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To Link this Article: <http://dx.doi.org/10.6007/IJARBSS/v10-i4/7147>

DOI:10.6007/IJARBSS/v10-i4/7147

**Received:** 08 February 2020, **Revised:** 10 March 2020, **Accepted:** 26 March 2020

**Published Online:** 20 April 2020

**In-Text Citation:** (Marmaya et al., 2020)

**To Cite this Article:** Marmaya, N. ., Razak, N. A., Wee, M., Alias, N. E., Tuah, S. . A., Talib, N. . C., & Marmaya, E. A. (2020). Determinant Factors Influencing EWOM Among Generation Y in Malaysia. *International Journal of Academic Research in Business and Social Sciences*, 10(4), 459–467.

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**Vol. 10, No. 4, 2020, Pg. 459 - 467**

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# INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH IN BUSINESS & SOCIAL SCIENCES



## Determinant Factors Influencing EWOM Among Generation Y in Malaysia

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### Abstract

The major purpose of this research is to discover the influences of Generation Y to accept electronic word of mouth (eWOM). Apart vast research on the traditional word-of-mouth, only few have analysed electronic words of mouth from Malaysian generation Y perspective. A quantitative method was adopted in this study and responses from 112 respondents among generation Y in Malaysia that were analyzed using PLS-SEM. The result shows that there is significant relationship between Tech Savvy and trust toward eWOM behaviour among Generation Y. Practically, the result indicate that electronic word of mouth behaviour via social media and mobile technology can be part of marketing strategy to influence buyer to increase sales of product of a company. This empirical study attempts to enrich the understanding of electronic word of mouth behaviour via social media and mobile technology among Generation Y within Malaysian context.

**Keywords:** Words of Mouth, Tech Savvy, Trust, Generation Y

### Introduction

Internet plays an important part in our lives and has transformed our daily activities and communications with people. The Internet has allowed its users to see each other, hear each other

and express their interests. This interaction is transforming the manner of people in the way they communicate, because we could reach others from all around the world with just one click. Internet advancement has grown and changed Word of Mouth (WoM) into something much more persuasive and quick-spreading- Electronic Word of Mouth (eWoM). Relate to the rapid progress of the Internet, there has been an extreme shift in WOM communication. Particularly, traditional WOM has developed into a new form of communication: electronic word-of-mouth communication (eWOM), in which online social networking has turned into a worldwide phenomenon and major part of the everyday activities of many purchasers around the globe. Along with traditional email interaction, whatsapp, blogs, you tube and social networking sites, there has been a formation of online communities where people connect, communicate, follow current issues and convey their viewpoints more openly and actively than ever before across the world. Studies indicate that more than a third of online participants review products, frequently post opinions and participate in online content formation activities. It is a traditionally efficient method of obtaining convenient information for purchase decisions with word-of-mouth. Website quality and eWOM communications has received considerable attention in both online business and research communities (Aakash, Aggarwal, 2019). According to Malaysian Communications and Multimedia Commission (MCMC), impressive growth of internet user has given rise to 28.7 million with 87.4% from the population. For social networking users, around 97.3% of netizens use Facebook, followed by Instagram (57%) and Youtube (48.3%). The most famous communication apps includes; Whatsapp (91.8%) followed by Facebook Messenger and WeChat (MCMC, 2019). Given the importance of internet among Malaysian, this research focuses on internet as emerging platforms for customer-to-customer communication, namely known as Word-of-Mouth (WOM). A majority of technology specialists and stakeholders believe that Generation Y would guide society into a new world of personal experiential sharing and declaration using social media and mobile technology (Apresley, 2010; Bilgihanet al., 2014). Recently, Generation Y has been the important role in many studies because of the dramatic diverse in terms of their attributes, behaviours, values and perceptions as compared to the previous circumstances (Hoyer and Macinnis, 2009). Thus, there are diverse terms extracted by divergent researchers on the Generation Y cohorts. This generation also related to Millennial, Echo Boomers, Nexters and Net Generation (Tyler, 2008). The social media platforms such as Facebook, Twitter, LinkedIn, YouTube, WhatsApp, Instagram, and Google allow the young users to produce customized online pages, exchange information and interact with friends, as well as interchange content that they have created themselves (user-generated content) and or knowledge from other related brand. Even though electronic word of mouth has shown its success towards consumer viewpoint and behaviour (Marmaya, Balakrishnan and Shuaib,2018), little is known about the factors that influence word of mouth behaviour among generation Y in Malaysia. Hence, the objectives are:

1. To find out the influence of Tech Savvy Mobile Technology (TSMT) on Electronic Words of Mouth (eWOM) among Generation Y in Malaysia
2. To find out the influence of Trust on Electronic Words of Mouth (eWOM) among Generation Y in Malaysia

## Literature Review

### Electronic Word of Mouth (eWOM)

Abu bakar et al. (2016) defined eWOM as “any positive or negative statement made by present or previous customers about a product, service or company, which is made available to large audiences via the Internet”. eWOM can take place through a wide range of online media such as emails, blogs, review sites, forums, virtual communities, chat rooms, instant messaging platforms. It is perceived well by academics and practitioners that electronic word-of-mouth (eWOM) marketing is a useful marketing strategy (Chu and Kim, 2011). eWOM marketing is attractive because it conquers consumer resistance, importantly costs low and convey quick – specifically via technology such as social media and mobile technologies. eWOM is described as the process that enable purchasers to express their thoughts through online and directs purchasers to favor and go against particular products. eWOM comprises open communications from purchasers regarding the attributes and features of products or brands. It is specifically significant feature in concurrent communication instruments, such as social media and mobile technologies.

### Tech Savvy of Mobile Technology (TSMT)

People of all ages may grasp technology, but for Generation Y members that live in a higher socio-economic status developed with it and have occupied their entire lives interacted endlessly to a digital world. The social media, for example are Instagram, Facebook and Twitter, have played crucial part in the ways they work, study, travel, eat, make acquires and even entertain. Generation Y buyers in those nations that produce sound information infrastructure visit Instagram, Facebook and Twitter to read opinions of services and products written by other purchasers. They are also developing as micro-bloggers who promote retail products on online platforms and receive insider information about brands via tweets (Bilgihan *et al.*, 2013). Mobile technologies play an important part in improving Generation Y’s knowledge and experience with social media in most developed nations (Cobanoglu *et al.*, 2015). Muskat (2013) mentioned, Generation Y consumers find it easy to share their evaluations of service quality or an experience via social media. For these reasons, Generation Y consumers are likely to disseminate positive or negative experience services following satisfactory service recovery because they can engage in eWOM with ease using technology. Hence, it is posited:

H1: Tech Savvy Mobile Technology (TSMT) influence Electronic Words of Mouth (eWOM)

### Trust

According to McKnight, et al. (2002), trust is based on beliefs in the trustworthiness of an exchange party and the characteristics of competence, integrity, and kindness. Given the context of social media platforms, uncertainty is usually higher due to the high level of user-generated contents and the lack of face-to-face interactions (Featherman & Hajli, 2015). The lack of face-to-face interactions could result in customers’ suspicion of truthfulness in online exchanges and the paucity of knowledge about the e-vendors could further heighten the adverse influence of risk in online shopping (Kaiser & Müller-Seitz, 2008). Kim & Park (2013) investigate the antecedents of trust and its direct effects on purchase intentions and word-of-mouth intentions on social commerce platforms. Seven social commerce characteristics are identified as the key antecedents of trust: reputation, size, information quality, transaction safety, communication, economic feasibility, and word-of-mouth referrals. It is

proposed that trust in a social media platform could increase customers' purchase intentions and also drove to willingness to spend on price premiums. Consumers are prone to trust their peers on Facebook rather than professional opinions on blogs or product review pages with opinions (Chu and Kim, 2011). Instead of reading anonymous reviews of others, comments posted by Facebook peers may be recognized as more truthful and reliable. Thus, perceived trust should be evaluated as one of the factors that influence consumers' engagement behaviour in electronic word-of-mouth communication. It is posited that,

Hypothesis 3: Trust influence Electronic Words of Mouth (eWOM)

## **Methodology**

### **Measurement**

The measurements are developed based on extensive reviews of the literature. The survey is divided into two sections: the first section is designed to collect information on respondents' demographic profile, while the second section contains measurements on theoretical constructs for the present study. Second section consists of questions related to Tech Savvy by Sharma (2011), trust by Lu *et al.* (2010) and the electronic word of mouth (eWOM) behavior by Heung and Lam (2003). The survey is measured using the five-point Likert scale (i.e. 1=strongly disagree and 5=strongly agree).

### **Sample**

The present study distributes a total of 130 questionnaires using convenience sampling and Generation Y as the sample (20 to 37 years old). The collected responses are later screened and examined for incomplete responses and credibility. This initial procedure has resulted in the removal of 18 incomplete or unreliable responses (i.e. out of 130), thus leaving a total of 112 usable responses throughout the three regional locations. The data obtained are analysed using SmartPLS 2.0.

### **Results**

Most of the respondents are female (61.7%) followed by male (38.4%) Bachelor Degree as the highest educational background followed by Diploma and SPM level and SPM level. Most of the respondents are between 20-25 years old which contribute 60.0% of the total respondents whereas the second highest would be between 26-31 years old with 22.5% and number of respondents at age 32-37 years old contribute the remaining 17.5%. The three groups are chosen to represent Generation Y which falls between 20 years old to 37 years old. Data analysis is conducted using two-stage approach, namely, measurement and structural model. The details are as follows:

### **Measurement Model**

The measurement model analysis is conducted for construct validity. Construct validity is composed of two components of convergent and discriminant validity. Convergent validity analysis comprises of average variance extracted (AVE) and composite reliability (CR). The reliability coefficient of factor structures is measured using the Cronbach's alpha. The coefficient alpha values for the five constructs range from 0.54 to 0.95, demonstrating good internal consistency and strong reliability of each dimension (Hair et al., 2010). The constructs' validity is further examined using the convergent analysis. The results suggest strong convergent validity. Specifically, the computation of AVE ranges

from 0.50 to 0.81, higher than the Fornell and Larcker's (1981) recommended value of 0.50. The reported CR exceeds the recommended value of 0.7 (Hair et al., 2012). Collectively, these results provide good support for soundness of scale structures (Table 1).

Table 1: Construct Reliability and Validity

	<b>Cronbach's Alpha</b>	<b>Composite Reliability</b>	<b>Average Variance Extracted (AVE)</b>
<b>TECH SAVVY</b>	<b>0.933</b>	<b>0.950</b>	<b>0.599</b>
<b>TRUST</b>	<b>0.952</b>	<b>0.961</b>	<b>0.806</b>
<b>Ewom</b>	<b>0.812</b>	<b>0.860</b>	<b>0.501</b>

The results of discriminant validity depict that the values in diagonal exceeding the threshold value of 0.70 demonstrate adequate discriminant validity.

### Structural analysis

Table 2, shows the results of the hypotheses relationships. The analysis suggests a strong support on two of our posited hypotheses (i.e. H1 and H2). The analysis of  $R^2$  for eWOM is 0.51. The result discovers that 52.1 per cent of the variation for eWOM could be explained by the dimension of Tech Savvy and trust. Following Hair et al.(2011),  $R^2$  values meet the requirement of 0.2 or 20 per cent in the consumers' research, suggesting that the current model is acceptable.

Table 2: Hypotheses testing

<b>Hypotheses</b>	<b>Original Sample</b>	<b>T Statistics</b>	<b>P Values</b>	<b>Hypothesis accepted/rejected</b>
H1:Tech Savvy influence eWOM	0.252	3.469	0.000	Accepted
H2:Trust influence eWOM	0.486	8.027	0.000	Accepted

### Discussion

This study discovers a significant relationship between Tech Savvy and trust towards eWOM. The results are supported by Kucukemiroglu and Kara (2015). These findings appear to suggest that generation Y consumers who are Tech Savvy motivated to disseminate electronic word of mouth (eWOM) whether the experienced positive, negative or satisfactory recovery following a service failure, and there were no significant differences in the influence of social media on electronic word of mouth behavior (Zhang, Omran, & Cobanoglu, 2017). This study also discovers a relationship between trust and eWOM. This result supported by Kucukemiroglu, & Kara, (2015) who found that in virtual communities, trust plays a crucial part in influencing members' attitude, as an individual would behave proactively when they trust the situation and other people. Besides that, when two persons start to trust towards each other, they become more comfortable to convey their resources without afraid of being exploited by their peer. Thus, trust is one of the factors that influence Generation Y to use electronic word of mouth behaviour.

## Conclusion

With the upshot popularity of usage online social media application was currently gaining rapid importance, current study elaborated more on the influence of Tech Savvy and Trust on eWOM among millennial in Malaysia. This is to enrich the understanding of electronic word of mouth behaviour via social media and mobile technology among Generation Y within Malaysian context. Current study could be quite operative in helping a customer to make decisions about purchasing. It should be interesting to introduce digital content and technologies that understand consumers behavior, to facilitate the decision making process through a user-friendly interface, by giving information related to products, promotions, new arrivals. The issue of how to effectively design and deploy social media platforms in this approach is most certainly an additional future research direction. It is clear that the social media platforms offer companies many opportunities to interact with consumers along with the entire decision-making process. Policy maker should increasingly put emphasis on Tech Savvy and Trust to influence electronic word-of-mouth efficiently. As social media application used by everyone around the world, electronic word of mouth tend to spread to everywhere and anyone who intent to review pre purchase of that desired goods and services. Improvise social media application in Malaysia should be enhanced. Some limitations should be acknowledged. First, the data collection for our present study is confined to respondents from Malaysia that indicates the generalisation issue. Future research should attempt to reach larger groups of respondents to validate the theoretical linkage tested in the present study. Secondly, this results in a relatively small size (112), compared with the population size. This also might affect the representative of the outcomes. There are several more suggestions to further extend the current model. First, the difference between different groups of respondents (female vs male, different age groups) could be examined. Also, the research model can be tested in different culture environment and investigates if people with different cultural background may assess eWOM in different ways.

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