



The impact of interactivity of electronic word of mouth systems and E-Quality on decision support in the context of the e-marketplace



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ABSTRACT

This study aims to investigate the impact of the interactivity of electronic word of mouth (EWOM) systems and E-Quality on decision support satisfaction. To develop hypotheses, we adopted three theoretical lenses: the cognition-to-action loyalty framework, the interactivity theory, and the E-Quality model. The model and measurements were based on the literature. A survey was conducted to validate the research model. The findings illustrate that interactive EWOM systems impart customer satisfaction on the purchase decision and also positively influence the website quality. E-Quality was found to have a significant impact on decision support satisfaction. Several theoretical contributions and managerial implications are discussed.

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1. Introduction

The advent of the Internet has revolutionized word of mouth activity [20]. Consumers now use blogs, search engines, Internet communities, social media, consumer review systems and online instant messenger services to gather and disseminate product information. These tools are the basis for a new form of word of mouth, known as electronic word of mouth or EWOM. These tools are used for information searching and decision-making support and are critical tools for the formation of brand images [13,35].

One of the best examples of EWOM systems and indeed a prototypical EWOM system is the customer review system. Customers can post text-based comments, insert video reviews, and even respond to other customers' opinions on the product or service in question through EWOM systems. In this brave new world of faceless e-commerce, today's online shopper can complement and complain any time of the day [34]. The emergence of these EWOM channels has not only changed the

way customers interact with other customers; it has also changed the way that businesses engage the customers as well as other businesses [15].

Hennig-Thurau et al. [37] demonstrated that the information provided by online forums is very influential. This is substantiated by market research. For example, eMarketer found that 61% of consumers check online forums, consumer blogs and other sources for online customer reviews before they purchase products [24]. INFOGROUP found that 80% of potential online consumers who plan to purchase a product turn to online consumer reviews before they make a purchase decision [38]. These studies and others coupled with anecdotal insight are the reason that businesses turn to EWOM. The simple reason is that customers trust consumer-produced information [26].

Researchers have recognized the growing importance of EWOM in e-business. For example, there have been several studies on EWOM participation involving customer motives (e.g. [15,36]). Similarly, there have been studies conducted on the relationship between trust and EWOM (e.g. [3,21]) as well as how EWOM information influences consumers (e.g. [17,22,23,26,72]).

Many of these studies address the influence of EWOM as an information source for customers or focus on how to motivate customers to participate in the process. However, little is known about the effect of the interactivity of EWOM systems and the quality of commercial websites. This is particularly true of the way

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that the EWOM facilitates the decision-making process in terms of decision support. In essence, EWOM systems facilitate the decision-making process and positively impact customer satisfaction.

This issue is closely related to our research questions: (1) what attributes of the EWOM system influence customer decision support satisfaction in an online purchase? And, (2) how does the interactivity of EWOM systems influence overall e-business quality?

To answer these questions, we adopted three theoretical lenses: the cognition-to-action loyalty framework, the interactivity theory, and the e-business quality (E-Quality) model. The cognition-to-action loyalty framework is used to investigate how the EWOM system in conjunction with the E-Quality of the e-marketplace site leads to customer decision support satisfaction, which in turn leads to E-Loyalty.

This study is expected to contribute to the theoretical and applied literature in two ways. First, this study attempts to identify the attributes of EWOM systems that influence customer decision support satisfaction. Second, we want to determine the role of EWOM systems in overall e-business quality. In our review of the literature, we could not find any evidence on the role that EWOM systems play in delivering overall e-business quality.

The rest of this article is structured as follows: we first introduce the previous studies on EWOM. In the next section, we present the theoretical development process and hypotheses based on the interactivity theory and the E-Quality model literature. Subsequently, methodology and analysis process is presented. Finally, we conclude with the implications of our findings.

2. Literature review on electronic word of mouth

EWOM (electronic word of mouth) 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” [36]. There are two important research streams in the EWOM literature. A majority of EWOM studies focus on the consequences of EWOM, such as revenue growth, customer retention, and promotion of customer purchase intention [3,13,22,23,26,46,56,72]. The other studies investigate the motivation and process concerning how EWOM is created and used by customers [15,16,36,37,55].

According to previous studies, EWOM positively influences business performance and customer purchase behavior [3,22]. Chevalier and Mayzlin [17] illustrate that Amazon had far more positive EWOM in both quantity and quality than Barnes and Noble did, and the more positive EWOM is, the greater the book sales are. Pavlou and Dimoka [56] analyzed text-oriented EWOM and found that EWOM in the form of text, as opposed to simple customer ratings, constructs more trust and creates price premiums on the products. Bickart and Shindler [7] found that customers paid more attention to the information provided by other customers than that of salespersons or marketers. That is, the information other customers provide is more appealing and meaningful to potential customers than that provided by a marketer.

Dellarocas [20] stressed the importance of EWOM interactions. He found that trust problems are typically caused by a lack of interaction in e-commerce transactions, as well as a lack of pathways that allow customers the opportunity to investigate the product being offered. Gruen et al. [30] viewed EWOM as a type of know-how exchange among customers whereby development depends on opportunity, motivation, and the ability of customers.

Previous studies also address the motivation of customers who participate in EWOM activities. Hennig-Thurau and Walsh [36] investigated customer motives for reading online word of mouth and the resulting effects. They found that the primary motivations

for reading reviews were diminution of risk, decreasing search time, reduction of purchase regret, the discovery of new products, and increasing social status among others.

Hennig-Thurau et al. [37] also examined the motivation to post EWOM on the Internet and found that consumer desire for social interaction, economic incentives, and increase in social status were the major factors. Cheung and Lee [15] emphasized intrinsic motivations. They found that the important motivators for participating in EWOM activities were egoism, collectivism, altruism, principlism, and efficacy.

There is another research stream that investigates the effect of positive or negative EWOM on customer behavior. Chatterjee [13] indicates that a negative consumer review has a critical influence on consumer trust and purchase intentions at the Internet shopping mall. Moreover, in the case of consumers who prefer to purchase at a lower cost, the negative word of mouth impact is even greater.

To summarize, many studies on EWOM indicate how EWOM influences customer behavior and how it benefits online shopping malls. However, the importance of the EWOM system itself is overlooked. For example, text-based EWOM systems and video-embedded EWOM systems could have different impacts on customer purchase decisions and business performance. The objective of this study is to fill this gap.

3. Hypotheses development

To investigate the impact of the interactivity of EWOM systems and E-Quality of a website on decision support satisfaction (see Fig. 1), Oliver's cognition-to-action loyalty framework is adopted as an overarching theory [52,53]. Oliver [52,53] argues that consumers build loyalty toward a brand cognitively first, then affectively, next conatively, and finally behaviorally. The quality of the website and its attached services (e.g., EWOM systems) are perceived and evaluated by customers [12]. This process involves how customers think about the website and its attached services [19]. So, adopting interactivity theory and E-Quality is appropriate to represent the cognitive aspect of loyalty phases.

The cognitive phase is critically important in forming emotion toward the website that provides products and services [19]. An online shopping website triggers purchasing behavior by providing relevant stimulations. Ultimately, these stimulations are related to decision support. When decision support reflects customer needs and preferences, customers feel satisfaction with this support [25]. Hence, adopting this construct, decision support satisfaction is useful in describing the emotional phase of the loyalty framework.

Finally, E-Loyalty is employed to illustrate the conative phase of loyalty. Based on this theoretical framework, we explore the relationships of interactivity of EWOM systems, E-Quality, decision support satisfaction, and E-Loyalty by proposing four research hypotheses.

3.1. Interactivity

In this study, we define interactivity as the extent to which interaction between one customer and another is facilitated by EWOM systems. Interaction is regarded as one of the most important advantages of the Internet [66,68]. EWOM systems provide a channel through which customers experience a high level of interactivity on online shopping websites.

In this study, we investigate the interactivity of EWOM systems through the lens of the general conceptualization of interactivity because EWOM systems are technological media through which EWOM information is delivered and places where interpersonal services are provided by sellers or site managers. For instance,

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