Online Retail Store Community Engagement and Its Impact on Purchase Intentions in the Context of Online Reviews

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ABSTRACT

Consumers want to engage with the retail store community in the shopping context. This study examines how consumers' perceptions of source credibility and perceived usefulness of online reviews impact an intention to engage with the online retail store community and purchase intentions. The study also identifies differences when reviews are posted by customers versus store employees. Results show that the proposed relationships within the structural model are significant, and reviews posted by store employees are seen as more credible, whereas reviews posted by other customers are perceived to be more useful. Theoretical and managerial implications are discussed.

KEYWORDS

INTRODUCTION

Shopping is an inherently social experience (Carter, 2020). Whether it be shopping with friends and family, interacting with other shoppers or salespeople, or chatting with store employees at checkout, customers have reported that shopping in the retail store is communal in nature (Borghini et al., 2009; Jones & Kim, 2011; Peters & Bodkin, 2018). However, as shopping has increasingly moved online, due to convenience factors and the more recent pandemic stay-at-home orders, one may question whether the communal nature of shopping that exists in retail stores applies when customers are shopping online.

Practitioners are advocating that the social nature of shopping still exists when customers move online but in a way that differs from shopping in traditional retail stores (Beaulac, 2019; McIntyre, 2020). "Social shopping" is defined as customers going online to find reviews and recommendations about products and then using those reviews to guide purchase decisions (Widmer, 2020). The concept of "social shopping" is significant, as 93% of consumers have anecdotally reported that online reviews have impacted their purchase decisions (Widmer, 2020).

The purpose of this study is to examine the communal nature of utilizing online reviews for online shopping. There is a growing literature on community in physical stores, but marketers need greater understanding of community within online retailing. In addition, there are few papers that examine source credibility and perceived usefulness as they relate to community engagement in the context of

online reviews, factors which may be important to social shopping. And while the literature suggests that shoppers view both customers and store employees as members of the retail store community, few studies to date have unpacked differences that may exist when online reviews are provided by these disparate sources. Thus, this study examines the following research questions to address the gaps in the literature: How do consumers' perceptions of source credibility and usefulness of online reviews, impact feelings of community and purchase intentions when posted by customers and store employees? Furthermore, do these relationships differ when the post is provided by other customers versus store employees?

LITERATURE REVIEW AND HYPOTHESES

While there is plethora of studies on community in marketing, the literature on retail store community is just beginning and has been mostly focused on physical stores, as opposed to online shopping (Borghini et al., 2009; Jones & Kim, 2011; Peters & Bodkin, 2018). And while there are numerous papers on online reviews, there are virtually no studies to date examining the impact of reviews on community engagement in the context of online shopping. Although this study is primarily grounded in theory on community, theories related to online reviews were also incorporated into the development of the hypotheses.

Source Credibility

Source credibility's impact on the believability of online reviews (Tahir & Khan, 2020), as well as its impact on purchase intentions in the context of online reviews (Assaker, 2020; Kiran & Srivastava, 2020; Xu et al., 2020), has been well established in the literature. There are no studies to date, however, that have examined the relationship between the source credibility of online reviews and consumers' intention to engage in an online retail community. The literature on virtual community shows that the credibility of information posted within these types of communities is of utmost importance to consumers. For example, Hajli et al. (2015) studied an online health community and found that consumers often questioned whether the other peoples' posts were credible and accurate. Chou et al. (2015) examined a virtual community and found that source credibility predicted the adoption of knowledge from the group. Nair and Harshavardhini (2002) also found that source credibility impacted eWOM adoption through perceived usefulness. Chih et al. (2013) surveyed a fashion community and found that website reputation, source credibility, obtaining buying information, and social orientation influenced perceived review credibility, and in turn attitudes and purchase intentions. Thus, based on the role of source credibility theory in the context of online reviews, as well as studies examining the impact of source credibility within virtual communities, the following hypotheses are posited:

Hypothesis One: In the context of online reviews, source credibility has a positive effect on online retail store community engagement intention.
Hypothesis Two: In the context of online reviews, source credibility has a positive effect on purchase intention.

Perceived Usefulness

Davis (1989) introduced the technology acceptance model (TAM), which identifies ease of use and perceived usefulness as determinants of the use of technology, to the field of information systems. The TAM model was introduced in a work context but has been applied in other consumer contexts, including e-commerce and online reviews (Bernardino et al., 2020; Kiran & Srivastava, 2020; Ventre & Kolbe, 2020). The model has also been utilized in the literature on social commerce and virtual community. Zhang et al. (2016) examined social commerce among Chinese consumers and found that website quality, trust, and eWOM influenced online purchase intentions with perceived ease

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