The Mediating Effect of Brand Trust Between Online Customer Reviews and Willingness to Buy

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ABSTRACT

This research investigates how online customer reviews affect consumer decision-making (willingness to buy) during their first purchase of services or products. By using brand trust as a mediating variable in the relationship between online customers’ reviews and consumers’ willingness to buy, data was collected through a quasi-experiment approach, and analysed using structural equation modelling. 240 returns were used in this study (a response rate of approximately 70%). The findings demonstrated that the “reliability dimension” of brand trust has a mediating effect on online customer reviews’ valence to willingness to buy, while the “intentionality dimension” had little effect. Furthermore, the findings also suggested that online customer reviews generated by in-group and out-group reviewers have little effect on purchasing decisions when viewing the reviews from an independent source. These results suggest that marketers should focus more on managing negative online customer reviews that have a damaging effect on brand trust.

Keywords: Brand Trust, Consumer Decision Making, Online Customer Reviews, Reliability Dimension, Willingness to Buy

INTRODUCTION

For many decades, ‘Word Of Mouth’ (WOM) has been considered more important than advertising in promoting the awareness of a product and influencing consumers to trial this product (Sheth, 1971). More recently, the effect of WOM has significantly increased through the global and ubiquitous use of the Internet, which has resulted in the concept of electronic WOM (eWOM). With the introduction of Web 2.0, eWOM has become a major element of User-Generated Content (UGC). Customers have become empowered to write online reviews that can be read by consumers in conjunction with the marketing information provided by the firm. Therefore, online customer reviews are a type of eWOM, and eWOM is a type of UGC,
as well as WOM. However, online customer reviews have become the most common form of eWOM. Furthermore, these online reviews have shown to have a significant influence on customers’ purchase decision-making (Chen & Xie, 2008).

Hiscock (2001, p. 1) stated that, ‘The ultimate goal of marketing is to develop an intense bond between the consumer and the brand, and the main ingredient of this bond is trust’. This is usually associated with a relationship of trust between the customer and the brand, which then shapes consumers’ buying behaviour and customer loyalty, which can lead to repeat purchases. It is of paramount importance to persuade consumers to make a first purchase. For many products and services, the buying action may only be a one-off purchase. For example, when travellers visit a location they have never been, they are making their first purchase of travel to that location. They may not visit the location again because they seek another novel travel experience. In this case, while it is more relevant to focus on the first buying decision, rather than repeat purchases, customer relationship development is still important because it may result in eWOM that affects the buying decisions of new customers.

Past studies in eWOM have explored the antecedents that affect the generation of WOM activities and the relationships of WOM characteristics, such as valence (Celso & Carlos, 2008). Other studies have examined the outcome variables, including customer equity and brand purchasing probability (Buttle, 1998; East, Hammond, & Lomax, 2008; Vermeulen & Seegers, 2009). The reference to eWOM by new customers is considered a risk-reduction strategy that affects the purchasing intention (Buttle, 1998). With the advent of the Internet, online customer reviews have become the new focus of eWOM research. However, there is a lack of studies focusing on the causal relationships between the mechanisms that explain how online customer reviews affect a customers’ buying behaviour—particularly their willingness to buy for the first time.

By using a theoretical framework, this study examines the mechanisms underlying how online customer reviews can influence consumers’ purchasing decisions (willingness to buy). In particular, this study considers how online customer reviews can lead to the development of trust, which subsequently affects consumers’ willingness to buy an unfamiliar product that is difficult to trial. In summary, it is the intention of this study to examine the mediating effects of ‘brand trust’ between online customer reviews and willingness to buy. Therefore, this research contributes to the development of a causal explanation of the effect of online customer reviews on customers’ willingness to buy.

**EWOM AND ONLINE CUSTOMER REVIEWS**

WOM has been described as person-to-person oral communication between a receiver and a communicator who the receiver perceives as non-commercial, in terms of a brand, organisation, product, or service (Arndt, 1967). The advance of the Internet age has brought some changes to this description. For example, the presence of virtual WOM in bulletin boards is not face-to-face, oral or ephemeral. This form of WOM is usually referred to in studies as eWOM or Internet WOM (iWOM).

The development of the Internet into Web 2.0 has permitted new forms of eWOM, such as online customer reviews based on personal usage experience. Online customer reviews can serve as a new element in the marketing communication mix and can provide free sales assistance (Chen & Xie, 2008). Many recent studies on eWOM have been based on online customer reviews (Park, Lee & Han, 2007; Sen & Lerman, 2007; Zhang, Craciun, & Shin, 2010), as well as being built on studies of WOM (Chen & Xie, 2008; Lee, Park, & Han, 2008). Online customer reviews can be seen as an extension of WOM.

It is generally agreed that WOM is more influential for purchasing decisions than other marketing resources, such as advertisement
The Analysis of the Logistics Mode Decision to E-Commerce
www.igi-global.com/article/analysis-logistics-mode-decision-commerce/73000?camid=4v1a