Antecedents of Usefulness of Electronic Word of Mouth (E-WOM) Information on Consumer's Purchase Intention

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ABSTRACT

This study examines the effect of communication through social media (electronic word of mouth) on consumer's purchase intentions. This research model was developed from the theory of information adoption model. The study was conducted by quantitative approach through survey method. The data collection process is done online, with the sample size reaching 240 respondents. The data analysis method used to test the relationship between variables in this study is regression analysis. The study findings show that source credibility, source perceptions, two-sided information, and information ratings positively and significantly impact the usefulness of electronic word-of-mouth information. In comparison, the argument quality does not affect the usefulness of electronic word-of-mouth information. The usage variable of the information of active viral influence has a positive and significant effect on the adoption information of electronics word-of-mouth, which has a positive and significant effect on consumer purchase intentions.

Antesenden Kegunaan Informasi Getok Tular Elektronik (E-WOM) Terhadap Niat Pembelian Konsumen

ABSTRAK

Studi ini bertujuan untuk menguji pengaruh kegunaan informasi getok tular melalui media sosial (electronic word of mouth) pada niat pembelian konsumen. Model penelitian ini dikembangkan dari teori model adopsi informasi. Studi dilakukan dengan pendekatan kuantitatif melalui metode survei. Proses pengumpulan data dilakukan secara daring dengan ukuran sampel mencapai 240 responden. Metode analisis data yang digunakan untuk menguji hubungan antar variabel dalam studi ini adalalah analisis regresi. Temuan studi menunjukkan kredibilitas sumber, persepsi sumber, informasi dua sisi, dan rating informasi berpengaruh positif dan signifikan pada kegunaan informasi getok tular daring. Sedangkan, kualitas pendapat tidak berpengaruh terhadap kegunaan informasi getok tular daring. Variabel kegunaan informasi getok tular daring berpengaruh positif dan signifikan pada pengadopsian informasi getok tular daring, yang kemudian berpengaruh positif dan signifikan pada niat pembelian konsumen. Penelitian ini mengidentifikasi anteseden pentingnya kegunaan informasi getok tular daring dan memberikan saran bahwa pesan getok tular daring melalui media sosial adalah sumber informasi yang dapat dipercaya oleh konsumen.

Internet facilitates people to access information, entertainment, and communication. Thus, the Internet has become a business and marketing medium for individuals and corporations, especially in Indonesia, where the most digital economy in Southeast Asia happened (Kurniawan, et al, 2020). Users can connect to various sources of access in the purchasing process. They can also use the Internet to fulfill their needs. The increased rate of Internet users makes a potential opportunity for businessmen. Consumers will find certain product information before they decide to buy.

The electronic word-of-mouth effect plays an essential role in influencing consumers' purchasing decisions. The effect also influences the consumers' behaviors to buy products. Internet development leads to an online transaction with a potential business opportunity. Internet technology is the most effective and efficient medium for corporations to develop their businesses. Corporations can promote various activities via Internet, such as promoting products via social media or websites. On the other hand, consumers can use the Internet to buy online.

Online shopping refers to purchasing goods or services via the Internet. Both sellers and buyers do not meet or contact physically because the offered products are sold via website display. Online shopping is a new communication that does not require a direct face-to-face meeting. Both buyers and sellers can do the transaction separately via computer or smartphone with an Internet connection as the media.

This lifestyle shift gains various supports from online shopping, such as time and cost-efficiency. Online shopping also allows many online-based shops on websites in Indonesia, such as ZALORA and Lazada. Those sites offer goods and services, such as fashions, households, and much more Online shopping can also occur via Facebook and Instagram instead of websites. These social media become online media with lively participation from the users. The media also provides an opportunity for users to share products via online media. The consumers' purchasing decisions always include some stages, such as problem identification, information search, alternative evaluation, purchasing decision, and post-purchasing behavior. The intention to purchase a product comes from consumers' recognition of buying the products. Thus, a marketer will find the causes of consumers buying certain products.

Some scholars investigated E-WOM. They also examined some influential independent variables of E-WOM information. Erkan & Evans (2016:49) used variables of opinion quality and information credibility that influenced information utility to realize E-WOM adoption of consumers. Teng, Khong, Goh, & Chong (2014:731) found opinion quality, resource credibility, and resource perception could influence the use of E-WOM persuasively.

In many E-WOM events, the consumers found many evaluations and comments of a target. Thus, readers would remember and use the E-WOM information (Luo, Wu, Shi, & Chen, 2014:449). Sussman & Siegel's (2003:51) Information Adoption Model theory explains consumers' antecedent factors of E-WOM information via social media. Many previous studies the importance of opinion quality and resource credibility because many people could share information so that Internet users must recheck the truth of the information. Opinion quality refers to the strength of embedded-persuasive argument in the delivered information. This matter influences the message receiver in considering the obtained opinion (Cheung, Luo, Sia & Chen, 2012:465). Once consumers think the online information content is valid, they will develop positive attitudes toward the related goods or services. However, if they find it

invalid and not credible, they will develop negative attitudes toward the related goods or services. Therefore we build our first hypothesis (H1) as follow:

H1: The opinion quality positively influences the use of E-WOM information

The online environment provides freedom for anyone to express their feeling on certain goods or products without revealing their identities. This matter requires the users to determine the trustworthiness and credibility of the information before they accept or deny the information. If the information or comment comes from an individual with high credibility, consumers will perceive the high utility of the comment. It is because all obtained messages are in the form of text-based. Resource credibility determines the consumers' attitudes toward certain infor-mation. It is also an influential factor of persuasive process effectiveness (Teng et al., 2014:732). If the information or comment comes from an individual with high credibility, consumers will perceive the high utility of the message. Thus, credibility determines the impact of a message reflecting reality and consumers' evaluations, as we hypothesized in the following second hypothesis.

H2: The source credibility positively influences the use of E-WOM information

Social media changes recipients' perceptions. Consumers tend to imitate their friends of the same social group. Homophily is the other dimension of social perception in E-WOM information utility. Homophily refers to how individuals share their interests, such as age, sex type, education, and lifestyle. These interest influence their perception to accept information (Teng et al., 2014:735). Individuals tend to share the same perceptions when they have strong social bonds. Thus, the bonds influence the online information acceptance on the costumers. Therefore, consumers will tend to believe and use the e-wom information they get from reliable sources as the third hypothesis (H3) of this study "**The source perception positively influences the use of E-WOM information**"

Information tendency refers to positive, negative, or positive-negative comments toward certain information about a discussed target. Information from two different perceptions is more trusted than only one-sided perception. Thus, E-WOM readers may find one-sided information as confusing information (Cheung et al., 2012:465). Consumers can accept information from both sides so that they obtain complete information. Therefore, two-perspective information is more credible and it would significantly influence the use of E-WOM information as the fourth hypothesis (H4) "**Two-different perspective information positively influences the use of E-WOM information**"

The rate of information includes social agreement. It indicates how readers consider valid and credible information perceptions (Cheung et al., 2012:466). Readers can also participate in E-WOM information by improving positive comments on E-WOM information. If most readers give a higher rate for certain information, the rate indicates that most consumers agree with and trust the information content. In contrast, if most readers give a lower rate on certain information, the rate indicates most people disagree with the information. This disagreement leads to readers' mistrust that influences the information utility. Therefore the information rate will positively influence the use of E-WOM information as hypothesized in the fifth hypothesis (H5) that **The information rate positively influences the use of E-WOM information**

The use of E-WOM information depends on a trusted online message. Thus, the message indicates strong explanations of information acceptance (Teng et al., 2014:736). Information utility determines readers' understanding of the obtained information. Thus, they could use the information to decide. Information utility is the primary predictor of adopted information because of using information when people find it useful (Sussman & Siegal, 2013:55). Consumers must determine which information to take to avoid incorrect or untrusted information. Once the user finds the usefulness of EWOM information, then user usually will adopt this information as we hypothesized in the sixth hypothesis (H6) that **The use of E-WOM information influences E-WOM information adoption**

The intention to buy occurs after an alternative evaluation process. Kotler & Keller (2016:21) explain that consumers' intention to buy refers to consumers' behaviors to buy and select products based on their experiences, consumptions, or interests. The acceptance of E-WOM information utility becomes a factor and measurement to explain the clarity of E-WOM. This clear explanation determined the

credibility and trustworthiness of E-WOM utility by consumers. This matter influences consumers' intention to buy certain products as we predict will happen in this study. Therefore we formulate the seventh hypothesis as follow:

H7: E-WOM information adoption positively influences purchasing intentions

The full model of research together with the hypotheses can be seen in the Figure 1.

METHOD

This research examined the influence of opinion quality, source credibility, source perception, two-side information, and rating information of information utility. The other objective of this research was to examine the information use of E-WOM adoption and examine the E-WOM adoption effects on consumers' purchasing intention. The researchers measured opinion quality with four items developed by Cheung et al. (2009:21) which asked about completeness, accuracy, appropriateness and consistency of information. While the source credibility
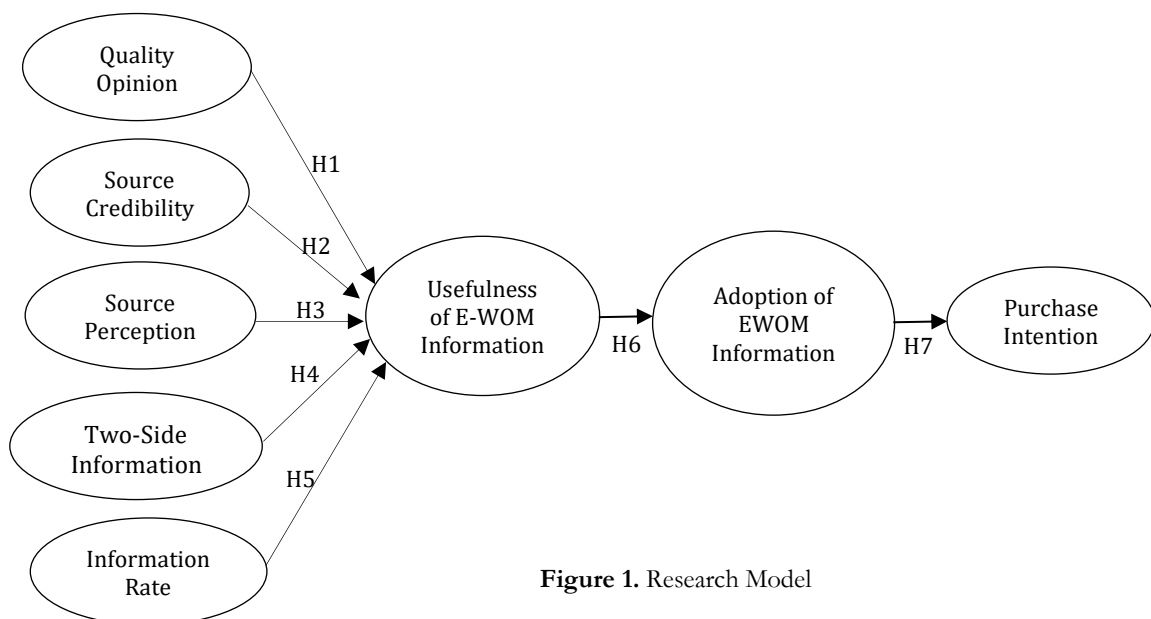

Figure 1. Research Model

measurement is adopted from Prendergast & Yuen (2010:23) which consist of four items measured wether ihe information is convincing, easy to understand, trustworthy, and acceptable. The measurement of the source perception adopted from Steffes & Burgee (2009:56) with three items of measurement. Then, the researchers measured two-side information with three items developed by Cheung et al. (2009:24). Measurement for information rating is evaluated with three items developed by Cheung et al. (2009:24). The researchers measured E-WOM information utility with three items adopted from Bailey & Pearson (1983:539) which count for usefulness, informativeness and helpfulness of information. Last but not least, the researchers measured E-WOM information adoption with four items developed by Cheung et al. (2009:24). Then, this research measured the purchasing intention with three items developed by Coyle & Thorson (2001:241). The complete measurement items and the example of statement of each item is shown in Table 1.

Sample and Data Collection

The research objects were social media, such as Facebook and Instagram. In this research, the researchers only focused on fashion and the purchased products by consumers. This research used the purposive sampling technique to select the sample, consisting of consumers that bought fashion products via online media in recent six months. The researchers researched Indonesia by distributing an online questionnaire. The questionnaire consisted of 30 closed questions. The researchers distributed the questionnaire to 276 people from various regions in Indonesia. However, only 240 questionnaire sheets were eligible for further analysis. The researchers found the respondents did not fill in the remaining sheets.

Data Analysis

The researchers analyzed respondents' answers on each questionnaire item. The applied data analyses were multiple regression analysis for the first until fifth

Table 1. Research Instruments

Variable		Instrument
Argument Quality	AQ1	I feel the information is complete.
	AQ2	I feel the information is accurate.
	AQ4	I feel the information is appropriate
	AQ5	I feel the information is consistent with reality.
Source Credibility	SC1	I feel the information is convincing.
	SC2	I feel the information is easy to understand.
	SC3	feel the information is trustworthy.
	SC4	I feel the information is acceptable.
Source Perception	SP2	I feel the information helps me understand the product.
	SP3	I feel the information coming from my friend is important to me.
	SP4	I feel the information coming from people of one segment (age, gender, education, social status) is important to me.
Two-Side Information	TSI1	Information both positive and negative about the product is more useful to me.
	TSI2	Information that presents only one side of the comment (positive or negative) raises doubts.
	TSI3	Information that contains both positive and negative comments I like more.

Rating Information	RI1	Information liked by many previous readers, more useful to me.
	RI2	Information that gets high ratings from previous readers is more useful to me.
	RI3	I rate information that gets high ratings from previous readers it is good to use.
Usefulness Of EWOM Information	UOEI1	The information is useful.
	UOEI2	The information is informative.
	UOEI3	The information helps me understand the product.
Adoption Of EWOM Information	AOEI1	The information contributes to my knowledge of the product.
	AOEI2	The information makes it easy for me to make a buying decision.
	AOEI3	The information increases my effectiveness in making purchasing decisions.
	AOEI4	The information motivated me to make a buying decision.
Purchase Intentions	PI1	The information makes me want to buy.
	PI2	I will buy the product next time when I need it.
	PI3	I will try to buy the fashion products contained in social media.
	PI4	I would recommend the fashion products contained in social media.

hypotheses and simple regression analysis for sixth and seventh hypotheses. The researchers analyzed the data with IBM SPSS version 21.

RESULTS

In this research, the researchers used construct validity. Construct validity determines whether the items in an instrument are valid to measure the designed constructs. Then, the researchers used factorial analysis to determine the existence of inter-correlation among each item. The factorial analysis was also useful to prevent multicollinearity in multiple regression.

Thus, the researchers could process the obtained items that had *Measure Sampling Adequacy* higher than 0.5. The researchers used KMO, Kaiser-Mayer-Olkin test to check the undetected correlation.

Then, the researchers ensured the data quality by examining the data's reliability. If the Cronbach Alpha of each construct is equal to or higher than 0.6, the constructs are deemed reliable.

Table 2 below, shows the validity and reliability tests. In the validity test, the researchers found 28 question items with MSA (item correlation) higher than 0.5. Thus, the items were not inter-correlated and valid. On the other hand, the researchers had to exclude the remaining question items, two questions, because the value of MSA is lower than 0.5. These two question items were KP3 and PS1. In the reliability test, all variables were reliable because they had Cronbach Alpha scores higher than 0.6. Thus, all variables met the validity and reliability test criteria.

The researchers used the first until fifth hypothesis test to examine the opinion

Table 1. Validity and Reliability Tests

Variables	Mean	Standard Deviation	Items	*item Correlation (MSA)*	*Cronbach's Alpha*
Opinion Quality	3.202	0.7825	KP1	0,687	0.804
			KP2	0,875	
			KP4	0,622	
			KP5	0.834	
Source Credibility	3.395	0.7595	KS1	0,615	0.840
			KS2	0.75	
			KS3	0,768	
			KS4	0,613	
Source Perception	3.784	0.805	PS2	0,684	0.697
			PS3	0,717	
			PS4	0,738	
Two-Side Information	3.884	0.822	IDS1	0,512	0.692
			IDS2	0,803	
			IDS3	0,634	
Information Rate	3.790	0.749	RI1	0,725	0.808
			RI2	0.71	
			RI3	0,761	
E-WOM Information Utility	3.819	0.689	KIGTD1	0,574	0.850
			KIGTD2	0,616	
			KIGTD3	0,685	
E-WOM Information Adoption	3.805	0.737	PIGTD1	0,589	0.849
			PIGTD2	0,685	
			PIGTD3	0,626	
			PIGTD4	0,529	
Purchasing Interest	3.571	0.8255	NP1	0,639	0.798
			NP2	0,526	
			NP3	0,604	
			NP4	0,563	

Source: The processed data by the researchers (2021)

quality, source credibility, source perception, two-side information, and information rate toward the utility of E-WOM information. Table 2 shows the regression analyses of the first until the fifth hypothesis. However, the result shows that H1 insignificantly influence opinion quality (β= 0,111) toward E-WOM information utility. On the other hand, the results support H2, H3, H4, and H5. The results show influences of source credibility variable (β= 0.194), source perception (β= 0.269), two-side information (β= 0.188), and information rating (β= 0.260) toward E-WOM utility with significant level of $p < 0.05$.

Moreover, Table 2 shows the opinion of quality is positively but insignificantly influences E-WOM information utility (β= 0.111; Sig = 0.056). The results do not support H1. Thus, opinion quality does not positively and significantly influence E-WOM information utility.

Table 3 shows the second-regression analysis. The result of E-WOM utility, with (β= 0.758), supports H6. It means E-WOM information adoption was significant ($p < 0.05$). The researchers examined H7. The results show E-WOM information adoption positively influences purchasing intentions.

Table 2. The First-Fifth Hypothesis Test Results

Variables		B	t-value	Sig.
KP		0.111	1.920	0.056
D		0.194	3.166	0.002
PS		0.269	5.132	0.000
IDS		0.188	3.508	0.001
RI		0,260	4.847	0.000
Adjusted R²	=	0,565		
F	=	63,137		
Sig.	=	0,000		

Source: The processed data by the researchers (2021)
KP: Opinion Quality; KS: Source Quality;
PS:Source Perception; IDS: Two-Side Information; RI: Information Rate

Table 3. The Sixth Hypothesis Test Result

Variables		B	t-value	Sig.
KIGTD		0.758	17.941	0.000
Nilai *Adjusted R²*	=	0,573		
F Value	=	321,865		
Sig.	=	0,000		

Source: The processed data by the researchers (2021)
KIGTD: E-WOM Information Utility

Table 4 shows that the coefficient value of this model is 0.654, with a significant value of 0.000 (p < 0.05). It shows that E-WOM information adoption positively and significantly influences purchasing intention.

DISCUSSION

H1 result is different from previous study by Teng et al. (2014:52), Luo et al. (2014:452), and Erkan & Evans (2016:52). They found that opinion quality positively and significantly influenced E-WOM information utility. The researchers assumed the differences in research background influenced the research results. It happened because each country had a different culture. Opinion quality did not influence E-WOM information utility because the dimensions of information accuracy made costumers have difficulties evaluating opinion accuracy in an online community.

The result of the second hypothesis was in line with Lopez & Sicilia (2013:37) findings. They found source credibility influenced information utility acceptance.

Table 4. The Seventh Hypothesis Test Result

Variables		B	t-value	Sig.
PIGTD		0.654	13.351	0.000
Nilai *Adjusted R²*	=	0,426		
F Value	=	178,257		
Sig.	=	0,000		

Source: The processed data by the researchers (2021)
KIGTD: E-WOM Adoption

Source credibility influenced utility of E-WOM information because trust levels of certain information motivated consumers. The reputation of sources also influenced consumers' perceptions toward information. If the source credibility acceptance was high, the consumers would accept it. However, if the source credibility acceptance was low, the consumers would deny it.

Hypothesis 3 result is supported by Liu-Thompkins (2012). The author found that homophily influenced information acceptance because of demographical and socio-graphical indications. One of the realizations of bond strength is an intimate relationship, such as with family or friends. Consumers would tend to imitate their groups with intimacy both socially, demographically, and emotionally. They preferred associating the information with other consumers with the same interest. This strong social relationship created consumers' perceptions toward certain information.

H4 is in line with Luo et al (2014:454), and Cheung (2012:468). They found that two-side information positively and significantly influenced E-WOM information utility. E-WOM readers tended to make a final judgment based on their cognitive process toward E-WOM information content. They did so because two-side information might contain negative and positive comments that provided comprehensive knowledge for readers (Luo et al., 2014:454). Information should discuss positive and negative aspects to provide fair information for consumers. Thus, consumers would find the information, such as on Facebook or Instagram, useful.

H5 is in line with Fang (2014:492) and Luo et al. (2014:454). The authors found that information rate positively influences the use of E-WOM information.

The strength of online information allowed consumers to use the pre-evaluated information from E-WOM> Information rate from previous consumers could facilitate other consumers' understanding of how the consumers judged the recommended recommendation. This matter could improve consumer trust toward certain information.

H6 is in line with Fang (2014:493) and Teng et al (2014:744), and Erkan & Evans (2016:53). They found that E-WOM utility positively influenced E-WOM influences E-WOM information adoption. E-WOM adoption is a psychological action that influences the social norms of consumers via online media. The credibility of E-WOM, based on consumers' judgment, consisted of online information trustworthiness. In the social media context, consumers should include consumers' trust in the credibility of the shared information. Thus, if consumers perceived E-WOM information to have high credibility, the consumers would adopt E-WOM. It indicated that consumers' emotional expression and satisfaction would develop into loyalty. This loyalty made consumers remain purchasing from the corporation. Then, they also would recommend the corporation for other people.

H7 is in line with Teng et al (2014:744), and Erkan & Evans (2016:53). They found that E-WOM adoption positively influenced purchasing interest. Consumers that could accept information would certainly adopt information and use it to decide

CONCLUSION AND SUGGESTION

Consumers' judgment toward opinion quality in social media seemed invalid. It means the opinions from other consumers in social media, such as Facebook and

Instagram, were usually pragmatic. Thus, the opinions would influence consumers' judgment toward information validity. Resource credibility influenced information acceptance because consumers tended to accept information if it fitted with them. Consumers would tend to imitate their groups with intimacy both socially, demographically, and emotionally. They preferred associating the information with other consumers with the same interest. They would find the information useful. It contained both positive and negative comments. For them, these comments provided fair information. Consumers that found excellent judgment from the previous readers would find the information applicable. Consumers tended to take other people as the information sources on a certain occasion with limited information access. Facebook and Instagram provided opportunities for readers to share opinions or like the shared information.

This research only focused on information found on Facebook and Instagram. The researchers suggest future researchers adopt E-WOM within other contexts, such as online discussions or online shopping sites. This research only examined the antecedents of E-WOM information utility. It consisted of opinion quality, source credibility, source perception, two-side information, and information rate on social media. They could influence information adoption and purchasing intention. The researchers suggest future researchers examine other variables that may become the antecedents of E-WOM information utility that influence the information adoption process.

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