The influence of Electronic word of mouth (EWOM) on Consumers Purchase Intention: A review and analysis of the existing literature

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Abstract: Electronic word of mouth through various social media communities have gained much importance nowadays, consumers can now share their opinions and experiences about different brands with other potential consumers that will help them to make buying decisions. The main aim of this study is to summarize the past studies about the influence of electronic word of mouth (eWOM) on consumers’ purchase intention and also finding out gaps in the existing knowledge. Although there is a large body of knowledge available on the electronic word of mouth (eWOM), but sufficient researches have not been conducted on electronic word of mouth and its relation with purchase intention. The purpose of this study is to systematically examine and review the current literature that is available on eWOM and consumers purchase intention. This study contributes to the academic knowledge by identifying some research gaps in the existing literature and by providing directions for future research.

Keywords: eWOM, Brand Image, Social Networking Sites (SNS’s), information adoption model (IAM), Information Acceptance Model (IACM), purchase intention.

I. INTRODUCTION

eWOM via internet can be referred as online content which is shared by the customers about the products or services, and that information is used by the other users in making their purchasing decisions (Hennig-Thurau et al., 2004). Consumers seek information by reading the reviews and comments of products available on social Networking Sites’, this information help them to form opinions about companies and brands, that can have a positive or negative impact on the reputation of the companies (Utz, 2010). Companies and brands have got new ways to interact and engage with customers through social media (Godey et al., 2016). Information about products and services that is shared through eWOM is regarded as cost effective. Thus information can be shared with many people at a time with minimum cost. WOM communication influences not only consumers’ attitudes and their behaviors but also affects brand image of the customers (Murtiasih et al., 2013). Therefore eWOM communication should be considered effectively because satisfied consumers can spread positive word of mouth but at the same time dissatisfied consumers can spread negative word of mouth (Mangold, 2010). Before purchasing any product or service, consumers always search for important information that is posted by the previous consumers on different Social Networking Sites (SNS). Consumers seek product information before making their purchasing decisions. Social media platforms are increasingly used by consumers to share and use electronic word of mouth information about products and services (Cheung & Thandani, 2012).

Consumers generate, share, and use eWOM information that motivate other users to make purchases with the particular brand, and this eWOM information also helps to boost corporate reputation. This also enhances online interactions between different users and people use it to gain many social benefits through it (Cheung & Lee, 2012). With the emergence of technology and internet, electronic word of mouth via social media have gained much popularity these days, consumers use online consumer reviews that has become one of the most important sources of information that consumers seek before making their purchasing decisions (Zhu and Zhang, 2010).

eWOM information that is made available on social networking sites influence consumers attitude and behavior before consuming products e.g., product attitude and purchase intention as well as behaviors of consumers after making purchases e.g., Intension to share information via eWOM. Product reviews are one of the most important forms of eWOM communication that consumers post on the internet (Sen and Lerman, 2007). For eWOM communication social media is considered as an appropriate platform because users can share their posts about products or services on social networking sites (Hsiao et al., 2016). eWOM through social media also helps in promoting different brands and can create distinctive image in the minds of customers.
Social Networking sites have brought new aspects to eWOMcommunication and are considered new platforms for eWOMthat enables users to interact with known and unknown people. Consumers are now able to exchange their opinions and experiences about different brands with their friends and followers on social media platforms (Chu and Kim, 2012). It has been reported that online product reviews are about 12 times more trusted by consumers than advertisements made by the sellers themselves. This has led to adoption of eWoM messages by consumers. Adoption of eWOM message refers to accepting the information and recommendations that is available in the form of reviews and comments, which influence consumers’ behavioral Intention (Saremi and Montazemi, 2019). eWOM communication in the form of reviews and comments posted on social networking sites are increasingly important for online consumers eWOM can be referred as informal communication between online consumers related to many different brands. It also helps consumers in evaluating different products and services (Cantallops and Salvi, 2014; Zhang et al., 2010).

Social Networking Sites have created opportunities for the customers to spread word of mouth in the form of product review which helps other customers in making purchase decision (Erkan and Evan, 2016). Consumers use eWOM information before making their purchases especially through e-commerce websites. eWOM information that is made available by different brands on online websites greatly affects the behavior of consumers (Ha and Im, 2012). eWOM information have the strongest impact on the minds of consumers. eWOM is not only used by consumers but is also used by different brands by creating their own websites through which they share important information of their products and services that consumers use for making purchasing decisions.

Social media allows consumers to share their opinions about the products and services to create and promote the brand (Erkan and Evan, 2016). Consumers are engaging themselves with the online reviews and with the help of these reviews they are able to make their purchasing decisions. With the development of internet, eWOM has gained much importance in online shopping facilities. Consumers can give suggestions to their friends or followers on social media, then they can visit the company’s websites providing information of different products or services and consumers can take their recommendations into consideration and it can influence purchasing intention of consumers.

Hennig-Thurau et al. (2004), defined eWOM as a “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”. But Marketer generated content is considered as less reliable by consumers than the user generated content as the marketers have the freedom to share anything about their businesses. Consumers rely more on user generated content that they share in the form of pictures, videos or texts via social media. As an example, social networks sites (e.g. Facebook, Instagram), product review sites, forums and blogs are different kinds of eWOM platforms (Bickart and Schindler, 2001; Cheung and Thadani, 2012).

eWOMin social media occurs not only between known people but also occurs between unknown people. Thus consumers can interact with known potential consumers as well as who are unknown to them and can influence them to make purchases. eWOMcommunication can be positive or negative communication. The positive eWOM information shared via mobile internet between actual or potential consumers can persuade them to make purchases (Wang et al. 2013). Consumers share their brand experiences and feelings by sharing different posts via social media. eWOMinformation shared through social media reaches many different users who can use this information in making purchasing decisions (Erkan and Evans 2016; Lin et al. 2017). It is common in today’s consumer search and collect important information before buying anything that is available on various social media platforms in the form product reviews and comments that is placed by prior consumers. (Adjei et al., 2010).

II. THEORETICAL BACKGROUND

Social media have created opportunities for the consumers to spread positive word of mouth in the form of product reviews which helps other customers in making their purchasing decisions (Erkan & Evan, 2016). eWOM also develops trust among its consumers that result more favorable attitude from consumer towards the brand (Al-Debei, 2015). Researchers have found that social media can provide a rich basis for C2C information thus can have a great influence on consumption decision (Liao et al., 2018). eWOM develops destination trust among its consumers and develops visit intention among them (Abubaker, M. Abubaker, 2016). Electronic word of mouth has a significant impact on the satisfaction of consumers and it also helps to create distinctive brand image in the minds of consumers. (Arif et al., 2019). Companies should also focus on the content that is published about them in the form of reviews through social media as it greatly influences their purchasing intention (Michaud and Ladhari, 2015). eWOM plays an important role in influencing purchasing decision of consumers (Marwat and Vinnakota, 2017). eWOM not only influences purchasing but also repurchasing intentions of consumers (Joppe et al., 2016).

eWOM is an inexpensive way of communicating with potential customers. It is considered to be trustworthy and most important source of information that people consider before making purchases.
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Trust that is transferred from eWOM information influences consumer to make purchase decisions (Hong and Lee, 2019). eWOM information develop trust among consumers regarding various products and services and in turn develops purchase intention among them. Thus, consumer trust in a product and the brand information and knowledge made available by eWOM can reinforce purchase intention (See-To and Ho, 2014; Jalilvand and Samiei, 2012; Sia et al., 2009; Kim et al., 2009).

Positive reviews help to develop corporate reputation that increases customer’s loyalty and develop brand equity among consumers. Positive eWOM is extremely important for hotel industries, not only by the positive impact on the company’s reputation but it also helps to attract new customers (Cardona and Cantallops, 2018).

eWOM information on various social networking sites highly influences purchase intention of consumers (Evans and Erkan, 2018). eWOM via social media significantly influences consumers emotional, affective and cognitive responses (Yan et al., 2018). Information Quality and Information Quantity that is available to consumers in the form of reviews significantly influences consumers purchasing intention (Baroom et al., 2020). eWOM information or consumer reviews helps in buying decisions of consumers (P.Y Michelle, 2018). eWOM plays an important role in developing brand image in the minds of consumers. Besides, eWOM and brand image have certain influence on buying intention of consumers (Haun et al., 2017).

III. RESEARCH METHOD

The review of literature has been undertaken during the period of November 2019- April 2020. The main database research engine that was used was (ScienceDirect, EmeraldInsight, Springer and Google scholar) in order to collect the related articles for the study. Keywords used in order to reach the relevant articles are eWOM, social networking sites, brand image, IAM, and consumers purchase intention. Then, all the research articles collected have been selected and analyzed so that the data collected is relevant to the main aim of the study. Further papers were analyzed to identify important gaps in the past studies. Also the variables of eWOM that was least tested and used in the existing studies. Future scholars can test these variables in their studies and it will be effective for their studies and it will add new aspects to the existing studies.

Electronic word of mouth (eWOM) variables.

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<tr>
<th>Author</th>
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<th>eWOM variables</th>
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<td>Liao et al(2019)</td>
<td>Examining the influence of customer to customer electronic word of mouth on purchase intention in social networking sites</td>
<td>Information usefulness Information credibility Information adoption</td>
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<tr>
<td>Evan &amp; Erkan(2018)</td>
<td>Social media or shopping websites? The influence of Ewom on consumers online purchase intentions.</td>
<td>Information usefulness Information adoption Information credibility Information Quality</td>
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<th>Authors</th>
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<td>Farzin &amp; Fattahi (2018)</td>
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<td>Trust</td>
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**Tie strength and eWOM**

It is the strength of the relationship that members of a network have with each other (Mittal et al., 2008). In other words it is the power of social relationship between the consumers who share the eWOM information through social media or any other online platform and the other potential consumers. Therefore the strength of the tie between consumers and other potential consumers has an impact on purchasing intention of consumers. Consumers can share their brand experiences online and can influence other users with whom they have stronger ties or powerful relationships.

**Altruism and eWOM**

It is the act to help someone at some cost to oneself. It can be defined as the motivation of people to work for the welfare of other people without thinking about their own welfares (Batson, 1994). An altruistic consumer can share useful information via social media without expecting anything from others or brands. They can share positive word of mouth about the products and services that can motivate other users to make purchases with that brand, it can also help in promoting the brand and create distinctive image in the minds of consumers.

**Self-efficacy and eWOM**

It refers to an individual's confidence in their abilities to organize and implement action to produce certain level of performances (Albert Bandura, 1986). Geissler & Edison, 2005 defined self-efficacy as personal confidence in one's capabilities to complete certain courses of action. Also it can be defined as one's ability to perform some courses of action that are needed to reach the desired level of performance (Cheung and Lee, 2012). Researchers found that self-efficacy greatly influence people's thinking, motivating, behaving, and decision making (Gangadharbatla, 2008; Geissler and Edison, 2005; Bandura, 1994; Bearden et al., 2001). Some studies showed that self-efficacy can help in motivating consumers share useful information in virtual communities and online platforms such as SNSs. Kankanhalli et al. (2005) found that knowledge self-efficacy is important for motivating consumers to share their opinions and experiences with other individuals. According to them more the self-efficacy more will be the willingness of users to engage in eWOM communication in virtual communities and online platforms such as SNSs.

In the above evaluation, Tie strength, Altruism, self-efficacy, moral obligation are the variables that are least tested therefore needs more attention by the researchers. The most commonly electronic word of mouth variables used are information credibility, information usefulness, information quality, and information adoption. These are the four constituents of IAM (information adoption model).

**Information Adoption Model (IAM)**

The Information adoption model (IAM) is pointed out by Sussman and Siegal (2003). In the field of eWOM, this model has been used by different researchers in their studies (Cheung et al, 2008; Zhang, Zhao, Cheung, & Lee, 2014; Zhu et al.). The IAM has four main constituents: Argument quality, Source credibility, Information usefulness, and Information adoption.
The IAM explains how individuals are affected by the information and thus change their behaviors on computer-mediated communication platforms. The IAM is proposed by considering the Elaboration likelihood Model (ELM) that suggests that people are affected by a message in two ways that is central and peripheral. The central path involves high level of message elaboration in which a great amount of cognition about the arguments are generated by the individual receiving the message while the peripheral path requires less cognitive effort, heuristics, cues, affinity with the source of information form the basis for an attitude change when using the peripheral path. As this model particularly focuses on the influence of information on computer mediated communication platforms, it has been considered as applicable to eWOM studies by many researchers.

Information adoption model (Sussman & Siegal, 2003)

Information acceptance model (IACM)

However, researchers argued that in order to evaluate the influence of eWOM on consumers purchase intention the major characteristics of eWOM are not adequate, so it is necessary to identify the behavior of consumers towards that eWOM information. For evaluating the impact of eWOM on consumers purchase intention both the characteristics of eWOM as well as consumers attitude towards eWOM information should be included in the model. It is claimed that the influence of eWOM information on social media not only depends on the features of eWOM information such as quality and credibility of information, but it also depends on the consumers’ behavior and attitudes towards eWOM information so the researchers proposed a new model that was named as information acceptance model (Evan and Erkan, 2016) in this two models information adoption model (IAM) was used that was coined by Sussman & Siegal in 2004 and Theory of Related Action were integrated that was proposed by Fishbein & Ajzen in 1975.

Theory of Reasoned Action (TRA) is coined by Ajzen & Fishbein (1975). According to this theory, an individual’s behavior is determined by its behavioral intention to perform it. This intention is determined by the individual’s attitudes and subjective norms towards the behavior. Therefore this model is used to identify individuals’ behavior based on their attitude towards performing their behavior, subjective norm and intentions. This theory has been frequently used by the previous researchers in order to examine the relationship between eWOM and consumers’ purchase intention (Cheung & Thadani, 2012; Prendergast, Ko & Yuen, 2010; Sievert, Reichelt & Jacob, 2014). However, only two components of TRA has been used in information Acceptance model (IACM) that are behavioral intention and attitude. Therefore IAM represents characteristics of eWOM information and the components of TRA will identify the attitudes of consumers’ towards the eWOM information. Further, Erkan & Evan, 2016 include needs of information to IACM. Needs of information is regarded as important variable to examine the behavior of consumers towards eWOM information (Chu & Kim, 2011; Wolny & Mueller, 2013).
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IV. DISCUSSION

The different EWOM variables that researchers tested on consumers purchase intention have been reviewed, among them the variables information credibility, information usefulness, information quality and information adoption are identified as popularly tested variables. The effects of EWOM on consumers’ perception of credibility may be better explained by adding more dimensions of EWOM in social media found in other studies. These dimensions may include Task Attraction(Fang,2014), Review Consistency(Moran et al,2014) and Recommendation Rating(Fang 2014). In the detailed analysis, Trust, Self-efficacy, Altruism and Moral Obligation have been identified as relevant to customers that needs to pay a special attention. Also there are other complementary factors that are associated with psychological and motivational differences such as affinity to technology, Self-presenting and market Mavenism which needs to be explored (Farzin and Fattahi,2018). Furthermore the EWOM impact on other brand dimensions such as brand personality, could be investigated in future works. When brand image or brand identity is expressed in terms of human traits, it is called brand personality. It means assigning human personality traits or characteristics to a brand so as to achieve differentiation. Key dimensions of brand personality include Brand Competence, Brand Sophistication, Brand sincerity, Brand Excitement and Brand Toughness. These key dimensions can be tested in future research.

Among these different EWOM variables, the Information acceptance model (IACM) can be identified as a rarely applied model by researchers. This model is developed by Evan & Erkan,(2016). This model offers holistic approach by considering the behavior of consumers as well as the characteristics of information within the same model. Future research could develop this model by adding more variables or using the current one within different contexts (Erkan, 2016). Needs of information is least tested variable, therefore in future studies this variable can be used and needs special attention by researchers (Chu & Kim,2011; Wolny & Mueller, 2013).

There were limited studies available on the influence of electronic word of mouth (eWOM) on consumers’ purchase intention in peer reviewed journals.

Lack of empirical evidence on the topic proves that this is an under researched area. One reason is that eWOM through social media is relatively recent arrival and researchers have not yet thoughtful in this area enough.

Social media has been prevalent everywhere. However until recently it has not been used for business purposes, thus the impact of eWOM on consumer purchase intention is another void in the literature that needs to get adequate attention. Now a days eWOM in social media is important for any business to flourish, so marketing managers are now using eWOM in social media mainly for business purposes. Many researchers found Reciprocity, Tie strength, Trust and interaction service quality as important variables that influence
consumers to share their views regarding different brands with others on various social media platforms. eWOM in social media is considered as an important marketing strategy for businesses to be successful.

In addition to that researchers need to pay attention to examining the impact of socio-demographic variables such as age, gender, income, education, on the relationship between eWOM and consumers purchase intention(Yan et al), The implication of demography on the relationship between eWOM and consumers purchase intention is another field that needs to pay attention. Future researchers need to study the citizen’s attitudes towards eWOM through social media sites in order to get more information as well as to predict their buying intention is another void in the literature that needs to get adequate attention.

Also researchers could look into the effect of eWOM on consumers purchase intention through other dimension of brand equity like brand awareness, brand image and brand loyalty that are least tested and needs special attention. eWOM can create positive attitudes towards brands and researchers should pay attention to this dimension also. Adequate studies have not been done on understanding the cause and effect relationship between eWOM and brand equity therefore further studies can be done on this dimension(Azizi et al, 2018).

Also eWOM effects on brand image could be examined for particular brands or class of products, such as luxury goods or high-tech products.(Farzin & Fattahi, 2018).

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