



Online word-of-mouth antecedents, attitude and intention-to-purchase electronic products in Pakistan



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ABSTRACT

Online word-of-mouth communication, a phenomenon that has taken hold over the last decade, is bringing major change to the lives of individuals, and specifically to consumers. Considering the rapid growth in online communication with the advent of virtual mediums, and the lack of attention this receives in developing countries, this empirical research examines the impact of online communication on consumers' buying intentions. The study investigated the outcomes of online word-of-mouth communication on consumers' preferences, the variables influencing an individual in using positive word-of-mouth, and their effect on consumers' attitudes and intentions to buy electronic products. The theoretical foundation for this study, the heuristic–systematic model and attitude formation theory, laid a strong framework for collecting data from 251 internet users, which covers six measures: speaker's trustworthiness, speaker's expertise, speaker's experience, word-of-mouth use, attitude and purchase intentions. Data analysis used confirmatory factor analysis and structural equation modeling to understand the effect of exogenous variables over endogenous variables, and the effect of a mediator variable between two constructs. The results show that the impact of online word-of-mouth communication, received from a trustworthy and experienced source, on receiver's purchase intentions is mediated by attitude.

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1. Introduction

Researchers and practitioners have long acknowledged the importance of face-to-face and word-of-mouth communication. Their strong influence on consumer decision-making has led many researchers to deeply explore the phenomenon (Frenzen and Nakamoto, 1993; Lam and Mizerski, 2005; Carl and Noland, 2008). In recent times, word-of-mouth communication has taken different forms: what once took place only face-to-face is now possible to project through many different online channels. One online channel experiencing immense growth is social networking, made up of websites with virtual communities of individuals who interact with each other (Steffes and Burgee, 2009).

Online word-of-mouth, as described by Hennig-Thurau et al. (2004), is any positive or negative statement made by a former, actual, or potential customer about a product or an organization to more than one person or institution via the internet. Researchers have carried out extensive study of this new medium (King et al., 2014) and, according to Cheung and Thadani

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(2012), online word-of-mouth communication processes have a significant influence on consumers' buying intentions. Even though buying intentions are affected by different factors associated with communicators, receivers, stimuli and contexts of communication, individuals consider internet sites as performers or senders of word-of-mouth in online social forums, and hence, online communities can act as a substitute for individual recognition (Brown et al., 2007).

Products and services can be evaluated and recommended by different online consumer groups, and the more customers positively talk about a product or service the more sales a company generates from these web-based interactions (Phang et al., 2013).

Researchers have attempted to explore the extent of influence of electronic word-of-mouth in online discussion boards and found that the discussions in virtual communities are a significant factor in shaping the buying intentions of consumers (Fong and Burton, 2006). For example, Tham et al. (2013) investigated the nature of word-of-mouth communication in online tourism websites and concluded that online word-of-mouth communication is a unique channel of information exchange because content management, channel variability, information seeking behavior, message retention and motivation of information provision are different from that of traditional word-of-mouth communication. Further, because travel-related content is more structured, it tends to disseminate information more quickly with electronic word-of-mouth (Luo and Zhong, 2015). Thus, the results of exploring different factors and their impact on electronic word-of-mouth differ from those of traditional channels.

The type of influence of online word-of-mouth communication on purchase intentions is different. Friends and family in a normal setting tend to influence individuals in a different way as compared with virtual settings because the behavior of consumers in dealing with friends and family in virtual world is different (Goodrich and de Mooij, 2014). Brown et al. (2007) has indicated that it is inappropriate to examine online word-of-mouth under the context of conventional definitions. However, researchers have noted that personal consumption is a common factor with online (Cheema and Papatla, 2010; Goldsmith and Horowitz, 2006) and offline (Cheema and Papatla, 2010; Bell and Song, 2004) word-of-mouth communication.

Despite the significance of word-of-mouth communication in a purchase decision, few researchers have investigated and quantified the whole purchase process in which word-of-mouth communication is involved (Martin and Lueg, 2013). And given the immense growth in online communication, it is surprising that only a few researchers have explored the dimension of how a listener uses word-of-mouth in the virtual world. After analyzing the literature we found that most studies of online word-of-mouth focused on the tourism industry (Liang et al., 2013; Tham et al., 2013; Sparks et al., 2013), with researchers focusing attention on movie discussions or restaurant experiences (Wang et al., 2010; Jeong and Jang, 2011; Kim et al., 2013b; Liao and Cheng, 2014). We found no research that has studied online word-of-mouth communication in the context of electronic products in Pakistan.

The country is fluxed with branded and non-branded electronic goods. The non-branded electronic goods generally do not provide warranty as well as other after sales services. At the same time the electronic products to be purchased are costly. To rationalize this risk people try to seek opinion from others. As Fang et al. (2011) confirmed that product type calls for inviting opinion from others and this is generally done for rationalizing the perceived risk. As per their findings moving from pure services to pure products involves higher risk.

Another reason to ask people about electronic goods is that generally the products available in the market are foreign made products because of the reason that the production capacity has decreased due to resources shortage including electricity, etc. resulting in high priced low production (Kemal, 2006).

The geographic location of Pakistan is such that it is near to China and the transportation cost for importing the electronics goods is comparatively less as compared to other countries. Country reputation is another factor. Pakistan falls at second rank among most negatively perceived country in the world (Yousaf and Huaibin, 2015) people try to avoid local made products and prefer to buy imported goods. Pakistan is a collectivistic society as per Hofstede's view and try to share the information as well as seek the information from others.

Hence, this study has attempted to comprehend consumers' approach towards online word-of-mouth communication and its influence on their purchase decisions. Examined in this study are the main features of the speaker that motivate consumers to believe positive word-of-mouth, and the extent these features influence the consumers' attitudes and intentions in making the purchasing decision, i.e. how consumers' attitudes and preferences build up when involved in online word-of-mouth communication. Therefore, the study investigated the variables that contribute to positive word-of-mouth use by a receiver in a virtual world and their influence on consumer attitudes and intentions to buy electronic products. Electronic products were selected because these products involve higher financial and social risks, thereby forcing consumers to assess multiple options before an investment decision.

2. Literature review

Consumer psychology is central to marketers understanding of how, why, where and when consumers purchase products and services. Advertisers strive to identify the factors that affect the strength of their marketing messages and how to improve their persuasive power (Buda and Zhang, 2000). One factor that has been shown to influence consumers' purchasing decision is word-of-mouth communication, an informal form of communication about products or services currently, or will be, in use (Godes and Mayzlin, 2004).

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