

Examining the Effects of Ewom and Consumer Based Brand Equity on Intention to Purchase Electronic Products: A Study on Malaysian Consumers

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ABSTRACT

This study aims to examine the impact of eWOM and consumer based brand equity on Malaysian consumers' intention to purchase electronic products. The primary data for this research was gathered through the distribution of online surveys. The final sample consisted of 245 Malaysian online shoppers selected by the purposive sampling method. The results confirm that eWOM and consumer-based brand equity are the key factors that influence Malaysian consumers' intention to purchase electronic products. Theoretical and practical implications are discussed as well as recommendations for future research.

Keywords: Consumer Based Brand Equity, Electronic Products, Electronic Word of Mouth, Purchase Intention.

1. INTRODUCTION

COVID-19 was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. To mitigate the effects of COVID-19, the government of Malaysia has enforced Movement Control Order (MCO) and stay-at-home restrictions. Many retailers were unable to gain revenue during the lockdown, and thus, selling online products became an alternative to increase their revenue and survive during the COVID-19 crisis. The closure of the physical store and the strict standard operating procedure (SOP) had attributed to a wave of customers switching from buying goods offline to online. ShopBack Malaysia conducted a survey among 2,408 Malaysian consumers in 2020. The results revealed that 50 percent of the respondents would purchase from a brand they follow on social media channels (Ismail, February 25, 2021). Statista (2021) reported that in 2020, Malaysians spent an average of 3.01 hours on social media every day. When consumers spend more time on social media, it presents an opportunity for online retailers to promote their products extensively.

With the accelerated adoption of online shopping, Malaysia is a lucrative market for online sellers. According to Janio (2021), the "Electronics and Physical Media" category is the second-largest product segment in e-commerce spending among Malaysian consumers, with total spending of USD1.17 billion. Malaysian consumers are not only spending on daily necessities of goods, but they are also willing to spend on electronics products such as mobile phones and accessories, computers and home office electronics, USBs and power banks (Commission Factory, 2021; Isa, Shah, Palpanadan & Isa, 2020). Therefore, retailers of electronic products can wisely use social media to market their products since MCO had changed Malaysian consumers' shopping behaviour. As social media use is soaring, electronic product retailers must identify which factors can trigger consumers' intention to purchase electronic products.

Getting more information about products is one of the factors that would entice consumers to shop online. Electronic Word-of-Mouth (eWOM) is a powerful mechanism for disseminating information to a large number of people (Duan, Gu & Whinston, 2008). Social media have created

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a platform to facilitate eWOM communication that allows customers to share information about products and services with others. eWOM information is perceived to be more specific and trustworthy as potential customers can get better deals and minimise uncertainty in their purchase decision (Wang et al., 2016). eWOM has become the primary source of information for online shoppers because they believe the source is unbiased and trustworthy.

Consumer based brand equity (CBBE) is customers' perceptions, attitudes, knowledge and behaviours that are related to the asset or liabilities of the brand and influence on products' value (Aaker, 1991; Christodoulides & De Chernatony, 2010). CBBE can help businesses to understand customers' minds, attitudes and the process of decision making and it also can help customers to eliminate the uncertainty risk on product choice, maximise customers' emotional and social benefits brings by the brand (Fischer, Volckner & Sattler, 2010; Hsieh, 2004). Aydin and Ulengin (2015) highlighted that CBBE could influence purchase intention since consumers prioritize well-known brands due to the consumers understanding of the brand equity of the products. In this study, we proposed eWOM and CBBE as factors that can trigger Malaysian online shoppers' intention to purchase electronic products.

2. LITERATURE REVIEW

2.1 Electronic Word-of-Mouth (eWOM)

Social media platforms help spread eWOM information among a large number of users, and users can easily share their opinions by forwarding the posts (Sohn, 2014; Erkan & Evan, 2016). Consumers prefer eWOM since it can help them to gain information regarding shopping items on online platforms from former customers and take it as a suggestion during the process of making a purchase decision. The information gathered from former customers can help the customers to purchase the most preferable products and maximise their satisfaction.

Recent empirical studies have shown that eWOM has a significant impact on customers' intention to purchase smartphones (Putra, Ridwan & Calvin, 2020) and digital products (Rahman et al., 2020). In this study, we proposed eWOM as a factor that can trigger Malaysian online shoppers' intention to purchase electronic products. So, it is hypothesised that:

H1: eWOM has a significant and positive effect on consumers' intention to purchase electronic products.

2.2 Consumer Based Brand Equity (CBBE)

Brand plays an important tool for marketers since it can be a method for consumers to increase their intention to buy a product and distinguish the products from competitors. Therefore, companies need to create a strong brand to gain a sustainable competitive advantage and help the company to gain long-term profitability and survival (Aydin & Ulengin, 2015). Keller (1993) noted that customer based brand equity occurs when the consumer is familiar with the brand and holds some favourable, strong and unique brand associations in their memory. When customers need to choose between brands, they will choose familiar, well-established brands. Moreover, a positive brand image can boost consumer loyalty and preference toward the brand. Hsieh (2004) stated that CBBE can be used by marketers to understand consumers' minds, attitudes, and process decision-making as the basis to evaluate and judge the performance of a brand. Thus, it can help electronic product producers to develop branding strategies that best appeal to their customers and target audiences.

Hence, this study hypothesizes:

H2: Consumer based brand equity has a significant and positive effect on consumers' intention to purchase electronic products.

3. RESEARCH FRAMEWORK

The Theory of Planned Behaviour (TPB) (Ajzen, 1991) is an influential model for predicting human behaviours in specific situations. The theory postulates that people systematically review all available information before they form an intention to engage in a behaviour (Ajzen, 2011). Using the Theory of Planned Behavior (TPB) to underpin the research framework, the current study examines the effect of eWOM and consumer based brand equity on Malaysian online shoppers' intention to purchase electronic products.

Figure 1 below depicts the research framework of the study.

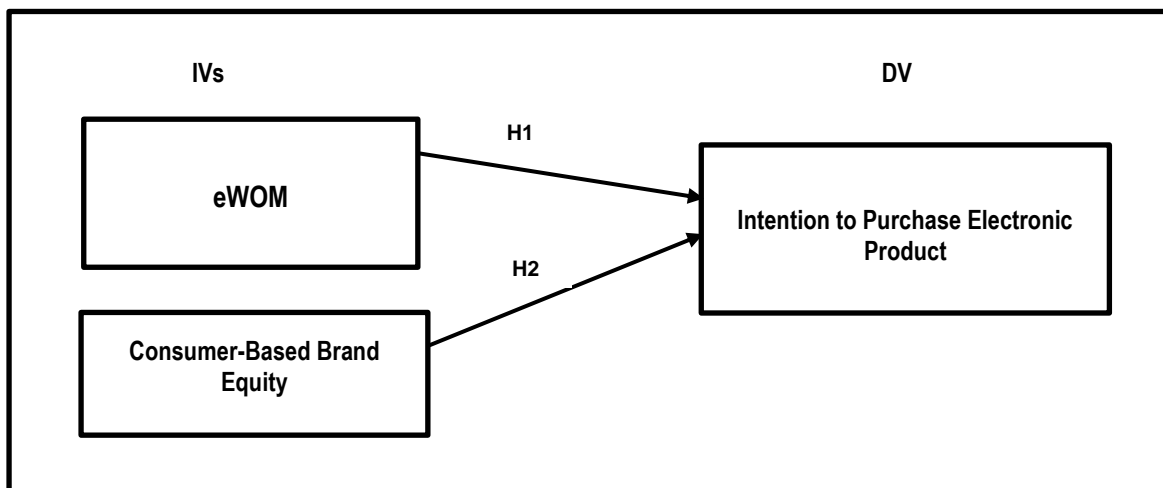


Figure 1: Research Framework

4. RESEARCH METHODOLOGY

4.1 Sample and Data Collection

Due to the COVID-19 pandemic outbreak in Malaysia, this study utilised the online survey method to collect data. Data were collected 28th May until 18th June 2021, and 265 responses were received. In this study, we used purposive sampling to obtain the sample. Purposive sampling, also known as selective sampling, is "a method of sampling where the researcher deliberately chooses whom to include in the study based on their ability to provide necessary data" (Parahoo, 2014, p. 232). The study only focused on those who had experience purchasing electronic products through online. 20 questionnaires were removed because they do not meet the criteria. After data screening, 245 questionnaires were usable and taken for further analysis. The majority of respondents were female (73.1 percent). Overall, 214 respondents (87.3 percent) were Chinese, followed by 22 Malay respondents (9 percent) and 9 Indian respondents (3.7 percent). Most of the respondents were 18–29 years old (63.7 percent). More than half of the respondents, 172 (70.2 percent), are single. The respondents comprised government and private sector employees, students, housewives and retirees. See Table 1 for detailed demographic information.

Table 1 Respondent's Demographic Profile

Respondents' Profile		Frequency	Percentage (%)
Gender	Male	66	26.9
	Female	179	73.1
Age	18-29	156	63.7
	30-39	43	17.6
	40-49	24	9.8
	50-59	18	7.3
	60 and above	4	1.6
Marital Status	Single	172	70.2
	Married	73	29.8
Race/ Ethnicity	Malay	22	9.0
	Chinese	214	87.3
	Indian	9	3.7
Highest educational level	STPM or lower	56	22.9
	Diploma	28	11.4
	Bachelor Degree	145	59.2
	Master's Degree or Higher	16	6.5
	Occupation	Student	64
	Housewife	27	11.1
	Unemployed	3	1.2
	Retired	3	1.2
	Private Employee	145	59.2
	Professional	3	1.2
Income Level	Do not have income	78	31.8
	Below RM1,000	18	7.4
	RM1,000-RM2,999	66	26.9
	RM3,000-RM4,999	66	26.9
	RM5,000-RM6,999	12	4.9
	RM7,000 and above	5	2.1
How often do you use social media?	Everyday	207	84.5
	4-5 times a week	31	12.7
	Once or twice a week	3	1.2
	Very Rare	4	1.6

4.2 Measures

This study utilised the measurement of consumer-based brand equity developed by Yoo and Donthu (2001). The scales of eWOM and purchase intention were measured by the items derived from Jalilvand and Samiei (2012). All the items in the questionnaire were rated on a 7-point Likert scale ranging from 1 = Strongly disagree to 7 = Strongly agree.

5. RESULTS

5.1 Test of Sampling Adequacy (Kaiser-Meyer-Olkin Test)

To determine sampling adequacy, the Kaiser-Meyer-Olkin (KMO) test was used. The KMO value must be more than 0.50 to justify the adequacy of the sample (Hair et al., 2019). The result of the KMO test is shown in Table 2.

Table 2 Test of Sampling Adequacy

Construct(s)	Kaiser-Meyer-Olkin Measure of Sampling Adequacy	Bartlett's Test of Sphericity		
		Approx. Chi-Square	Df	Sig.
eWOM	0.860	797.103	15	0
Consumer Based Brand Equity	0.813	517.257	6	0
Purchase Intention	0.677	322.213	3	0

Table 2 demonstrates that the KMO values for all main variables exceed 0.50, signifying adequate sample size.

5.2 Reliability Test

The reliability of the measurement scale was examined by using Cronbach's alpha coefficient. Cronbach's alpha value above 0.70 indicates acceptable internal consistency (Nunnally, 1978).

Table 3 Cronbach's Alpha Test Results

Variables	No. of Items	Cronbach's Alpha
eWOM	6	0.890
Consumer-based Brand Equity	4	0.881
Purchase Intention	3	0.866

As shown in Table 3, Cronbach's alpha values for all variables were greater than 0.8. This indicates that all constructs in the model satisfied the requirement for reliability.

5.3 Hypothesis Testing

Table 4 Hypothesis Testing Results

Hypothesis	Relationship	Path Coefficients	S.E.	T	Sig.	Results
H1	eWOM → PI	0.316	0.067	7.440	0.000*	Supported
H2	CBBE → PI	0.477	0.059	8.075	0.000*	Supported

(*) Significant at $p < 0.05$, at one-tailed T statistics value of 1.65

eWOM= Electronic Word of Mouth, CBBE=, Consumer Based Brand Equity, PI = Purchase Intention

As depicted in Table 4, the results show that both eWOM and CBBE have a positive impact on purchase intention, with a T value of 7.44, and 8.07 respectively. Thus, findings support H1 and H2.

6. DISCUSSION

eWOM is related to the information, experience and opinions shared by former customers on different products, brands and services to potential users on online platforms. Prior studies have acknowledged that the opinions or suggestions provided by former customers can enhance consumers' purchase intention (Putra, Ridwan & Calvin, 2020; Dyego & Oktavianti, 2020). When the customers are well versed about the products, it can influence their behaviour. Results from the current study showed that most respondents (84.5 percent) were everyday users of social media. It can be said that, during their free time, consumers can search for information about the particular products they intended to purchase. Malaysian consumers rely on eWOM to facilitate access to information that will help them to make better purchasing decisions.

The findings of this study have demonstrated that CBBE has a strong influence on the intention of Malaysian online shoppers to purchase electronic products. The result is parallel with prior research such as Aydin and Ulengin (2015), Sasirekha and Sathish (2017), and Shah et al. (2016). Given the increasingly competitive nature of business environments, electronic product retailers must find new ways to deliver value to customers. According to Krishan and Hartline (2001), CBBE is significant in assisting consumers in interpreting and processing information, creating confidence in the purchase decision. Firms can establish CBBE by creating positive experiences that entice consumers to continue purchasing from them over competitors. Customers will stay loyal to a particular brand if they trust the company's products and believe that its qualities match their expectations. Analysing customer reviews and eWOM can help firms to understand customer needs more profoundly. The information can be used to enhance products, improve customer experience, and develop suitable branding strategies.

7. CONCLUSION

The current study found that eWOM and CBBE have a significant influence on the intention to purchase electronic products. Investigating the determinants affecting online shoppers' intention to purchase a product is necessary as it could help online businesses in Malaysia to frame suitable tactics and strategies to induce more online purchases. For instance, online marketers and retailers should choose appropriate strategies and implement activities based on eWOM to attract potential customers. Electronic product retailers can create online platforms where customers can freely share their feedback and opinions.

Despite its contributions, our study does have its limitations. Firstly, the data collection in this study was confined to online shoppers that had experience purchasing electronic products. Thus, future studies need to explore other products to assess the generalisability of the results of this study. Second, the current study was a cross-sectional study. A cross-sectional study lacks validity for analysing cause-and-effect relationships since it gives no information about the influence of time on the variables studied. In the future, a longitudinal study could be conducted to examine the cause-and-effect relationship between variables over time.

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