



## **ELECTRONIC WORD OF MOUTH (eWOM) AND PURCHASE OF ELECTRONIC GOODS: A STUDY ON MOBILE PHONE USERS OF SURAT CITY**

**Aditi Bhatt**

SDJ International College  
Surat

### **INTRODUCTION:**

In the current era, people are using the social media more than ever. The maximum time of their daily routine is dedicated to digital platforms. And they are also relied on the social networking platforms form many things. And one of those many things is to have an opinion on the performance of any product or service. Electronic Word of Mouth (eWOM) has become the most crucial for success or failure of any business as eWOM forms the basis of any decision. In past few years, social media has fundamentally changed the marketing strategy of companies. Today, social media is the most effective way to communicate about products and services from marketers to consumers. Social networking sites provide platforms to communicate with customers and influence their purchasing decisions. Promoting products directly or indirectly through social networking platforms not only confirms better exposure for brands at a lower cost but also the reach to the remote most area where conventional marketing and marketing would not be able to reach. The aim of this study is to explain the influence eWOM on the consumer's purchase decision-making process.

### **REVIEW OF LITRETURE:**

Though word of mouth and electronic word of mouth are conceptually close (Henning-Thurau, et. al., 2004), there are some important differences in the characteristics which cannot be overlooked. Stern (1994) claimed –WOM communication occurs in a spontaneous manner and vanishes soon as it is uttered, a notion that does not hold in case of EWOM which is written and occurs for an indefinite period of time. Thus, EWOM is persistent and observable. Traditional word of mouth is face to face i.e occurring in a physical setting largely among intimates such as friends and family members (close ties) while EWOM occurring in digital platforms is extensively diffusive and occurs among people known as well as unknown to each other nonetheless linked by a common interest or need (weak ties). Traditional word of mouth occurring among close ties is wrapped with higher levels of trust. In case of EWOM anonymity or false identity raises the



issues of credibility. However, based on the principles from social psychology (Social Network theory) it is suggested that the perceptions of other members credibility could be the result of continuing evaluations based on the verbal contributions from those members to the group they all belong to, even though they are unknown to each other (Brown, et. al., 2007). Furthermore, technological affordances made possible to express EWOM in different forms such as images, videos, animations apart from text. Privacy of the message is high in word of mouth and nonexistent in EWOM. Since EWOM is written, it remains in websites for an indefinite period and offering opportunity for the anonymous others to view it. EWOM statements are published on the internet, consequently the speed of diffusion and accessibility is high (Mishra and Satish, 2016).

Knoll (2015) argued that an EWOM message on a social media platform, whether submitted or forwarded by end users, depends on both consumer characteristics and message characteristics. When consumers are strongly connected to the brand and expressing themselves, it's easier for them to get a message across. and when the message itself is provocative and humorous, it increases their propensity to be passed on. With due regard to this argument, Erkan and Evans (2016) conducted an empirical study integrating the information acceptance model and relevant elements of reasoned action theory. They developed an information acceptance model and the results of the study support the claim of Knoll (2015). Lovet, et. al., (2013) examined brand traits (differentiation, excitement, and complexity) as precursors to word of mouth. Empirical analysis found that brand attributes influence WOM through three drivers: social, emotional, and functional. Furthermore, the value of brand attributes varies between the WOM channels, while the three drivers are classified as social, functional and emotional in the online channel, while they are classified as emotional, functional and social in the offline channel. In their much-cited article kozinets et. al., (2010) argued that word-of-mouth theory evolved from an organic cross-consumer influence model in which consumers were driven by a desire to help others, to warn others about poor service, and to communicate their status (Ardnt, 1967; Engel, et al., 1969), to the linear influence model of marketing, in which marketers target opinion leaders to disseminate their messages in order to use their above-average influence on the decisions of other consumers and to move them accordingly through various incentives. to talk about the model of networked co-production, in which marketers specifically try to influence the WOM communication of consumers in their digital communities and at the same time come to terms with it Marketing messages and meanings do not flow in one direction, but are exchanged between members of the consumer network. Therefore, engaging consumers in EWOM in these virtual environments is a complex



process embedded in the culture. The paper identifies four strategies adopted by communicators/consumers in consumer-based communities, namely, assessment, explanation, acceptance, and approval based on character narratives, community norms, communication forums, and the nature of marketing promotion.

Various empirical studies have shown the impact of EWOM on consumers' intention to purchase products or services (Erkan and Evans, 2016; Plotkina and Munzel, 2016); B. intention to buy smartphones (Kudeshia and Kumar, 2017), laptops (Uribe, et. al., 2016) and cars (Jalilvand and Samiei, 2012), intention to choose travel destinations (Jalilvand and Samiei 2012b), and the intention to book hotels (Sparks and Browning 2011; Teng et al. 2017), to name a few. By examining whether online product recommendations influence consumers' product ratings, Senecal and Nantel (2004) showed that online product recommendations, a popular form of EWOM, have an impact on consumers' product decisions. EWOM enables more informed purchasing decisions as consumers can better determine which products and which sellers best meet their needs and preferences through easy access to information (Dellarocas, 2003). More information reduces consumer doubts and search costs, leading to a higher willingness to pay for products (Brynjolfsson and Smith, 2000). However, Park and Lee's (2009) experimental study on the moderating role of product type (experience vs. search) suggests that EWOM information is more useful for experience goods than for search goods, since experience goods cannot be evaluated prior to purchase. The level of engagement with the product also mitigates the impact of EWOM quality and quantity on purchase intentions, where low-engagement consumers are more likely to be influenced by the quantity than the quality of the reviews, but highly engaged consumers are primarily influenced by the quantity of the reviews are biased when review quality is high (Park, et al., 2007). Researchers have continuously conducted a survey to quantify the positive and negative effects of EWOM on a wide range of outcomes that marketers really appreciate. Various studies show that EWOM significantly affects outcomes at an individual level

## **METHODOLOGY:**

### **Objective of the Study.**

- To find the the impact of Electronic Word Of Mouth (eWOM) on purchases of electronic goods.
- To find if eWOM could be used as a trust factor for making purchase decisions.



**Data Collection:**

- Descriptive research design is used in this study to analyse and investigate about the variables. The present study uses the primary data sources. It is collected from the respondents through online survey using a structured questionnaire.

**Sampling Design:**

- The current study is based on primary data collected from 300 respondents from the different areas of Surat City. A structured questionnaire was designed to collect the information from the respondents the questionnaire was designed to study the influence of eWOM on the purchasing decision of electronic goods. The responses have been collected through online mode. The sample size is chosen as 300. The study was conducted among users of mobile phones. The respondents were selected randomly using convenience method and the questionnaires were administered to each respondent. The researchers adopted random sampling method for collection of primary data, using online means (Google form Questionnaire) as it is difficult to meet the respondents face to face as there is large number of respondents.

**Scope of the Study:**

- The study is basically conducted to know how consumers influenced by the eWOM. The perception consumers may vary under different circumstances. From this study, we can have a better understanding of the impact of eWOM in influencing consumers during their purchasing decision of electronic goods.

**DATA ANALYSIS:**

- It is noted that over three-fourth (75.33 percent to be specific) would buy products based on eWOM through social media. Only less than one-fourth (24.67 percent) do not have faith in eWOM. Thus, eWOM through social media exerts tremendous influence on purchase decision of modern consumers of Surat City. Table I and Figure I explains the same in detail.

Category	No of Respondents	Percentage Share
Yes	226	75.33
No	74	24.67
Total	300	100.00

**Table I: Buying Decision of Electronic Goods based on eWOM**  
(Source: Field Survey)



**Figure I: Buying Decision of Electronic Goods based on eWOM**  
(Source: Field Survey data as per Table I above)

Particulars	Never	Rarely	Sometimes	Frequently	Always	Total	Total/300
Weight	1	2	3	4	5	-	-
Do you seek opinions via social media (eWOM) before making your purchase decision of electronic goods?	28*1=28	60*2=120	108*3=324	62*4=248	42*5=210	930	3.10
Do you use social platforms to have the opinion via eWOM from people you do not know before making your purchase decision of electronic goods?	25*1=25	55*2=110	128*3=384	42*4=168	50*5=250	937	3.12
Do you ask your friends opinion via eWOM when you are confused between many products? (Dilemma)	22*1=22	28*2=56	125*3=375	72*4=288	53*5=263	1006	3.35
Do you ask opinion of unknown persons via eWOM	30*1=30	25*2=50	121*3=363	65*4=260	59*5=295	998	3.33

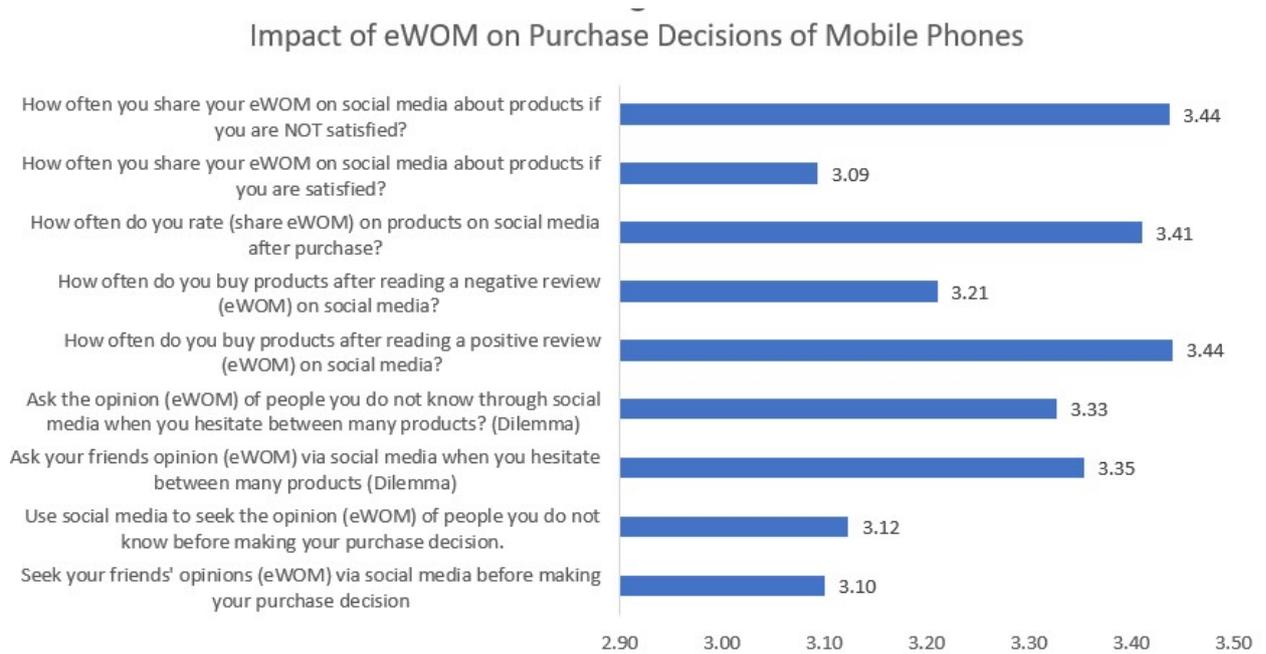


when you are confused between many products? (Dilemma)							
How often do you buy products after reading a positive eWOM?	12*1=12	45*2=90	110*3=330	65*4=260	68*5=340	1032	3.44
How often do you buy products after reading a negative eWOM?	35*1=35	29*2=58	313*3=393	48*4=192	57*5=285	963	3.21
How often do you rate or share eWOM regarding products on social media after purchase?	20*1=20	40*2=80	105*3=315	67*4=268	68*5=340	1023	3.41
How often you share your eWOM on social media about products after you are satisfied?	28*1=28	43*2=86	143*3=429	45*4=180	41*5=205	928	3.09
How often you share your eWOM on social media about products if you are not satisfied?	35*1=35	28*2=56	90*1=90	65*4=260	82*5=410	1031	3.44

**Table II: Impact of eWOM on Purchase Decisions of Mobile Phones**

**(Source: Field Survey)**

Weighted Average,  $X = (W_1X_1+W_2X_2+.... W_nX_n)$ , where W is relative weight and X is value. Using Table II,  $X = [(3.10 + 3.12 + 3.35 + 3.33 + 3.44 + 3.21 + 3.41 + 3.09 + 3.44) / 9] = 3.28$ . Thus, using weighted average method the influence of social media (eWOM) on consumer purchase decision can be found to be 3.28. This is a significant positive relation.



**Figure II: Impact of eWOM on Purchase Decisions of Mobile Phones**

(Source: Field Survey)

There are many statements depends on while buying products after considering the wWOM from social media platforms. There are a group of parameters which are used to determine the soundness of the statements. The parameters includes five options which are “Always”, “Frequently”, “Recently”, “Sometimes” and “Never”. The weighted average figure computed based on the feedbacks received works out to 3.28 which lies in between the parameters of ‘Sometimes’ and ‘Frequently’. From the factors influencing the buyers buying behavior and calculation of weighted average it is identified that 3.44 is the highest value among the factors and it belongs to the factor that “How often do you purchase products after reading a positive review on social media?” The lowest value among the calculation is 3.09 and it belongs to the factor that “How often you share your eWOM on social media if you are not satisfied.” it is concluded that the weighted average figure of 3.28 which lies in between the parameters of “Sometimes” and “Frequently”. It is observed from the study that most of the respondents are between the age group of 19 to 24 years of age. From the study, the researcher has identified that most of the respondents are males (67.50 percent) and the rest are female respondents (32.50 percent). The data from the survey shows that almost 84 percent of the respondents follow brands on social media. From the study, the researcher has identified that Most People follow brands on social media as they want to get updates about products and to read comments and reviews about new products. It is observed from the study that majority of the respondents which is 46.60 percent will recommend a brand to their friend after following the brand and 19.30 percent of



respondents suggested that the recommendation will be depend on the brand. From the study, the researcher has identified that most of the respondents will follow a brand on social media because of friends follows. It was found that 75 percent of the respondents will buy products after following on social media by way of eWOM. It is observed from the study that majority of the respondents (86.70 percent) are using social media to grab information about products by way of eWOM. The data collected through the survey conducted as part of the study shows that almost all the respondents are using social media to compare products that they want to purchase.

### **CONCLUSION:**

Research has shown that social media has a strong impact on consumer purchasing behavior in the digital age. There is no doubt that social media has brought about major changes for both consumers and businesses. Research has shown that consumers are very picky when it comes to purchasing. Although there is a lot of data and sources of information on social media, the personal attitude of consumers still makes a big difference in their choice and purchase. The quality of content on social media has a huge impact, so it needs to be relevant to the consumer. Social media marketing is not just about raising consumer awareness or selling the product itself. It's more than just maintaining an established relationship and building it between potential buyers and businesses. Now the consumer is the king who can get all the information about a product or service just by talking to each other. Therefore, businesses and marketers should be very wary of bad looks on social media or eWOM as it can end up destroying the reputation of the business. Even many people agree that social media allows them to share their opinions and communicate more effectively with other consumers and businesses. Social media has definitely bridged the gap between brands and consumers. With this in mind, companies are now striving to make the buyer feel connected to the brand and allow them to give their views, opinions, comments and ratings.

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