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The Impact of Online Purchase Intentions Caused by Electronic Word of Mouth

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Abstract

The purpose of this paper is to examining the impact of the dependent variable which is the online purchase intention within the relationship between electronic words-of- mouth in the contact of online shopping. Data was gathered through self-administered questionnaire from a sample of 385 Customers who were online users at numerous shopping center, shopping complex and supermarket located in the segmentation of north, east and west of Malaysia. As hypothesized, electronic word-of-mouth is significantly associated with online purchase intention and it was also substantiated. The data was analyzed statistically using SPSS Statistics 22 to process the data correlation and regression analysis between the variables involve, reliability of analysis instrument strength of relationship between independent and dependent variables, moderating effect in the relationship between electronic word-of- mouth and online purchase intention was also substantiated. Future researches might replicate our model with a bigger sample size in order to enhance generalizability. It will be additionally fruitful to extend this research to numerous other online shopping environments Implication suggests that online retailers and designers of shopping websites should perceive the importance of online social interactions in order to encourage customer's intention to shop for through online. They should integrate elements of online social interaction, along with reviews that client placed online on websites, shopping for pattern, history and sales volume on their websites for the transformation of eWOM.

Keywords: Electronic Word-Of-Mouth (Ewom); Online Social Networks (Osn); Ecommerce

Introduction

Thinking of the connectivity nature of the internet, customers particular can consequences have interaction and exchange buying stories with specific customers the usage of online communicate boards or every other social network technology. Online customer's surveys represent some other kind of electronic word-of-mouth (eWOM). Like normal word-of-mouth verbal exchange, eWOM alludes to any positive or negative proclamation made through potential, proper, and previous customers around an item or a business enterprise. eWOM is particularly critical to the Internet

buying choice due to the measure of possible danger. Numerous potential Internet customers tend to wait (Akhras, 2016)

In the current study, it is believed that if potential online shoppers find customers online study support what was their confident about online shopping at online specific retailer Company, they sure about that Trust will be enhanced and exhibit a strong effect on their attitude an online purchase intention.

Therefore, the following hypothesis is postulated:

How does electronic word of mouth on social media impact on the online purchase intention? The case of private Lebanese university students. Our hypothesis is based on the assumption that Lebanese students at a private university have access to the Internet and they are knowledgeable enough to use the Internet to buy some products. The study will try to show that electronic Word of Mouth (Independent Variable) leads to a change in the customer purchasing intention (Dependent Variable) (Akhras, 2016).

The superiority of social mass media, together with online dialogue community boards, blogs, social networking websites, microblogs, and online overview websites has substantially brought about customers to put in writing and speak their opinions on products, offerings, or stores looking on their preceding purchase experience ((Trusov, Bucklin, & Pauwels, 2008). Online critiques also referred to as electronic word-of-mouth (eWOM), are positively a vital sort of statistics that impact customers' purchase decision. Recent expert evaluation reviews show that 90% of online customers browse online critiques while 83% expect that these reviews have an effect on their purchase conduct and purpose to shop for ((Zhang, Cheung, & Lee, 2014). Ipsos worldwide are indicated out that 78% of online customers are impressed by the way of on line customers reviews in their purchase decision-making technique (eMarketer, 2013).

The impact of online study guide had obtained from various empirical studies is increasing in the Literary system data (IS) (Ismagilova, Dwivedi, Slade, & Williams, 2017). Among these studies, criticism of the negative usually considered posit a more potent end result on the behavior of customers from those who are positive (Boripunt, 2015).

The strength of different negative Reviews can also be caused by the very truth that they may be additional diagnostic and informative (Hsu, Yu, & Chang, 2017). It is always consistent with the effects of the creation of literature, where many customers are found to have put various negative from positive information (Tan, Lv, Liu, & Gursoy, 2018). Past research has shown that the influence of negative opinion can also be difficult. In the work, (Ismagilova et al., 2017), thou that the assessment of the negative impact that very little if customers visit online store

Zhang, Cheung, & Lee, (2014) shows that negative criticism is a seeming spoil brand with low image of excessive images. Lerman, (2007) stated that customers generally tend to try to find out the

negative value less useful than hedonistic product needs products utilitarian. Idyllic days of Ismagilova et al., (2017), but negative criticism, you may produce an impression of high quality.

They determined that the study will facilitate the business increase awareness products then can improve customer purchase intention. Even as the majority of prior studies have a tendency to think about the results of the harmful negative Reviews (Verhagen, Nauta, & Felberg, 2013), examine this according to the (Babić Rosario, Sotgiu, De Valck, & Bijmolt, 2016) analysis and highlight the impact of negative Reviews useful.

In particular, this research tends to be observe the effects of online purchase intention along with the electronic word of mouth of the people who effectively. Researchers tend to try to find a recommendation from a combination of positive and negative as inconsistent. In fact, customers are usually exposed to online purchase intention in an online environment (Zhang et al., 2014). For example, customers may notice a study stating that a website that are quite beneficial in the assessment of great customer enquiries, the maturity of responsive customers can also watch any other Reviews observe the appearance of us busy all the time and doesn't provide assistance in query responsiveness review negative.

To understand how customers, determine a certain level in this situation, it will be critical for stores online to investigate that have an impact on online purchase intention. If stores online solely depends on the perspective of the poor has the effect of internet and websites that are more powerful than those that are good, some are not possible to infer an electronic word of mouth influence opinion from the results of the additives per person good and negative. Currently, admiring the facts in negative criticism inconsistent can also be given more emphasis. The main method of online retailers this feedback is also possible to manage that information and to prevent such terrible consequences thereof (Ismagilova et al., 2017).

However, it should not be easy or innocent to administer a negative assessment through an electronic word of mouth in social media. Even in the discussion board hosted by retailers. Smart customers, and manipulate line criticisms in a competitive role

Problem Statement

Sarkar & Khare, (2015) suggest for the research on the topic of Antecedents of Online Shopping Satisfaction: A Study on Indian College Students, electronic word of mouth is among the independence variable that the researcher must include in the scope of the study. In this study researcher is intent to examine the relationship of the issue of eWOM exist in Malaysia among the customers in Malaysia. The issue of the electronic word of mouth is about the customer purchase intention of online shopping. There are new features introduced in online shopping and shopping experience online can be translated into a positive benefit to the customers especially for the accurate information in the social media about the product or services which offers through the online e-retailer marketers. Previous studies revealed that comment on social media which has relevant information to online customers as electronic word-mouth influence the intention of

customers purchasing decision (Lin, C., Wu, Y. S., & Chen, 2013). Online customers typically depend on customers created information which is positive or negative comment and the content of the material in the social media is reliable about the product or services which is offer over the internet to tackle the online customers to make purchase intention (Godes & Mayzlin, 2007) and make the decision to buy the products. In this study researcher would like to examine the relationship between the electronic word of mouth toward online purchase intention.

Objective

To examine the relationship between electronic word of mouth and online purchase intention.

Scope of Study

This study is focused on customers who use technology system whether through computer, gadget or other electronic equipment communication for the purpose of purchase of customer's products or services and not merely looking at the items purchased by the customer.

The scope of the study is the population involves of customers in Malaysia who are using the system online to shop through internet and the sample of this research are consisting of individual who was purchase customer product and customer who have an intention to purchase through online shopping. There is a major factor that retailers must understand the behaviour of online purchase intention of the customers toward online shopping (Delafrooz, Paim, & Khatibi, 2011).

The field of research is in Malaysia customers of online shopping context. Hence, the outcome of this research is applicable to a similar setting of customers online shopping especially online shopping retail customers (Chan, Cheung, & Lee, 2017).

This paper focuses on the researcher's self-examining the empirical study of the relationship between the variable involve and customers because they are the target market. However, this study did not take into account the effect of experience. In this study researcher was using the method of PLS SEM which was proceed until first order only.

Findings

Electronic Word Of Mouth (eWOM) is positively associated to OPI. As shown in Table 1 significant association between eWOM and OPI ($B=0.148$, $t = 2.987$, $p > 0.05$) was found, also supported Hypothesis

Table 1 significant association between eWOM and OPI

<i>Hypothesis</i>	<i>Relationship</i>	<i>Beta</i>	<i>t</i>	<i>Sig.</i>	<i>Summary</i>
<i>H</i>	<i>eWOM -> OPI</i>	<i>0.148</i>	<i>2.987</i>	<i>0.003</i>	<i>Supported</i>

Internal consistency reliability refers to the extent to which all indicators on a particular (sub) scale are evaluating the same concept (Kura, 2014). The most frequently used estimators of the internal

consistency reliability of an instrument in organizational research are Cronbach's alpha coefficient and composite reliability coefficient (Kura, 2014). Even though, there is a lot debates concerning the best technique to calculate reliability, the Cronbach's alpha coefficient is the universal method used although it may underestimate reliability (Joseph F. Hair, Ringle, & Sarstedt, 2013; Sekaran & Bougie, 2011) But, composite reliability is typically used in conjunction with SEM-PLS models, this technique is more vigorous than Cronbach's alpha (Fornell & Larcker, 1981). In this study, composite reliability coefficient is selected to ascertain the internal consistency reliability of measures.

Table 2 Indicator Loading, Internal Consistency Reliability and Convergent Validity

<i>Latent Construct & Indicators</i>	<i>Standardised Loading</i>	<i>Composite Reliability</i>	<i>Cronbach's Alpha</i>	<i>Average Variance Extracted (AVE)</i>
<i>eWOM</i>		<i>0.927</i>	<i>0.909</i>	<i>0.646</i>
<i>E1</i>	<i>0.783</i>			
<i>E2</i>	<i>0.737</i>			
<i>E3</i>	<i>0.800</i>			
<i>E4</i>	<i>0.832</i>			
<i>E5</i>	<i>0.808</i>			
<i>E6</i>	<i>0.844</i>			
<i>E7</i>	<i>0.819</i>			

Another reasons justified the use of composite reliability coefficient as against the Cronbach's alpha coefficient, its offers a much less biased estimate of reliability because Cronbach's alpha assumes all items equally contribute to its construct without considering the actual role of individual loadings (Goaill, 2014).

Table 2 Indicator Loading, Internal Consistency Reliability and Convergent Validity of the constructs. With each exceeding the minimum acceptable level of .70, signifying satisfactory internal consistency reliability of the measures (Hair *et al.*, 2011; Bagozzi & Yi, 1988).

Convergent validity can be defined as the extent to which items accurately epitomize the intended construct and actually correlate by other measures of the same construct (Hair *et al.*, 2006). The validity of a particular measurement scale is regarded as convergent as soon as indicators items loadings are highly (i.e., > 0.5) on their related constructs (Hair *et al.*, 2010). Chang, Liu, & Shen, (2017) proposed three assessment principles as follows:

- (1) The factor loadings of all indicators achieved level of significance;
- (2) The indicators Composite Reliability (CR) is higher than 0.7; and
- (3) The Average Variance Extracted (AVE) is higher than 0.5.

Also, as suggested by Fornell & Larcker, 1981 Convergent validity was evaluated using the AVE of each construct under study. To realize adequate convergent validity, Chin (1998) indorses the AVE for each underlying construct must be .50 or more. Following Hair *et al.*, (2010), the AVE values (see Table 2 Indicator Loading, Internal Consistency Reliability and Convergent Validity) revealed high loadings (>0.50) on their individual constructs, signifying acceptable convergent validity in this study.

As shown in Table 2, the values of the AVE are between the range of 0.52 and 0.65, suggesting acceptable values, the correlations between the latent constructs are compared with square root of AVE. The AVE are greater than the correlations between the latent constructs, indicating discriminant validity is adequate (Fornell & Larcker, 1981).

Discriminant validity is another criterion, which assesses the degree to which a variable is truly not the same from other variables (Bryne, 2010; Hair et al., 2010). It can also be seen as the extent to which a particular construct differs from other constructs (Duarte & Raposo, 2010). Therefore, a greater level of discriminant validity suggests that a variable is distinct and captures some phenomena that other variables do not. In this study, discriminant validity was ascertained using square root of AVE and it should be greater than the correlations among latent constructs (Fornell & Larcker, 1981). This was realized by comparing the relationships among the constructs with the square roots of AVE. Furthermore, discriminant validity was ascertain using (Joe F. Hair, Ringle, & Sarstedt, 2011) standard by comparing the items loadings with other items in the cross loadings, see Table 3 Table 3 Latent Variable Correlation and Square Roots of Average Variance Extracted.

Table 3 Latent Variable Correlation and Square Roots of Average Variance Extracted

	eWOM	OPI
eWOM	0.804	
OPI	0.303	0.782

Using PLS path models, the authors show that goodness-of-fit index is not suitable for model validation because it cannot separate valid models from invalid ones (Hair, Ringle, & Sarstedt, 2013). In the light of the recent development, the present study adopted a two-step process to evaluate and report the results of PLS-SEM path, as suggested by (Joe F. Hair et al., 2011). The current study assessed the structural model. This study also applied bootstrapping method with 5000 bootstrap samples to assess the significance of the path coefficients (Hair et al., 2014; Hair et al., 2012; Hair et al., 2011; Henseler et al., 2009). Therefore show the estimates for the full structural model.

Discussion

It is also observed that electronic word of mouth to be significant predictors of online purchase intention as highlighted by Belhxmer, (2017) on mobile cellular provider in Nigeria. electronic word of mouth enhance relationship between online shopping seller and their customers, as well as, effective services gives positive perception on electronic word of mouth by online shopping companies, and encourage them to increase use the online purchase intention as well as the need to utilize the information and experience by customers who are always using the online platform to buy product or services. This result is in line with previous researches such as (Gautam, 2015; Iqbal, Zia, Bashir, Shahzad, & Aslam, 2008).

Conclusion

Shopping online such as online retailers and the ability to develop understanding and the ability to predict intentions of online purchase customers will have an edge over their competitors in the market. One of the ways how the online retailer competitive advantage can be achieved is when they can define their online customer product purchase intentions. This study attempted to investigate if e-retailer will determine factors that affect online customers purchase intention which can lead to their purchase decisions later. This study tested the hypothesis that uses eWOM as structural equation modeling techniques and partial least square. The findings show that electronic word of mouth has a positive effect on customer online purchase intention. The results also showed that there are a significant effect of a positive relationship between each other (Vahdati & Mousavi Nejad, 2016).

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