Chapter 65 Consumer Behavior, Trust, and Electronic Word-ofMouth Communication: Developing an Online Purchase Intention Model

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ABSTRACT

Social media platforms have become a major forum for consumers to interact with firms and other individuals. Drawing on both the customer-dominant logic and the theory of planned behavior, the present chapter aims to advance understanding and encourage research on the variables that drive consumers' online purchase intention. Al though there is a general agreement in recognizing the importance of social media platforms as a source of information about consumer behavior, a complete theorization of the variables that affect the relation between behavioral intention and online purchase intention is still lacking. The proposed theoretical model is an extension of the theory of planned behavior and incorporates trust and electronic word-of-mouth communication as part of the customers' online purchase intention. Finally, the theoretical and managerial implications are further discussed.

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INTRODUCTION

Social media are dramatically changing the relationship among individuals, firms, and societies (Leung, 2013; Oakley & Salam, 2014). Web 2.0 technologies, as the basis of social media platforms and social networking sites (e.g. Alibaba, eBay), enable the acquisition of products through supporting users' interactions and contributions (Liang & Turban, 2011).

A growing number of companies recognizes the significant role that social media play as a means of communication and as a driving force in creating new business opportunities (Kim & Ko, 2012; Sashi, 2012). They enable consumers and firms to interact and exchange different categories of information, including comments, evaluations, images, photos and videos.

Hence, consumer's behavior information allows firms to strategically position themselves ahead of their competitors. The capability of managing information becomes a core competence of the firm in creating competitive long term strategies. Since social media websites are powerful tools used to expand one's network and help in connecting with acquaintances and strangers (Chang et al., 2015), as the proliferation and the use of social media apps improve, firms have a great opportunity to determine consumers' requirements and needs by involving consumers in panel questionnaires and interviews. A broad variety of social media tools enable firms to connect with a wide range of potential and existing customers (Briones, et al., 2011; Chang, Yu, & Lu, 2015; Wu, 2016; Bianchi & Andrews, 2015; Curran & Lennon, 2011), to post contents, share ideas, learn and fulfill social needs (Ferreira, et al, 2014). In particular, a growing number of companies recognize that social media provide a means to communicate and change the business model while creating new opportunities (Kim & Ko, 2012; Sashi, 2012, Wu, 2016; Chang et al., 2015; Culnan et al., 2010). Specifically, through social media information, it becomes possible to describe the customer's buying behavior (Culnan, et al., 2010; Zaglia, 2013).

In the context of high rather than low customer involvement in social media, consumers that are more involved and believe that social media are important and interesting will be more dependent on them in searching for suggestions and sharing information on products and services.

From a customer-dominant logic perspective, understanding how social media obtains maximum benefits is still a research gap. The literature attributes this research gap to a combination of factors such as cost, time and lack of top management knowledge, unproven success metrics, and the company's perceived loss of control (Whelan, et al., 2011). Because of a number of technology-related challenges, firms are slow in adopting social media as a strategy to leverage business opportunities (Kaplan & Haenlein, 2010).

To address these research gaps, we have designed a theoretical model based on the theory of planned behavior (TPB) (Ajzen, 1991; Fishbein & Ajzen, 1975) in order to identify the underlying factors and conditions that drive consumers to engage in social media so that they purchase online.

In particular, our chapter aims to fill the research gap in consumer behavior on purchase intention on social media platforms and adopts a customer-dominant logic perspective with its integration of the following important approach: TPB (Ajzen, 1991; Fishbein & Ajzen, 1975).

Our theoretical model of consumer behavior intention analyzes the direct effects of two important factors on consumers' purchase intentions: trust and Electronic word-of-mouth communication (eWOM). Trust – a belief in the reliability, truth, and ability of the exchange party – is recognized as one of the main variables that refrain customers from electronic purchases (Gefen, 2000; Liang & Turban, 2011; Kim & Pak, 2013; Hajli, et al., 2016). However, given the context of social media, users acquire knowledge of a specific product from social media and may engage in a purchase. Thus, in the context of the social

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