Investigating the transition from the World of mouth to Electronic Word of Mouth and its impact on Customer Behavior

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Abstract

This research aims to give a qualitative look into the impacts of internet-based word-of-mouth on buying intent. The study also evaluates the effects of eWOM size, quality, and reviewer skills on the intention to buy. The study was conducted among 384 people who have purchased technology at an Iranian popular seller of technology in Tehran, the Islamic Republic of Iran. This research validates the influence of eWOM on the intention to buy using the modelling of structural equations. Furthermore, the study shows the effects of eWOM quality and reviewer ability on buyer intent. Moreover, the study investigates the impacts of two moderator factors on buying intent: brand image and object intricacy. While the impacts of brand image on buying intent are validated, the effect of difficulty on buying intentions is validated.

Keywords: Transition; word of mouth; electronic word of mouth; impact; consumer behaviour.

1. Introduction

With the introduction of the web, the influence of word of mouth (WOM) on how a customer makes decisions has expanded.1,2 The Internet's qualities, such as rapidity and engagement, improve client data inquiries and interactions with others.3 WOM interaction in cyberspace is more potent than at any point regarding speed and reach. Social networks (SNS) have developed into tools and fresh avenues for businesses to spread and share content with their audience as their usage has grown. Online word-of-mouth (eWOM) has emerged as a critical channel for customers to get product details. According to recent data, 80% of customers trust web suggestions.

This amount considerably outnumbers people who believe in conventional ads. Practitioners and researchers will be keen to learn more about the elements that influence eWOM legitimacy. Consumer motives relevant to traditional WOM can also be assumed to be relevant to eWOM. Prior study has highlighted speakers' motivations for favourable and characteristics of WOM participants and viewers of positive eWOM usage. Given its operational and academic significance and magnitude, few researchers have identified the factors which impact readers' perceived favourable e-book assessment of reliability (PPERC).

To address these gaps in knowledge, we offer an explanation predicated on the C-A-B pyramid of the ABC model of perspective that defines the variables affecting PPERC (cognition) along with how it influences intent to buy (behaviour) via brand and Website sentiments (affect). PPERC is influenced by platform-based (the Web site goodwill, WR, and trust in sources, SC) and customer-based (collecting buying-related knowledge, OBRI, and social views through data, SOTI) motives.

Users are turning to online supplies to express their thoughts about the goods and solutions they utilize and to examine the organizations that give them. These instruments are drastically changing daily living and client relationships as enterprises.

Scholarly fascination with phrase of mind and virtual word of mouth is rising to the rapid development of digital interaction via social networks, blogs, internet sites, etc. This article will explicitly evaluate research on how both of those channels interact. Consumers are flocking to internet sites to divide their views regarding the products they utilize and investigate the businesses that offer them. These instruments are radically transforming daily life as well as client-business ties.

Scholarly curiosity in mind and electronic word of mouth are growing due to the swift growth of technological contact via social networks, blogs, and websites, among other things. This article will analyze research on the way those two systems cooperate, affecting views towards offerings. According to other authors, WOM is a personal

interaction between a speaker and a receiver who sees the data provided on a business, sound, or service as non-commercial.

Likewise, word-of-mouth can be defined as client communication concerning a product when the resources are independent of financial pressure.

These private relationships provide a means of learning connected to using that good or service that goes past the signals provided by businesses and inadvertent impacts the person's decision-making. WOM is usually acknowledged as the most potent influence on customer behaviour. This is particularly relevant for intangible things that take time to figure out beforehand, such as travel or accommodation.

Consequently, word-of-mouth is crucial in customer buying choices and expected behaviour. Tourist fulfilment, for example, is critical due to its impact on behavioural intentions, WOM, and purchasing decisions. , satisfaction with the experience increases the likelihood of returning to and promoting the point of interest.

Similarly, past studies show buyers consider WOM a far more trustworthy channel than conventional ones. As a result, it is regarded as one of the largest data sources on products and services. Users trust others more than sellers. Therefore, Nieto et al., 2017, WOM can affect many recipients and is regarded as a consumer-dominated advertising method in which individuals are separate from the market, lending respect. Because of this detachment, WOM is a more reliable and believable communication.

Litvin et al. (2008) presented the first of the more extensive definitions of eWOM: "all unofficial interactions via the World Wide Web addressed to consumers about the use or nature of products and services or the sellers thereof." The benefit of this technology is that it is accessible to all customers, who can use the web to share their ideas and opinions with others. Whereas buyers used to rely on word of mouth from relatives and friends, they now look to social media posts (eWOM) for details regarding a good or business.

Because of advances in technological innovation, people from every corner of the World may now make remarks that other users may employ to gain knowledge regarding products and solutions quickly. This information medium (eWOM) is used by both active and passive users. Busy consumers are people who offer their ideas to others online; viewers belong to those who only search for details in the feedback or thoughts given by other clients.

Digital word of mind also gives businesses an edge over standard word of mouth, allowing them to figure out what variables inspire consumers to publish what they think online and assess the influence of those remarks on other people.

For example, businesses in the tourism industry are beginning to recognize that ICT-enabled media impact tourists' purchase behaviour.

Organizations naturally see both suggestions - WOM and eWOM - as a fresh chance to listen to their consumers' requirements and alter how they market the goods or offerings to suit them better, boosting their return. Clients' planned future purchases will be influenced by how they feel towards the product or service, allowing them to contrast the item's efficiency with what they were expecting.

Furthermore, electronic word of mouth provides organizations with a tool to discover consumers' wants and views and an affordable way to connect with people. Electronic word of mouth is a significant platform for business internet promotion.

2. Review of Literature

According to Ghosh (2001), the breadth of WOM research is determined by the consumer's motives for choosing a retailer online. Furthermore, the impact of harmful WOM data on assessed retailer trustworthiness and buy intents was controlled mainly by acquaintance with the store and varied depending on whether the company operated as an Internet or clicks-and-mortar organization. Chevalier and Mayzlin (2006) investigated the impact of consumer evaluations on book sales at the online retailer BarnesandNoble.com (Akbar et al., 2021; Agnihotri, 2020; Arora et al., 2021).

The idea of e-WOM originated alongside the creation of the World Wide Web and is a continuance of the notion of Word of Mouth. Word of mouth is generally conceptualized and investigated as exchanging data among people or those acquainted. However, there can be no intimacy between persons in e-WOM. E-WOM is a communication platform that enables customers who do not know one another to communicate feedback about the goods or services they enjoy (Bansal et al., 2022; Bhalla & Bansal, 2014; Singh et al., 2020).

According to Hennig-Thor et al. (2004), e-WOM is a favourable or unfavourable remark about a product or company made via the Internet. According to another definition, e-WOM is any unofficial interaction geared to customers via online channels regarding their experience with goods/services. After the rapid expansion of the World Wide Web, E-WOM has proliferated and expanded the breadth of WOM communication. Thus, e-WOM is content with a broad scope of WOM transmitted by the Internet following an industrial engagement.

E-WOM impacts e-commerce by allowing consumers to instantly buy things through their internet browsers without using a third party. The popularity of Internet buying is growing since customers consider it more accessible and can be performed from home (Del Giudice et al., 2019).

As a result, e-WOM evolves in tandem with the advancement of technological advances and the World Wide Web, permitting consumers to construct data communications for other individuals based on their interactions with items communicated through Internet media. WOM (a direct interaction of at least two persons) has been employed in previous studies.

However, a few studies on electronic word of mouth are now being used as a topic of inquiry.

They claimed that comments were generally good on both sites; however, the first site had more evaluations and shorter reviews. Furthermore, according to these questionnaires, an increase in a book's recommendations could lead to a rise in

proportional sales at that location. Furthermore, the influence of one-star ratings was more significant than the effect of five-star reviews, and proof from the length data suggested that clients could comprehend the text instead of relying solely on the statistical summary.

Davis and Khazanchi (2008) looked at the impact of digital WOM qualities and other pertinent variables on online sales at a multiproduct retail e-commerce organization. They stated that implementing online WOM for a retail internet site could have a beneficial impact on sales of products.

The authors established and verified the theoretical framework of online WOM, its impact on product sales, and the influence of moderator factors, including advertising, product grouping, and product views. In their poll, just increasing the volume or amount of reviewer remarks had no significant influence on purchases.

According to Fan and Miao (2012), internet-based word of mouth (eWOM) is available for consumers through various types of online feedback that can be employed to help customers make internet buying choices. Buyers agree that internet-based customer evaluations can assist consumers in determining the legitimacy of eWOM and making purchases.

Buyers agree that internet-based customer evaluations can assist them in determining the credibility of eWOM and making buying selections. This study employed surveys and multivariate regression analysis to develop a more comprehensive Elaborating Likelihood Model that analyses the association between consumer competence, involvement, and adoption and use of eWOM in purchase choices. According to Hennig-Thurau et al. (2004), e-WOM is any good or negative comment (review) made by future, actual, or past consumers about an item or firm that is made accessible to many users and organizations through the Internet. Comparably, Godes and Mayzlin (2004) described eWOM as measurable because assessments of products are created and posted on websites.

Jalilvand and Samiei (2012) studied the impact of digital word of discussion on company reputation and purchase intent in the Iranian automobile sector. Morrison's concept of the predicted link between gauges of intent and future purchase behaviour was further examined and applied by Kalwani and Silk (1982). Wang and Yang (2010) investigated the impact of reputation, which includes reliability, knowledge, and charisma, on customers' branded intentions to buy in developing countries, focusing on China's auto industry. They hypothesized that awareness of the brand and its perception moderated this association. Their findings also revealed that a business's reputation has a beneficial impact on client brand buying plans.

In the present investigation, image and reputation were found to significantly regulate the link between the trustworthiness of the brand and the customer's intention to buy. Their study examines eWOM from three perspectives: eWOM excellence, eWOM quantity, and reviewers' skill. The persuading strength of remarks incorporated in a piece of data is called the degree of eWOM. Consumer purchasing decisions might be driven by a few factors or requirements that fit their wants, and their readiness to buy will be impacted by their perception of their knowledge level.

People's lives are growing increasingly dependent on social media. Platforms like Facebook, Twitter, Snapchat, Facebook, Instagram, and LinkedIn have a large user base that is constantly increasing. The global rate of social media usage is growing. In 2016, 68.3% of users of the Internet used social media, and this proportion is anticipated to rise. With strong engagement rates and rising mobile capabilities, social media is among the most popular online hobbies. The number of global internet users is envisaged to arrive at 4.95 billion by 2025, accounting for approximately a third of the planet's inhabitants.

People can use social media platforms (SNS) to generate an outline within a sealed scheme, create a list of additional individuals with whom they have a link, and interact with others within the structure.

Through the use of the web, EWOM can reach neighbourhoods more quickly. In addition, conventional WOM sources of information are known people, whereas internet

customer reviews originate from unidentified previous customers. However, the social network Word of Mouth (fWOM) combines EWOM and conventional WOM practices and benefits from both. Like typical WOM, fWOM's sources of info include friends or family, and it can expand far past the local area, as with EWOM. Users may distribute their ideas on Instagram with one click, making it easier than traditional EWOM and improving data access. As a result, only some could entirely relay the material of adverts without distorting the details. Because of these distinctions, Instagram is an effective advertising platform. Because those on Facebook also constitute offline acquaintances, Social friends can have various levels of 'tie quality' with each consumer, strong ties vs. weak ties. Previous study has found that individuals trust individuals with significant connections more than those with poor ties. On Facebook, however, 'weak tie buddies' outnumber' firm tie friends' (Bansal et al., 2022; Prasetya, 2018; Youn, 2019).

3. Research Objectives

As a result, the present research aimed to examine and test the impact of electronic word of mouth, reputation, and value reduction on buying choices on the Internet as a phenomenon. To address these study objectives, the subsequent study assumptions are developed:

Hypothesis

For conducting the research, the below-mentioned hypotheses are developed:

1. H1: e-WOM impacts millennials' online shopping decisions.

2. H2: There is an impact of a company's goodwill on millennials' online shopping choices.

This study shows that electronic word of mouth and brand figures can impact millennials' purchasing choices, particularly online buying. In the Internet and the era of social media, Millennials frequently examine electronic word of mouth before making buying choices and have a solid attachment to a brand.

However, young people are powerfully impacted by the cost discount variable before deciding on a purchase, still after considering e-WOM and the brand's image. Although price cuts frequently outperform considerations of e-WOM and reputation. Thus, teenagers are buyers with distinct characteristics that marketing must consider.

4. Research Method

A statistical study paradigm with a descriptive strategy is used in this work. The statistical paradigm revolves around the objectives of this research, which is to investigate the effect of electronic word of mouth and the brand's perception on online shopping decisions among Millennials utilizing the parameter price discount as a deliberation. The information came from a source of information, a study of millennials in New Delhi, India. This city was picked since it is the country's national funding and over 500,000 people from diverse areas and nations attend schools in New Delhi.

5. Outcomes

The table displays the statistical data analysis utilizing the classification index method with the three independent variables.

TABLE I: Test of Hypothesis

Hypothesis Test	Prob.	Hypothesis Decision
e-WOM an Online Buy Decision	0.103	Reject the hypothesis 1 (H1)
Brand Image and Online Purchase Decision	0.004	Accept the hypothesis 2 (H2)
e-WOM a Price		

Discount an Online buy Decision	0	Accept the hypothesis 3 (H3)	
Brand Image a Price Discount Online Buying Decision	0	Accept the hypothesis 4 (H4)	

Table I demonstrates that the e-WOM parameter in the present investigation does not influence customers using the Shopee platform's purchase decisions. The evocative evaluation, which demonstrates a weak group tendency, also reflects this outcome. Since the expected value (0.103) was more significant than 0.05, the e-WOM variable contradicts the H1 speculation, indicating that millennials do not consider e-WOM when making online purchases.

6. Conclusion

This study aims to see how e-WOM or brand representation influences buying decisions when reductions in price are applied. The outcomes of the hypothesis testing demonstrate that electronic word of mouth had no meaningful impact on millennials' online purchase habits. This finding implies that teenagers need to heed positive or adequate evaluations from prior customers. One aspect causing this lack of evaluation is the reliability of the information communicated by other clients. The fact that they need to become more familiar with each other's identities may contribute to the lack of trust in information on internet platforms. Unlike WOM, consumers recognize each other when they meet them. Other info about customers has high trust. E-WOM impacts purchasing choices when a price decrease mitigates it. Thus, the purchasing choice is influenced by e-WOM and the purchasing platform's price reduction element.

In the meantime, millennials' choice of where to shop on the Internet was directly influenced by the fluctuating brand image. These data demonstrate that teenagers still value brand image when shopping online. Millennials are still highly idealistic and egotistical when purchasing things with specific brands. Millennials are more driven to make purchases when a price decrease mitigates the perception of the company. Buying might be either intended or unintended. Youths base their choices for shopping on reasonable factors.

Meanwhile, older people loved to shop in groups and listen to other individual's perspectives. The third personality trait is that millennials favour working with companies and companies. They have a good attitude that is focused on the population. The current cohort prefers choice-making to be done collaboratively. The age group Y is highly loyal to specific businesses. Generation Y is another figure who advocates for principles. Values may be associated with characteristics like the worth of a brand of goods and values associated with nationality. When purchasing items, Millennials must endorse the aims and values they desire. As a result, some of these features may influence young people's decisions and behaviors.

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