CROSS-COUNTRY ANALYSIS OF ONLINE CONSUMER WORD-OF-MOUTH: THE ROLE OF ACTION LOYALTY IN BRAZIL AND SWEDEN

Análise entre países do boca a boca do consumidor online: o papel da lealdade de ação no Brasil e na Suécia

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Abstract

This study intends to further expand the research on the connection between word-of-mouth (WOM) and customer loyalty, observing the effect of action loyalty on WOM of e-consumer in a cross-country analysis, between Brazilians and Swedes. We use a quantitative method by collecting answers from a survey, with consumers living in Sweden and in Brazil. The hypotheses test was realized by regression analysis. Although the countries surveyed have different stages of industrialization and economic development, each with unique characteristics in relation to their national cultures, there is no evidence of differences on WOM in the moderating effect of action loyalty. The main contribution of this study is the development and analysis of the effect of loyalty on WOM and the respective difference between Brazil and Sweden. The results are useful for retail professionals to focus their resources on WOM among customers who have a personal connection with each other, in order to gain customer loyalty. Thus, this work represents a new empirical contribution to the WOM field, mainly due to the approach being in online consumers, and to customer loyalty, specifically as the loyalty to the action (behavior) displayed by the customers.

Keywords: word of mouth; loyalty; customer; e-commerce.

1 INTRODUCTION

The rapid growth of the Internet enables ICT (information and communication technology) which has led to innovation and development in areas such as global e-commerce (Rahayu & Day, 2015). There is a growing importance of the internet, and many people admit that it facilitates many aspects in their everyday life (Jai et al., 2013). E-commerce empowers the flow of information and communication and has become a very important factor for a company’s economic growth (Borges et al., 2009) and has led to changes in example marketing (Yang et al., 2015). Because of this, there have been changes in buying and selling products and the relationship between customers and suppliers (Yang et al.). Due
to changes in marketing, there are other aspects to take into consideration, among these are customer awareness and knowledge. It is also important to maintain customer satisfaction and trust to succeed with e-commerce (Choshin & Ghaffari, 2017).

The B2C e-commerce sales worldwide has during the past decades grown rapidly and this is not expected to stop. During 2017 the sales are expected to reach 2,290 billion US dollars and until 2021 the sales worldwide will be re-doubled according to the prongs by Statista (2017). Along with the growth of e-commerce, the importance of word-of-mouth (WOM) has increased. The growing speed in the market has resulted in a greater importance of WOM as a source of information which works in favor of the consumers (Tavakol et al., 2015). Previous research has shown that loyalty is a factor that has a positive effect on WOM communication (Akbari et al., 2016), therefore but loyalty is important to take into consideration because it also has a connection and influence on a company’s relationship with customers. Still, customer loyalty and long-lasting sustainable relationships are important to gain profit in the existing competitive environment (Dick & Kunal, 2013).

There has been a lot of research in the connection between customer loyalty and word-of-mouth (Akbari et al., 2016; Eelen et al., 2016; Pollack, 2017; Roy et al., 2014) and the subject has been researched from different perspectives. Roy et al. (2014) revealed that there was a positive connection between WOM and loyalty. Their study was focused on students from the US. Other studies have focused on the impact of WOM online, so called e-WOM (Eelen et al.).

Companies really seek a relationship with their consumers through the online environment, above all, that they promote their brand through self-expression, that is, spontaneous sharing, such as word-of-mouth (Motta & Scharf, 2017). This study is supported by research by Roy et al. (2014) from the point of view of the theme, when the authors examine the relations between each of the stages of fidelity: cognitive, affective, conative and action loyalty. In this study, the proposition of the relationship between WOM and action loyalty is used. On the other hand, for the choice of countries, Brazil, and Sweden, is justified by the research conducted by Eastman et al. (2018) where, “even within a country, cultural variables may play a role in mediating the relationship between motivation and purchase intention” (p. 231). Thus, using two countries in a comparison, “cultural variables have an impact on the relationship between consumption and purchase intention” (p. 233).

We do not intend to explain what causes loyalty, but whether one variable (loyalty) is related to another (WOM). However, there have been no studies on the connection between WOM and loyalty made in Sweden compared to Brazil. Therefore, this study will focus on this gap and will investigate how this relationship is visible in the Swedish market, compared to the Brazilian market. This study aims to further expand the research on the connection between WOM and customer loyalty. The research question of the present study is: how do
word-of-mouth and loyalty interact in an e-commerce environment between Swedish and Brazilian consumers?

2 LITERATURE REVIEW

2.1 E-COMMERCE

E-commerce is a transaction process that occurs when buying and selling products and services through computer networks, such as the Internet (Nisar & Prabhakar, 2017). Today, businesses can use the Internet to deliver products and services to their customers. Companies and customers can also interact with each other without ever meeting or speaking. The technology available today offers the companies, besides to sell products over the Internet, also to answer customer questions, offer additional products and services, track your shopping profile, and evaluate customer satisfaction with your offers, all in an impersonal way. Using the internet makes it possible to deliver higher and different levels of value to customers (Kassim & Ismail, 2009).

Since online shopping is barely 20 years old, it is still regarded as a new model of shopping experience and has become increasingly important in regards of the current market conditions with Internet usage still spreading (Nisar & Prabhakar, 2017). The new model differs from the traditional shopping experience on several aspects, such as the transaction locations. Also, changes can be made anytime and under easier conditions due to the absence of physical stores, but it also means that the merchandise cannot be reviewed until the customer receives it (Nisar & Prabhakar). However, establishing an offline store can be costly and time consuming and with the market conditions constantly changing it can be hard to make changes or modifications. An online store can quickly react and adapt to change. Lastly, the service throughout the shopping experience is different as well in regards of service before, during and after shopping (Nisar & Prabhakar).

Pereira et al. (2017) examined consumer attitudes and behavior online and discussed that younger people thinks that blogs are an important source of information at the same time as mature people find preference within corporate websites as a tool of information. Reasons to shop online instead of in a physical store is that there are exclusive products, better availability, more information and better prices and promotions. One negative aspect of buying online is the uncertainty about the product that will be delivered. Looking at clothing for example, people do not like the inability to touch and try products. There is a risk that the product will not correspond with the expectations (Pereira et al., 2017).
In any long-term business relationship, trust is a highly important factor. Companies selling over the Internet seek to build exchange relationships with consumers for them to become loyal. Consumers must trust the web supplier to share personal and confidential information (Palvia, 2009). Kassim and Ismail (2009) suggest that the most important factor in keeping customers happy and feeling safe is the quality of the services provided by the online reseller. They also found that WOM is a driver of trust and intention regarding e-commerce. Palvia (2009) examined consequences of the usage intention of a website, which were satisfaction, value, loyalty and WOM. When a consumer uses an online retailer’s website, they develop value and satisfaction. This is of importance when developing loyalty and willingness to continue the relationship as well as recommending the website to others.

2.2 WORD-OF-MOUTH

Word-of-mouth (WOM) is the informal communication of sharing personal opinions between customers about characteristics of a supplier and/or its products and service (Roy et al., 2014). Also, WOM can be explained by being an informal interaction of sharing personal opinions between customers about a supplier and its products. Satisfied customers tend to talk positive about the products to other people, which spreads the word further to more and more customers (Akbari et al., 2016). Information that reaches customers through WOM can also be perceived as more trustworthy, since people tend to interact with people they know and may be close with, specially, at e-commerce setting it may be the extent to which the e-customer shares positive experiences and benefits of a website and recommend it to others (Roy et al.).

Trusov et al. (2009) linked the WOM to the acquisition of new clients, bringing evidence to the view that WOM communication is a critical factor for companies seeking to acquire new customers. They argued that WOM can have greater and longer impact than traditional marketing activity. The elasticity for WOM is approximately 20 times that of marketing events and 30 times that of media appearances. WOM is a form of communication which, as previously mentioned, affects the assets of new customers. However, WOM also gets influenced itself by the number of new customers. By having many customers, WOM can be spread to a greater audience than what was initially intended. Even in the absence of marketing actions, WOM can bring greater adherence today as well as in the future (Trusov et al., 2009).

For Soares and Costa (2008), the satisfaction of the clients of service and the perceived value are antecedents of the actions of word-of-mouth of the clients. Above all, products and / or services of immediate consumption, such as cars or restaurants, dissemination through word of mouth may be more intense (Costa et al., 2017). In the same sense, for the client to
perceive the quality of the service, for example, he must be satisfied that there is a stronger WOM effect (Abdalla et al., 2012). Another way of increasing the positive WOM, firms can use before and after sales service mechanisms to increase the willingness among consumers to engage in positive WOM. Positive WOM, in turn, will reduce the need for marketing expenses and attract new customers and thereby increase revenue (Kassim & Ismail, 2009).

2.3 E-WORD-OF-MOUTH

E-WOM is defined 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” (Hennig-Thurau et al., 2004, p. 39). Today consumers are using different tools on the internet to quickly gather product information. This have completely changed how consumers engage with each other and this type of WOM is much more far reaching than the traditional WOM. Examples of tools are social media, blogs, search engines and consumer review systems (Yoo et al., 2013).

Yoo et al. (2013) also suggests that e-WOM can develop a strong social identity among customers towards certain websites if influential individuals highlight the site. This can be used when creating an e-WOM system and is necessary to maintain and develop strong social identity through interaction with other customers.

Sun et al. (2006) argue that online e-WOM involves personal opinions and experiences which is visible through written word on the Internet. E-WOM is also more influential due to its reach, speed, and convenience. It is also possible to look at a stranger’s opinions. Opinion leadership is an important aspect of WOM online. It is when people on the internet influence other people regarding attitudes and opinions. Opinion leaders are people with good knowledge or experience in a specific subject or people that have highly desired attributes (Sun et al., 2006). E-WOM is more effective when it comes to reach a wide range of consumers very fast. This increases e-WOM engagement among consumers with a high self-connection to the brand. There is also revealed to be a social risk in e-WOM regarding the channel’s potential for fast and wide range (Sun et al.).

2.4 LOYALTY

Customer loyalty is a biased behavioral purchase process which is a consequence of an underlying psychological process (Roy et al., 2014). In regards of action loyalty, it is the final stage of the loyalty chain stages and it is where behavioral intentions become actions such as purchase of a brand. Regarding customer loyalty, there is a difference
between attitudinal loyalty and behavioral loyalty. To gain true loyalty, there must be a strong "attitudinal commitment". It consists of a favorable set of beliefs towards a specific brand (Kassim & Ismail, 2009). Kassim and Ismail (2009) also argue that customer loyalty involves both attitudinal and behavioral aspects. Regarding attitude, this is the factor that determines the intentions of consumers to buy or re-buy a certain product. This directly results in the behavioral aspect of loyalty when the actual purchase is made.

However, there are four different loyalty chain stages which Roy et al. (2014) found a connection between. The different stages are cognitive loyalty, affective loyalty, conative and action loyalty. This study will focus on action loyalty. Cognitive loyalty is the attributes that makes customers choose a brand before another, affective loyalty is the likeableness of a brand and conative loyalty is the intention of the behavior of rebuying towards the brand (Oliver, 1999). Lastly the action loyalty, which will be the focus in this study, is according to Oliver (1999) when the intention is transformed into action, when the customer re-buys the brand's products. According to Roy et al. it is also when the consumer makes recurrent visits to a website, spend time and money on it and chooses to purchase from that website instead of competing websites. Behavioral loyalty is important because it visibly shows the true loyalty to a brand or product. It is the attitude towards and the repeated purchases from a specific brand compared to other brands that reflects the action loyalty (Roy et al., 2014).

Satisfaction is of great importance in the development of loyalty. Loyalty has retention meaning, driven by the notion of relationship marketing. The emphasis of defensive marketing on customer retention is justified by the lower cost of retaining a customer than by obtaining a new one. The company can do more business with its current customers and thus make the customer more profitable (Kassim & Ismail, 2009).

In today's world with the widespread e-commerce, loyalty is still a crucial concept and an economic necessity. In an online setting it is quite expensive to gain customers, therefore it is important to make the existing customers loyal. It is also a competitive necessity because if some companies manage to use the Internet to create value for customers, that company may block profitable relationships before other companies. Most online customers today tend to show a high degree of loyalty. Properly used web technologies can reinforce this loyalty. Companies need to gain the loyalty of the most profitable customers and acquire new to succeed in the future (Reichheld & Schefter, 2000).

Srinivasan et al. (2002) also looked at loyalty in an e-commerce setting and identified different factors that had an impact on loyalty. Among the factors, customization, contact interactivity, cultivation, care, community, choice, and character, all were found to have significant impact on e-loyalty. Customization refers to the ability to customize and tailor products and shopping experiences to specific customers and has great potential for e-retailers. Contact interactivity is the engagement and communication between an e-retailer and a customer on a website. Cultivation is explained as the extent to which a company
gives information to customers which increases the depth of their online shopping. Care is referring to the attention a company pays to customer activities that makes both transactions and long-term relationship easier. Community is the exchange of information and opinions between customers. Choice explains that an e-retailer can offer a greater range of products than a physical store.

Lastly, character is described as the website design which can create a good reputation and a positive image in the mind of the customers. All these factors were revealed by Srinivasan et al. (2002) to affect the customer loyalty, specially, the Internet is a very powerful tool for strengthen customer relationship, but it has not changed the traditional way of how loyalty is built (Reichheld & Schefter, 2000)

### 2.5 THE CONNECTION BETWEEN LOYALTY AND WORD-OF-MOUTH

There are several previous studies indicating that there is a connection between loyalty and WOM both in and outside an e-commerce setting. Srinivasan et al. (2002) revealed that e-loyalty have a positive impact on positive word-of-mouth communication. The phenomenon of customer loyalty includes the support and the positive communication about a brand to others. Roy et al. (2014) extended this research by finding a positive connection between WOM and two of the loyalty chains stages. These were the conative loyalty and the action loyalty. Looking at the action loyalty it is seen through the behavior it reflects on a higher level of commitment which is because of higher satisfaction and in turn lower risk in spreading information about the brand or company forward to others.

The higher level of confidence a customer has about a brand or a company’s ability to fulfill customer needs, together with a high level of action loyalty, tend to make a customer comfortable in recommending the company and spreading positive WOM to others (Roy et al., 2014). Another study showed that there is a clear connection between the dimensions of relationship marketing, which are trust, commitment, communication, conflict management, and customer loyalty. It was also found that customer loyalty positively affected WOM (Akbari et al., 2016). Pereira et al. (2017) also found correlations between satisfaction and loyalty and loyalty and positive WOM. They also saw clear connections between a good general perception and satisfaction and consumer confidence. Satisfaction in an e-commerce setting has a positive impact on trust and loyalty, which positively affects positive e-WOM.

According to Reichheld and Schefter (2000) loyal customers tend to refer new customers to a company by using WOM. These referrals are very lucrative in traditional commerce but even more in e-commerce, since WOM spreads much more over the Internet than through the traditional word of mouth. The customers referred through the Internet
do not cost much to acquire, and they begin to generate profits early. It is revealed that WOM also derives loyalty because the attribute that has the biggest impact on repurchase intention is WOM, for example through positive customer reviews (Gauri et al., 2008).

When looking at e-WOM and its ability to create desired social identities by using an e-WOM system, Yoo et al. (2013) suggest that this will result in a greater loyalty towards the website. The marketing and communication have moved into digital territory and therefore there is more desired to generate e-WOM from loyal customers. Previous research suggests that traditional WOM is much more significantly related to loyalty than e-WOM. Loyal customers are more prone to use e-WOM if the brand is reflecting the self or if they were told that the e-WOM could be helpful for the brand. This was only effective for loyal customers and not occasional consumers (Eelen et al., 2016). Thus, the first hypothesis is presented below:

**H1:** Action loyalty has a positive effect on the e-customer’s e-WOM activity.

It is important to ask whether the main aspects of the online consumer’s WOM interaction in loyalty are related to national culture. To fulfill the aim of this research, two countries were selected to integrate the analysis - Brazil and Sweden.

They are in different stages of industrialization and economic development, each of which also presents unique characteristics in relation to the respective national cultures. According to the Organisation for Economic Co-operation and Development (OECD, 2020) Better Life Index (BLI) Brazil is above average in civic engagement and social connections, but below average in education and skills, personal security, income and wealth, employment and income, housing, environmental quality, well-being subjective balance between professional life and health. Sweden, on the other hand, is above average on all topics, not only for social connections, but also to take advantage of such connections to enjoy a balance between life and work, so they are more satisfied with their lives than the OECD BLI index (2020) average.

Brazilian culture faces a continuous tension between the European legacy and the regional identity. As discussed by Hofstede (2020) model, cultural dimensions represent preferences independent of things in relation to each other, and this distinguishes countries from one another, according to Table 1.
Table 1

<table>
<thead>
<tr>
<th>Cultural dimension</th>
<th>Sweden score</th>
<th>Brazil score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individualism</td>
<td>71</td>
<td>38</td>
</tr>
<tr>
<td>Masculinity/femininity</td>
<td>5</td>
<td>49</td>
</tr>
<tr>
<td>Uncertainty avoidance</td>
<td>29</td>
<td>76</td>
</tr>
<tr>
<td>Long term orientation</td>
<td>53</td>
<td>44</td>
</tr>
<tr>
<td>Indulgence</td>
<td>78</td>
<td>59</td>
</tr>
</tbody>
</table>


Three of the dimensions have higher values for Sweden than for Brazil. Sweden is a more individualistic society than Brazil, taking care only of itself and its closest loved ones. In this way, the Swedes could not use WOM activity as much, given that for marketing, related to individualism is that of consumer independence (Goldsmith & Clark, 2012). In the Long-term orientation dimension, Sweden is in an intermediate dimension, not showing a preference - as well as Brazil, pointing to both a sense of lack of patience and a need for instant gratification in view of the current instant access to information through technology and the own social networks. However, Swedish culture is one of indulgence, that is, individuals have their own desires and wants and do so, giving importance to acting as they wish, whether with leisure or in the most diverse ways they wish to spend money. Therefore, it is not clear that Swedes act by recommending other consumers if their will is what matters most, and they do so.

The other two indexes are led by Brazil. In the masculinity dimension, Brazilian society is driven by competition (and not taking care of others and quality of life). Dominant values of success, money, and other things, leads to a more masculine society (Hofstede & Bond, 1984). As for Uncertainty avoidance, it shows that bureaucracy, laws, and rules are very important to make the world a safer place to live, therefore, loyalty in WOM activity is hardly effective, since Brazilians believe in the need of rules as opposed to something more communicative and social. Young adults today are usually translated by protection educated and this context leads to a need for structure and rules that limit uncertainty (Debard, 2004), reflecting on their purchasing patterns, as they are highly loyal to the brand (Lazarevic, 2012). Thus, two hypotheses are developed:

**H2a:** Brazilians and Swedes are different on e-WOM activity.

**H2b:** The effect of action loyalty on e-WOM activity is moderated by country, such that the effect is stronger for Brazilians than Swedes.
Figure 1 presents the proposed research model where all the hypothesized relationships are indicated as positive (+ve).

![Research model](image)

**3 METHOD**

This is a hypothetical-deductive research that uses quantitative methods to analyze the data. By its nature, it seeks to test the hypotheses raised from the theoretical review. The data collected was originated from a direct (primary) source, through an online survey. The sample of this questionnaire is made up of Swedes and Brazilians who (i) bought something online in the last 12 months, and (ii) who showed loyalty to a brand to discover their relationship with customer loyalty and e-WOM. It was estimated to reach a sample of 200 participants of each nationality and must be residents of the respective countries as a requirement for this questionnaire.

**3.1 DATA COLLECTION**

The survey was adapted from Roy et al. (2014). It included eight constructs, two control variables and a moderator for country. Created through Google Forms and then distributed primarily on the respective personal email addresses. Facebook also was utilized, as a great social media platform and with a high utilization rate in both countries, to gather the desired number of responses and given the context to consider the online consumer. The respondents of the online survey are undergraduate and graduate students enrolled at a large university in southern Brazil and another on the west coast of Sweden. This resulted in a cross-country sample. A total of 400 questionnaires were sent via social networks, 200 for each country,
of which 388 were received and of which 380 were usable. The total sample comes from 222 females and 158 males.

The first two questions aim to find out the age and sex of the respondent, and the following three questions (see Appendix) to see if the respondent is eligible for the study and within the proposed population. The following questions are structured and projected according to the Likert scale, with a statement following a scale of 1 to 5, with 1 being “Not at all agreeable” and 5 being “Strongly agree”. Having a scale of unequal numbers gives the respondent an opportunity to respond in the middle, in our case 3, meaning that they are not able to give a statement to the question or that they do not think they react more in one way than another.

Respondents were instructed to access the link that opened the page for the questionnaire and then each respondent completed the questionnaire with reference to their activities and preferences. Given the nature of the research we were conducting, the online distribution of the questionnaire, also online, is entirely acceptable.

Table 2
Measurement instrument

<table>
<thead>
<tr>
<th>Construct</th>
<th>Variable</th>
<th>Measurement variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyalty</td>
<td>LOY1</td>
<td>I often get affected by other individuals’ opinions/recommendations in my acquaintanceship.</td>
</tr>
<tr>
<td></td>
<td>LOY2</td>
<td>I often make purchases from a website that someone in my acquaintanceship have recommended to me.</td>
</tr>
<tr>
<td></td>
<td>LOY3</td>
<td>I often get affected by opinions/recommendations from individuals on social platforms (e.g., platforms such as Facebook, Instagram, Blogs).</td>
</tr>
<tr>
<td></td>
<td>LOY4</td>
<td>I often buy something from a website that someone on a social platform have recommended to me (e.g., platforms such as Facebook, Instagram, Blogs).</td>
</tr>
<tr>
<td>e-Word of Mouth</td>
<td>e-WOM1</td>
<td>I share my positive online purchase-experiences with my acquaintanceship.</td>
</tr>
<tr>
<td></td>
<td>e-WOM2</td>
<td>I often recommend my acquaintanceship to switch to a website that I have had a good experience from.</td>
</tr>
<tr>
<td></td>
<td>e-WOM3</td>
<td>I share my positive online purchase-experiences with through my social platforms (e.g., platforms such as Facebook, Instagram, Blogs).</td>
</tr>
<tr>
<td></td>
<td>e-WOM4</td>
<td>I often recommend individuals on my social platform to switch to a website that I have had a good experience from (e.g., platforms such as Facebook, Instagram, Blogs).</td>
</tr>
<tr>
<td>Country</td>
<td>Dummy</td>
<td>I live in Brazil (1) and in Sweden (0).</td>
</tr>
<tr>
<td>Gender</td>
<td>Dummy</td>
<td>Female (1) and Male (0).</td>
</tr>
<tr>
<td>Age</td>
<td>Scale</td>
<td>(1) 1 to 15 years; (2) 16-25 years; (3) 26-35 years; (4) 36-45 years; (5) 46-55 years; (6) 56-65 years; and (7) more than 65 years.</td>
</tr>
</tbody>
</table>

The authors (Roy et al., 2014) tested the chi-square values of 14 more degrees of freedom and were significant at \(p<0.001\) level of significance. Therefore, the measurement scales of the constructs - Loyalty and e-WOM - are reasonably reliable and valid. Even so, confirmatory factor analysis was performed using Stata / MP 15 to confirm the variables that measure the constructions in the model. The reliability of the measurement model was examined by calculating Cronbach’s alpha coefficient for each of the constructs. We also report reliability. Table 3 shows that the value of the alpha coefficient for all constructions is greater than 0.7, which is considered acceptable (Hair et al., 2006). The values of composite reliability of the constructs are also greater than 0.7, which further strengthens the assessment of the reliability of the constructions.

### Table 3
Reliability and convergent validity

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Measurement item</th>
<th>Loadings</th>
<th>Alpha ((\alpha))</th>
<th>Composite reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action loyalty</td>
<td>Act1</td>
<td>0.616</td>
<td>0.761</td>
<td>0.762</td>
<td>0.607</td>
</tr>
<tr>
<td></td>
<td>Act2</td>
<td>0.666</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Act3</td>
<td>0.713</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Act4</td>
<td>0.645</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e-WOM</td>
<td>e-WOM1</td>
<td>0.510</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>e-WOM2</td>
<td>0.546</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>e-WOM3</td>
<td>0.809</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>e-WOM4</td>
<td>0.836</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 3.2 DESCRIPTIVE ANALYSIS

Table 4 shows the descriptive statistics and correlations between numerical variables considered in the study. It is noticed that many respondents are female, and the average age is between the quadrants of 16 to 25 years and 26 to 35 years. Assessing the correlations among variables there is an existing strong negative correlation between Gender and Country. Some relationships were statistically significant \((p<0.05)\), as is the case of the positive correlation between Loyalty and WOM, meeting signal expected in H1. In addition, there is a positive correlation between Country and e-WOM, which gives us the basis to say that e-WOM is sensitive to the respondent’s country. However, we need to assert perform regression analysis, moderating Loyalty and Country, to identify whether WOM is sensitive to the Country.
Table 4

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs.</th>
<th>Mean</th>
<th>S.D.</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Loyalty</td>
<td>380</td>
<td>12.12</td>
<td>3.57</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) e-WOM</td>
<td>380</td>
<td>10.36</td>
<td>3.66</td>
<td>0.4205*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Country</td>
<td>380</td>
<td>5.00</td>
<td>0.50</td>
<td>0.1070*</td>
<td>0.3599*</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Gender</td>
<td>380</td>
<td>0.58</td>
<td>0.49</td>
<td>0.1431*</td>
<td>-0.1382*</td>
<td>-0.5660*</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>(5) Age</td>
<td>380</td>
<td>2.80</td>
<td>1.12</td>
<td>-0.1567*</td>
<td>0.0918</td>
<td>0.3662*</td>
<td>-0.2158*</td>
<td>1</td>
</tr>
</tbody>
</table>

(*) p-value < 0.05.

4 RESULTS AND DISCUSSION

As presented in the method section, the final database had 380 respondents to assess H1, H2a, and H2b, as previously presented. The purpose of this study was to test the effects of action loyalty on the e-WOM, for this, the proposed hypotheses were tested using ordinary least squares (OLS) regression. The hypotheses were tested using Stata/MP 15.

Table 5 reports the regression models (1-4) which report the results for the three hypotheses of this study. Model (1) starts by confirming hypothesis 1 ($\beta = 0.43; p < 0.01$), however with a reasonable explanatory power ($R^2$ adj: 0.17). Demonstrating that action loyalty has a positive effect on e-WOM. Confirmation remains statistically significant and is supported by the final model (4) ($\beta = 0.38; p < 0.01$). Models 2 and 3 confirm hypothesis 2a. Model 2 confirms that there is a difference between the two countries - Brazil and Sweden - on e-WOM activity ($\beta = 2.32; p < 0.01$), indicating that WO activity is much more affected by Brazilians. In model 3, the control variables - Gender and Age - were included. The hypothesis is supported ($\beta = 2.10; p < 0.01$) and reveals that, between gender and age, there are no differences in the relationship between action loyalty and e-WOM. Therefore, whether male or female, of all age groups, action loyalty has a positive effect on e-WOM. These findings are in line with the findings of the research by Roy et al. (2014) and the interaction with the cultural dimensions of Hofstede. The indications that the cultural differences existing in Brazilians and Swedes were confirmed for the effects on WOM.

To verify the relationship of hypothesis 2b, we need to highlight the effects on the final model (4). While hypothesis 2a dealt with the Country on e-WOM effect, hypothesis 2b verified the country’s moderation for action loyalty, estimating that the effect of Brazilians’ action loyalty is stronger than that of Swedes. However, this effect is not supported statistically. The coefficient is positive and even indicates a greater effect of Brazilians ($\beta = 0.04; ns$), however it is not confirmed statistically, rejecting hypothesis 2b. In short, Brazilians and Swedes differ in their e-WOM activities. However, their action loyalties are no different to influence e-WOM. The result for hypothesis 2b contradicts our inference, where we assume Hofstede’s cultural differences to verify the country’s moderation for the respective action
loyalty. Although Hofstede (2020) described culture as a means of determining members of a group of others based on the collective programming of behavior, the marketing literature has shown that cultural variables can impact consumers, but that culture is dynamic and is not more outlined by nation (Craig & Douglas, 2006).

Table 5
Regression analysis

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>Model (1)</th>
<th>Model (2)</th>
<th>Model (3)</th>
<th>Model (4)</th>
<th>Hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyalty</td>
<td>0.431***</td>
<td>0.396***</td>
<td>0.410***</td>
<td>0.383***</td>
<td>H1: supported</td>
</tr>
<tr>
<td></td>
<td>(0.0511)</td>
<td>(0.0490)</td>
<td>(0.0517)</td>
<td>(0.0806)</td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>2.329***</td>
<td>2.106***</td>
<td>1.562</td>
<td></td>
<td>H2a supported</td>
</tr>
<tr>
<td></td>
<td>(0.324)</td>
<td>(0.416)</td>
<td>(1.147)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>-0.170</td>
<td>-0.164</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.379)</td>
<td>(0.380)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>0.144</td>
<td>0.144</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.155)</td>
<td>(0.156)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loyalty X Country</td>
<td>0.0454</td>
<td></td>
<td></td>
<td></td>
<td>H2b: not supported</td>
</tr>
<tr>
<td></td>
<td>(0.101)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>5.136***</td>
<td>4.395***</td>
<td>4.035***</td>
<td>4.342***</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.590)</td>
<td>(0.562)</td>
<td>(0.769)</td>
<td>(0.997)</td>
<td></td>
</tr>
<tr>
<td>No. of obs.</td>
<td>380</td>
<td>380</td>
<td>380</td>
<td>380</td>
<td></td>
</tr>
<tr>
<td>(R^2)</td>
<td>0.177</td>
<td>0.277</td>
<td>0.279</td>
<td>0.280</td>
<td></td>
</tr>
<tr>
<td>Adjusted (R^2)</td>
<td>0.174</td>
<td>0.273</td>
<td>0.271</td>
<td>0.270</td>
<td></td>
</tr>
</tbody>
</table>

Note. Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

5 CONCLUSION AND FUTURE DEVELOPMENTS

Based on word-of-mouth theory and action loyalty, this study aimed to verify the moderation of two countries - Brazil and Sweden - in the effect of action loyalty on WOM. We found effects of action loyalty on e-WOM and Country on e-WOM. However, antagonistically, we found no effect of action loyalty on WOM when moderated by the country of the e-consumer.

Due to the growing e-commerce in society today, it is of importance that companies are aware of it since it can lead to the companies becoming more profitable. It is especially important for companies to build relationships with customers online to gain their loyalty. A growing loyalty toward a brand will lead to the customer developing a greater value and a feeling of satisfaction with the brand and spark their desire to recommend the website further.

Given that, action loyalty is the behavioral action of customers, when making the purchase, online retailers need to direct their efforts to develop this action loyalty in
e-consumers to improve e-WOM behavior. For marketing strategies, this study implies that actions directed to different countries culturally, do not necessarily need to be thought of in individual ways. This implication is the result of not having found a statistically significant difference in action loyalty between the two countries surveyed. It is also estimated that future research with population data indicates that e-WOM and loyalty do not have the same possibility of interacting with each other to the same extent as traditional WOM. Reasons that may explain this result are factors such as: trust, social risks, social identity, cultural aspects, and generational aspects.

This study has an important role to better understand the role of loyalty in the different relationships between the online context and the role of WOM in online shopping. The theoretical implications of this study are to broaden e-WOM research and loyalty among Swedish and Brazilian clients. This research will serve as a contribution to the thematic when concluded that there could be a connection and interaction between WOM and loyalty. The practical implications are of great importance to the industry and consumer segments and to marketing managers to use this information in their favor and focus their resources on WOM among customers who have a personal connection to each other, to gain customer loyalty.

There are some limitations of the questionnaire that was done. First, the interviewees are from Sweden and Brazil, which excludes the opportunity to compare the result with other countries and participants. The purpose of this study is to examine the connection between WOM and loyalty. As this study involved only the collection of data from Swedish and Brazilian online consumers, it is not appropriate to carry out a more in-depth analysis and egalitarian comparison with other countries, which becomes a limitation for the research area. Relevant research also links the measurement of loyalty to a specific brand. However, in this research, generic loyalty was measured. The lack of a concrete element to measure probably explains the hypothesis is not supported.

Relationships between companies have grown exponentially in the online environment. That is, companies have become a large consumer. Therefore, there is a recommendation for replicating the study in the B2B environment, which may prove to be even more significant given that the relationships between companies (buyer-supplier), especially the impact of managing the relationship with suppliers on the company’s performance. Still, as a suggestion for future studies is the selection of different samples from different countries. Countries with less cultural differences could be chosen than Brazil and Sweden, or countries with even greater cultural differences. One can also do a deeper analysis of the interaction between WOM and loyalty within a specific e-commerce industry and see in the research whether the conclusion will be the same as in this study.
REFERENCES


Appendix - Survey: Customer action loyalty and word of mouth

The purpose of this survey is to find out how people act when they shop online. From the answers, conclusions will be drawn regarding how consumers are affected by and spreads positive information about different websites.

All answers are anonymous.

- Gender
  - Woman
  - Man
  - Other

- Age
  - 0-15
  - 16-25
  - 26-35
  - 36-45
  - 46-55
  - 56-65
  - 65+

- I live in Sweden (and in Brazil: I live in Brazil)
  - Yes
  - No

- I have purchased something online during the past twelve months
  - Yes
  - No

- I have a few website which I prefer to buy from when I make purchases online
  - Yes
  - No
- I often get affected by other individuals’ opinions/recommendations in my acquaintanceship
  - 1 (Do not agree at all) - 5 (Agree completely)

- I often make purchases from a website that someone in my acquaintanceship have recommended to me
  - 1 (Do not agree at all) - 5 (Agree completely)

- I often get affected by opinions/recommendations from individuals on social platforms (e.g. platforms such as Facebook, Instagram, Blogs)
  - 1 (Do not agree at all) - 5 (Agree completely)

- I often buy something from a website that someone on a social platform have recommended to me (e.g. platforms such as Facebook, Instagram, Blogs)
  - 1 (Do not agree at all) - 5 (Agree completely)

- I share my positive online purchase-experiences with my acquaintanceship
  - 1 (Do not agree at all) - 5 (Agree completely)

- I often recommend my acquaintanceship to switch to a website that I have had a good experience from
  - 1 (Do not agree at all) - 5 (Agree completely)

- I share my positive online purchase-experiences with through my social platforms (e.g. platforms such as Facebook, Instagram, Blogs)
  - 1 (Do not agree at all) - 5 (Agree completely)

- I often recommend individuals on my social platform to switch to a website that I have had a good experience from (e.g. platforms such as Facebook, Instagram, Blogs)
  - 1 (Do not agree at all) - 5 (Agree completely)

Source: developed for this study, adapted from Roy et al. (2014).