

Power of Electronic Word of Mouth on Buyer Procurement Intents with respect to E-tailers

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Abstract: The power of electronic word of mouth (e-WOM) on buyer procurement intents within the e-tailing industry highlights its noteworthy role in decisive the digital marketplace. E-WOM has emerged as key factor in understanding how consumers make decisions in online shopping environments. It reflects the growing importance of online platforms, especially social media, as avenues for buyers to express their opinions and recommend products or services to others. This development has sparked considerable academic attention, as researchers examine how e-WOM affects consumer purchasing behavior, brand image, and credibility of online information. Existing studies indicate that consumers tend to trust anonymous online reviews more than information from conventional media. Therefore, it is vital for businesses to comprehend the mechanisms of e-WOM in order to successfully connect with and influence tech-oriented buyers.

Keyword- WOM, E-tailers, Buyer, Buying

Introduction

Throughout the present digital age, while knowledge communicates instantly over internet channels, Electronic Word of Mouth (eWOM) has become an important aspect determining the decisions of customers. Electronic word-of-mouth plays a significant role to power Buyer impressions & procurements intents, primarily in the ecommerce market. E-tailers tend to focus more on using electronic word-of-mouth (eWOM) to strengthen their marketing strategies & influence Buyer decisions. They are doing this by leveraging the persuasiveness of social media exchanges, digital feedback, and online reviews. The marketing communication model is heavily dependent on the technological environment that conceptually promotes e-marketing on a wider scale. E-mail marketing, blogs, pay per Click etc. are different types of Internet marketing applications which are witnessing a massive digital revolution in India. Increased penetration of 4G and 5G mobile internet services has created a vast number of netizens and thus increased the internet reach in India. Looking at this trend Kumar and Mann (2015) contended that India is going to have the second-largest internet subscribers in the world; this contention was based on a report by McKinsey & Company (2012). This increased usage of the internet over the last decade or so has led to the growth of e-commerce. The growth of e-commerce has increased the profitability of e-tailers manifold which increased the revenue generation and employment opportunities in the country (Ghosh, 2014).

Buyer buying behaviour, which is defined as the analysis of when, where, why, and how Buyers procurement a product, focuses on understanding the needs and wants of the Buyer for organization success. The customers' buying behaviour helps in determining the pattern of procurements that can predict future trends. Generally, the companies formulate the Marketing strategies depending only on the market research which enables the marketers to understand the needs and wants of the Buyer. Marketing strategies focus not only on generating revenue by increasing the sales but also on increasing brand loyalty towards the brand. The effectiveness of the marketing strategies can be understood by studying the procurement intents, attitudes and perceptions of the Buyers towards brands.

The future success of e-tailers would depend on providing multiple language options and contents as India is a diverse country with different languages and cultures to attract Indian Buyers. The rural markets would also provide a huge opportunity to e-tailers as more than 65 per cent of the Indian population lives in villages. Improving on delivery performances rather than advertising and development in the areas of merchandising and demand forecasting would boost the revenues of the e-tailers (Rao, 1999). To develop an effective and efficient E-tailing strategy, special focus should be given in the following areas which are prompt delivery, supply chain, demand nature, reverse logistics, and accuracy. As per a report by FICCI (2016), the launch of Digital India, Startup India and Make in India would offer better internet accessibility and the indigenous product would be promoted by Make in India. E-tailing has the potential to support the growth of new skills and it will open up international markets for the SME sector and can become an important facilitator for the growth of indigenous products. Thus, it can be concluded that e-tailing has the potential of bringing sustainability and economic growth of many facets of the economy. It is an engine of growth as it would provide both direct and indirect employment to the people. It will also stimulate entrepreneurship and reduce transaction costs in the areas of merchandise vendors and service providers. Social networking sites create awareness amongst customers through e-WOM and provide a variety of choices. Regular updates keep the customers updated on a real-time basis. Companies are working in collaboration to provide Quality-oriented products to different target segments for different skin types in the case of cosmetic products, which helps in building trust in the brand. Many previous studies have considered products from the customers' point of view. Studies point out that branded products have many attributes which affect the behaviour and perception of the customer towards the brand and helps in creating a distinct image of the product in the mind of the customers.

Studies are required to understand the factors that increase the negative electronic word of mouth (eWOM) on social media and how it affects the procurement intents of the online purchasing Buyer. The reviews and recommendations on online platforms have a higher power on Buyers' attitudes than company-sponsored media communications (Schivinski and Dabrowski, 2016). Smith (2018) asserted that 96 per cent of discussions about a brand on social media do not give preference to corporate-generated online communications. For some service dominated sectors such as services tourism travelers prefer to consult online review to finalize their decisions rather than visiting a hotel website. This information from online reviews influences the procurement intents of the travelers about where to stay (Ayeh et al., 2013). With the deeper penetration of smart phones and 4G and 5G internet connectivity has increased the development of mobile applications which provide highly interactive platforms for social networking sites (Kietzmann et al., 2011). Buyers can now generate, co-create, share and discuss a brand faster and easier than ever before, Kietzmann et al. (2011).

Electronic Retailing (E-Tailing)

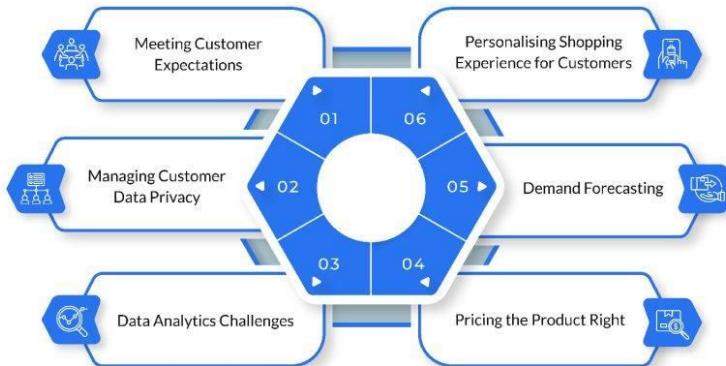
Electronic retailing (e-tailing) is a widely used term used in the present business environment for business-to-Buyer transactions which take place virtually or over the internet. In simple words, e-tailing is shopping virtually through the internet. In ERetailing various products with varied features are sold online e.g., Amazon, Snapdeal, Flipkart etc to name a few. E-Tailing requires a variety of product displays and specifications to make it convenient for the Buyers to have a personal feel of the product and help in making better procurement decisions. Essential requirements for an electronic retailing success are e-commerce portal, proper revenue model, e-catalogue, efficient payment gateway and support services etc.

Some of the advantages of e-tailing are more variety, better price and 24-hour presence etc.



Challenges in E-Retailing:

Apart from these advantages, there are some challenges also which needs to be addressed such as privacy issues, online payment issues and channel conflicts etc. to be a successful retailer, single-channel retailing is not sufficient rather multi-channels usage provides them with a competitive edge over the competitors.



Conventional physical retail stores continue to enjoy great popularity. However, the quick expansion of e-tailing has been fuelled by the widespread availability of cellphones and high-speed internet. However, it's critical to understand that running an online company differs from running a physical store and has its own set of difficulties that must be overcome. The economy, changing lifestyles, and current demographic shifts will all contribute to the continued growth of e-tailing. Online shopping provides unmatched convenience and better value for money, accommodating busy lifestyles. Even while e-retailing is a stand-alone business model, it functions inside the larger e-commerce space, which includes important components like electronic transaction processes and trust mechanisms. E-commerce is essentially the general structure that e-retailing functions inside. Therefore, selling goods online through virtual stores is known as electronic retailing, or e-tailing. This is a market where many new and well-established e-commerce sites compete for customers' attention.

Essential Components an electronic retailing

Several essential components contribute to the success of an electronic retailing (etailing) business. By focusing on these essential components, e-tailers can enhance their competitiveness, attract more customers, and build a sustainable and successful electronic retailing business.

- Appealing B2C (business-to-Buyer) Portal for Online Commerce: A website that is both aesthetically pleasing and easy to use is essential for drawing in and keeping visitors. It should offer clear information about goods and services, be aesthetically beautiful, and be simple to use.
- Appropriate Revenue Model: For profitability and sustainability, selecting the right revenue source is crucial. Examples of these models include transaction fees, advertising, and subscription-based services.
- The Internet's penetration: Since it increases the pool of potential customers and makes online transactions easier, widespread internet connection is essential.
- Powerful Branding: E-tailers may stand out in a crowded industry by developing a strong brand identity that inspires Buyer loyalty and trust.
- Variety in Merchandising: Should have a wide selection of products that suit various Buyer preferences, so as to please a larger audience.
- Value Addition: Adding extra value to products through warranties, loyalty plans, or product customization helps improve customer retention and happiness. 11
- Competitive Pricing: By setting prices that are competitive with the market and the value provided, businesses can draw in price-conscious clients while still turning a profit.
- Improved Relationship Management: Successful customer relationship management (CRM) techniques foster enduring connections that encourage advocacy and recurring business.
- Effective Distribution: Timely product delivery is ensured by effective logistics and distribution networks, which raises customer happiness and loyalty.
- Website design: It's important to have a well-balanced website that combines utility and aesthetics. It ought to make safe transactions, speedy load times, and simple navigation possible.
- Transparency in Services: Gaining the trust and Credibility of customers requires being open and honest about product details, prices, shipping charges, and return guidelines.
- Customer Data Analytics: Leveraging data analytics to understand customer behavior, preferences, and buying patterns enables targeted marketing and personalized customer experiences.
- Prompt and Strong Distribution Channels: Reliable shipping and delivery processes are critical for fulfilling customer expectations and maintaining a competitive edge.

Enhancing Buyer Procurement Intents through e-WOM

Electronic Word of Mouth (e-WOM) has become a crucial concept in the realm of etailing, significantly influencing Buyer behavior and marketing strategies. It represents the power of online platforms, particularly social media, as primary channels for Buyers to share reviews and recommendations about products and services. This shift has prompted extensive academic interest in e-WOM, exploring its power on Buyer procurement intents, brand perception, and trust in online content. Research suggests that Buyers often place greater trust in anonymous online reviews compared to traditional media sources. Understanding e-WOM dynamics is essential for businesses looking to effectively engage and influence digital-savvy Buyers.

Electronic word of mouth (e-WOM) is an important concept in the area of e-tailing and different studies have explained this concept in different ways (Huete-Alcocer, 2017). Trusov et al. (2009) were of the view that e-WOM is a powerful tool which holds the potential to influence Buyer behaviour towards a product or service. Social media have greatly influenced the modes of communication used and preferred by Buyers 15 it has become

the most used medium to share reviews and recommendations about products or service (Cheung and Thadani, 2012).

Many academic researchers have focussed on e-WOM due to its importance for the marketers, other related aspects of marketing such as the procurement intents of the customer, brand image, brand awareness, brand equity, source Credibility and trust in the online content are also critical for the better understanding of e-WOM. People trust anonymous people who post reviews online, while it is low for reviews on TV, newspapers, or magazines (Zhang et al., 2010). Nieto et al. (2014) emphasized that Buyers trust online reviews more than the marketing campaigns by the sellers of the product; this trust has a more power on Buyers' procurement intents. Litvin et al. (2008) asserted that e-WOM is based on the interaction among Buyers using the online platforms to discuss the positive or negative attributes of products or services.

E-WOM is a revolutionary feature because of its easy accessibility for everyone who can use the Internet enabling the Buyers to go through different opinions that help in the formation of opinions about a product or service (Evans and Erkan, 2014). It is clear from the research that over time, online reviews have become an extremely powerful means of communication. E-WOM has taken the companies by storm and has completely transformed the way Buyers interact with each other traditionally.

Scope of the Study

The rapid growth of digitization and deeper penetration of the internet along with availability of smart phones have resulted in the growth of the online shopping which is also referred in business environment as e-commerce. The present study focuses on the procurement intents of customers with respect to e-tailing and E-WOM dimensions concerning products or services. Since this phenomenon of e-tailing is experiencing unprecedented growth in the Indian market, therefore it becomes important to identify the factors and determinants which have an power on Buyer procurement intents. The study focuses on the intents, perception process and Buyer behaviour with respect to e-Tailing.

Findings

The findings of the study on the power of electronic word of mouth (e-WOM) on Buyer procurement intents in the context of e-tailers can be summarized as follows: The sample demonstrates a slight majority of male respondents compared to females, reflecting a balanced representation that helps minimize gender bias and ensures a diverse perspective. Educationally, the respondents span a broad range of backgrounds, with the majority holding undergraduate degrees. This variety in education levels enhances the analysis by incorporating different educational attainments. Professionally, the sample is predominantly comprised of students, with a smaller representation of individuals in private jobs, government roles, or business. This distribution emphasizes the significant influence of professional status on perspectives and behaviors.

Suggestions:

Based on the findings of the study on the power of electronic word of mouth (e-WOM) on Buyer procurement intents, several recommendations can be made for e-tailers to optimize their strategies and leverage the power of e-WOM effectively:

Enhance the Credibility of Reviews E-tailers should prioritize building a trustworthy environment for reviews by implementing strict guidelines and verification processes to ensure the authenticity of customer feedback. Encouraging verified buyers to leave reviews can help ensure that the information shared is credible. Additionally, using third-party review platforms or review aggregation services can further increase trustworthiness and authenticity.

Improve Product Quality and Consistency High product quality is crucial for generating positive e-WOM. E-tailers should focus on maintaining consistent product quality and ensuring that the products meet Buyer expectations. Positive reviews on product quality significantly influence procurement intents, so it is essential for e-tailers to address any quality-related issues promptly. Regularly monitoring customer feedback can help identify product flaws and areas for improvement.

Manage Negative e-WOM Proactively Negative e-WOM can have a significant detrimental power on Buyer trust and procurement intents. E-tailers should adopt proactive measures to manage negative reviews by responding quickly to customer complaints, offering refunds or replacements, and providing satisfactory resolutions. This helps mitigate the negative effects of e-WOM and demonstrates the company's commitment to customer satisfaction. Moreover, addressing negative feedback publicly shows transparency and builds trust.

Focus on Platform Reliability and Trust Building a reliable and secure platform is essential for encouraging Buyer engagement with e-WOM. E-tailers must invest in creating a user-friendly and secure online shopping experience. Ensuring smooth navigation, secure payment gateways, and transparent policies on returns, refunds, and privacy can increase Buyer trust. Buyers are more likely to trust e-WOM on platforms they perceive as safe and reliable, which ultimately influences their procurement decisions.

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