How Online Consumer Reviews Influence Purchase Intention in Virtual Communities?

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ABSTRACT

With the growing availability and popularity of Web-based opinion platforms, online product reviews are now an emerging market phenomenon that is playing an important role in consumer purchasing decisions. This study investigates the influence of electronic Word-of-Mouth (eWOM) on purchase intention in the virtual community. The authors conducted a 2x2x2x2 online experiment involving 261 subjects. The experiment results demonstrate that message number and positive messages in the virtual community can influence consumer purchase intention. Product price and the involvement moderate the effects of eWOM on purchase intention. However, negative messages are negatively related to purchase intentions. This finding offers potential for finding better ways for sellers or managers in a virtual community. Finally, the conclusion presents implications, limitations, and directions for future research.

Keywords: Electronic Word-of-Mouth, Involvement, Price, Purchase Intention, Virtual Community

INTRODUCTION

WOM (Word-of-Mouth) communication has long been considered as an important indicator for the product evaluation and purchase intention of consumers. However, due to the rapid development of the Internet and online, the eWOM is believed to have a greater impact on consumers than the traditional way of WOM communication.

Different from the prior research of WOM which has focused primarily on 3C products, books or movie industry, previous studies have suggested that WOM communication mainly arises when consumers consumption-related expectations are disconfirmed (Bone, 1995),

In addition, due to the prevalence of Internet, it has not only extended the consumers opinions for gathering unbiased product information from other consumers but also provided the opportunity for consumers to offer their own purchase experience by engaging in electronic word of mouth. These kind of eWOM seems to be perceived as diagnostic benchmark because consumers generally feel that eWOM is a reliable information source (Bansal & Voyer, 2000; Fujimoto, 2012). The current most popular online beauty forum, Fashion Guide, also pointed that the cosmetics online forum-effect the physical channel of cosmetics sales continuously. And it has been prove that the cosmetics got the outstanding sales feature which are been marked "Fashion Guide Recommended" in the physical store.

However, the previous research of eWOM are more focused on 3C consumer products, press, or movies, less of them discussed about the cosmetics online forum (Mabry, 2010). This study discussed about how the message content, price and involvement in an online forum influenced the consumer purchase intention.

LITERATURE REVIEW

Word-of-Mouth

Word-of-Mouth (WOM) is oral person-to-person communication between an information receiver and a sender, who exchange the experiences of a brand, a product or a service based on a non-commercial purpose (Arndt, 1967). This means that communication serves as a crucial influencing role on consumer behaviors, such as buying, switching and diffusing (Coleman, et al., 1966; Arndt, 1967).

In the era of information, the Internet provides human beings with a new way of communication, which is more efficient and effective. Word of mouth may be in electronic form, diffused via the Internet (Barbagallo, et al., 2012). An information sender is able to communicate not only with family, friends and acquaintances, but also with anyone who may be unknown to the sender but has some interest in the information (Goyette, et al., 2010). This is true also for an information receiver, who is able to obtain information from anyone on the Internet. Thus, word of mouth on the Internet influences the information receivers more quickly, broadly, widely, significantly and without any geographic limitation (Gelb & Sundaram, 2002).

Virtual Community

Virtual communities will become the most competitive business activities over the Internet operation (Rothaermel & Sugiyama, 2001). This empirical research thus focused on the behavior of virtual communities members on the basis of their viewpoints. Customer-focused virtual communities can be sub-divided into geographic, demographic or topical types.

Message Number

The influence of the message number on the purchase intention has been discussed a lot, but the studies on eWOM message and in particular its effects on on-line shopping mall are limited. Bone (1995) has pointed that when there are two or above sources indicated the same opinion, WOM has a stronger influence on product and service perceptions, leading to changes in judgments, value ratings and the likelihood of purchase; Vice versa, the effect of the WOM convinces may different based on the number of WOM messages. Based on the statement, we propose the hypothesis as follows:

H1: The more of eWOM, the greater influential it is on consumer purchase intention in an online forum.

Message Content

Charlett et al. (1995) stated that the word of mouth referrals are credible and both positive and negative remarks have an influence on a consumer's purchase behavior. Sen and Lerman (2007) presented that consumers' online comments would influence consumer's perceived

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