The Influence of Electronic Word-of-Mouth on Consumers’ Purchase Intentions and Brand Awareness in Iranian Telecommunication Industry

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Abstract— Electronic word of mouth (eWOM) is an emerging marketing experience for consumers which impacts their assessment of different existing brands and products such as mobile brands through online communication channels. This study aims to explain the effect of Word of mouth on purchase intention and brand awareness focusing on Samsung cellphone brand. The group studied in the current work is a sample of Samsung customers in Esfahan city in Iran (2015). In this study, for the sake of data collection, a form of descriptive research method is applied. The Statistical sample consists of 384 respondents who accepted to take the survey which was prepared in the form of a questionnaire. According to result analysis, the study showed that there is a significant positive relationship between the electronic word of mouth and purchase intention and there is a significant positive relationship between the awareness of a brand and purchase intention while there was no effective relation found between electronic word of mouth and brand awareness. Base on this, out of the three proposed hypothesis two hypothesis are accepted and one hypothesis is not denied.

Keywords: electronic word of mouth, purchase intention, Brand awareness

I. Introduction

Individuals rely on the information and opinions provided by other consumers; even they sometimes make decisions according to what they have acquired online [21]. Family members, friends and acquaintances are considered as very effective sources of information in regard with services and products. These factors have the potential to make changes in the opinions and decisions [39] more significantly compared to the advertisement or personal selling and more powerfully in comparison with all marketing-generated information sources [30]. It means that trust has shifted from conventional institutions and advertisement to opinions of friends, family, and acquaintances. The theme of this study will investigate on the people that live in Esfahan city to discover if the purchase intention of consumers is influenced by messages received from friends, family, or acquaintances.

Due to oral communication of WOM in an offline or conventional way and limited geographical space, the internet can be used as a tool for creating a significant channel for consumer communications, and the customers are able to address the limitations and problems using the Internet. Mobile phone and internet technologies have been very rapidly applied by individuals throughout the world. The latest modes of communication have provided new means for companies to advertise their brands and products [27]. As a result, compared to traditional methods of advertising, the online ways of advertisement for the creation of brand awareness have been further applied by customers [10]. So, technology has altered the patterns of public media consumption and it has caused individuals to spend more time online [8].
Electronic word of mouth marketing is known to be playing a viral role in brand awareness to consumers, which is used by companies to make a persuasive buzz on the internet about their brand for keeping consumers loyal to their brand [7]. The aim of eWOM is to target consumer’s intentions to buy a brand and so to impact their decisions to buy certain products over the other ones [29]. Those who do online shopping are more exposed to be impacted by other people’s opinions online.

From another point of view eWOM is defined the same as its traditional perspective just in the state of modern era. Many marketing researches and consumer specialist are working on eWOM related studies with special focus on its contributors and its influence on consumers [4]. With this regards an interesting topic is to identify the driving factors which impact posting [16], [17] and [21] and seeking eWOM which enable marketers figure how consumer’s behavior while online [12] and [13]. Other topics of interest include eWOM based online communities and discussion groups, adoption services and products influence [37], while some eWOM studies focus on determining issues and opportunities related to the vast use of information exchange services online [35] and [36]. On the other hand, some reports show how eWOM effects product selection [31].

All of the above investigations are an evident to the fact that eWOM is an inseparable component of online marketing which provides an image for the brand and influences customers’ decisions to shop online. Although as eWOM is yet a growing topic in marketing research there is no consistency nor categorized framework in eWOM available literature and articles. This fact makes it important to have a thorough review on eWOM studies and improve an organized classification for the related researches. So that, the main focus of the current work is to provide such classification on eWOM effects on purchase intention in terms of brand. Finally, in this study it has been tried to identify and explore the existing gaps such as; do brand awareness is the influence on consumers purchasing intention and eWOM? Do eWOM through social media are the influence on consumers purchasing intention? Do consumers of Samsung mobile phones rely on the information from eWOM? And the final objective is to reveal the relationship between the above variables for advanced science.

2. Literature review

2.1 Electronic word of mouth

In definition eWOM is the statement people or the brand owner companies widespread on the internet by means of electronic communication about a brand which can be either positive or negative [39]. Some examples of eWOM are posts via Facebook, tweets on Twitter, online customer reviews, image sharing sites, YouTube videos and etc. As EWOM is a new field new study opportunities ear emerging very fast so that there are different definitions of eWOM in the existing studies [5] and [40]. Some of the subsets used in eWOM context are word-of-mouth advertising, viral marketing, online terms such as customer reviews, feedback mechanisms and referral systems, peer endorsement systems, and word-of-mouse [40]. The logical division of eWOM subcategories is based on whether or not they are actively demanded; as an example online forums for gathering feedbacks from customers [25] and [41] or online systems which provide review gathering from customers are actively used.

Reading the eWOM information helps consumers decrease uncertainty, search costs, and the risk of purchasing unfamiliar products. Particularly, the internet has made eWOM possible by facilitating the required communicative means such as electronic media, e.g., electronic bulletin board systems, online discussion forums, blogs, newsgroups, social networking sites, and review sites. Using eWOM through electronic media, consumers are able to achieve required information regarding the goods and services from not only a few familiar people but also they can connect to a wide group of different individuals globally with experiences regarding the relevant services or products [22] and [28].
In a recently-conducted survey, it was shown that most of the users perceive opinions that are available online as trustworthy as brand websites [4]. In eWOM, a larger influence is exerted on the customers’ information searching and purchase decision-making actions compared to that of the offline WOM [5]. As a result, eWOM has become one of the most important issues of purchasing decisions for web-sway consumers [3], [6], [9], [11], [15] and [23]. Channel Type, Level of interactions, and Scope of communication is shown in Table 1.

Table 1. Type of communication channels in electronic word of mouth

<table>
<thead>
<tr>
<th>Channel Type</th>
<th>Level of interactions</th>
<th>Scope of communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td>non-same time</td>
<td>One-to-one and one-to-many</td>
</tr>
<tr>
<td>Instant messages</td>
<td>At the same time</td>
<td>One-to-one</td>
</tr>
<tr>
<td>Web sites, visit the product and other sites</td>
<td>non-same time</td>
<td>One-to-many and many-to-many</td>
</tr>
<tr>
<td>Chat rooms</td>
<td>At the same time</td>
<td>One-to-many</td>
</tr>
<tr>
<td>Blogs and virtual communities</td>
<td>non-same time</td>
<td>Many-to-many</td>
</tr>
<tr>
<td>Newsgroup such as Google News</td>
<td>At the same time</td>
<td>One-to-many and many-to-many</td>
</tr>
</tbody>
</table>

Brands are capable of taking part in the online conversations. Therefore, individuals put their comments and expect response to their problems and questions. It makes the conversation a hard work; however, this is only chance for exerting effect on consumers as well as all persons who read a company’s contributions [32].

2.2 Purchase intention

Decision making is a multifaceted process in which both marketers and researchers are interested [2]. Numerous factors like the personality of individuals, convincing advertisements, information accessibility, personal experiences, persuasive salespersons, third party opinion, etc. directly, indirectly, or interactively affect the final purchasing choice of consumers [33] and [2]. Among the extant literature, the most famous model used numerous times in studies on consumers is the five-stage model of consumers’ decision-making process which looks at consumers’ behavior [33]. Processes such as problem recognition, alternative evaluation, information search, post-purchase evaluation, and purchase decision best describe most of the consumers’ purchase behaviors.

Overall, based on the studies conducted by [38] and [34] purchase intention is an existing habit in the market when a consumer performs a purchase from the other side, when a consumer decides to purchase a brand, he or she is improving a behavior. This behavior which later on dedicates to purchase intention will inspire the consumer to purchase the brand again. As a result, according to the above information, this can be necessary to investigate the effect of eWOM on decision making influenced by information gained from friends and family on social media through which consumers are inspired to repurchase a brand. It might change people’s attitudes via awareness of information of a special brand.

2.3 Brand awareness

Attitude according activation can be either “automatic” or controlled. As for an automatic activation, the object of attitude happens it occurs automatically, and as for controlled activation in order to recapture the evaluation previously stored, the individual should pay attention constantly in a dynamic way. According to [24] the only relevant brands which can be considered for purchasing or repurchasing are those with a high awareness level (attitude). In another classical study [20] introduce three ways for measuring brand awareness in a specific product category. The first measure is spontaneous awareness or unaided awareness where the investigator questions consumers directly to name brands in a specific category. The second measure is aided awareness the interviews are given the brand
names and the consumer percentage who determine to know the brand is considered. And the third measure is top of mind awareness where the interviewer asks the same question, and the awareness is calculated by calculating some first consumer percentage who mention the brand name. As for the sake of this study the third measure is used.

Retailer awareness is described in the existing research as the consumer’s capability to identify or remember a retailer (not merely understanding the retailer) when s/he is revealed to the appropriate retailer classification. Brand awareness: the role brand awareness plays in the brand equity is dependent upon a level of obtained awareness [1]. The present study examines whether, in higher levels of awareness, there are possibilities for considering the brand and whether the consumers’ buying decisions are affected?

2.4 Mobile industry in Iran

Mobile industry is one of the emerging industries in Iran. In recent decades, this industry has dramatically altered the lifestyle and human behaviors. The Samsung brand is chosen for the purpose of this study since there are empirical evidence in regard with the purchase and use of the brand in Iran. Additionally, a comparison is made between the Samsung brand and other famous brands. This enhances the probability of exposing many individuals to eWOM. However, a brand’s personality brings about a long-term stable relationship between the brand and the customer, which distinguishes between consumer brand and other brands. Companies are capable of establishing an appropriate relationship with the customers through the brand personality. Each brand has its own character; however, customers might consider brands as a real person.

In addition, In Iran, over the last 10 years, a considerable increase has taken place in demand for mobile phones. As a result, competition among mobile phone suppliers gets more severe. Marketing strategies of Samsung have had a great effect on improving the Samsung image from a low-end manufacturer to a global leader in digital technologies. To have an efficient global branding and marketing, Sony has established a new organization for dealing with its integrated global marketing activities.

3. Conceptual Framework

by noticing the rapid growth of the influence of eWOM on the people, it is a fair assumption that the eWOM target will be met on the other hand, the unbreakable bond between the people and eWOM become almost unbreakable since it become a popular trend plus the nature of people which is to aim to bond with the society by following the same trends the society is doing so he does not feel odd of left away specially when it is related to the development of the internet and social media.

The new advances of the technology has forced the regular WOM to be diminished and reach a phase where it became inconceivable in volume which made it even stronger and noticeable [18] since the online communications has a various and many advantages which can be summarized as it is the most common method used nowadays which make it convenient for everyone and more trustworthy and available in most of the times plus the unlimited sources of information that the customer can use to get to know the product very well before he buys it which can be either manufacturer information or peer customer opinion on the same product.

In comparison with the old times, there the social connection can hardly be extended from just the neighbors, family and friends since there was no convenient means to do otherwise, nowadays the internet has enabled us to extend these borders to reach everyone we need and thus the target audience has increased significantly however the social integration has failed nowadays due to increasing the number of single household people and the discontinuity of the family but,
the internet has given these people a more convenient and continuously available platform to seek advice from total strangers or trusted evaluators even though their close circle of society doesn’t have these expertise and a more proof to that is the outstanding success of the social media nowadays since people seek in the internet what they can’t not find in their disintegrated society [14].

Groundswell is becoming a social trend where people seek the new technologies provided nowadays to get their needs rather than seeking their social connections as their circle of family and friends and that is the point of having e-WOM [18], which obligate the successful marketing organization to pay an extra attention to the role played by the e-WOM in convincing the customers to buy the products and adapting to its new rules and in order to do that, they have to be involved in the middle of the sociological aspects of the e-WOM on the customers, one example on this topic is Rubicon Consulting who has discovered that the teenagers have high tendency to be affected by e-WOM than older people.

The influence of e-WOM on the customer of any product can vary from both negative and positive change and that is dependent on various number of moderators which can influence themselves the WOM, for example having a proper media visualization of the product and an early advertisement has a significant effect to minimize the negative opinions on the product itself, studies has proved that if the customers know the brand of the product they are paying money for, before they buy the product, they will be more persuaded of the product than buying it from unknown brand [26]. Consequently, the model is interpreted from the previous research that is shown in figure 1.

![Fig. 1. Conceptual framework](image)

According to the model, the hypothesis is as follows:

**H1:** There is a significant relationship between electronic word of mouth and brand awareness.

**H2:** There is a significant relationship between electronic word of mouth and consumer purchase intention.

**H3:** There is a significant relationship between brand awareness and consumer purchase intention.

4. Research Methodology

This study aims at examining the impact of eWOM on brand awareness and purchase intentions of consumer’s customer-based in Iran; the brand in the cell phone market is taken into consideration, particularly the Samsung brand in Esfahan. The aim of this paper is for it to be an applied research; in terms of data gathering, this is a survey research; and in terms of operational research, this is a descriptive study. For gathering data, the questionnaire was employed, in which the questions are five-item Likert-type (strongly disagree, disagree, neither agree/nor disagree, agree and strongly agree) that the number of items used to measure each of the variables and sources are developed Table 2 show. Both Distribution and analysis was done by the researchers themselves but the for the analysis the SPSS software was used.
Table 2. The number of items and source for each variable

<table>
<thead>
<tr>
<th>Variable</th>
<th>Items</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic word of mouth</td>
<td>6</td>
<td>Bambauer-Sachse &amp; Mangold, 2011</td>
</tr>
<tr>
<td>Brand awareness</td>
<td>3</td>
<td>Aaker, 1991</td>
</tr>
<tr>
<td>Purchase intention</td>
<td>3</td>
<td>Shukla, 2010</td>
</tr>
</tbody>
</table>

Table 3 shows the scale’s Cronbach Alpha Coefficient values for “Electronic Word of Mouth”, “Brand awareness” and “Purchase Intention”. As indicated in Table 3, the figures shown in the table are among the acceptable figures and the confirmatory factor has showed that the result are also, results of the goodness of fit values have proven to be at a sufficient level ($\chi^2/df=2.377$, CFI=0.960, RMSEA=0.075).

Table 3. Internal Consistency of the Scales

<table>
<thead>
<tr>
<th>Scales</th>
<th>Items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic word of mouth</td>
<td>6</td>
<td>.913</td>
</tr>
<tr>
<td>Brand awareness</td>
<td>3</td>
<td>.875</td>
</tr>
<tr>
<td>Purchase intention</td>
<td>3</td>
<td>.892</td>
</tr>
</tbody>
</table>

4.1 The statistical pattern and the society

The experiment was done in Esfahan which make the population of this experiment include all people of Esfahan, the sample of the people of the experiment were picked randomly and their total number was 384 and since the number of people using Samsung brand in Esfahan is unknown, the following formula was used to filter the sample.

$$n \geq \frac{Z^2_p \times P \times q}{d^2} = \frac{1.96^2 \times 0.05 \times 0.5}{0.05^2} = 384$$

In the above formula, sampling has been done in the confidence level of 95 percent and makes an error of 5 percent, and p, q value using precaution method has been considered equal to 50 percent. Also error of measurement tool in considered 5 percent.

5. Findings and Interpretation

Table 4 shows participants’ gender, monthly income and age categories.

Table 4. Demographics of Participants

<table>
<thead>
<tr>
<th>Variable</th>
<th>Scope</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>195</td>
<td>50.7</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>189</td>
<td>49.3</td>
</tr>
<tr>
<td>Monthly Income</td>
<td>500$ and below</td>
<td>98</td>
<td>25.6</td>
</tr>
<tr>
<td></td>
<td>501-800$</td>
<td>159</td>
<td>41.4</td>
</tr>
<tr>
<td></td>
<td>801-1200$</td>
<td>76</td>
<td>19.8</td>
</tr>
<tr>
<td></td>
<td>1201$ and above</td>
<td>51</td>
<td>13.2</td>
</tr>
<tr>
<td>Age</td>
<td>20 and below</td>
<td>82</td>
<td>21.4</td>
</tr>
<tr>
<td></td>
<td>21-24</td>
<td>112</td>
<td>29.2</td>
</tr>
<tr>
<td></td>
<td>25-28</td>
<td>65</td>
<td>16.9</td>
</tr>
<tr>
<td></td>
<td>29-32</td>
<td>41</td>
<td>10.7</td>
</tr>
<tr>
<td></td>
<td>32 and above</td>
<td>84</td>
<td>21.8</td>
</tr>
</tbody>
</table>

Table 4 shows that the number of males and females are so close with a slight advantage of males being 50.7% of the total sample. While the monthly income of most of participants range from 501-800$ and the most common age is between 21-24 years old.

Fig 2. The diagram of the research model
Acceptable levels are achieved by indicting the goodness of fit ($\chi^2/df=2.107$, CFI=0.968, RMSEA=0.067). By interpreting the model, it is proved that the electronic word of mouth has no significant effect on the brand awareness while the brand awareness itself has a very significant effect on purchasing intentions.

On the other hand, e-WOM has a significant effect on the intentions of purchasing a product in this study. In the research model, independent variables explain 67% ($R^2=0.67$) of the variability of purchase intention.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Standardized Estimates</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a significant relationship between electronic word of mouth and brand awareness.</td>
<td>0.032</td>
<td>Not Supported</td>
</tr>
<tr>
<td>There is a significant relationship between electronic word of mouth and consumer purchase intention.</td>
<td><strong>0.431</strong></td>
<td>Supported</td>
</tr>
<tr>
<td>There is a significant relationship between brand awareness and consumer purchase intention.</td>
<td><strong>0.813</strong></td>
<td>Supported</td>
</tr>
</tbody>
</table>

**p<.01

The previous table confirms the second and the third hypothesis while denies the first one

6. Limitation of the Study

The limitation of this study originates from the fact that this experiment was only done in one city and the limited number of products which is only cellphones which means that we can’t apply this results on other places or other products, for improving the accuracy of this experiment, it is recommended to do it in various of cities and use a various types of products.

7. Discussion

The aim of the current study is to examine the effect of eWOM on two understudied factors, purchase intention and also brand awareness. The location of the study is in Isfahan city, Iran and the understudied brand is Samsung mobile phones. The literature focuses mainly on describing Electronic word of mouth according to which eWOM is found to have a vast impact on the understudied factor, purchase intention. The effect of vast spread of technologies which are accessible via internet, has impacted both traditional representation and modern ways of word of mouth, as a consequence of which purchase intention is also influenced recently. This is why more attention needs to be paid to the literatures in this field, to see the effect of this influence in both cultural and regional contexts. The results will not only be used by respective scholars, but will also be useful for marketers to develop their brands based on users’ profile in different developing regions. With regards to the above debate, Iran has been chosen as the understudied country as it is located among developing countries with the specific culture.

Furthermore, the impact of consumer dependency to family or friends makes consumers ignore brand awareness, because they rely to friends or family’s confident; this can be another reason for gained that result, based on which it is suggested that other researchers investigate the impact of electronic word of mouth on trust brand, perceive quality and other factors of brand equity. With regards to cultural and social context used in this study, it is the opinion of the writers to conduct further studies on eWOM. The importance of the current work for Iranians is to determine which of the traditional or electronic WOM better supports customer’s decision which lead to purchase intention. On the other side, further investigations on brand variables together with brand awareness can contribute to advancement of literature in this marketing field.
8. Conclusion

Feedbacks a consumer get through eWOM channels feeds their purchase intention. The results of the current study support the idea that eWOM impacts purchase intention. In their study on an alternative brand, [19] introduces a model in which a brand image is the partial intermediate function between eWOM effect and purchase intentions. According to their results, similar findings as of the current study is reported. And last but not least, in the current investigation, brand awareness as a new contribution of this study is found to have a greater impact on purchase intention than eWOM, which is an evidence that our results are significant, or so it is found for the understudied brand of the cell phone in this work.

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