Influence of Electronic Word of Mouth (e-WOM) on Brand Credibility and Egyptian Consumers’ Purchase Intentions

Basma El-Sayed El-Baz, Ain Shams University, Cairo, Egypt
Reham Ibrahim Elseidi, Ain Shams University, Cairo, Egypt
Aisha Moustafa El-Maniaway, Ain Shams University, Cairo, Egypt

ABSTRACT

Electronic communication has become an essential part of consumers’ everyday lives. Consumers rely on the internet as an alternative source of information pertaining to brands that can be accessed easily. As a result, electronic word of mouth (e-WOM) has become a force to be reckoned with that needs to be understood in order to be properly managed. This research investigates how the credibility of the brand as a source of information might be influenced by consumers’ engagement in e-WOM and whether this influence subsequently reflects on their purchase intentions. The research findings indicate that indeed there is a relationship between e-WOM and brand credibility that reflects both directly and indirectly on the consumer’s purchase intentions. Based on this, several recommendations are developed to help managers navigate their online presence in a way that specifically suits their consumers’ internet usage patterns, in order to effectively manage available e-WOM on their brands.

KEYWORDS

Ain Shams University, Brand Credibility, College Students, Egypt, Electronic Word Of Mouth, Internet Usage, Opinion Passing, Purchase Intentions, Smartphones

INTRODUCTION

The current dominance of speedy technology on consumers’ lives creates a pressing urge for marketers to understand the new technologies and their effects, in order to stay informed on how to effectively target consumers (Husnain et al., 2016). The evolution of technology boosted the development of social media, which has become an undeniable force that thrives on people’s need to connect and communicate (Mangold & Faulds, 2009).

The vast spread of the internet allowed e-WOM to have a wide reach and permanent storage, thereby increasing its influence on consumers and brands (Hennig-Thurau et al., 2004; Sahelices-Pinto & Rodriguez-Santos, 2014). Technology has shifted the balance of power, between brands and consumers, in favor of the consumers (Rivera et al., 2015).

Thereby, Electronic Word of Mouth (e-WOM) became a dominant factor that influences consumers and brands. Consumers use e-WOM as a socially generated signal of brand reputation to help them formulate their judgements (Amblee & Bui, 2011). Subsequently, purchase intentions and sales are influenced as a result of consumers believing that the amount of e-WOM available on a brand can serve as a signal of its popularity (Chatterjee, 2001; Lacznik, et al., 2001; Park, et al., 2007; Amblee & Bui, 2011; You et al., 2015; Rosario et al., 2016). On the other hand, the presence

DOI: 10.4018/IJOM.2018100101

Copyright © 2018, IGI Global. Copying or distributing in print or electronic forms without written permission of IGI Global is prohibited.
of e-WOM as an influential source of information for consumers can be an undermining authority to numerous investments poured into a brand in order to build its credibility. Negative e-WOM can prove to be detrimental to a brand’s credibility since consumers have more tendency to believe negative comments (Huang et al., 2012), which could subsequently result in consumers forming negative brand evaluations (Khammash & Griffiths, 2011).

This research attempts to offer useful insight on young Egyptian consumers’ online behaviour and how it might affect the credibility of smartphone brands and subsequently influence their purchase intentions. This context fits this research due to several aspects.

First, research indicates that university students are heavy users of the internet and Social networking sites, especially Facebook (Chu & Kim, 2011; Hsu & Tran, 2013). This encourages marketers to increase the use of such internet sites to promote their brands as they hold an influence on the desirable demographics of teens and young adults (Jin & Phua, 2014).

In addition, the global smartphone market is becoming increasingly dynamic and competitive where market leaders, Samsung and Apple, are facing fierce competition from emerging brands, especially the Chinese brands such as Huawei, which is forcing them to lose market share (Gartner, 2016). The struggle of market leaders and the changing dynamics of the smartphone industry explain the need for modern innovative strategies that can help brands connect to their consumers and defend their market share. Furthermore, research indicates that consumers tend to rely on online consumer opinions when considering a purchase of an electronic product as they are high involvement, expensive and generally complicated products (Park & Kim, 2008).

In the end, e-WOM can become an opportunity for marketers to listen in on consumers’ thoughts, feelings, and preferences, which can help them, adapt to consumers’ needs more quickly and learn to reach their target audience more effectively (Erkan & Evans, 2016; Husnain et al., 2016). In this sense, e-WOM can complement the brand’s marketing activities and promote brand credibility, which should manifest as consumers having strong purchase intentions towards the brand. Therefore, this study aims to examine the influence e-WOM has on brand credibility and consumers’ purchase intentions.

THEORETICAL BACKGROUND

Electronic Word of Mouth

The role technology is playing in the current world cannot be disclaimed. Consumers are increasingly relying in their daily lives on electronics, such as smartphones and tablets, to attain services and products, collect information or simply to stay connected (Rivera et al., 2015).

In addition, social media has allowed more opportunities for consumers to share their thoughts, including those about brands and products, with their existing social networks such as family and friends (Erkan & Evans, 2016). Hence, it offers even more room for electronic word of mouth (e-WOM) to prosper (Mangold & Faulds, 2009; Sahelices-Pinto & Rodriguez-Santos, 2014).

Electronic Word of Mouth (e-WOM) can be 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” (Hennig-Thurau, et al. (2004), p.39. e-WOM communications are considered a credible, reliable, and persuasive source of information (Chatterjee, 2001; Bickart & Shindler, 2001; Godes & Mayzlin, 2004; Mayzlin, 2006). The importance of e-WOM as a source of information can be due to the reasoning that consumers tend to trust it, as they perceive it free from any commercial or marketing intent (Pongjit & Beise-Zee, 2015). Therefore, it was inevitably bound to have a strong influence on consumers and brands. This became evident as e-WOM has been found to influence brand engagement (Chu & Kim, 2011), brand image (Jalilvand & Samiei, 2012), brand equity (Bambauer-sachse & Mangold, 2011; Hanaysha, 2016), consumers’ attitudes and overall evaluation of the brand (Sen & Lerman, 2007). In addition, research suggested that e-WOM can impact purchase intentions and sales, as consumers believe that the amount of e-WOM available on a brand can serve as a signal of its popularity (Chatterjee, 2001; Laczniak, et al., 2001; Park, et al., 2007; Amblee & Bui, 2011).
The Emergence of E-Learning Needs in Participatory Re-Design of e-Service
Angela Di Fiore, Francesca Fiore and Vincenzo D'Andrea (2014). *International Journal of Technology and Educational Marketing* (pp. 54-65).
www.igi-global.com/article/the-emergence-of-e-learning-needs-in-participatory-re-design-of-e-service/116439?camid=4v1a

Co-Constructing a Learning Community: A Tool for Developing International Understanding
www.igi-global.com/chapter/constructing-learning-community/75718?camid=4v1a