

## **ELECTRONIC WORD OF MOUTH INFLUENCE ON CONSUMER PURCHASING DECISION**

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### **ABSTRACT**

Today, people before purchasing any product or service, research and try to get all the information related to the product so that they can understand that whether they should invest their money in that product or not. At this time, word of mouth becomes a necessary source for the people to get information related to the goods and services. But, at present time, when people do online shopping, electronic word of mouth (e-WOM) becomes advanced version of word of mouth and people look through online reviews before buying any goods or services. This paper tries to study the influence of electronic word of mouth on consumer purchasing decision. The paper is based on the secondary data which has been gathered from various journals, articles, online sources, etc.

**Keywords:** Electronic word of mouth, consumer purchasing decision, online reviews, consumer behaviour, online shopping.

### **1. INTRODUCTION**

As the internet has grown, a huge worldwide marketplace for the exchange of goods and services has emerged. Due to internet advancement, people are now conducting business online, and it is now easier and faster. With its vast coverage and diversity of offerings, the Internet has become a major media in many developed nations. This scenario prompts businesses to use websites to market and improve images of their goods and services. Purchasing goods and services online through a web browser is known as online shopping. Online shopping has become more and more popular over time, mostly because consumers find it quick and convenient to shop whenever and wherever they want (Maria, Kindangen, & Rumokoy, 2016).

The latest technologies are all around us at this moment. These new technologies changed the way we connect and communicate with each other. The conventional means of communication have been altered by the information technology. Electronic word-of-mouth is the latest evolution of word-of-mouth, which is far more powerful and rapidly spreading due to advancements in the Internet (Maria, Kindangen, & Rumokoy, 2016).

Now-a-days, many people who want to buy some product, first do research of the product on the internet. Customers place greater trust in the opinions of other customers during their research phase—the crucial initial step in making a purchase—than in the advice of paid experts (Yayli & Bayram, 2012). When word-of-mouth marketing is generated by individuals who are not affiliated with any particular company and do not get paid for their true experiences, it becomes increasingly trustworthy e-WOM.

## **2. REVIEW OF LITERATURE**

### **2.1 Electronic word of mouth**

Electronic word-of-mouth (e-WOM) can be thought of as an advanced version of traditional interpersonal communication (Nair & Radhakrishnan, 2019). Hennig-Thurau, Gwinner, Walsh, & Gremler (2004) defined e-WOM 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 institution[s] via the internet”.

People have a tendency to believe and establish their own opinions about products or services after receiving information via electronic word-of-mouth (e-WOM). Consequently, e-WOM may positively or negatively affect a consumer's intention to make a purchase by influencing their decision to buy or not buy (Sa'ait, Kanyan, & Nazrin, 2016). Customers might feel more confidence about their purchase decisions by reading internet reviews, which is beneficial to them (Lin, Wu, & Chen, 2013).

### **2.2 Consumer purchasing decision**

According to Peterson & Merino (2003) as cited in (Sanger, 2013) one element in the purchasing process for customers is information search. They want to do this to find out more about items in order to minimise risk and uncertainty, which influences their decision-making and helps them make a better one. A lot of customers look at word-of-mouth (WOM) recommendations from other customers before making any kind of purchase, particularly when buying new products (Kim & Srivastava, 2007) as cited in (Sanger, 2013).

According to Kotler and Armstrong (2007) as cited in (Kamil & Albert, 2020) The last step in the process of decision making before consumer makes a purchase is called the purchase decision.

## **3. OBJECTIVES OF THE STUDY**

- To study the influence of e-WOM on consumer buying decision.
- To study the role of online reviews on consumers' purchasing decision.

## **4. RESEARCH METHODOLOGY**

This paper is descriptive in nature and it is based on secondary data which has been used from various journals, articles, books, online sources.

## **5. DISCUSSION**

The authors conducted a study on Saudi Arabian consumers and found that e-word of mouth influenced the consumers very much and mostly of them use these online forums while making decisions to purchase the products online and characteristics influencing a purchase decision include consistency, quantity, and recency of internet reviews (Almana & Mirza, 2013). A study demonstrated the strong impact of positive user reviews posted online as electronic word-of-mouth (e-WOM) on consumers' emotional trust, trusting beliefs, and online shopping decisions (Cheung, Lee, & Thadani, 2009).

The findings of a study revealed that customer reviews have causal influence on consumers' buying decisions and there is an impact on consumers' product selections. The findings show that 34.6% respondents, on average, read four to seven reviews before making a purchase (Yayli & Bayram, 2012). A study concluded that consistently good e-WOM is crucial for enhancing consumer perceptions of the business and its brand, boosting buy intent,

and lowering advertising costs (Bhuvanewari, Kamalasaravanan, Kanimozhi, & Yegammai, 2022).

One of the studies was done to know about the impact of negative electronic word of mouth on consumers online buying decision. The findings demonstrate that the negative treatment group had considerably lower mean values for emotional trust and propensity to buy online (Cheung & Lee, 2008). As the information is shared by previous customers, social media users trust the reviews and recommendations of other users. People are influenced by e-WOM to purchase goods and services through a variety of social media references (Sulthana & Vasantha, 2019).

The study found the effectiveness of some variables i.e sender expertise, e-WOM quantity, e-WOM quality, and e-WOM trustworthiness on consumers purchasing intention. Four independent variables had a favourable correlation with Generation Y consumers' purchasing intentions, according to the research (Zulkiffli, Hong, Ramlee, Mat Yunoh, & Che Aziz, 2017). Customer satisfaction increases with more e-WOM from customers, which ultimately leads to higher purchase decisions (Purba & Paramita, 2021).

According to the analytical findings of one study, there exists a favourable correlation among e-WOM, e-loyalty, and e-purchase in the Vietnamese online context. The findings of the study also revealed that the association between e-WOM and e-loyalty is mediated by information credibility, information quality, and information usefulness (Perera, Nayak, & Thang Long, 2019). When a new consumer wants to buy something, the phenomenon of Electronic Word of Mouth causes them to focus more on online reviews from previous users of the product or service being purchased. When customers use present products and services and they meet their expectations, they will be happy and tend to recommend their friends and family about the products they have used or are considering using based on information provided digitally (Kamil & Albert, 2020).

A study concluded that electronic word-of-mouth is becoming more important information resource for customers, helping them with their purchase intentions and ultimately influencing their purchasing decision (Michelle, 2018). A survey concluded that consumers considered information search as first crucial factor and e-WOM as second crucial factor while adopting online shopping. Customers use websites to browse various forums and gain more information about products, features, company reputation, and product quality. These forums assist customers in making purchasing decisions (Misra & Vashisht, 2019).

## **6. CONCLUSION**

After reviewing various papers, it can be concluded that electronic word of mouth plays a key role in influencing consumers' purchasing decisions. Positive word of mouth influence consumers to purchase the goods and services. On the other hand, negative electronic word of mouth creates negative impact on consumers. The brands should focus on the online reviews of consumers and tries to satisfy the consumers through their products and services so that they can influence other consumers by writing positive reviews. It is recommended that marketers implement procedures to consistently track and foster customer feedback (Cheung, Lee, & Thadani, 2009). The consumers write about their true viewpoint and reviews about the product or services in the form of electronic word of mouth on social media platforms and this helps in promoting the product or services (Sulthana & Vasantha, 2019).

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