

A Study On Online Consumers' Buying Behaviour and Electronic Word Of Mouth (eWOM)

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ABSTRACT

Nowadays, social media platforms are widely used by people of all ages for various purposes. However, it is observed that the younger generation is mainly utilizing these platforms for both educational and entertainment purposes. As a result, the study focuses on individuals who use social media for online shopping. The study investigates the consumer online buying behaviour and the positive conversations, also known as eWOM which subsequently influence consumers to make purchase decisions. Compared to traditional advertising costs, Electronic Word Of Mouth (eWOM) is a cost-effective approach that can reach a large audience and earn more profit in a shorter period. This study concentrates on young users of social media. The data were collected from 200 respondents who is involved in online shopping. A Stratified random sampling method is used to collect the data and SPSS 21 is used to analyse the data. The findings of the study shows that there is a strong relationship between eWOM and consumer buying behaviour while purchasing online.

Keywords: *Social media, eWOM, Online shopping, Buying behaviour.*

Introduction

Social media platforms provide people with the opportunity to express their opinions about retailers, products and services through Electronic Word-Of-Mouth (e-WOM). Many of the largest online retailers like Walmart, Amazon, Costco, Home depot enabling customers to leave online reviews of the products they sell. Trust forms the foundation of online shopping and is established through the credibility and reliability demonstrated by E-retailing companies. In traditional brick-and-mortar stores, consumers have the opportunity to examine products, interact with sales people, and assess the overall credibility of the establishment. However, in online transactions, these elements of personal interaction and physical inspection are absent. Reviews, comments, and discussions from customers on the internet can be referred to as Electronic Word of Mouth (eWOM). E-WOM refers to the spread of information, opinions, and recommendations about products, services, or brands through electronic channels such as online reviews, social media platforms, forums, blogs, and other online communities. E-WOM on the internet, such as online consumer reviews, ratings, comments, posts etc. offers some advantages over traditional word-of-mouth. One of the key differences is that E-WOM is measurable since comments and reviews are written and available on websites, making it easier to track and analyze. Furthermore, marketers have more control over certain types of eWOM

messages. For example, in platforms like Amazon.com, marketers can decide whether to allow consumer reviews to be displayed or not. They can also offer specific review formats or guidelines to guide consumers in posting their opinions in a desired way. This level of control provides marketers with opportunities to strategically manage and shape the eWOM surrounding their products or services. By encouraging positive reviews, addressing negative feedback, and guiding the overall sentiment of eWOM, marketers can leverage eWOM as part of their marketing strategies. They can also analyze the content of eWOM messages to gain insights into consumer perceptions, preferences, and areas for improvement. However, it is important to note that while marketers have some control over eWOM, it is ultimately a dynamic and organic form of communication. Consumers have the freedom to share their opinions and experiences, and their authentic feedback can significantly impact the perception and reputation of a product or brand.

Therefore, while marketers can strategically apply marketing strategies for eWOM, it is crucial to maintain transparency, authenticity, and ethical practices in managing online consumer reviews and other forms of eWOM. Building genuine trust and fostering positive customer experiences should remain at the forefront of any eWOM strategy.

Review of literature.

- The emergence of electronic word of mouth (eWOM) can be attributed to the growing number of internet and social media users who utilize online technologies to seek out relevant information (ACNielsen, 2008). WOM has been consistently found to exert a considerable influence on consumer decision-making (Katz and Lazarfeld, 1955). In line with the findings on WOM, studies have demonstrated that eWOM (electronic Word-of-Mouth) tends to possess greater credibility, empathy, and relevance for customers compared to information generated by marketers on the Web (Bickart and Schindler, 2001). Trust is established when buyers have certain expectations that the seller will act in a reliable, ethical, and socially appropriate manner, without taking advantage of the situation. It involves the seller fulfilling their commitments and behaving in a dependable way, even in situations where the buyer may be vulnerable or dependent on the seller (Gefen et al., 2003). Indeed, consumers' perceptions of trustworthiness play a significant role in shaping their ultimate purchasing decisions when interacting with sellers (Gupta et al., 2009). Trust plays a crucial role in online commerce. In order to encourage consumers to make purchase decisions and complete transactions, sellers must establish a level of trust that surpasses the threshold for trustworthy behavior. When consumers trust a seller, they are more likely to feel confident in buying their products and transferring money. By focusing on these trust-

building factors, sellers can create an environment where consumers feel confident and comfortable making purchase decisions and transferring money online. Building trust is an ongoing process, and consistently delivering on promises and maintaining a positive reputation are key to fostering long-term customer trust and loyalty (Bente et al., 2012).

- Consumer Behavior involves examining individuals' needs, motivations, and cognitive processes when deciding between products and the tendencies related to purchasing various goods and services (Orji et al., 2017). Hence, it is of utmost importance for the marketing team to comprehend the elements that impact customers' purchasing processes and decisions (Noel, 2017).
- Most studies indicate that social earned media, such as recommendations and discussions on social platforms, can exert a more profound influence on consumer behavior compared to paid and traditional earned media. Information obtained from social sources, including online communities, tends to be more persuasive in shaping consumer perceptions and driving purchasing decisions (Trusov et al., 2009). There exists a positive correlation between social earned media and online buying behavior, with noteworthy impacts on sales, particularly stemming from online community engagement. The cumulative effect of ongoing social earned media activity ultimately results in a substantial, long-term influence on sales outcomes (Stephen & Galak, 2002). When consumers come across positive electronic word-of-mouth (e-WoM) messages regarding a product or service, they are more inclined to express their intention to share these positive sentiments with others, especially in comparison to situations where they encounter negative messages (Sozer, 2019).

Types of Consumer Buying Behaviour

Habitual Buying Behavior:

Habitual buying behavior refers to a type of consumer behavior where individuals make purchases out of habit or routine without much conscious thought or evaluation. In this buying behavior, consumers have established repetitive buying patterns and tend to buy the same products or brands consistently over time. Habitual buying behavior is commonly observed for low-cost, frequently purchased items such as everyday household products, food items, or personal care items. Marketers often target this type of behavior by focusing on brand recognition, loyalty programs, and creating convenient purchasing experiences to reinforce the habit and encourage repeat purchases.

Dissonance-Reducing Buying Behavior:

Dissonance-reducing buying behavior refers to a type of consumer behavior that occurs when individuals experience post-purchase dissonance or cognitive dissonance. Cognitive dissonance is the uncomfortable feeling of psychological tension or doubt that arises when a consumer has conflicting thoughts or beliefs about a purchase decision.

Complex Buying Behavior:

Complex buying behavior refers to the process in which consumers engage in extensive research, evaluation, and decision-making when making complex purchases online. It involves high-involvement products or services that are typically expensive, have a significant impact on the consumer, or require careful consideration due to their complexity

Variety-Seeking Buying Behavior:

Variety seeking buying behavior refers to a consumer's tendency to actively seek out new and different products or brands, often driven by a desire for novelty, variety, or stimulation. Consumers exhibiting variety seeking behavior are not loyal to a particular brand or product and are open to trying out different options.

Relationship Buying Behavior:

Relationship buying behavior refers to a consumer's preference for establishing and maintaining long-term relationships with specific brands, products, or service providers. It is characterized by a strong sense of loyalty, trust, and emotional connection between the consumer and the brand.

Statement of the Problem

Due to technological advancements, people are increasingly embracing a modern lifestyle. First of all, the widespread use of technology has prompted many businesses and entrepreneurs to turn to social media as a means to promote their products. Secondly, consumers now dedicate a significant portion of their time to social media and often make purchases through these platforms, a trend that has been accelerated by the global pandemic. Thirdly, while in the past, businesses primarily relied on TV, magazines, and newspapers for advertising, today, even small-scale businesses are recognizing the value of advertising on social media pages, resulting in substantial profits in a short timeframe. Fourthly, today's consumers are well-informed and discerning; they no longer blindly trust all advertisements. Instead, they rely on websites and other media platforms to post reviews, which provide information about product ratings in the form of likes, comments, and reviews. This information influences their trust about a brand or product, making customer reviews more critical than ever. Fifthly, compared to traditional advertising costs, electronic word of mouth (eWOM) is a cost-effective approach that can reach

a larger audience in a shorter period. Most existing literature emphasises on the EWOM but only studies is made on relationship between the both variables in order to fill this gap the study is undertaken. These factors have motivated the researcher to conduct a study on this topic.

Objectives of the Study

1. To study the demographic profile of the respondents on contemporary social media users.
2. To gain insights into different types of buying behaviour.
3. To explore the relationship between EWOM and consumer online buying behavior.

Methodology

Data are collected from 200 sample respondents in Nagercoil. A stratified random sampling method is adopted to analyse the data. Secondary sources such as journals, internet sources, and websites can provide a comprehensive understanding of consumer buying behavior and EWOM among online users. Secondary data sources offer a wide range of information and insights from various perspectives, allowing for a thorough analysis of the subject matter. Journals often provide in-depth research studies conducted by scholars and experts in the field of marketing, consumer behavior, and online commerce. These studies will explain whether there is any relationship between relationship between online buying decisions and EWOM., the impact of eWOM on consumer choices, the role of online reviews in shaping perceptions, and the effectiveness of different marketing strategies in the digital space. The internet and websites are rich sources of information as well. Online platforms, social media networks, and e-commerce websites host a vast amount of user-generated content, including reviews, comments, discussions, and testimonials. Analyzing these sources can provide valuable insights into how consumers express their opinions, the factors they consider when making purchasing decisions, and the influence of eWOM on online shopping behavior. By combining and analyzing data from the data collected and from the secondary sources, researchers and analysts can gain a comprehensive understanding of consumer buying behavior in the online context. This knowledge can help businesses shape their marketing strategies, improve customer experiences, and leverage eWOM effectively to build brand reputation and drive sales.

Table 1
Demographic profile of the respondents

Category	Profile	Total number	Percentage
Gender	Male	79	39.5
	Female	121	60.5
Age	Less than 18	54	27
	18-25	146	73
Educational qualification	Basic/Secondary	27	13.5
	Undergraduate	72	36.0
	Graduate/Master degree	60	30.0
	Others	41	20.5
Position	Students	72	36.0
	Employee	76	38.0
	Other	52	26.0
Frequency of buying (Per month)	None or one time	22	11.0
	2-3 times	81	40.5
	4-5 times	59	29.5
	Over 5 times	38	19.0

Source: Primary data

Data Analysis

The data were analyzed using SPSS version 21. Both descriptive and inferential statistics were used as presented in the Results section, in responding to the research objectives.

Results:

Internal Reliability of the Scales

Two major scales were used for the study: Consumer online buying behavior (7 items) and Electronic word of mouth (5 items).. The internal reliability of other scales was tested using Cronbach's Alpha, as Table 2 shows have showed to have a very high reliability as they score above .888.

Table 2
Internal Reliability of the Scales

Internal Reliability of the Scales		
	No. of Items	Cronbach's Alpha
Consumer online buying behavior	7	.97
Electronic word of mouth	5	.88

Table 3
Testing the relationship between the consumer online buying behaviour and Electronic Word of Mouth

Testing the relationship between the consumer online buying behavior and Electronic Word of Mouth						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.106	1	5.106	5.186	.024
	Residual	194.963	198	.985		
	Total	200.069	199			
a. Dependent Variable: Online buying behavior						
b. Predictors: (Constant): Electronic word of mouth						

Table 4
Coefficients from Regression Analysis

Coefficients from Regression Analysis						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.580	.391		6.592	.000
	EWOM	.221	.097	.160	2.277	.024

Source: Primary data

The table 4 clearly shows that there is a relationship between EWOM and consumer online buying behavior because the P value is less than (0.05) which is (0.02). Hence, it is proved.

Results and Discussion

- It is widely recognized that consumers are unique individuals with varying buying patterns influenced by factors such as their standard of living, preferences, and personal desires. While consumer behavior can encompass various types, it is important to acknowledge that

external circumstances, such as the pandemic period, can significantly impact consumer behavior and lead to more constrained or compulsory buying behavior.

- During the online consumer buying behavior journey, it has been observed that retailers play a vital role in ensuring customer satisfaction. One of the key ways retailers can achieve this is by actively engaging with customer recommendations and feedback in the form of comments and reviews on their official website or within the shopping environment.
- It is found that electronic word-of-mouth (e-WOM) plays a crucial role for retailers in aligning their product launches with the needs and demands of consumers. This is achieved through the continuous flow of information provided on the retailer's website.
- The purpose of the research is to find the impact of electronic word of mouth. Hence the results support that there is strong relationship between the EWOM and online buying.

Suggestions

- Retailers should actively engage with consumers through social media platforms, online reviews, and customer feedback to shape and influence E-WOM.
- It is important to conduct retailer-initiated E-WOM campaigns, such as influencer marketing or brand ambassador programs, on consumer buying behavior.

Conclusion

The landscape of marketing has significantly shifted with the advent of EWOM in online shopping, disrupting the traditional profit generation model reliant on advertisements and discounts. As social media gains global prominence, online sellers face the daunting task of establishing a reputable presence to attract customers. To achieve success in the online marketplace, retailers must specifically target the ever-growing population of active young adult netizens. Furthermore, it is noteworthy that female consumers exhibit higher engagement and purchasing behavior in the online realm compared to their male counterparts. Consequently, my study centres on understanding the online shopping preferences and behaviors of consumers. The landscape of marketing has significantly shifted with the advent of eWOM in online shopping, disrupting the traditional profit generation model reliant on advertisements and discounts. As social media gains global prominence, online sellers face the daunting task of establishing a reputable presence to attract customers. To achieve success in the online marketplace, retailers must specifically target the ever-growing population of active young adult netizens. Furthermore, it is noteworthy that female consumers exhibit higher engagement and purchasing behavior in the online realm compared to their male counterparts.

Consequently, my study centres on understanding the online consumer behaviour and Word of Mouth reflections among the social media users.

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