

Investigation of Effect of Electronic Word of Mouth on Consumer Decision Making Process of Plurals and Millennials

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Abstract

The study inspects change in consumer decision making process of both millennial, plurals with effect of electronic word of mouth. The effect was determined by considering electronic word of mouth in place of exogenous construct, and stages of consumer decision making process in place of endogenous construct. To test the hypothesis, a theoretic model was designed by reviewing former literature. A data of 400 respondents were gathered by adopting structured questionnaire through stratified proportionate sampling with count 200 for plurals, millennial. The data were analyzed through Smart PLS by executing structure equational modeling. The results showed that whole consumer decision making process of millennial, plurals was positively impacted by electronic word of mouth. Statistically, it has been found that electronic word of mouth effected post purchase behaviour significantly, followed by purchase stage, need recognition, evaluation of alternatives and least affected was search of information. This research can provide assistance to marketers in understanding buying behaviour of both generations: plurals, millennial's that could be beneficial for them in designed digital marketing strategies to approach both generations on social media.

Keywords: Electronic word of mouth, Plurals, Millennial s, Consumer decision making process, Digital marketing

1. Introduction

With introduction of Social media (SM) in digital space, users can send as well as receive data in the form of features such as like, comment, share that holistically form electronic word of mouth (Maria et al., 2019). SM has made former mode of communication an updated model and permitted electronic word of mouth to be a prime source of information (Mason et al., 2021). Millions of users on SM use different ways to interact with other users so, during this interaction

process they discuss about varied products/services (Liu & Lopez, 2016). Furthermore, not only positive opinions about products/services are posted, but also negative aspects are discussed (Erkan & Evans, 2016). This interaction over SM has emerged as a SM community whereby, any user can bring change in attitude, or behavior of other users (Alboqami et al., 2015). Nowadays, EWOM has become a persuasive tool as consumers review opinions on SM regarding products/services they wish to purchase; thus, EWOM acts a SM agent which induce buyers purchase intentions and impact their purchase decision (Zhang et al., 2020). For example, users' discussions on artist's SM page have made users aware about music content, and ultimately, influenced users to follow, buy pop music through music videos, live events' tickets (An et al., 2020). Hence, EWOM on SM is considered as vital determinant behind change in consumer attitude which has potential to impact consumer decision making process (CDMP). According to Gomez et al., (2019), EWOM on SM through recommendations, rating, reviews impacted consumers buying actions significantly.

2. Literature Review

Electronic Word of Mouth

EWOM is defined as social media conversations discussed by users who independently post their desired content (Cao et al., 2020). Additionally, products and services related opinions of one SM user are now dominated by unfamiliar, known users, which further make a foundation of consumer's reviews in the offline market. These online opinions spreads like viral content because of faster mobility (An et al., 2020). Reviews of consumer on SM have been the main determinant factor among plurals (born in between 1995-2012) while buying products and services especially in service industries that includes hospitality and entertainment industry as consumers actively check reviews and rating which eventually generates electronic word of mouth (Erkan & Evans, 2018; Montague et al., 2019). Moreover, EWOM has been categorized as negative, neutral, and positive based on reviews and suggestions (Schivinski & Dabrowski, 2016). Positive conversation of users on SM has massively encouraged others to buy suggested products. Therefore, conversion ratio of seller increases (Tsai & Bui, 2021). Members of millennials (born in between 1981-1994) regularly exchanged their knowledge as well as experience on cars through YouTube, Facebook which has positively helped consumer in solving their problems and ultimately, encouraged them to purchase the marketed cars (Davidaviciene et al., 2019).

Relationship Between EWOM And CDMP

CDMP is comprised of five consequent stages, starting from need recognition stage (NR), second stage is named as Search of information (SOI), third one is evaluation of alternatives stage (EOA), followed by purchase stage (PS), the last one is post purchase behavior stage (PP). CDMP as a process whereby consumer goes through multiple stages of goods/services consumption that later shape consumer buying attitude (Kotler & Keller 2016, p. 181-182). The phase of NR make consumer identify unsatisfied new wants through likes, comments, and share of content posted on SM. After realization of needs, consumers start finding material as information on desired goods/services by reviewing users' suggestions, opinions on purchased items (Davidaviciene et al., 2019). It has been believed that consumers find limited information and trust electronic word of mouth for information. EOA allows consumers to compare alternatives among multiple options based on gathered information (Voramontri & Klieb, 2019). Consumers review views of experts, marketers on SM, then they finalize final goods/services to purchase. At PS, consumers intent to buying attitude which they convert to purchase action by viewing goods/services' availability, price, offers; thus, this phase permit users to decide retailer for buying. Additionally, this stage being most crucial brings risk as well (Schivinski & Dabrowski, 2016). During PP stage, consumers attempt to match bough product with their expected outcome, if purchased items meet their expectations, it brings sense of satisfaction to consumers; consequently, consumers post positive comments about goods/services on SM. Nevertheless, if bought items do not match with their expectation, consumers do not purchase same goods/services in future (Zhang et al., 2020).

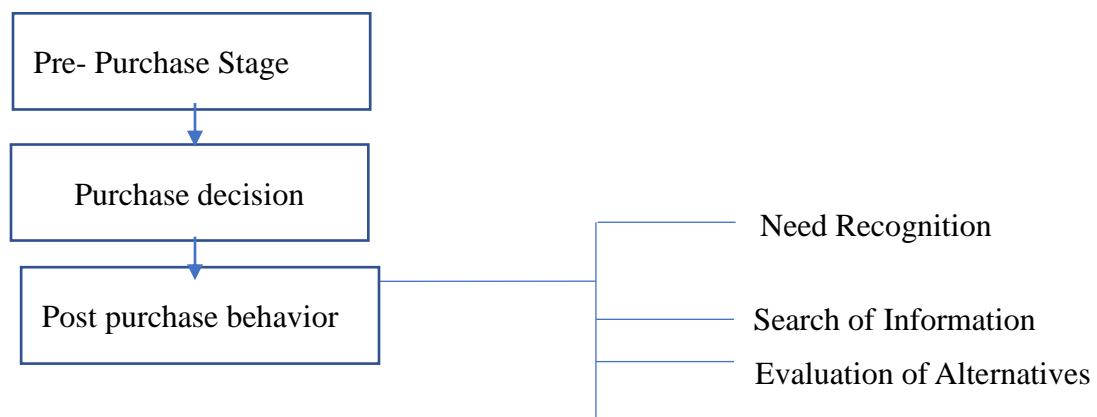


Figure1: Consumer decision making process

Source: Song & Yoo, 2016 and Kotler & Keller, 2016, p. 181-182

The conceptual model

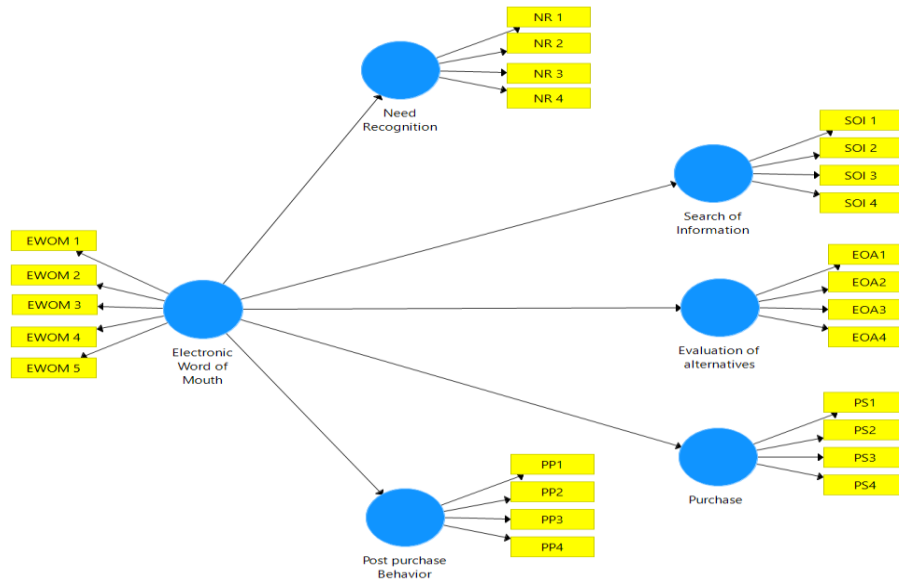


Figure 2: The conceptual model determining the influence of EWOM on CDMP

3. Research Methodology

The research was conducted to examine the influence of EWOM on CDMP of Plurals, and Millennials. However, this prime objective was accomplished through formulating secondary objectives. Moreover, hypotheses have been framed according to objectives as follows:

Objective 1: To examine the effect of electronic word of mouth on need recognition of plurals, and millennials.

H1: EWOM has a positive influence on recognition of need of plurals and millennials.

Objective 2: To examine the effect of electronic word of mouth on information search

H2: EWOM has a positive influence on search of information.

Objective 3: To examine the effect of electronic word of mouth on evaluation of alternatives.

H3: EWOM has a positive influence on evaluation of alternatives.

Objective 4: To examine the effect of electronic word of mouth on purchase decision.

H4: EWOM has a positive influence on purchase decision.

Objective 5: To examine the effect of electronic word of mouth on post purchase behavior.

H5: EWOM has a positive influence on post-purchase behavior.

3.1. Research Design

The sample unit of the research was comprised of all social media users in Jalandhar, Ludhiana and Amritsar cities of India. Stratified proportionate sampling was implemented to collect dataset of 400 SM users with 200 in each generations group. We have divided population to two main categories in accordance with age that included millennials (born amid 1981 to 1994 year), plurals (born amid 1995 to 2012 year) (Rahmat et al, 2019; Saini & Sidhu, 2020).

3.2. Research Instrument

Through implementation of surveyed method, responses of SM users were collected with the aid of structured questionnaire. The questionnaire was in three segments. The first section encompassed demographic variables; age, education, gender, residential status. The second segment was covering questions on SM usage and EWOM. The last segment had 20 items prepared and examined using seven-point scale (strongly disagree was on point 1 and to seven as strongly agree was on 7 points. The empirical data was analyzed on smart PLS.

3.3. Data Analysis

Table (1)-Analysis of demographic variables

Category		Frequency	Valid Percentage
Gender	Male	181	45
	Female	219	55
Total		400	100
Age	18-26	200	50
	27-40	200	50
Total		400	100
Education	School Level	0	0
	Graduate	40	10
	Post Graduate	319	80
	Doctorate	41	10
Total		400	100
Residential Status	Urban	219	55
	Rural	89	22
	Semi-urban	92	23
Total		400	100

Through demographic analysis, it was noticed that male sample was constituted of participants with percentage of 45; however, female sample was constituted of participants with percentage of 55. Equal number of Individuals in age year of 18-26 as well as 27-40 were identified with 50 percent each. Moreover, 10 percent of SM users were doctorate, 80 percent studied post

graduate, 10 percent have done graduate. 55 percent of SM users resided in urban area; however, 22 percent were found to live in rural area, and SM users with 23 percent lived in semi-urban type of housing.

3.4.Hypotheses Testing

Through utilization of Smart PLS, the data were examined statistically and we designed path model to measure the effect of EWOM on CDMP of plurals, millennials. Consistent algorithm was performed to testify the hypotheses because of reflective nature of conceptual model (Pop et al., 2021).

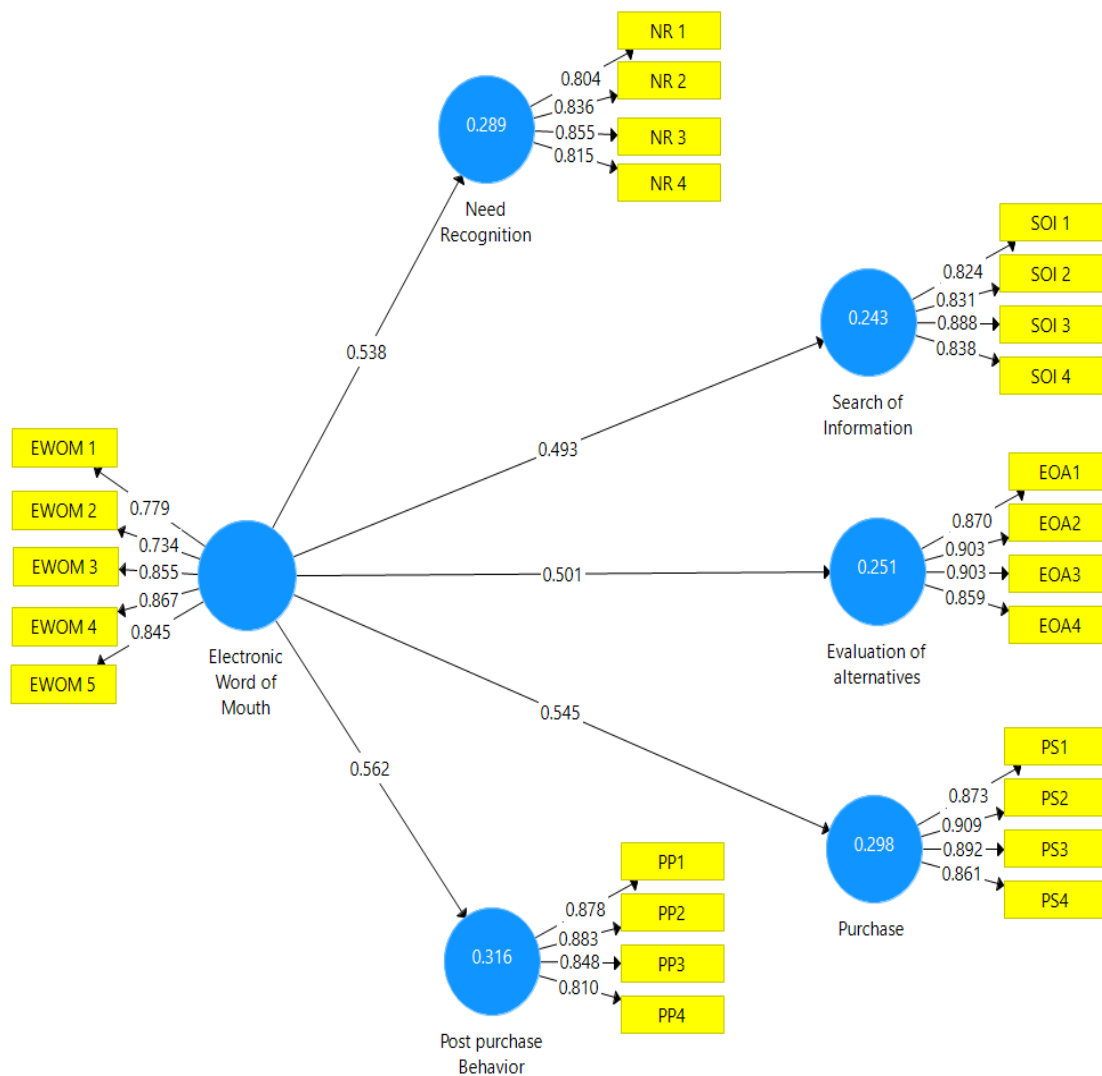


Figure3: Measurement of influence of EWOM on CDMP using Path model.

Table (2)- Construct Reliability and Validity

Main Construct	Items	Code	Loadings ≥ 0.7	Cronbach's Alpha	CR ≥ 0.7	AVE ≥ 0.5
Need Recognition	Electronic word of mouth effectively creates new needs for me.	NR1	0.804	0.848	0.897	0.686
	I realize need of having new products through electronic word of mouth on social media.	NR2	0.836			
	Electronic word of mouth motivates me to follow new goods/services.	NR3	0.855			
	Electronic word of mouth makes me realize that my current state is dissimilar to desired state.	NR4	0.815			
Search of Information	Electronic word of mouth helps me to search data on products and services.	SOI1	0.824	0.867	0.909	0.715
	Electronic word of mouth delivers correct information	SOI2	0.831			
	Electronic word of mouth delivers appropriate information	SOI3	0.888			
	Electronic word of mouth delivers reliable information	SOI4	0.838			
Evaluation of Alternatives	I follow users' recommendations in comparing options	EOA1	0.870	0.906	0.935	0.781
	Electronic word of mouth is beneficial in reduction of options effectively.	EOA2	0.903			
	Electronic word of mouth is reliable source for assessing products and services.	EOA3	0.903			
	Social media users' recommendations provide solutions to my needs.	EOA4	0.859			
Purchase	I wish to buy goods and services recommended by other users on social media.	PS1	0.873	0.906	0.934	0.781
	Electronic word of mouth alters my purchase intents significantly.	PS2	0.909			
	Electronic word of mouth changes my final buying decision effectively.	PS3	0.892			
	I always check users' opinions before buying goods and services	PS4	0.861			

Post Purchase Behavior	I prefer to rebuy goods/services based on electronic word of mouth.	PP1	0.878			
	I mention bought products/services' experience on SM	PP2	0.883			
	I will buy products/services in future which are promoted by electronic word of mouth	PP3	0.848	0.877	0.916	0.731
	I feel satisfied by purchasing products/services promoted by electronic word of mouth	PP4	0.810			

Measurement of Measurement Model

Measurement model analyses reliability as well as validity of constructs (Henseler et al., 2015). Outer loadings of path model were computed, and equated with the statistically satisfactory range of either 0.70, or bigger (Jibril et al., 2019). Table 2 displays outer loadings for endogenous constructs observed between 0.810 and 0.909. Cronbach’s alpha as well as composite reliability were observed to be higher than 0.848 and greater than acceptable value of 0.70. Hence 0.848 indicated scales’ high reliability. Additionally, AVE was computed to measure the convergent validity of constructs which was observed to be greater than value of 0.5 (Tashtoush, 2021); so, good validity has been established by conceptual model.

Measurement of the Structural Model

Statistic value of β , R square, f^2 , T measure the structural model (Zhang et al., 2020). AS R square in case of NR was observed to be 0.289 indicating that 28.9 percent of the change in the recognition of need was because of EWOM. Nevertheless, R square value was 0.243, 0.251, 0.298, 0.316 for SOI stage, EOA stage, PS stage, PP stage respectively. R square at 0.26, 0.50, 0.75 is measured as weak, moderate, and substantial (Sudirjo, 2021). Hence, PP stage highly impacted by EWOM and SOI was least affected. Additionally, hypotheses were also tested empirically through T-statistics with use of bootstrapping (5000 sub-sample). Table 3 displays value of β coefficient, p and T statistics.

Table (3)- β coefficient, P value, T statistics

Constructs Assumed Path	Hypotheses	Standardised Beta	T Statistics $s \geq 1.96$	P Value $s < 0.05$	Hypotheses Results	Effect size f^2	Total Effect
Electronic word	H1	0.538	13.547	0.000	Supported	0.407	Strong

of mouth -> Need Recognition							
Electronic word of mouth -> Search of Information	H2	0.493	10.647	0.000	Supported	0.320	Moderate
Electronic word of mouth -> Evaluation of Alternatives	H3	0.501	9.929	0.000	Supported	0.334	Strong
Electronic word of mouth -> Purchase	H4	0.545	10.566	0.000	Supported	0.424	Strong
Electronic word of mouth -> Post purchase behavior	H5	0.562	11.673	0.000	Supported	0.461	Strong

T value decides the acceptance, or rejection of hypothesis as it has to be 1.96 statistically. Another element is p value that has to be under 0.050 (Henseler et al., 2015). Figure 3, and Table 3 indicated that p value for need recognition was 0.000, β was 0.538, T equals to 13.547; so, alternative hypothesis was supported that specified that EWOM has a positive effect on recognition of need among plurals, millennials. Similarly, for SOI, β was 0.493, p value was 0.000, and value of T statistics was 10.647; hence, second hypothesis was also accepted. For EOA, β was 0.501, p value at 0.000, and T statistics was 9.929; therefore, third hypothesis was also supported. For PS, beta value of .545, T value of 10.556, p value of 0.000 has been observed that was statically satisfactory to accept fourth hypothesis. In the last path, β was 0.562, T statistics was 11.673, and value of p was 0.000, as all the values weighed between standard range of acceptance, fifth hypothesis has been accepted. Hence, it has been proven that CDMP of plurals, millennials get affected positively due to EWOM. Impact level of exogenous construct on endogenous construct was measured through value of F square. As in Table 3, value of f^2 was highest in PP, so it was concluded that EWOM highly affected PP, followed by PS, NR, EOA and SOI.

4. Conclusion

It was found through analysis that plurals as well as millennials are following SM for their purchases. Moreover, EWOM affected all phases of CDMP of plurals, millennials positively, whereby, EWOM mainly and positively influenced NR of products/services because EWOM offered something new to them which triggered them continuously, and persuaded consumers to follow mentioned goods/services; hence, first objective has been fulfilled. The subsequent objective was also accomplished as SM users agreed that EWOM made their SOI easy. Additionally, EWOM provided them reliable, correct, as well as appropriate information on services/products. The third objective has been acknowledged because SM users responded that they have followed recommendation of other users to solve their issues related to goods/services and is beneficial in selecting one alternative; therefore, we accomplished fourth objective. It was also discovered that EWOM altered buying actions of respondents significantly. Conclusively, all the stated objectives were achieved; so, indubitably CDMP of plurals, millennials have been affected substantially.

5. Limitations

The primary limitation is associated with sample size as for this study responses of 400 SM users have been measured; however, a sample more than this count possibly will lead to new outcomes to the prevailing findings. Secondly, all platforms of social media have been contained within; although, forthcoming research can take any platform into consideration. Subsequent limitation is concerned with sample area. Research was performed in small three cities; whereas, big cities, other nations will create new outcomes in determining plurals, millennials buying behaviour.

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