A Study of Purchase Influence and Behavioral Intention on the Adoption of Electronic Word of Mouth (eWOM) Systems

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ABSTRACT

This study investigates how relevant factors representing the central and peripheral routes affect Chinese consumer adoption of eWOM system. This study is the first to propose a model linking argument quality, site quality and reviewer quality with purchase influence and behavior intention and show how these two factors affect the usage and the adoption of eWOM. Complementing the predicted intention-adoption link, data analysis based on 136 samples after controlling gender, age and occupation status shows that the purchase influence-adoption link has a stronger predictability than the behavioral intention-adoption link. The results show that site quality, reviewer quality and argument quality all positively affect behavioral intention while argument quality and site quality affects purchase influence. The findings demonstrate the importance of purchase influence and its antecedents in the context of predicting eWOM adoption and they carry important practical implications helping organizations and system designer to implement a more effective online review system.

KEYWORDS

Adoption, Elaboration Likelihood Model, Online Reviews, Purchase Influence

INTRODUCTION

Searching for product information and product experiences through online product reviews has become essential in the modern consumer’s purchase decision process. According to CIW (2014), 72% of Chinese online shoppers spend time researching product information before buying, while 86% of online consumers read online reviews prior to purchase. The affordance of immediacy in Electronic word of mouth (eWOM) systems allows consumers to gather product knowledge, compare prices, and minimize risk, thus enabling them to make prompt informed decisions (Pan & Zhang, 2011; Xie, Chen, & Wu, 2015). Consumers browse through different reviews to cognitively assess relevant product related cues such as message vividness, reviewers’ attributions and source credibility. These cues will eventually influence their purchase decision and future eWOM adoption behavior (Chang & Wu, 2014). The cognitive processes according to the Elaboration likelihood model (ELM) consist of a central route and a peripheral route. The central route internalizes knowledge based on carefully considering the issues presented in the message while the peripheral route internalizes knowledge and meaning on issues that are not directly related to the content of the message. These processes

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together influence consumers’ attitude, intention and subsequent eWOM behavior. The central route and peripheral route can contribute different durable effect on the attitude of the consumer. Thus an understanding of the factors that lead to the adoption of eWOM system as part of the decision source will enable marketers and designer to include more valuable online review features, effective interactions, strategies and better user experiences to influence potential consumers.

While there are many recent studies on the subject of consumer eWOM intention, their models lack two aspects that are useful for marketers and review system designers. First, many studies did not include the intention-adoption link in their model even though their underlying assumptions are based on the theory of planned behavior (TPB), theory of reasoned action (TRA) or the technology acceptance model (TAM). This prevents marketers to estimate conversion rate effectively. Second, by assuming the intention-adoption link, most models did not include other factors that could contribute to adoption, thus rendering their models insufficient to fully explain real world eWOM adoption behavior. Marketers and system designers can only base on single aspect to optimize design and strategies which will not be effective. Like informational influence and social influence (Baek, Lee, Oh, & Ahn, 2015) (M. Y. Cheung, Luo, Sia, & Chen, 2007; Sussman & Siegal, 2003), eWOM has the ability to influence purchase even though it is not a human entity. The purchase influence of eWOM is an important factor contributing to adoption behavior but yet to be fully understood (C. Park & Lee, 2009a). Furthermore, not many studies explain the antecedents of purchase influence and its contribution toward adoption behavior. To address this gap, the goal of this study is to investigate how relevant antecedent factors within the central and peripheral routes affect consumer purchase influence and behavior intention and how these two factors contribute to eWOM adoption. The study draws from previous ELM studies where argument quality represents the factor in the central route while site quality and reviewer quality represent factors in the peripheral route. Our research contributes to the online e-business communication literature by proposing hypotheses and empirically validating the relationships among contributing factors.

LITERATURE REVIEW

Background

Traditional WOM and eWOM are both forms of informal communication. Arndt (1967) in his study characterized WOM as “person-to-person verbal communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a brand, product or service.” Kiecker and Cowles (2002) followed a similar approach; they defined WOM as a “face-to-face (or person-to-person) verbal communication (e.g., exchanges of comments, thoughts, or ideas) between two or more consumers” in a non-commercial context. Hennig-Thurau, Gwinner, Walsh, and Gremler (2004) defined eWOM as “any positive or negative statement made by future, current, or previous customers about a product or company, which is made available to a multitude of people and institutions via the Internet.” While both types of informal communication contain similar features and have been shown to exert significant influence on consumer behavior, there are subtle characteristic differences. Firstly, traditional WOM involves spoken conversational exchanges about products and services where consumers chat about their experience and are unlikely to revise and record the WOM communication. Unlike WOM, eWOM occurs in digital format so consumers can elaborate, compare, revise, record, aggregate, comment, rate and share it with other consumers instantaneously and virally. Usually eWOM communication is one-to-many with a network of people (King, Racherla, & Bush, 2014). Secondly, family members, relatives, and close friends are likely to
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