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# The effect of online information sources on purchase intentions between consumers with high and low susceptibility to informational influence<sup>☆</sup>

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## ABSTRACT

By highlighting consumers' personal characteristics related to online brand information search, this study sheds light on how information sources from eWOM (electronic word-of-mouth), neutral/third party, and manufacturer/retailer influence purchase intentions of consumers with high and low susceptibility to informational influence. Based on a two-phase study, we discovered that online brand-related information from these three sources has a positive influence on consumer attitude toward the brand and purchase intention for that brand. Furthermore, our results show that the eWOM source is likely to be perceived as more useful by consumers with high susceptibility to informational influence than neutral/third party and manufacturer/retailer sources. Conversely, all three sources of brand-related information are perceived to be useful by consumers with low susceptibility to informational influence. Implications for researchers and managers are discussed.

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## 1. Introduction

The last couple of decades have witnessed rapid technological advancements, which have consequently caused dramatic changes in the way we live, work, and play (Peterson, Balasubramanian, & Bronnenberg, 1997). Likewise, it is of little doubt that the lives of consumers and their purchase behavior have also undergone change. The advent of the Internet has been increasingly considered as a unique and interactive medium for conducting research on brand information (Porter, 2001; Steckel et al., 2005). For example, imagine that Joe's cell phone recently stopped working and now, Joe is in the market to buy a new phone. Joe is not quite sure which cell phone brand is the most popular and which brand is most likely to deliver what he is looking for in a cell phone. To make an informed purchase decision, Joe may consult with others using an online chat room or forum as a medium, search online for brand recommendations from experts, or visit the manufacturer's website to get more brand-related information. However, the type and sources of brand-related information will play an important and dominating role in influencing his purchase decision. The

ability to identify the perceived usefulness of various types of online brand-related information and understand how this information influences brand attitudes and purchase intention is critical for marketing managers who are in the business of developing effective marketing strategies aimed at targeting different consumers.

The online brand-related information that affects consumer's purchase decisions has been the subject of extensive research in consumer behavior and marketing. Prior research reveals that consumers may use multiple sources (e.g., electronic word-of-mouth, or eWOM sources, neutral/third party sources, and manufacturer/retailer sources) to acquire information about a brand and product (Häubl & Trifts, 2000; Jin & Phua, 2014; Park & Lee, 2009; Steckel et al., 2005; Zauberman, 2003). However, existing literature on the role of these online information sources has revealed contradictory findings. For example, some researchers suggest that consumers are more likely to rely on eWOM sources as they deem customer-to-customer information as more reliable and less susceptible to commercial motives (Berger, 2014; Bickart & Schindler, 2001; Gruen, Osmonbekov, & Czaplewski, 2007; Kim & Gupta, 2012; van Beuningen de Ruyter, Wetzels, & Streukens, 2009). Others, however, argue on the contrary and suggest that exchanging information with unknown people through customer-to-customer sources is not perceived as trustworthy or even valuable to consumers when making a purchase decision (Mathwick, Wiertz, & De Ruyter, 2008). In addition, Häubl and Trifts (2000) demonstrate that agent recommendations, those that are based on self-explicated information about a consumer's desired utility and function, reduce the search effort

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and aids in making purchase decisions. Contrarily, [Steckel et al. \(2005\)](#) argue that if agents are neither autonomous nor believable, they may lead to bias in consumer decision-making. Some studies also show that consumers favor peer sources more than corporate information ([Bickart & Schindler, 2001](#); [van Beuningen et al., 2009](#)). Lastly, it is also likely that consumers may not perceive all information sources as equally valuable due to the characteristics of those sources ([Lurie, 2004](#)).

Although these studies have demonstrated that online information sources influence consumer decision-making, research has yet to be conducted that demonstrates the incorporation of the three types of online information sources (eWOM, neutral/third party, and manufacturer/retailer) and examines their effect on consumer's brand attitude and purchase intention. In addition, a careful analysis of the existing literature reveals that the perceived usefulness of each type of online information source remains unknown. In this study, we propose that consumer's characteristics may influence their reactions toward online sources of brand-related information while making a brand purchase decision. Specifically, we suggest that consumer's level of susceptibility to informational influence ([Bearden, Netemeyer, & Teel, 1989](#); [Lascu & Zinkhan, 1999](#)) is related to how influential they find different types of online sources of brand-related information.

The purpose of this research is to simultaneously examine three information sources – eWOM, neutral/third party, and manufacturer/retailer – that act as predictors of brand attitude and purchase intention toward a brand. In addition, this research is designed to determine whether there are differences in the effects of online brand-related information on consumer purchase intentions for consumers with high and low susceptibility to informational influence.

## 2. Conceptual framework and hypotheses

Research on consumer online information search suggests that consumers may use different types of online information sources to search for brand-related information when making purchase decisions ([Häubl & Trifts, 2000](#); [Smith, Menon, & Sivakumar, 2005](#)). However, a review of the online information search and consumer behavior literature reveals that previous research has not examined all of these sources within a unified, single study ([Bickart & Schindler, 2001](#); [Steckel et al., 2005](#)). In this research, we suggest that online brand-related information from eWOM, neutral/third party and manufacturer/retailer sources affect consumer's brand attitude and intention. The specific hypotheses related to the three sources of online information are discussed below.

### 2.1. eWOM sources

A large and growing body of research has shown that consumers are likely to follow others when making purchase decisions ([Berger & Schwartz, 2011](#); [Bickart & Schindler, 2001](#); [Gruen et al., 2007](#); [Murray, 1991](#); [Smith et al., 2005](#)). Recent research shows that online consumers are increasingly driven by a need for social interaction, in addition to instrumental goals ([Childers, Carr, Peck, & Carson, 2002](#)). In the process of online decision-making, consumers may engage in brand-related information search by reading other consumer's brand and service ratings and evaluations through an online eWOM source. For example, consumers can exchange brand-related information with other users through their trial experiences via chat rooms or web forums, thus making it possible for them to share and facilitate their knowledge and experiences with each other ([Bei, Chen, & Widdows, 2004](#); [Bickart & Schindler, 2001](#); [Dellarocas, 2003](#); [Sweeney, Soutar & Mazzarol, 2011](#)). As the Internet is making information from eWOM sources more accessible, consumers can easily find brand-related information that can impact online consumer purchase intention.

There are two conflicting arguments regarding the credibility and quality of information from an eWOM source. Some researchers argue that exchanging or sharing information with unknown people on the

internet is unreliable and untrustworthy. As a result, it is less likely to have an impact on consumer decision making ([Mathwick et al., 2008](#)). In contrast, other researchers suggest that customer-to-customer or C2C information is considered more credible and relevant than corporate information as it is less susceptible to commercial motives or bias (e.g., increased profits or sales) ([Bickart & Schindler, 2001](#)). C2C exchanges impact the overall perceptions of the value of a firm's offering ([Gruen et al., 2007](#)). Using eWOM sources can help consumers achieve a sense of security when making a purchase decision. For example, consumers may believe that other users have provided them with credible information regarding a brand's value or worth. Thus, consumers will buy the same brand as a safe means of avoiding risk or loss ([Chen & Xie, 2008](#)). Recent research shows that the eWOM effect is greater for negative eWOM than for positive eWOM ([Park & Lee, 2009](#)). In this same vein, if a consumer purchases a certain brand's product and this product successfully satisfies consumer's needs, consumers may then recommend that brand or product to fellow consumers through online eWOM sources. Conversely, sharing one's negative experience with a brand may inhibit others to purchase that same brand ([Maheswaran & Meyers-Levy, 1990](#)). Thus, it is expected that the information about a brand from an eWOM source is likely to influence the formation of consumer's brand attitude toward, and purchase intention for the brand.

### 2.2. Neutral/third party sources

[Senecal and Nantel \(2004\)](#) suggest that product assessment websites (e.g., [consumerreports.org](#)) are considered to be third party websites. These sources provide consumers with information that includes brand comparisons with reference to its sales ranking ([Chevalier & Goolsbee, 2003](#)), expert's opinions on brand recommendations and relevant special reports ([Senecal & Nantel, 2004](#)). These third party sources are highly regarded by consumers since they facilitate consumer's external search effort by decreasing search costs ([Alba et al., 1997](#); [Lynch & Ariely, 2000](#)). Although third party sources claim to provide consumers with an objective source of information, some researchers state that certain commercially linked recommendation agents may not be reliable because they can mislead consumers into making a biased decision ([Steckel et al., 2005](#)). Consumers often discredit recommendations from a third party source if they suspect that the third party has incentives to recommend a brand or product ([Folkes, 1988](#)).

Other researchers argue that online product recommendations from independent websites (e.g., neutral/third parties) are more influential than those from less independent websites (e.g., manufacturers/retailers) ([Alba et al., 1997](#); [Gershoff, Mukherjee, & Mukhopadhyay, 2003](#); [Lynch & Ariely, 2000](#)). Put differently, online product recommendations from neutral/third parties are perceived as being more useful in terms of providing accurate information. Many consumers are willing to search for information from neutral/third party sources to satiate the uncertainty they feel toward information from manufacturers/retailers. For example, consumers with a high motivation to process information in particular are willing to accept recommendations from neutral/third parties ([Gupta & Harris, 2010](#)). Further, an online brand recommendation can influence the level of consumer satisfaction with the online shopping experience ([Szymanski & Hise, 2000](#)). Thus, we expect that consumers are likely to use brand-related information from a neutral/third party source to form their attitude toward a brand. Consequently, the information gathered from a neutral/third party source will positively impact consumers' purchase intentions.

### 2.3. Manufacturer/retailer sources

Research suggests that online transactions indicate uncertainty to consumers ([Jacoby et al., 1994](#)). Due to the nature of online transactions, consumers are unable to investigate first-hand, the specific attributes about a brand which may increase consumer's uncertainty to buy a

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