circumstances (M. Saunders et al., 2016)

Reliability is tested largely by using the Cronbach's alpha method, this statistical method measures the uniformity of respondents to the questions or scale item that are combined to measure a concept (M. Saunders et al., 2016). This study also followed Cronbach's alpha adopted from (Bambauer-Sachse & Mangold, 2011; Huang & Sarigöllü, 2014) where multiple item variables are confirmed to be reliable when they scale 0.70 and above.

4 PRESENTATION OF RESULTS

4.1 Introduction

The purpose of a pilot study is to test the questionnaire and refine it where possible and avoid areas of ambiguity, which could result in later issues when recoding the data. In addition, the questionnaire reflects the validity and reliability of the data collected.

The first part of the instruments in section A covers the general information of the respondent's demographics, age, gender, race and their employment status, as well as questions covered in section A, which delimitates the respondents according to a specific age to make sure they are indeed Millennials, secondly, by making sure they own a mobile sim card and lastly, whether they are active on social media platforms; with a likelihood of sharing their opinions online or searching for product reviews online. The second part of the pilot research results covered the validity of the measurement scales using the exploratory factor analysis, while the reliability was measured through the Cronbach alpha scores for each scale. The last part covered the hypothesis of the research findings which either reflected if each hypothesis was supported or not, this was also supported by a path model analysis explaining the variable correlation.

4.2 Profile of the respondents

A total of 566 responses. Of the 566 responds, 289 respondents were excluded from the sample because they were not born between 1980 and 1999, another respondent did not have a sim card while others did not use Twitter, Instagram or Facebook.

4.2.1 Respondents' gender

The results revealed that most of the respondents were female (83%) compared to 17% male respondents.

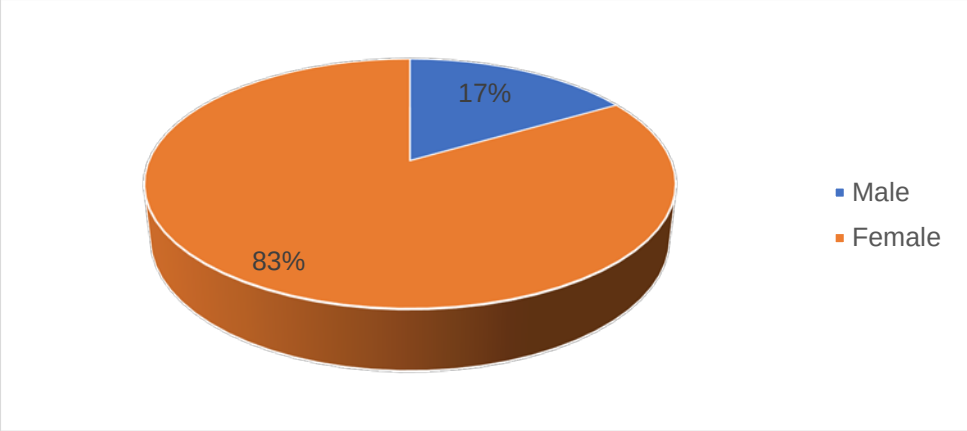


Figure 6: Respondent gender distribution

4.2.2 The respondents' demographics

The race composition of the sample was also established, and the results are summarised in Figure 7.

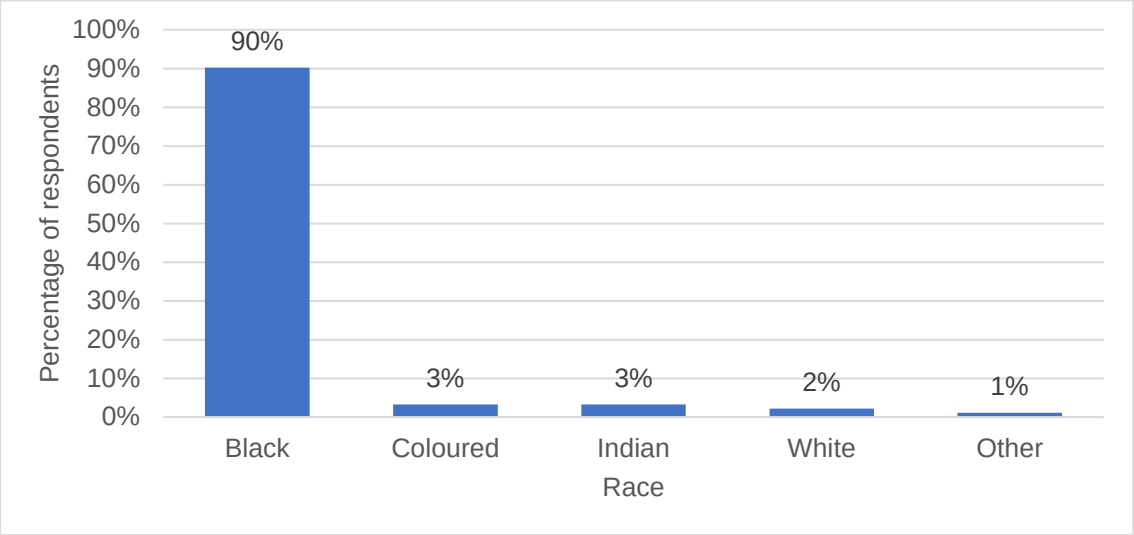


Figure 7: Respondent race

Most of the respondents were Black (90%) followed by 3% Coloured, 3% Indian and 2% White. There was 1% that indicated that they were another population group.

Highest attained level of education was also established and the results are illustrated in Figure 8.

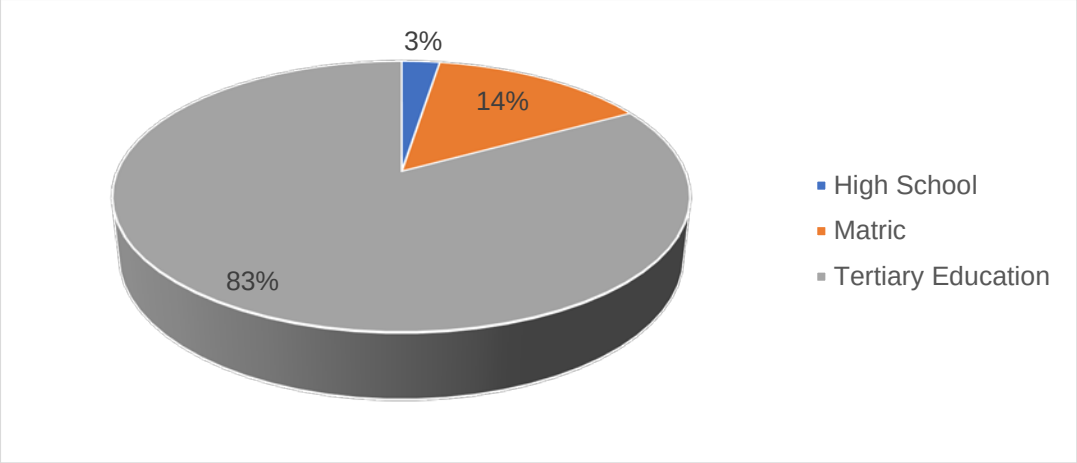


Figure 8: Highest level of education

Most of the respondents in the sample had tertiary education (83%) as their highest attained level of education, while 14% had Matriculation and 3% had high school only, as their highest level of education.

Working status of the respondents is shown in Figure 9.

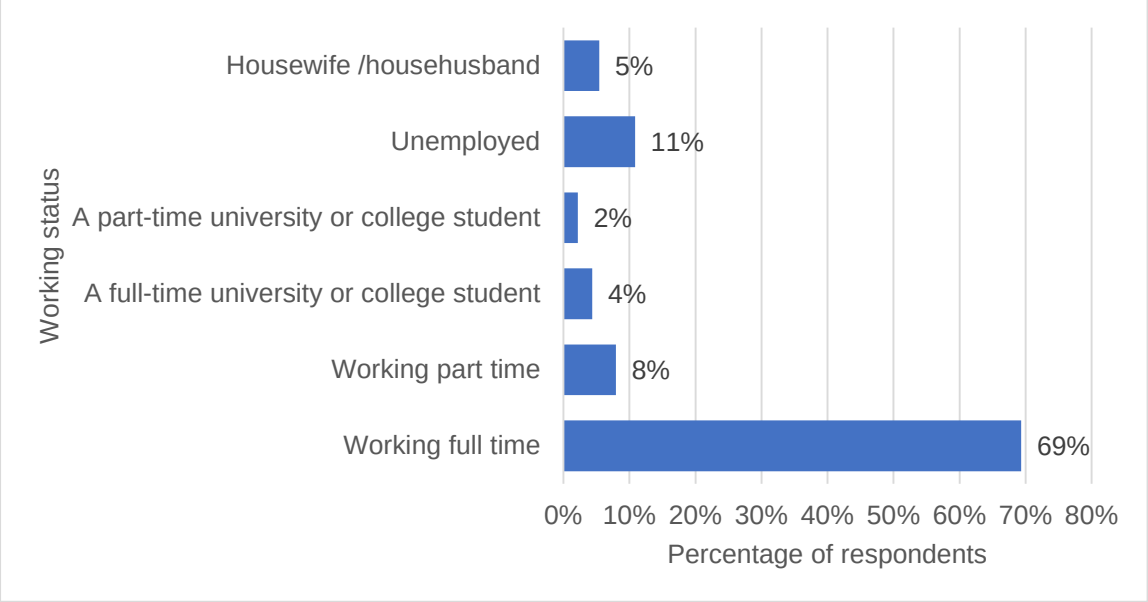


Figure 9: Working status

The highest proportion of respondents work full-time (69%), compared to 8% that work part-time, 4% were full-time university or college students, 2% part-time university or college students while 11% were unemployed.

4.2.3 Respondents' social media usage

The average time spent on social networking sites per day was assessed and the results are summarised in Figure 7. Almost half of the sample spent on average 4 – 5 hours on social networking sites (47%), another 33% spend 1 – 3 hours and 20% spend more than 7 hours per day.

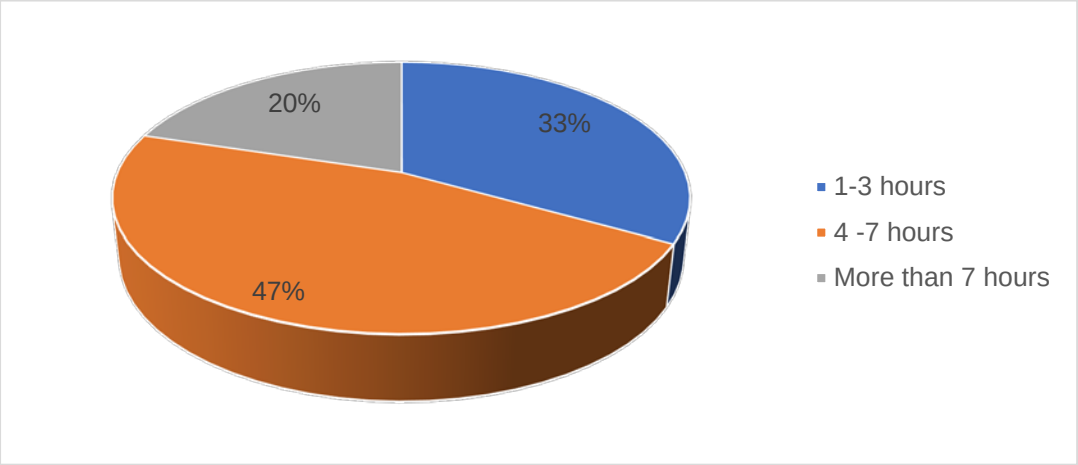


Figure 10: Time spent on social media

The Social media platform preferred to share opinions on negative brand experiences are shown in figure 11. 56% of the sample preferred to share negative brand experiences on Facebook, 28% on Twitter, 5% on Instagram.

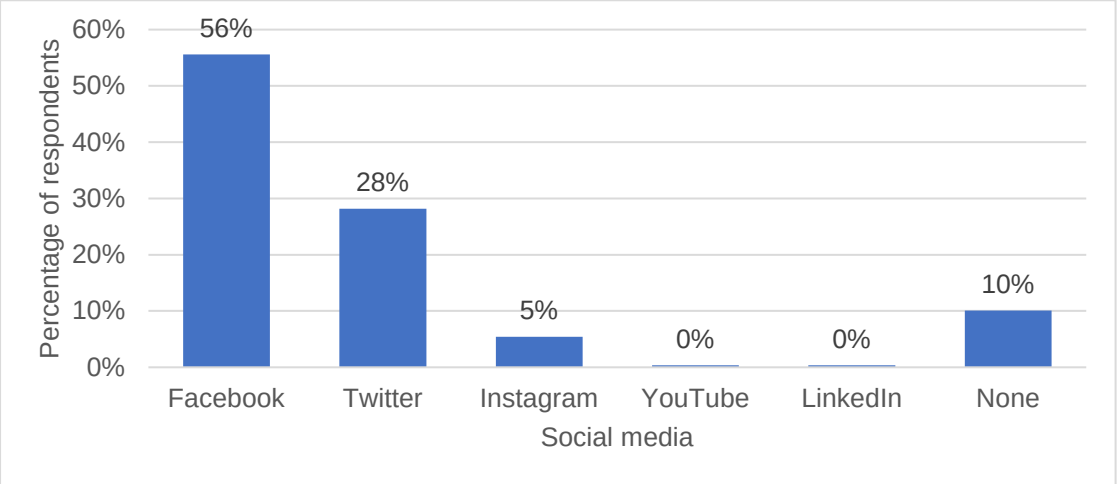


Figure 11: Social media platform preferred to share opinions on negative brand experiences

The Social media platforms that respondents preferred to search opinions on negative brand experiences and product reviews were explored and the results are shown in Figure 9. The results showed that 66% of the respondents using Facebook to search opinions on negative brand experiences, 25% preferred Twitter while the other 9% preferred Instagram.

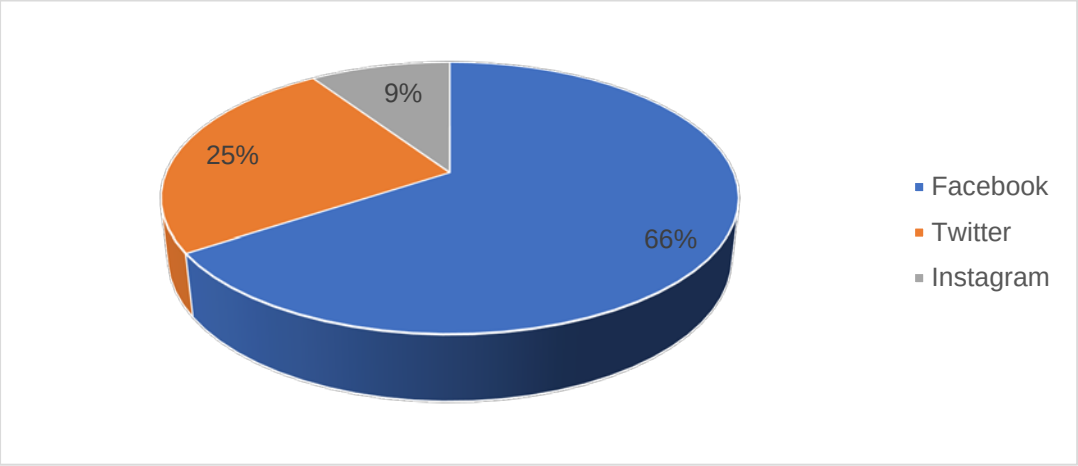


Figure 12: Social media platform preferred to search opinions on negative brand experiences

4.2.4 Telecomm company usage representation

It can be noted that 66% of the sample rated Vodacom as their preferred mobile carrier, Telkom was rated by 25% while 9% rated MTN.

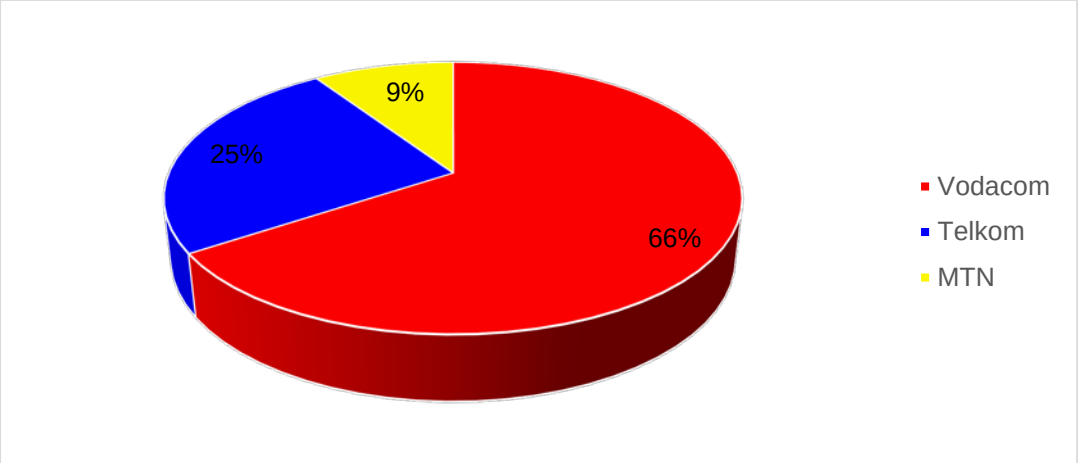


Figure 13: Telecomm company usage split

4.3 Testing reliability and validity of the scales

Confirmatory factor analysis was conducted to assess the validity of the constructs while Cronbach's Alpha was calculated to assess the reliability of the scale, also known as internal consistency. The results are shown below

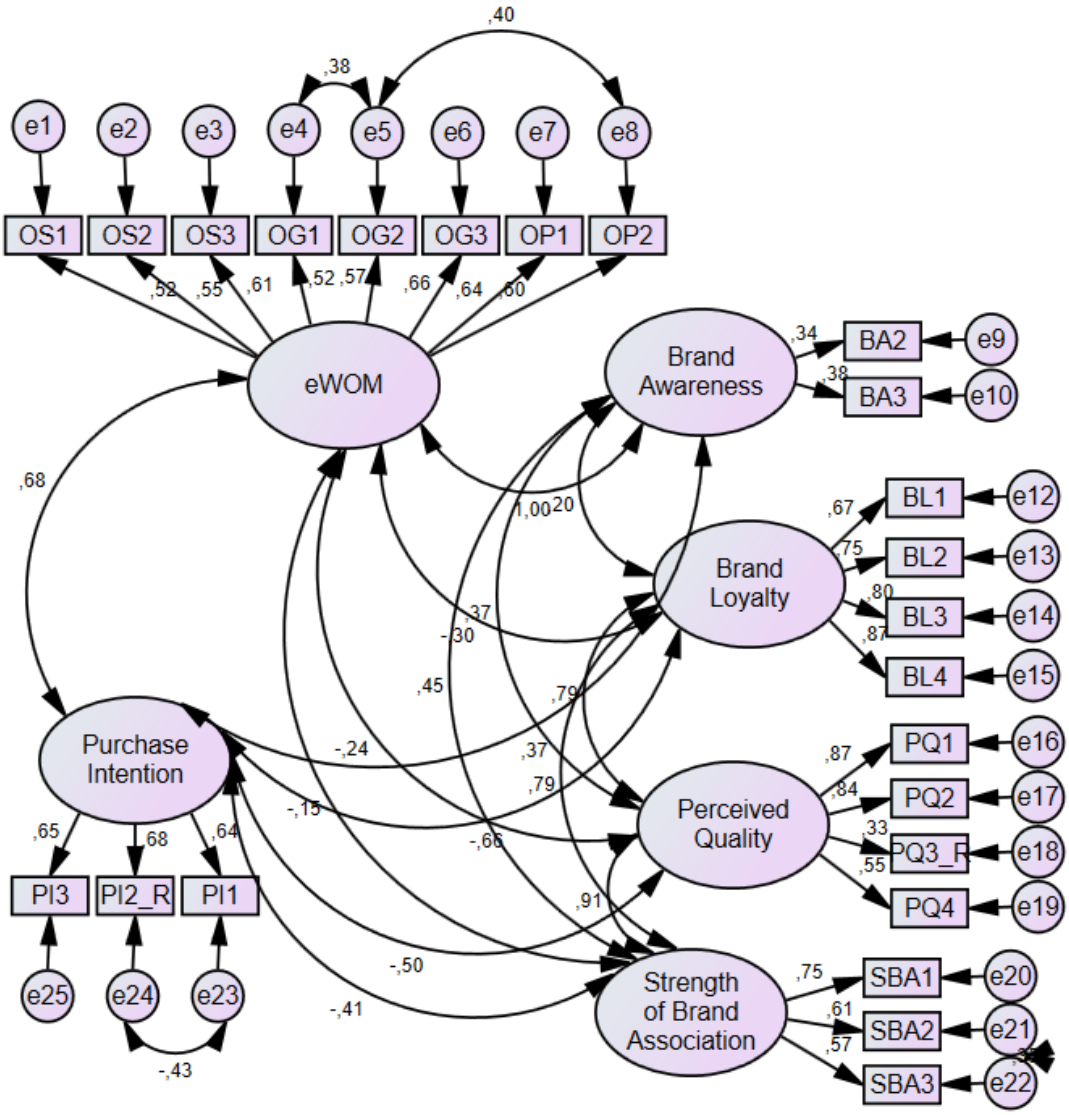


Figure 14: Confirmatory Factor Analysis

4.3.1 Factor analysis and loading:

Table 1: Factor Loading

		Construct	Original Factor Loading	Reason for Exclusion	Final Factor Loading
OS1	<---	eWOM	0,521		0,532
OS2	<---	eWOM	0,548		0,551
OS3	<---	eWOM	0,609		0,611
OG1	<---	eWOM	0,527		0,534
OG2	<---	eWOM	0,578		0,577
OG3	<---	eWOM	0,661		0,654
OP1	<---	eWOM	0,636		0,638
OP2	<---	eWOM	0,598		0,585
BA1	<---	Brand Awareness	0,290	Loading less than 0.4	
BA2	<---	Brand Awareness	0,392	Loading less than 0.4	
BA3	<---	Brand Awareness	0,480	Only item left in construct	
BL1	<---	Brand Loyalty	0,668		0,668
BL2	<---	Brand Loyalty	0,753		0,753
BL3	<---	Brand Loyalty	0,804		0,804
BL4	<---	Brand Loyalty	0,868		0,868
PQ1	<---	Perceived Quality	0,871		0,871
PQ2	<---	Perceived Quality	0,836		0,829
PQ3_R	<---	Perceived Quality	0,332	Loading less than 0.4	
PQ4	<---	Perceived Quality	0,550		0,555
SBA1	<---	Strength of Brand Association	0,747		0,742
SBA2	<---	Strength of Brand Association	0,607		0,616
SBA3	<---	Strength of Brand Association	0,568		0,570
PI1	<---	Purchase Intention	0,632		0,635
PI2_R	<---	Purchase Intention	0,676		0,674
PI3	<---	Purchase Intention	0,652		0,652

4.3.2 Negative eWOM

All eight items in the scale measurement for the negative eWOM construct were retained as they all had factor loadings of at least 0.4.

4.3.3 Brand Awareness

Brand Awareness was hypothesised to have three items, two of the three items had factor loadings less than 0.4 and this we excluded from the construct. Only one item had a factor loading above the minimum required value of at least 0.4 and therefore, the construct was eliminated.

4.3.4 Brand Loyalty

All the four items for the Brand Loyalty scale were retained as they all had factor loadings of at least 0.4.

4.3.5 Perceived Quality

All the four items for the Perceived Quality construct were retained as they all had factor loadings of at least 0.4, with the exception of PQ3_R. This was after reversing the scale (that is 1=7, 2=6, 3=5, 4=4, 5=3, 6=2, and 7 = 1) for the item PQ3, 'Perceived quality: Having read the negative reviews, it appears the Telecoms brand is of very poor quality'. This is because the item was negatively worded in comparison to the other items in the Perceived Quality construct. The new item was named PQ3_R.

4.3.6 Strength of brand association

All three items for the Strength of brand association scale were retained as they all had factor loadings of at least 0.4.

4.3.7 Purchase Intention

All three items in the Purchase Intention construct were retained as they all had factor loadings of at least 0.4. This was after reversing the scale (that is 1=7, 2=6, 3=5, 4=4, 5=3, 6=2, and 7 = 1) for the item PI2, 'Purchase intention: Despite the negative reviews, I will still purchase the sim card or sign up the contract for the brand I had in mind'. This is because the item was negative worded in comparison to the other items in the Purchase Intention construct. The new item was named PI2_R.

Table 2: Model Fit Indices

Absolute Fit Indexes	**Acceptable Value**	**Value**	**Outcome**
GFI	>0.9	0.868	Slightly below acceptable value
AGFI	>0.9	0.825	Slightly below acceptable range
RSME	0.5<RSME<0.8	0.075	Acceptable
NFI	>0.9	0.834	Slightly below acceptable range
NNFI (TLI)	>0.9	0.869	Slightly below acceptable range
CFI	>0.9	0.890	Slightly below acceptable range

The CFA results indicated that the RSME was within the acceptable range. The other indices were outside the acceptable ranges and thus, indicated that the model is a poor fit to the data. Since the RSME is acceptable, the model was acceptable.

4.3.8 Reliability of the scale

Cronbach's Alpha was computed per construct to assess the reliability of the scale. The results are summarised in Table 4.

Table 3: Reliability test

Construct	**Cronbach's Alpha**	**Number of Items**	**Reliability Level**
eWOM	,817	8	Very good
Brand Loyalty	,857	4	Very good
Perceived Quality	,778	3	Acceptable
Brand association	,728	3	Acceptable
Purchase Intention	,611	3	Questionable

The eWOM (eight items, α = 0.817) and the Brand Loyalty (four items, α = 0.857) constructs had very good reliability levels since the Cronbach's Alpha values were

greater than 0.8. There was acceptable reliability for Perceived Quality (three items, α = 0.778) and strength of brand association (three items, α = 0.728) while Purchase Intention had a questionable reliability level.

Although Purchase Intention had a questionable reliability level, the items could still be combined since the Cronbach's Alpha value was above 0.5, a level below which the reliability level becomes unacceptable. The items for each of the five scales were grouped together per construct to form a summated scale / composite score.

4.3.9 Descriptive statistics and Pearson's Correlation

The mean scores and standard deviations of the five constructs, as well as the Pearson's correlation among the constructs were computed and the results are shown in table 5:

Table 4: Descriptive Statistics and Pearson's Correlation among the constructs

	Descriptive Statistics		**Pearson Correlation**				
	Mean	Std. Deviation	eWOM	Brand Loyalty	Perceived Quality	Brand association	Purchase Intention
eWOM	3,73	1,25	1				
Brand Loyalty	4,28	1,63	-.198**	1			
Perceived Quality	4,74	1,38	-.150*	.674**	1		
Strength of Brand Association	4,55	1,40	-,066	.600**	.694**	1	
Purchase Intention	3,61	1,41	.526**	-.500**	-.344**	-.249**	1

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

The correlation results show that eWOM was positively and significantly correlated to Purchase Intention (r = -0.526, p-value < 0.01). eWOM was on the other hand, negatively and significantly correlated to Brand Loyalty (r = -0.198, p-value > 0.01), and Perceived Quality (r = -0.150, p-value < 0.05). The sign of the correlation coefficient shows the direction of the relationship while a p-value less than 0.05 signifies a significant result.

Although there was a negative correlation between eWOM and strength of brand association (r = -0.066, p-value > 0.05), the correlation was not significant.

Each of Brand Loyalty (r = -0.500, p-value < 0.01), Perceived Quality (r = -0.344, p-value < 0.01, and strength of brand association(r = -0.249, p-value < 0.01) were negatively and significantly correlated to Purchase Intention.

4.4 Hypothesis Results

A Path analysis is presented in Figure 8, reflecting the hypothesised conceptual framework of the research study to reflect the effects of negative electronic Word-of-mouth (eWOM) by Millennials through social media and the impact on Brand equity constructs; brand loyal, perceived quality and brand association, towards purchase intention. Brand awareness, which was part of the Brand equity construct, has been omitted following unacceptable reliability levels. The analysis shows the independent variable as eWOM, the dependent variables are brand loyalty, perceived quality and strength of brand association and the outcome variable is purchase intention.

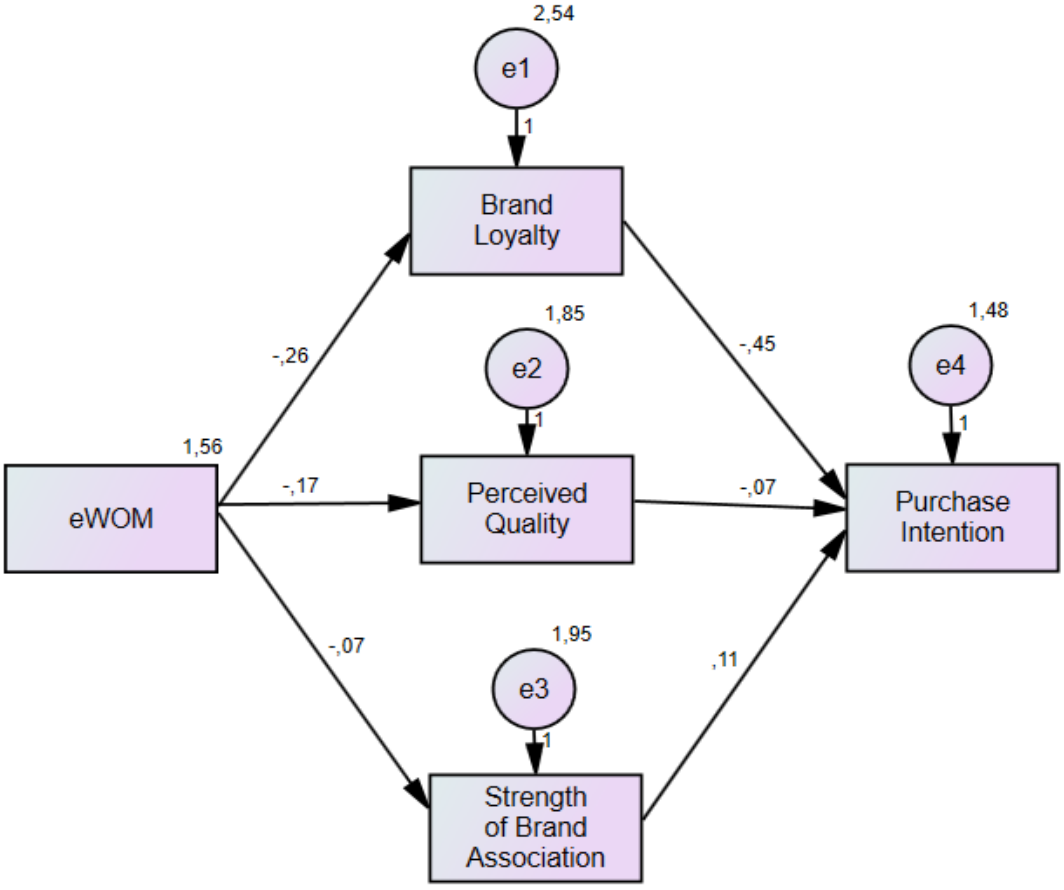


Figure 15: Path Analysis

Table 5: Squared Multiple Correlations

	Estimate
Strength of Brand Association	,004
Perceived Quality	,023
Brand Loyalty	,039
Purchase Intention	,278

The results in the Squared Multiple Correlations show that eWOM explains 0.4% of variation in Brand association, 2.3% of variation in Perceived Quality, and 3.9% in Brand Loyalty, while Brand association, Perceived Quality, and Brand Loyalty in turn explain 27.8% of variation in Purchase Intention.

Table 6: Regression Weights

			Estimate	Standardised Estimates	S.E.	C.R.	P
Brand Loyalty	<---	eWOM	-,258	-,198	,077	-3,361	***
Perceived Quality	<---	eWOM	-,166	-,150	,066	-2,526	,012
Brand association	<---	eWOM	-,075	-,066	,067	-1,105	,269
Purchase Intention	<---	Brand Loyalty	-,449	-,510	,045	-9,964	***
Purchase Intention	<---	Perceived Quality	-,075	-,072	,053	-1,410	,159
Purchase Intention	<---	Brand association	,113	,111	,052	2,163	,031

***. P-value is less than 0.001 level (2-tailed).

4.4.1 Relationship between Negative eWOM and brand loyalty and thus purchase intention.

The first sub-problem was to investigate the influence of negative eWOM towards brand loyalty and subsequently, the impact of brand loyalty on the purchase intentions. Table 7 presents the regression weights.

Results pertaining to hypothesis 1 (H1): There is an adverse relationship between negative eWOM and brand loyalty.

The results revealed that there is a negative relationship between eWOM (B = -0.258, β = -0.198, p-value < 0.001) and brand loyalty. The relationship was significant because the p-value was less than 0.05 and the relationship was negative because the coefficient of eWOM was less than zero. This implies that hypothesis 1 is supported.

Results pertaining to hypothesis 1a (H1a): Brand loyalty has an influence on purchase intention.

It can also be noted brand loyalty (B = -0.449, β = -0.510, p-value < 0.001) had a significant and negative influence on purchase intention. The influence is significant because the p-value was less than 0.05 and was negative because the coefficient for Brand loyalty was less than zero. This means that hypothesis H1a was supported.

4.4.1 Relationship between Negative eWOM and perceived quality and thus purchase intention

Results pertaining to hypothesis (H2): There is an adverse relationship between negative eWOM and perceived quality.

The results shown in the regression weights table revealed that there is a negative relationship between eWOM (B = -0.166, β = -0.150, p-value = 0.012) and Perceived Quality. The relationship was significant because the p-value was less than 0.05 and the relationship was negative because the coefficient of eWOM was less than zero. This implies that hypothesis H2 was supported.

Results pertaining to hypothesis H2a: Perceived quality has an influence on purchase intention.

The results indicated that perceived quality (B = -0.075, β = -0.510, p-value = 0.159) had a negative but insignificant influence on purchase intention. The influence was negative because the coefficient for perceived quality was less than zero. It was insignificant because the p-value was greater than 0.05. This means that hypothesis H2a was not supported.

4.4.2 Relationship between Negative eWOM and brand awareness and thus purchase intention .

Results pertaining to hypothesis (H3): There adverse relationship between negative eWOM and brand awareness was not tested because the Brand Awareness construct was not reliable. The brand awareness construct was found to have a low factor loading as two of the scale items scored less than 0.4.

4.4.3 Relationship between Negative eWOM and the Strength of brand association and thus purchase intention.

The seventh and eighth sub-problems were to investigate the influence of negative eWOM towards the Strength of brand association and subsequently, the impact of the perceived quality on purchase intentions.

Results pertaining to hypothesis (H4): There is an adverse relationship between negative eWOM and brand association.

The results revealed that there was a negative but insignificant relationship between eWOM (B =- 0.075, β = -0.066, p-value = 0.269) and brand association, the relationship was not significant since the p-value was greater than 0.05. This means that hypothesis H4 was not supported.

Results pertaining to hypothesis (H4a) Strength of brand association has an influence on purchase intention.

The results indicated that the Strength of brand association (B = 0.113, β = 0.111, p-value = 0.031) had a positive and significant influence on purchase intention. The influence is significant because the p-value was less than 0.05 and was positive because the coefficient for Strength of brand association was greater than zero. This implies that hypothesis H4a was supported.

4.5 Summary of the results

The results of the data collection have been analysed and presented in this Chapter. The respondents' descriptive profile was shared and in some instances, in tabulation form to demonstrate the sample of the study and associated variables. Exploratory factor analysis was conducted to assess the validity of the constructs while Cronbach's Alpha was calculated to assess the reliability of the scale, also known as internal consistency. The construct, Brand awareness, was deleted as it had a weak factor loading. We continued with the rest of the constructs where they scored above the minimum 0.5 of the Cronbach's Alpha value, meeting the reliability score.

The hypotheses to test the impact of Negative eWOM towards brand loyalty and perceived quality were supported, while the impact of negative eWOM towards the Strength of brand association was not supported. The follow-up sub-problem was to

test if there is an influence of all the customer-based brand equity constructs on purchase intention for the Millennials; the hypotheses revealed that there is a significant relationship towards brand loyalty and strength of brand association thus supported, but the hypothesis was not supported for perceived quality because the relationship towards purchase intention was insignificant. The results also revealed that the influence is negative for brand loyalty and perceived quality, yet the hypotheses for the Strength of brand association towards purchase intention was still positive. The following chapter then discusses the research findings in comparison to the literature review.

5 DISCUSSION OF THE RESULTS

5.1 Introduction

The results presented are discussed and examined in detail against the research hypothesis and the conceptual framework discussed in the literature review. The findings are further discussed in detailed with the aim of responding to the main problem and sub-problems. The demographics have already been outlined in detail previously and do not form part of this chapter, however one of the main discussion points was the Millennial generation and that is the only age demographic that is material.

5.2 Discussion of the main research problem

The overarching problem of the study was to investigate the impact of negative electronic word-of-mouth (eWOM) expressed through social network sites towards all elements of Customer-based brand equity which are, namely, brand loyalty, perceived quality, brand awareness and Strength of brand association and thus the resulting impact on purchase intention of millennials. Literature has found that negative eWOM has a detrimental effect on brand equity and will deter consumers from purchasing, the study has thus sought to investigate if this is indeed the case for South African Millennials given the strong brands that mobile carriers have.

The results of the study are consistent with the literature review on the heightened use of social network sites by Millennials which also mentioned that they have a strong information seeking and sharing behaviour online (Mangold & Smith, 2012). This study revealed that almost half of the Millennial sample spend on average 4 – 5 hours on social networking sites (47%), another 33% spend 1 – 3 hours and 20% spend more than 7 hours a day on social networking sites and this is a considerable time overall, of that time 56% of the sample preferred to share negative brand experiences on Facebook, 28% on Twitter, 5% on Instagram. 66% of the respondents use Facebook to search opinions on negative brand experiences, 25% preferred Twitter while the other 9% preferred Instagram. These results contribute to the limited information on the social media usage of Millennials in South Africa which was pointed out by (Rodney & Wakeham Dr, 2016).

According to the widely referred literature (Aaker, 1991; Keller, 2003) on Customer-based brand equity which outlines four main categories as brand loyalty, perceived quality, brand associations, and brand awareness that has defined the components of a strong brand and a model used at length by marketers. When an unfavourable variable, such as negative electronic word-of-mouth is considered with strong brands, the results of the hypothesis revealed varying outputs. The first linear regression of negative eWOM and brand loyalty revealed a strong and negative association between the variables ($B = -0.258$, $\beta = -0.198$, p-value < 0.001) and the subsequent linear regression of brand loyalty ($B = -0.449$, $\beta = -0.510$, p-value < 0.001) revealed a significant and negative influence on purchase intention. This proves to us that negative eWOM affects brand loyalty negatively and will also have a negative impact on the Millennials' purchase intention.

The next linear regression revealed that there is a negative and significant relationship between eWOM ($B = -0.166$, $\beta = -0.150$, p-value $= 0.012$) and perceived quality, the follow-up hypothesis indicated that perceived quality ($B = -0.075$, $\beta = -0.510$, p-value $= 0.159$) had a negative but insignificant influence on purchase intention. This reveals to us that negative eWOM impacts adversely on perceived quality, however perceived quality does not necessarily impact purchase intention.

Lastly, the linear regression between eWOM ($B = -0.075$, $\beta = -0.066$, p-value $= 0.269$) and strength of brand association revealed a negative but insignificant relationship. The strength of brand association ($B = 0.113$, $\beta = 0.111$, p-value $= 0.031$) had a positive and significant influence on purchase intention. We can then deduce that negative eWOM does not impact the strength of brand association strongly and that the strength of brand association will not deter Millennials purchase intention.

Table 8 is a summary of the hypothesis tests, followed by a further discussion of each hypothesis result in relation to the literature reviewed.

Table 7: Summary of hypothesis testing

Path coefficient			Estimate	Standardised Estimates	S.E.	C.R.	P
Brand Loyalty	<---	eWOM	-,258	-,198	,077	-3,361	***
Perceived Quality	<---	eWOM	-,166	-,150	,066	-2,526	,012
Strength of Brand Association	<---	eWOM	-,075	-,066	,067	-1,105	,269
Purchase Intention	<---	Brand Loyalty	-,449	-,510	,045	-9,964	***
Purchase Intention	<---	Perceived Quality	-,075	-,072	,053	-1,410	,159
Purchase Intention	<---	Strength of Brand Association	,113	,111	,052	2,163	,031

***. P-value is less than 0.001 level (2-tailed).

5.2.1 Relationship between Negative eWOM and brand loyalty and thus purchase intention.

H1: There is an adverse relationship between negative eWOM and brand loyalty

H1a: brand loyalty has an influence on purchase intention.

The research path analysis showed that there is a strong relationship between negative eWOM and brand loyalty and that the relationship is of a negative nature. Squared multiple correlation showed that negative eWOM explains 0.3% variance in brand loyalty. This finding supports the hypothesis of the empirical study. Millennials have been observed to be brand conscious and through their prolific use of social media are highly engaged with brands online by sharing their experiences and searching for opinions (Mandhlazi et al., 2013; Mangold & Smith, 2012) and the results of the study reflect that 47% of Millennials spend four to seven hours of their time per day on social media, it is therefore telling that once negative eWOM exists through social media, brand loyalty will be negatively impacted.

Brand loyalty has been discussed in previous literature to either being attitudinal loyalty which is the psychological commitment a customer makes with the intention to buy or make recommendations or it may be behavioural loyalty which is the frequency of repeat purchases (Cengiz & Akdemir-Cengiz, 2016; Nam et al., 2011). It is therefore telling that the findings reveal a significant relationship between brand loyalty and purchase intention. The relationship proved to be of a negative nature deterred by the negative electronic eWOM. 44% of Millennials say should they find negative reviews about the telecom brand, they will switch to a different brand and this implies that their

behavioural loyalty towards that brand will be altered and lead to detrimental effects to purchase intention of that brand. These findings are consistent with a similar study by Verhagen, Nauta, and Feldberg (2013) which found that negative eWOM accounted for an important detrimental response behaviour of customer switching.

5.2.2 Relationship between Negative eWOM and perceived quality and thus purchase intention

H2: There is an adverse relationship between negative eWOM and perceived quality.

H2a: perceived quality has an influence on purchase intention.

There is indeed a significant and negative relationship between negative eWOM and perceived quality, the Squared multiple correlation reflects that negative eWOM explains a 2.3% variation in perceived quality. These findings are as hypothesised in the study. Perceived quality is a subjective view of the brand which Millennials build, based on various reasons but one of which is because of their information seeking behaviour online (Aaker, 1991; Flynn et al., 1996), evidently the results of the research thus confirm that the perceived quality they hold on telecom brands will deteriorate once they are exposed to negative eWOM.

The follow-up results reveal that although there is a negative relationship between perceived quality and purchase intention, it is insignificant. The hypothesis was therefore not supported. Aaker (1991) had found that although perceived quality is an important aspect to brand equity, it however, is not sensitive to relevant events and that may be the case in the event of purchase intention.

5.2.3 Relationship between Negative eWOM and the Strength of brand association and thus purchase intention

H4: There is an adverse relationship between negative eWOM and brand association.

H4a Strength of brand association has an influence on purchase intention.

The results of the first scale indicate that there is negative but insignificant relationship between negative eWOM and the brand association, the hypothesis was thus not supported. The Squared Multiple Correlations show that negative eWOM explains a

0.4% variation in brand association. Millennials hold a strong strength of brand association which occurs when there is a strongly implanted association in their minds and their degree of attachment (Keller, 1993), in this instance, it would be in the context of the strong telecoms brands. As per the findings of Martin Strandvik and Heinonen (2013) who found that there is an insufficient link between negative brand reviews on the brand association, the results therefore reveal that our argument is not supported in relation to the impact of negative eWOM.

With a high degree of strength of brand association that the Millennials hold towards the mobile carrier brands, Martin Strandvik and Heinonen (2013) outline that it also implies a higher brand value and thus yields future cash flows through their purchase activity. The study found a positive and strong relationship between strength of brand association and purchase intention, which suggest that because negative eWOM was insignificant, the purchase intention is not negatively impacted.

5.3 Conclusion

This research study considers the unfavourable situation of negative electronic word-of-mouth that brands may encounter in the quest for building strong, sustainable and high value brands amongst the targeted customer base. This considerable impact has been measured against the mediator variable of customers-based brand equity of brand loyalty; perceived quality and brand association. The outcome measurement and variable is the impact thereof on purchase intention. These results are specific to the Millennial cohort who possess the highest purchasing power and therefore these results measure which aspect of customer based brand equity impacts this cohort most adversely when negative eWOM is considered.

The results reveal that some of the hypotheses were supported and some were not. The hypothesis testing the negative impact of negative eWOM towards brand loyalty and perceived quality was supported, however was not supported in relation to the brand association. This tells us that even market leaders are faced with the risk of reduced brand loyalty and perceived quality due to negative eWOM shared on social network sites deemed to be a trustworthy platform by Millennials.

Brand loyalty will negatively affect purchases should negative eWOM prevail, supported by an array of literature that has covered the crucial relationship of brand

loyalty which is deemed a behavioural intention leading to high purchase intention (Cengiz & Akdemir-Cengiz, 2016; Nam et al., 2011), it is therefore crucial for organisations to curb the spread of negative eWOM because, as shown in this study, the hypothesis was supported. Previous similar research conducted by Bambauer-Sachse and Mangold (2011) on negative online word-of-mouth towards brand equity was consistent with this research study in relation to the negative impact on brand loyalty and perceived quality.

The hypothesis is not supported when perceived quality is measured against purchase intention as the association proves to be insignificant although negative. This finding contradicts previous studies (Aaker, 1997; Keller, 1993) that found a direct and solid relationship between perceived quality and purchase intention however, in the context of neutral consumer behaviour as opposed to our study that considered negative eWOM. Millennials do not seem to waiver their purchase intention even though perceived quality has been tainted, this opens an opportunity for organisations to focus on building attributes that build perceived quality.

The customer-based brand equity model was used to develop the variables to test when negative eWOM was constant, the results revealed that these constructs may be inconsistent when South Africa Millennials are considered, we see this in the omission of the brand awareness construct which had to be eliminated from the test. We also see that the strength of brand association was not widely affected by negative eWOM which is telling of the association Millennials have with mobile carrier brands; there are previous studies that revealed that negative eWOM may not necessarily affect brands with strong brand equity where consumers will defend their favoured brands (Baker et al., 2016) and this will not affect their purchase intention negatively either. The hypothesis measuring the relationship between strength of brand association and purchase intention is supported because the results were strong and positive, irrespective of negative eWOM.

The findings of this study reveal that organisations need to pay special attention to the South African Millennials and their purchase decision-making process, since they spend a considerable amount of time on social network sites engaging with their brands and take appropriate and proactive action when confronted with the threat of negative electronic word-of-mouth. Chapter 6 is the conclusion of the report.

6 CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This final chapter covers the conclusion of the study and endeavours to make recommendations to the stakeholders associated with the research and finally, makes suggestions for further research study.

6.2 Conclusion of the study

There has been wide coverage in the study of social network sites on a global scale, however academic research in emerging markets, such as South Africa, remain sparse (Rodney & Wakeham, 2016).The increased uptake of social media in the past couple of years continue to transform consumer behaviour and organisations have had to adapt to this digital era. Millennials remain the driving force behind the growing usage and the study revealed that Facebook takes the lead in usage ranking, followed by Twitter then Instagram, which is in line with previous studies (World Wide Worx, 2017).

The study provides empirical evidence that Millennials spend an intriguing amount of time on SNSs which opens an opportunity for organisations to understand what activities they are spending this time on because social media continues to shape knowledge around consumer opinions, attitudes, associations, information searching, purchasing behaviour and post-purchase evaluation and then communication (Mangold & Smith, 2012). Brand Managers should therefore be concerned how they engage their brands on these internet platforms and also consider how to grow mindshare of this cohort who have been proven in previous studies to possess the most purchasing power and they actively search for product information and share reviews, predominantly choosing Facebook to do so.

This study has endeavoured to investigate the particular behaviour of electronic word-of-mouth realised through opinion sharing and information seeking in the purchase decision-making process of Millennials facilitated online. Previous studies have focused on neutral to positive eWOM, however we wanted to test the scenario where negative eWOM exists and how that affects Customer-based brand equity that Millennials hold. This impact was measured against strong telecom brands that address an integral need for Millennials by providing connectivity and mobility

services, enabling their digital lives and their prolific use of social media. Telecom brands have acquired strong brand position in the market and this can be realised, according to BrandSA (2017), where MTN and Vodacom ranked as the top two most valuable brands in South Africa; this study therefore tested what the outcome would be when such strong brands are considered against negative eWOM.

Marketing academia has extensive literature on customer-based brand equity and all the antecedents that support the concept of brand equity. This study however tested how the existing model responds to the unfavourable situation where an important customer demographic, such as Millennials in the context of South Africa, are given the electronic and instant platform to voice negative brand experiences and/or respond to negative brand reviews. The results revealed a slightly different conceptual framework in that one of the major constructs of brand awareness was removed from the framework as respondents could not reconcile with the given condition of negative eWOM.

The second construct that responded differently to what was hypothesised was the strength of brand equity which seemingly was not hindered by negative eWOM. This tells us that the strength of brand association that Millennials hold of mobile carrier brands was strong and we understand from literature that this relates to them having strong brand-related thoughts, perceptions, feelings, images, beliefs, experiences and attitudes, despite the negative eWOM. The results further revealed a positive and strong relationship with purchase intention of this cohort. Whilst this is a positive outcome for the telecoms companies, it should remain a key objective for them to maintain the strong strength of brand association that they possess amongst Millennials.

The other customer-based brand equity components tested was brand loyalty which is described as a relentless and repeated purchase of a product showing commitment, regardless of situational influences (Oliver, 1999). The results reflected that negative eWOM has indeed a negative impact on Millennials' brand loyalty and because loyalty is prescribed to yielding purchases, the ultimate outcome that purchase intention will drop or lead to switching. It is therefore imperative for marketers to develop mitigating initiatives against negative eWOM and continuous campaigns to regain, maintain and

grow brand loyalty because even telecom companies with high brand equity can see significant impact and brand dilution.

Perceived quality as the last construct of customer-based brand equity to be discussed also tested to be negatively and significantly impacted by negative eWOM because when Millennials come across negative reviews on the telecom company, this evidently alters their subjective views and judgements about the brand and thus it's perceived quality. The diminishing perceived quality, due to negative eWOM, did not seem to affect their purchase intention significantly because the results reflect that there is an insignificant link between perceived quality and purchase intention for Millennials regarding mobile carrier brands which, as stated, are of high value in the market, perhaps this implies that Millennials view this as an essential service therefore, despite negative reviews, their perceived quality will weigh heavily on purchasing the service.

6.3 Recommendations

Given the results of this study, we then proceed to give theoretical and managerial implications and recommendations on how to respond to negative eWOM and how brand managers can develop concise strategies and mitigate the risk of brand dilution which ultimately, reduce consumer purchase confidence.

6.3.1 Theoretical implications

The study contributes to consumer behaviour literature of negative word-of-mouth originating from a customer's dissatisfaction response shared online and the relationship with customer-based brand equity; it then looked at the outcome relationship with consumer purchase intention. The study also adds to the broader understanding of the behaviour of South African Millennials on social network platforms.

Prior similar studies have found a detrimental effect of negative eWOM towards customer-based brand equity, leading to brand dilution (Bambauer-Sachse & Mangold, 2011), with some studies reflecting a link between eWOM and purchase intention (Chu & Kim, 2011; Zhu & Zhang, 2010). This study however adds to the specific study of negative eWOM which is under-explored in the context of South Africa, which has found a negative relationship with purchase intention of Millennials.

The study then further applies this relationship between negative eWOM and customer-based brand equity constructs of brand loyalty and perceived quality which proves to be of an adverse nature, however regardless of previous studies, the relationship with strength of brand association was not significant.

6.3.2 Managerial recommendations

The study sought to provide telecom brand and marketing managers with recommendations, based on the supported hypothesis, strategies they could implement to respond to negative eWOM diluting their brand. Firstly, we used a digital marketing applicable model because of the nature of social media that responds speedily to the dissatisfaction driven by consumers who share negative eWOM.

- **Respond to negative eWOM proactively, quickly and honestly**

Social media and the internet at large, is accessible, transparent with a wide reach (Hutter et al., 2013); this allows marketers ample opportunity to build some customer insights around Millennials and each time they engage in eWOM. The foundation of negative eWOM has been rooted in a dissatisfaction response in the consumer decision-making process where they evaluate a product post purchase and the chain effect of that response is to discourage potential customers who are searching for product information as they go through their purchase decision-making journey and this could be detrimental to a brand as per the results. It is therefore imperative for marketers to have access to this activity online. Response should be considered in the context of digital marketing and figure 13 reflects customer service principles to consider and follow a concise response towards negative eWOM developed from (Kingsnorth, 2016).

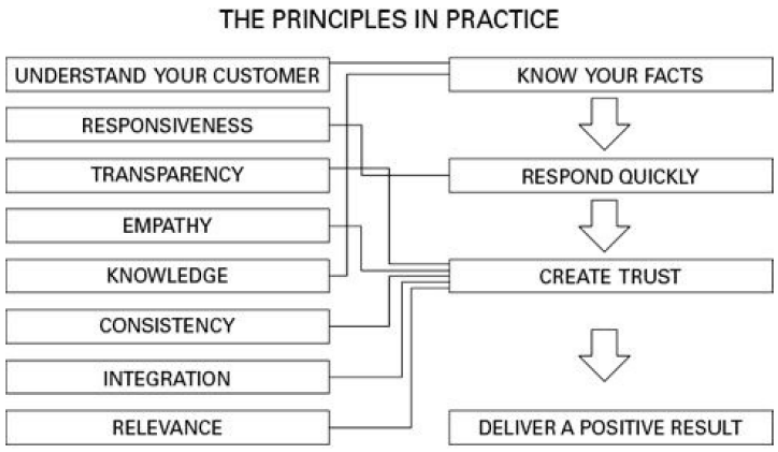


Figure 16: Customer service principles (Kingsnorth, 2016)

I firstly recommend that organisations invest in credible plug-and-play software or the use of expert social media agencies who will be able to ethically monitor activity of WOM, both positive and negative, and respond decisively and individually. This data should also be integrated in the overall Services Marketing strategy to ensure that any customer complaint is dealt with in accordance with the organisation's existing customer management processes. Organisations should embark on social listening tactics where they follow the mention of their brand name on Twitter or Facebook through hashtags or @ signs and respond to any positive or negative mentions.

This study has picked up that negative eWOM from customers is shared on the telecoms social media pages and part of the **responsiveness** strategy is to ensure that each feedback is acknowledged, should there be a complaint, the response and resolution should be quick and concise to build credibility for the dissatisfied customers and also build trust in those potential customers searching for information who stumble upon negative eWOM.

Transparency is about telecom companies ensuring that they conduct their business in a transparent and ethical manner which should be part of the core principal of overall customer service because Millennials are incredibly savvy, therefore are able to quickly identify information about brands; it would be prudent for organisations not to hide information relevant for consumers and should rather adopt an open and honest approach, coupled to the fact that consumers have grown to be quite cynical, should anything go wrong, the problem can be exacerbated by spreading online and going viral.

Empathy should be a consideration of the tone of voice used in all marketing communication initiatives. The corporate values should be embodied in the voice of the brand and remain consistent when targeting a prospect or existing customer. This is imperative because the tone of voice builds trust amongst customers and creates advocacy as customers feel you speak like a concerned friend.

Providing **knowledge** to customers on every aspect about the products and services offered should be a key priority because lack of finding information leads to frustration and venting consumers. It is therefore important that the information is accessible online and on social media platforms, and when general information is requested, it is made readily available.

Consistency is created when there is continuity in support and the response offline and online is the same, ensuring that there is reduced frustration from customers. Organisations will need to ensure that the service approach, training, collateral, system service level agreements are the same in all channels.

Integration is necessary in that the existing customer service is integrated into the digital customer service and there is cohesion in how negative eWOM or complaints are handled on social media platforms, there also needs to be **relevance** in how the response is carried out because it would not be applicable to respond offline to an online response therefore, with adequate integration initiatives online, this will build relevance for the customer.

The aim of the above discussed recommendations is to regain the trust of the customer who has shared the negative eWOM; with appropriate action of the above steps, this should yield a positive end result for the customer and ultimately, the winner is to regain the negatively impacted brand loyalty.

- **Influencer Marketing**

Social media marketing managers would need to incorporate influencer marketing as a branding strategy with the aim of creating positive brand advocacy. Influencers are defined as “people who built a large network of followers, and are regarded as trusted tastemakers in one or several niches” (Jin, Muqaddam, & Ryu, 2019, p. 4). Steps to identify relevant influencers are crucial and Kotler and Keller (2016) advise to begin by:

- Monitor the conversations on social media regarding mobile carriers' services,
- Identify influential individuals
- Identify the factors they share.
- Locate influencers who have relevant interests,
- Proceed to recruit these influencers and
- Lastly, incentivise them to spread positive eWOM.

The importance of social media influencers is that they are regarded as a trusted source, resonating with the regular audience to which Millennials who use SNSs intensely could respond to what they believe to be peer Facebook users in a positive manner. The idea is to have a network of these influencers posting relevant consumer information around various product offerings, sharing positive emotive stories around product attributes and their brand experiences. Influencers could help rebuild the damaged brand loyalty, perceived quality and restore knowledge.

The timing of the influencer content has to reach the consumer in their purchase decision-making process where they are searching for information; it is therefore important that although the marketers who have no control of the negative eWOM already posted, can counter-respond by ensuring that positive stories and information is shared by the influencers.

Telecoms companies as discussed have a strong brand value which implies brand equity. The above recommendations are not in the absence of their existing marketing and brand strategies that has evidently given rise to the position they hold in South Africa as the top brands in the market. The study wishes to highlight solutions in the event of the threat of negative eWOM.

6.4 Suggestions for further research

This section addresses possible future research opportunities. Research studies have their limitations - it is therefore recommended to highlight the gaps and allow for further academic studies that may contribute to knowledge in brand equity and word-of-mouth, however there is still limited empirical studies on South African Millennials and their social media usage behaviour, I would therefore like these two variables to remain. The suggestions are as follows;

This study had a broad moderating variable and endeavoured to test customer-based brand equity holistically, which included all the constructs namely, brand loyalty, brand awareness, perceived quality and customer-based brand equity. A recommendation would be to break up the variables and focus on one construct at a time because each construct is a comprehensive marketing variable that in most instances, is tackled individually with specific strategies, for instance, test the effects of negative eWOM towards brand loyalty by Millennials on social media and a separate study on brand awareness, perceived quality and brand association, particularly since some of these constructs were not supported in the findings.

Expand research to other moderating effects, given by variables in previous studies, such as focusing on different industries, such as the Finance sector, but also a sector that lacks much focus, Government marketing, where a study could research the impact of negative eWOM on Government agencies. The Government also possesses marketing objectives, such as brand awareness and political campaigning, collecting data on what citizens want and what branding cues they respond to, could be beneficial for both the Government and society, particularly because one of the biggest criticism of Government is poor service delivery and this suggested study could provide strategies for Government marketers to respond to this negativity clouding their brands.

Another suggestion is to shift the focus to another product, such a fashion or food items, and continue to focus on Millennials to see if the results of their social media activity around negative eWOM would test differently. This study selected brands that already ranked high in South Africa; previous studies have pointed out that Millennials are brand conscious and another area of study could be to test the impact on eWOM towards lower tier brands.

A final suggestion would be to conduct a qualitative research to develop more in-depth insights, particularly because Millennials and social media studies in South Africa still require focus in academic research. The nature of a qualitative study in the form of semi-structured interviews is that it will provided true inner meanings because of its exploratory and descriptive design (M. Saunders et al., 2016).

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APPENDIX A

Research Instrument

The role of electronic word-of-mouth on customer-based brand equity and purchase intention by Millennials in South African

Dear Sir/Madam,
RE: COMPLETION OF QUESTIONNAIRE
Thank you for your attention to this academic questionnaire.

My name is Boitumelo Kgonare and I am studying towards a Master of Management in Strategic Marketing at the Witwatersrand Business School, Johannesburg. It is required of me to conduct research as part of completing my Master's degree.

The study will be exploring negative electronic Word-of-mouth (eWOM) shared by Millennials through social media platforms, and the effects it has on Customer-based Brand Equity. The study will specifically focus on leading Telecommunication brands in South Africa, namely Vodacom, Telkom, MTN & Cell C.

I would like to invite you to take part in the study by completing the online questionnaires. Please be assured that your responses are confidential and will only be used for this academic research.

Should you have any queries relating to the research, please feel free to e-mail me (1483087@students.wits.ac.za). Alternatively, you may contact my thesis supervisor, Dr Yvonne Saini (yvonne.saini@wits.ac.za).

Name of participant: _____

Section A: General information

A1: Were you born between the year 1980 and 1999?

Yes	**No**

A2: Do you own at least one sim card with Telkom, Vodacom, MTN or Cell C

Yes	**No**

A3: Do you use social media platforms such as Facebook, YouTube, Instagram, Twitter, LinkedIn at least once a month? Please note that instant messaging such as WhatsApp and Mixit are not considered for this questionnaire:

Yes	**No**

A4**:** On average, how much time do you spend on Social Network Sites a day?

1-3 hours,	**4 -7 hours**	more than **7 hours**

A5: Which social media platform do you prefer to **share** your opinions on, with regards to negative brand experiences particularly with telecommunication companies (Telkom, Vodacom, MTN or Cell C)

Facebook	**Twitter**	**Instagram**	**YouTube**	**LinkedIn**	**None**

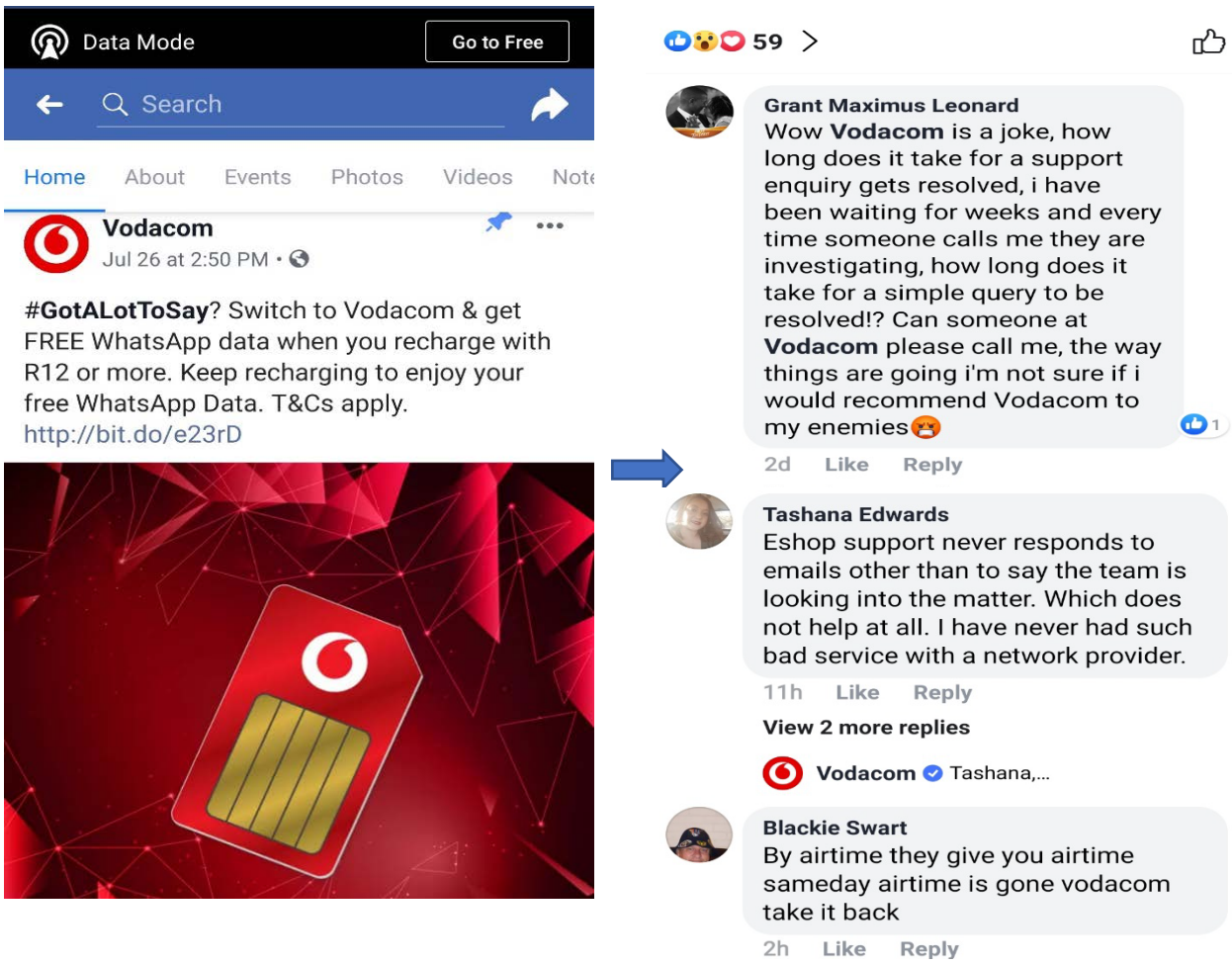
A6: Which social media platform would you prefer to **search** for product and service reviews on mobile/telecoms companies (Telkom, Vodacom, MTN or Cell C) before making purchase

Facebook	Twitter	Instagram	YouTube	LinkedIn	None

A7: Do you currently live in South Africa?

Yes	No

Section B Questionnaire - Negative electronic Word-of-mouth (eWOM)



With reference to the above Vodacom advertisement on Facebook and the subsequent comments from customers, for each of the below scenarios please indicate on a scale of 1 to 7, where 1 is extremely unlikely and 7 is extremely likely

Adapted scale from (Chu & Kim, 2011)

Opinion seeking:

		Extremely unlikely	Unlikely	More or less unlikely	Neutral	More or less likely	Likely	Extremely likely
B1.	I actively search for negative reviews about the cellular network on Facebook.	1	2	3	4	5	6	7
B2.	Before purchasing a pre-paid sim card or signing up a cellular contract, I ask my contacts on SNS for advice	1	2	3	4	5	6	7
B3.	Should I find negative reviews, I switch to a different brand.							

Opinion giving:

		Extremely unlikely	Unlikely	More or less unlikely	Neutral	More or less likely	Likely	Extremely likely
B4.	I often persuade my contacts on SNS to buy the products I like	1	2	3	4	5	6	7
B5.	My contacts on SNS pick their products based on what I tell them	1	2	3	4	5	6	7

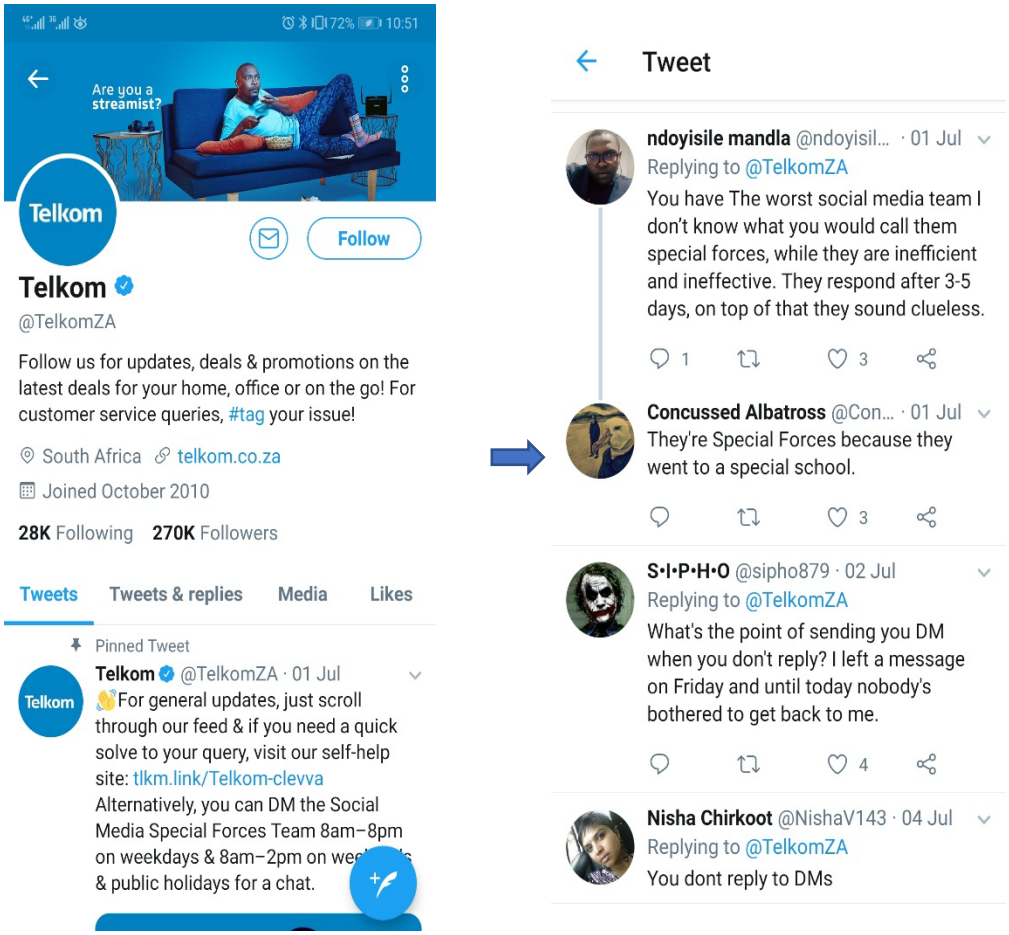
B6.	If I encounter a negative experience with my cellular network I will discourage my contacts on SNS							

Opinion passing

		Extremely unlikely	Unlikely	More or less unlikely	Neutral	More or less likely	Likely	Extremely likely
B7.	I tend to pass along my contacts' negative reviews on cellular networks to others on social media	1	2	3	4	5	6	7
B8.	My contacts on social media pick their products based on what I tell them	1	2	3	4	5	6	7

Section C: Customer-based Brand Equity:

Brand Awareness



With reference to the above Telkom advertisement on Twitter and the subsequent comments from customers. For each of the below scenarios please indicate on a scale of 1 to 7, where 1 is strongly disagree and 7 is strongly agree.

		Strongly disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree
		1	2	3	4	5	6	7
C1	I can easily identify the telecoms brand of choice even after reading a negative review online.							
C2	Negative online reviews make it easy for me to identify the brand online.							
C3	This brand is the only brand I recall when I need to purchase a sim card or sign up a new contract.							

Brand loyalty

Please indicate to what extent you agree or disagree with the following statements.

		Strongly disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree
		1	2	3	4	5	6	7
C4	Despite the negative reviews I have a strong preference for my Telecoms brand of choice.							
C5	I will not sign a different Telecoms contract or buy a different sim card even if I have encountered negative feedback on my telecoms brand of choice.							
C6	I will still recommend this Telecoms brand to friends and family despite the negative reviews							
C7	I consider myself to be loyal to this Telecoms brands irrespective of the negative feedback from my contacts							

(Yoo et al., 2000)

Perceived quality

Please indicate to what extent you agree or disagree with the following statements.

		Strongly disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree
		1	2	3	4	5	6	7
C8	Despite the negative reviews I have read. The Telecoms brand offers high quality service.							
C9	The likelihood that the Telecoms brand is reliable is very high, despite the negative reviews.							
C10	Having read the negative reviews, it appears the Telecoms brand is of very poor quality.							
C11	My chosen Telecom company has a good background in being a service provider							

(Aaker, 1997; Keller, 1993; Yoo et al., 2000)

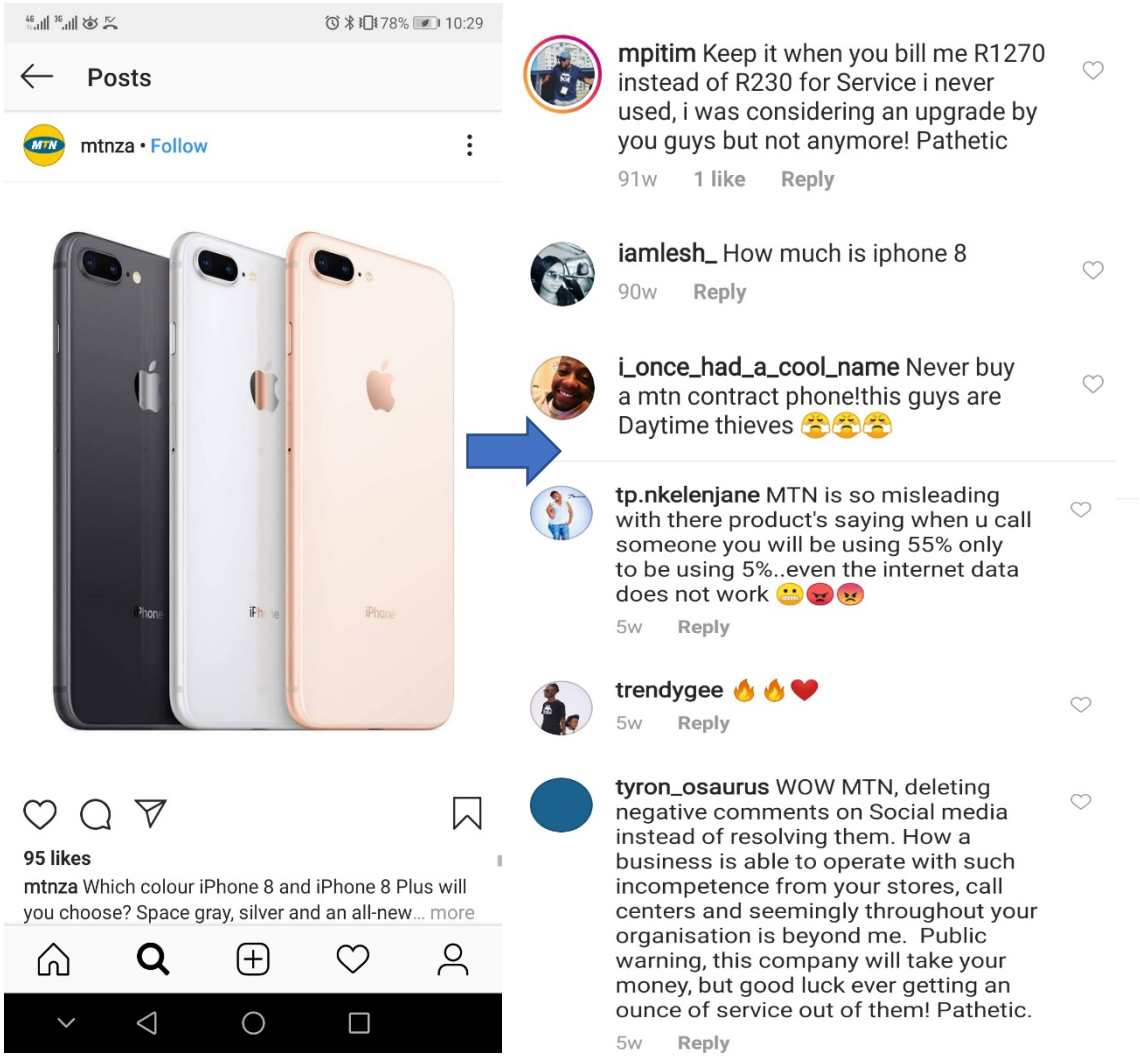
Brand association

Please indicate to what extent you agree or disagree with the following statements.

		Strongly disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree
		1	2	3	4	5	6	7
C12	Despite the negative reviews the Telecoms brand I have in mind is superior to other brands							
C13	The Telecoms brand in mind offers unique services							
C14	Despite the negative reviews the Telecoms brand of choice offers me great value for money							

(Martin Strandvik & Heinonen, 2013)

Section D Questionnaire – Purchase intention



With reference to the above MTN advertisement on Instagram and the subsequent comments from customers. For each of the below scenarios please indicate on a scale of 1 to 7, where 1 is extremely unlikely and 7 is extremely likely.

		Extremely unlikely	Unlikely	More or less unlikely	Neutral	More or less likely	Likely	Extremely likely
D1.	I actively search for negative reviews about the cellular network across SNSs before I make a purchase	1	2	3	4	5	6	7
D2.	Despite the negative reviews, I will still purchase the sim card or sign up the contract for the brand I had in mind	1	2	3	4	5	6	7
D3.	Should I find negative reviews about the Telecom brand, I switch to a different brand.							

(Das, 2014)

Section E: Demographic

E1: Please indicate your gender

Male	**Female**

E2: Please indicate your race

Black	**Coloured**	**Indian**	**White**	**Other**

E4: What is your highest level of education achieved?

Primary school	**High School**	**Matric**	**Tertiary Education**

E5: Please indicate of your current works or studies status

Working full time	1
Working part time	2
A full-time university or college student	3
A part-time university or college student	4
Retired	5
Unemployed	6
Housewife /househusband	7

APPENDIX B

Consistency matrix

Research problem: Investigate the effects of negative eWOM on Customer-based brand equity (perceived quality, brand awareness and brand association) of Telecommunications brands, amongst millennials through social media and the effects on purchase intention.					
Sub-problem	Literature Review	Hypotheses or Propositions or Research questions	Source of data	Type of data	Analysis
To investigate the relationship between negative eWOM and brand loyalty and the effects thereof on purchase intention.	Aaker, J. L. (1997) (Baker, Donthu, & Kumar, 2016) Bambauer-Sachse, S., & Mangold, S. (2011) Buil, I., Martínez, E., & De Chernatony, L. (2013) Chang, A., Hsieh, S. H., & Tseng, T. H. (2013). Cheung, C. M., & Thadani, D. R. (2012) Chu, S.-C., & Kim, Y. (2011) Flynn, L. R., Goldsmith, R. E., & Eastman, J. K. (1996) Gensler, S., Völckner, F., Liu-Thompkins, Y., & Wiertz, C. (2013) Goldsmith, R. E., & Horowitz, D. (2006) Hawkins, D. I., Mothersbaugh, D. L. . (2010) Hennig-Thurau, T., Gwinner, K. P., Walsh, G., & Gremler, D. D. (2004) Hogg, M., Askegaard, S., Bamossy, G., & Solomon, M. (2006) Hutter, K., Hautz, J., Dennhardt, S., & Füller, J. (2013) Keller, K. L. (1993) Keller, K. L. (2003)	H1: There is an adverse relationship between negative eWOM and brand loyalty H1a: Poor brand loyalty has an influence on purchas	Online survey will be conducted using a self-administered online questionnaire: Section a, b, c, d	Ranked: A seven-point Likert measurement scale will be used.	Multiple regression analysis

	Lovett, M. J., Peres, R., & Shachar, R. (2013) Van der Lans, R., Pieters, R., & Wedel, M. (2008)	e intentio n .			
To investiga te the relations hip between negative eWOM and perceive d quality and the effects thereof on purchase intention .	Aaker, J. L. (1997) (Baker, Donthu, & Kumar, 2016) Bambauer-Sachse, S., & Mangold, S. (2011) Buil, I., Martínez, E., & De Chernatony, L. (2013) Chang, A., Hsieh, S. H., & Tseng, T. H. (2013). Cheung, C. M., & Thadani, D. R. (2012) Chu, S.-C., & Kim, Y. (2011) Flynn, L. R., Goldsmith, R. E., & Eastman, J. K. (1996) Gensler, S., Völckner, F., Liu-Thompkins, Y., & Wiertz, C. (2013) Goldsmith, R. E., & Horowitz, D. (2006) Hawkins, D. I., Mothersbaugh, D. L. . (2010) Hennig-Thurau, T., Gwinner, K. P., Walsh, G., & Gremler, D. D. (2004) Keller, K. L. (1993) Keller, K. L. (2003) Klemz, B. R., Boshoff, C., Mazibuko, N. E., & Asquith, J. A. (2012) Ladhari, R. (2009) Singh, S., & Sonnenburg, S. (2012). Wang, H., Wei, Y., & Yu, C. (2008)	H2: There is an adverse relations hip between negative eWOM and perceive d quality. H2a: Poor perceive d quality has an influenc e on purchas e intentio n.	Online survey will be conducte d using a self-administe red online questionn aire: Section a, b, c, d	Ranked: A seven-point Likert measure ment scale will be used.	Multipl e regress ion analysi s
To investiga te the relations hip between negative eWOM and brand	Aaker, J. L. (1997) (Baker, Donthu, & Kumar, 2016) Bambauer-Sachse, S., & Mangold, S. (2011) Buil, I., Martínez, E., & De Chernatony, L. (2013) Chang, A., Hsieh, S. H., & Tseng, T. H. (2013). Cheung, C. M., & Thadani, D. R. (2012) Chu, S.-C., & Kim, Y. (2011) Flynn, L. R., Goldsmith, R. E., & Eastman, J. K. (1996) Hawkins, D. I., Mothersbaugh, D. L. . (2010)	H3: There is an adverse relations hip between negative eWOM and	Online survey will be conducte d using a self-administe red online questionn aire:	Ranked: A seven-point Likert measure ment scale will be used.	Multipl e regress ion analysi s

awareness and the effects thereof on purchase intention.	Gensler, S., Völckner, F., Liu-Thompkins, Y., & Wiertz, C. (2013) Goldsmith, R. E., & Horowitz, D. (2006) Hennig-Thurau, T., Gwinner, K. P., Walsh, G., & Gremler, D. D. (2004) Keller, K. L. (1993) Wang, H., Wei, Y., & Yu, C. (2008) Keller, K. L.	brand awareness and the effects thereof on purchase intention. H3a: Poor brand awareness has an influence on purchase intention.	Section a, b, c, d		
To investigate the relationship between negative eWOM and the Strength of brand association and	Aaker, J. L. (1997) (Baker, Donthu, & Kumar, 2016) Bambauer-Sachse, S., & Mangold, S. (2011) Buil, I., Martínez, E., & De Chernatony, L. (2013) Chang, A., Hsieh, S. H., & Tseng, T. H. (2013). Cheung, C. M., & Thadani, D. R. (2012) Chu, S.-C., & Kim, Y. (2011) Flynn, L. R., Goldsmith, R. E., & Eastman, J. K. (1996) Gensler, S., Völckner, F., Liu-Thompkins, Y., & Wiertz, C. (2013) Cengiz, H., & Akdemir-Cengiz, H. (2016)	H4: There is an adverse relationship between negative eWOM and brand association.	Online survey will be conducted using a self-administered online questionnaire: Section, b, c, d	Ranked: A seven-point Likert measurement scale will be used.	Multiple regression analysis

the effects thereof on purchase intention.	De Vries, L., Gensler, S., & Leeflang, P. S. (2012) Goldsmith, R. E., & Horowitz, D. (2006) Gounaris, S., & Stathakopoulos, V. (2004) Hawkins, D. I., Mothersbaugh, D. L. . (2010) Hennig-Thurau, T., Gwinner, K. P., Walsh, G., & Gremler, D. D. (2004) Hollebeek, L. D. (2011). Keller, K. L. (1993) Keller, K. L. (2003) Kim, H.-b., Gon Kim, W., & An, J. A. (2003) Lassar, W., Mittal, B., & Sharma, A. (1995). Nam, J., Ekinci, Y., & Whyatt, G. (2011) Wang, H., Wei, Y., & Yu, C. (2008)	H4a: Poor brand association. has an influence on purchase intention.			