

AN EMPIRICAL STUDY ON THE EFFECT OF EWOM ON CONSUMER PURCHASE INTENTION OF ELECTRONIC GOODS IN BANGALORE CITY

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Abstract

The project was undertaken to study the effectiveness of eWOM on consumer purchase intention of electronic goods with respect to Amazon. In this project the scope of the study was limited to the people who are residents of Bangalore. But that provided an overall picture about the effectiveness of eWOM on consumer purchase intention of electronic goods.

Electronic word of mouth is available to customers in different types of online consumer reviews, which can be used to help them make e-commerce purchasing decisions. In eWOM we focus on person-to-person contacts that happen on the internet. Characteristics of eWOM are: it uses the internet, so information is passed on a written text, images or even movies and it can reach a multitude of people at the same time, so it has a greater potential of becoming viral. Customers acknowledge that online consumer reviews help them to determine eWOM credibility and to make purchasing decisions. The objective of the project was to study the effect of eWOM acceptance over the customer purchase intention. The project also studied various social factors, personal attributes, and cultural factors that can affect use and acceptance of eWOM. The data for the study was collected from the residents of Bangalore using online surveys. The collected data was studied to reach the conclusion. The test used in this study to evaluate the effectiveness of eWOM on consumer purchase intention is regression analysis.

Introduction

Clients read electronic verbal (EWOM) to settle on obtaining choices. Studies show that social components influence acknowledgment of EWOM. EWOM can be found in virtual networks: purchaser audits, web journals, discussions, and informal communities. Social standards or suppositions in the virtual networks influence acknowledgment of EWOM, especially among ordinary web clients. Individual properties likewise influence acknowledgment of EWOM. Mastery and contribution can assist clients with deciding EWOM quality. Trust is a significant precursor of practices, for example, tolerating guidance, that require reliance on others. Clients rely on trust to beat elevated level dangers related with web based shopping. Accordingly, trust influences buying choices. Believability is a component of trust. In the event that clients accept that counsel is solid, they are all the more ready to acknowledge and utilize the EWOM to settle on buying choices. Social elements, for example, sexual orientation, likewise influence use and acknowledgment of EWOM. Ladies by and large utilize virtual networks to give and get social help; men by and large utilize virtual networks to increment and ensure social standing.

Literature Review

1. **Amal M. Almana, Abdulrahman A. Mirza(2013)** describe the substantial growth in online social networks has vastly expanded the potential impact of electronic word of mouth (EWOM) on consumer purchasing decisions. A critical literature review exposed that there is limited research on the impact of online consumer reviews on online purchasing decisions of Saudi Arabian consumers. This research reports on results of a study on the effects of online reviews on Saudi citizens' online purchasing decisions. The results show that Saudi Internet shoppers are very much influenced by EWOM, and that a larger percentage of them are dependent on such online forums when making decisions to purchase products through the Internet.
2. **Devkant Kala, D.S. Chaubey(2018)** describe that the development of the Internet has empowered clients to rapidly and advantageously interface with different clients and has built up the marvel known as electronic word of mouth (EWOM). This simpler, more extensive and quicker mode of correspondence isn't confined to solid social tie gatherings, hence the message itself assumes a basic job in making the brand picture and convincing buy aim. The present investigation endeavors to look at the degree to which EWOM can impact brand picture and buy expectation in the way of

life items in the Indian setting. In view of the data acquired from 313 respondents who included understanding inside the online networks, this paper examines the effect of EWOM, brand picture and buy expectation utilizing basic condition demonstrating. The outcomes acquired show the noteworthy effect of EWOM on brand picture and the intervening job of the brand picture among EWOM and buy aim. The present examination prescribes that advertisers should take care of more prominent accentuation on EWOM to boost brand prevalence that resultantly would impact buyers' buy expectation.

3. **Gobinda Roy, Biplab Datta, Rituparna Basu(2017)** studied the online retail division in India. Web based shopping has additionally become a famous pattern among the more youthful age in India. Expanding number of customers visit online retailer sites and read online audits before settling on their buy choice. The online audits or electronic verbal (EWOM) turns into a significant directing instrument for the online customers with its inherent item data and assessment attributes. The present examination plans to break down the impacts of different EWOM precursors on online deals by considering the impacts of positive and blended unbiased EWOM (MNWOM) valence (boosts) on deals. It likewise investigates the job of market level EWOM factors, for example, cost, on online offers of security items like antivirus programming. The corroborative inclination of these variables was noted, while the elaboration probability model (ELP) has been utilized to comprehend the overall significance of these components in affecting clients' buy choice and deals. Further, a substance investigation strategy enhanced by a different relapse technique was utilized to examine 205 constant online deals (surveys from confirmed buyers) information relating to well known and top-selling antivirus items taken from two driving internet business sites. The investigation contributes as a spearheading exertion in the area with the utilization of imaginative approach of catching constant online information with a consequent kappa insights approval. The outcomes demonstrated another astute viewpoint of EWOM valence and cost on deals, and gave further research bearings.

Statement of the problem

Electronic word of mouth is available to customers in different types of online consumer reviews, which can be used to help them make e-commerce purchasing decisions. Customers acknowledge that online consumer reviews help them to determine eWOM credibility and to make purchasing decisions. This study investigates social factors, personal attributes, and cultural factors that can affect use and acceptance of eWOM. Study results show that involvement has the most significant effect on perceived eWOM credibility. Study results show that perceived eWOM credibility has a significant effect on eWOM acceptance and intent to purchase.

Research Objectives

- To study the social factors, personal attributes, and cultural factors that can affect use and acceptance of eWOM.
- To study the effect of eWOM acceptance over the customer purchase intention.

Scope

Place: Bangalore

Period: 6 months

Products: Electronic products

Company: Amazon

Hypotheses

H01: Lower levels of EWOM acceptance create lower levels of intention to purchase.

H11: Higher levels of EWOM acceptance create higher levels of intention to purchase.

Methodology

- Research Type: Applied Research
- Research Design: The research design used in this study was both descriptive and exploratory.

- Sampling Procedure: The technique used for conducting the study will convenience sampling technique as sample of respondents will be chosen according to convenience.
- Sampling Unit: The sample includes users of the ecommerce website, Amazon.
- Sampling Method: Probability Sampling
- Source of data:
 - Primary: Survey, Questionnaire
 - Secondary: Website, Magazines
- Statistical Tools: Regression Analysis
- Plan of Analysis: Graphs and charts are used for analysing data.

Limitation of the Study

This study had several limitations. The study was limited to the people who are living in Bangalore. Online surveys were used to collect model data. Therefore, the models were susceptible to self-selection bias.

Data Analysis

H01: Lower levels of eWOM acceptance create lower levels of intention to purchase.

H11: Higher levels of eWOM acceptance create higher levels of intention to purchase.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.837 ^a	.700	.697	.55024
a. Predictors: (Constant), Whether a product is recommended on social networking sites from my contacts, is important to me making my own purchase decision				

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	69.319	1	69.319	228.958	.002
	Residual	29.671	98	.303		
	Total	98.990	99			
a. Dependent Variable: I understand a product better after receiving relevant information about that product on social networking sites from my contacts						
b. Predictors: (Constant), Whether a product is recommended on social networking sites from my contacts, is important to me making my own purchase decision						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.359	.215		6.308	.000
	Whether a product is recommended on social networking sites from my contacts, is important to me making my own purchase decision	.721	.048	.837	15.131	.000
a. Dependent Variable: I understand a product better after receiving relevant information about that product on social networking sites from my contacts						

RESULTS: As per the above table, 70% there is an impact of eWOM acceptance on intention to purchase. R value is 0.837 which is close to 1, therefore there is a correlation between eWOM acceptance and intention to purchase.

Since the significance value is less than 0.05, we reject the null hypothesis (**H04**: Lower levels of EWOM acceptance create lower levels of intention to purchase) and accept the alternate hypothesis (**H14**: Higher levels of EWOM acceptance create higher levels of intention to purchase).

Conclusion

This study investigates social factors, personal attributes, and cultural factors that can affect use and acceptance of eWOM. The study shows that perceived eWOM credibility and acceptance of eWOM affect the customers' intention to purchase. The study shows that people develop trust in different ways from online consumer reviews. The study shows that involvement has the most significant effect on perceived eWOM credibility. The results show that customers that are more involved with a product are more likely to accept and use positive consumer reviews. Study results also show that companies can provide more online product information to increase the balance between actual product information and consumer reviews. Study results also show that increased involvement and rapport leads to increased eWOM credibility, eWOM acceptance, and intent to purchase. As a result, study results show that companies can provide more online product information to increase expertise and involvement, to increase eWOM credibility, eWOM acceptance, and intent to purchase.

Suggestions

- E-commerce websites should enhance the volume of the reviews from more users.
- Spend less energy and time trying to sell products having more negative ratings.
- Focus more on products having higher rating because the impact on sales may be higher.
- Increase the persistence and observability of the online comments or reviews about the various products.
- Implement mechanisms to avoid under reporting because only those customers who are very happy or unhappy will participate in eWOM.

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