

Factors Influencing Electronic Word of Mouth (eWOM) Engagement on Social Networking Sites in Malaysia

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ABSTRACT

As marketers have integrated social media, especially social networking sites (SNS), as an essential part of advertising and marketing strategies, insights into factors influencing consumers' eWOM engagement via SNS is becoming important. This research investigated factors influencing consumer eWOM on SNS in Malaysia. The research sample consisted of 291 respondents with active account for at least one of these SNS (Facebook, Twitter, YouTube and Instagram). Multiple regression analysis was used and the research findings confirmed that Trust in contacts on SNS, Involvement in SNS and Perceived Usefulness respectively have positive influence on customers' engagement in eWOM via SNS. This study concludes that eWOM via SNS as an emerging marketing tools is significant with substantial social implications. Accordingly, the discussion of findings, implication and recommendations for online marketers, firms and academician/researchers were discussed.

Keywords: Electronic Word of Mouth, eWOM, Social Networking Sites, SNS, consumers engagement, trust, involvement, social media

INTRODUCTION

The advancement of internet Web 2.0 technologies have made available various social media applications such as blogs, content communities (e.g. Flickr, YouTube), commerce communities (e.g. Amazon.com, eBay), social networking sites (SNS) (e.g. Facebook, MySpace) and others for consumers to connect without being influenced by marketers and commercial firms (Kaplan & Haenlain, 2010; Mangold &

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Faulds, 2009). Consumers are significantly engaging social media online communities to share and exchange experiences about products and services which influences their purchase and decision making process (Hajli, 2014; Kozinets, Valck, Wojnicki, & Wilner, 2010; Wang, Yu, & Wei, 2012).

The User Generated Content characteristics of social media have empowered consumers to not only consume but also to produce and share information (via videos, pictures, text) on social media (Erkan & Evans, 2016; Hanna, Rohm, & Crittenden, 2011; Kozinets et al., 2010; Seraj, 2012). Studies have shown that the C2C (consumer to consumer) online communication or word of mouth (eWOM) afforded by the social media technologies can be a double edge sword for a firm (Fu, Ju, & Hsu, 2015); it can provide costless and rapid promotion (resulting in positive implications such as brand awareness, purchase intentions,) or it can be detrimental to a brand, product or service (resulting in negative implication such as lost in profits, poor brand image) (Kietzmann & Canhoto, 2013; Kietzmann, Hermkens, McCarthy, & Silvestre, 2011; Zhang, Craciun, & Shin, 2010). Hence it is important to understand the issues surrounding and factors influencing consumers' engagement in eWOM.

Scholars concur that among many types of social media, SNS is the most dominant social media platform that is driving the digital media revolution (Chu & Choi, 2011; Chu & Kim, 2011; Men & Sunny Tsai,

2013). This popularity is reflected in the millions of online SNS users for example Facebook with 1.55 billion active users; Instagram with 400 million active users and Twitter with 316 million active users (Statista, 2015). SNS enables consumers to communicate and exchange information or word of mouth with other consumers within their known network. Thus eWOM on SNS is far more influential since consumers believe they are receiving and sharing reliable and authentic recommendation of products and services (Chu & Choi, 2011; Hanna et al., 2011).

Many studies have confirmed and provided empirical insights on how eWOM influenced consumers attitudes, purchase behaviour or purchase intentions (Cheung & Lee, 2012; Fang, 2014; Reichelt, Sievert, & Jacob, 2014). However not many studies have looked into the factors influencing consumers eWOM engagement in SNS (Arenas-Gaitan, Rondan-Cataluna, & Ramirez-Correa, 2013). Hence the objectives of this study are 1) to investigate the influence of consumers' involvement towards eWOM engagement in SNS, 2) to investigate the influence of trust towards eWOM engagement on SNS and 3) to investigate the influence of perceived usefulness towards eWOM engagement in SNS.

Hypotheses Development

eWOM Engagement. The framework of the study is the Uses and Gratification theory (Men & Sunny Tsai, 2013). This

theory outlines six motivators for people to be engaged in SNS: 1) entertainment (e.g. enjoyment, relaxation), 2) social integration (e.g. to belong) 3) personal identity (e.g. self-expression, self-fulfilment) 4) information motivator (e.g. search for information, advice) 5) remuneration (e.g. for promotions) and 6) empowerment (e.g. to demand improvement). The study adopts a definition of eWOM as any 'positive or negative statement made by potential, actual or former consumers about a product or company which is made available to a multitude of people and institutions via the internet' (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004, p. 39). Moran and Muzellec (2014) outlines several criteria how eWOM in SNS differs from other types of social media. Firstly, SNS as an eWOM platform is not meant for commercial purposes. The basis of relationship in SNS is social exchange among known network of friends. Hence the identities of users or consumers who are engaged in eWOM in SNS are disclosed.

When consumers interact in SNS different degrees of engagement is possible (Chu & Choi, 2011; Chu & Kim, 2011; Men & Sunny Tsai, 2013). An example of the lowest level of engagement is when consumers are involved in viewing or reading posts on Facebook. Meanwhile rating products, commenting or participating in conversations would be a moderate level of engagement. The highest level of engagement is when consumers create and share user generated information with others

such as uploading pictures or recommending pages. Therefore, eWOM engagement are when consumers are involved in seeking, passing or/and sharing of information or experiences with other consumers in their network.

Consumers Involvement. Participation in marketing activities may be influenced by various consumers involvement (Bataineh & Al-Smadi, 2015; Hennig-Thurau et al., 2004; Wolny & Mueller, 2013). Consumers involvement are the degree of involvement or commitment that a consumer may have with regards to the product or with regards to sharing with others (Wolny & Mueller, 2013). When a consumer needs to ease their anxiety about a product or service they may conduct a thorough search or spend more time to search for information about the product, which leads to higher involvement (Harari & Hornic, 2010). Consumers with higher levels of involvement may be motivated to read more reviews and recommendations and be highly engaged in eWOM on SNS. Thus the first hypothesis of this study is as follow:

H1: Customers involvement in SNS, positively influence eWOM engagement

Perceived Usefulness (PU). Perceived Usefulness is how far consumers belief certain technology is useful and can assist their lives. Satisfaction and continuous intention to use services or products have been related to PU in the context of

e-learning systems and online shopping (Almahamid & Abu Rub, 2011). In an online environment, (PU) is described as customer’s level of confident that the online shopping can certainly enhance their transaction performance (Chiu, Chang, Cheng, & Fang, 2009). When consumers feel that the technology is useful and enhances their performances they will have more engagement in eWOM. Based on this argument, the second hypothesis is:

H2: Perceived usefulness of SNS, positively influence eWOM engagement

Trust. Consumers will be more certain in accepting eWOM in reviews or commentary when they believe the source is reliable and trustworthy (Sussman & Siegel, 2003). SNS are considered very trustworthy and credible since the eWOM exchanges are between consumers whom are socially close whereby identities are known , unlike other social media platforms (Chu & Kim, 2011; Kozinets et al., 2010; Moran & Muzellec, 2014). Thus, trust is of utmost important to enable consumers to be more engaged in eWOM as information about products or services are deemed more authentic. Hence, the third hypothesis is suggested as follows:

H3: Trust positively influence eWOM engagement on SNS

Based on the hypothesis suggested the framework of the study is presented in Figure 1 below:

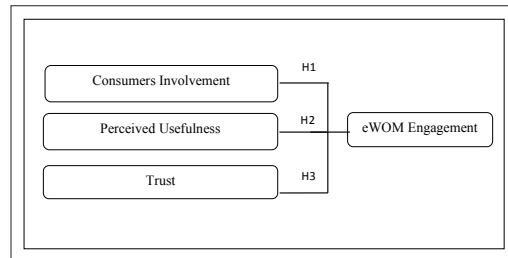


Figure 1. Conceptual Framework

MATERIAL AND METHODS

Data was collected using self-administered survey through personal offline contacts as well as online contacts, through email and Facebook. According to Internet World Stats (2015) close to 60% of Malaysia’s population owned a Facebook account, making it a good platform to reach potential respondents. According to Malaysian Communications and Multimedia Commission (MCMC) (2015) about 70% of internet users in Malaysia are aged between 15-34 years , therefore the questionnaires were targeted to this particular age group.

The questionnaire was written in simple and clear English and divided into 5 sections. Section A were questions related to eWOM on SNS behaviours. Section B consists of questions respondents demographic profile. Section C, D and E consists of 20 questions relating to influence of Involvement, Perceived Usefulness and Trust towards eWOM engagement. Items were measured using 5 point Likert Scale.

The items for Involvements were adapted from Wanly & Mueller (2013), Perceived Usefulness from Gefen et al. (2003) while Trust and eWOM engagement from (Chu & Kim, 2011). The reliability of the scale was measured using Cronbach Alpha. All variables exceeded the 0.6, which indicates the construct measures were reliable.

Table 1
Reliability Coefficients

Variables	No. of Items	Cronbach's Alpha
Involvement	4	0.872
Perceived Usefulness	4	0.940
Trust	6	0.868
eWOM Engagement	6	0.940

RESULTS AND DISCUSSIONS

A total of 291 questionnaires were returned and useable. Thus, the response rate was

58%. The background of the 291 respondents are given in the Table.

Table 2
Profiles of Respondents

Characteristics	Frequency (N = 291)	Percentage (%)	
Age	15 - 25 years old	108	37.1
	26 – 35 years old	183	62.9
Gender	Male	102	35.1
	Female	189	64.9
Ethnic Group	Malay	205	70.4
	Chinese	59	20.3
	Indian	19	6.5
	Others	8	2.7
Education Level	Primary or Below	0	0.0
	Secondary	6	2.1
	Diploma/Degree	239	82.1
	Master/PhD	46	15.8
Occupation	Government	22	7.6
	Private Sector	192	66.0
	Student	46	15.8
	Self-employed	22	7.6
	Unemployed	9	3.1
Income Level	Below RM 3,000	126	43.3
	RM3,001 –6,000	110	37.8
	RM6,001 – 9,000	35	12.0
	RM9,001-12,000	13	4.5
	RM12,001-15,000	3	1.0
	RM15,001 or more	4	1.4

As shown above 37.1% respondents were aged between 15 to 25 years old. The rest were between 26 to 35 years old consist of 62.9%. Female contributed 64.9% of the respondents and 35.1% were male. The profiles were representative of ethnic groups, 70.40% of the respondents are Malay, 20.3% are Chinese, 6.5% are Indian, and 2.7% are others.

All respondents had secondary education 2.1% of the respondents at high school level, 82.1% were graduates and 15.8% postgraduates. The respondents occupation status shows 7.6% of the respondents are government servants, 66.0% are working in private sector, 15.8% are students, 22% were self-employed and only 3.1% were unemployed and their income level shows 43.3% of the respondents' income is less

than RM3000 per month, 37.8% gain RM3001 to RM6000 per month, 12.0% gain RM6001 to RM9000 per month, 13.0% gain RM9001 to RM12000 per month, 3% gaining between RM12001 to RM15000 per month, and 4% obtain more than RM15001 per month.

Respondents had reported using SNS for an average of over three years and nine months. As for the frequency of daily use among SNS users, the analysis showed respondents have visited the sites four times a day on average for more than two and the half hours (2.5 hours). The respondents reported SNS was used for seeking and sharing activity is Facebook (64.3%), followed by Instagram (23.7%), Twitter (6.9%), Youtube (3.1%) and LinkedIn (2.1%) respectively.

Table 3
Multiple Regression

Model Summary				
Model	R	R Square	F	Significant
1	0.7790	0.607	148.051	0.000

Table 4
Coefficients

Variables	B	t	p*
Involvement	0.276	4.001	0.000
Perceived Usefulness	0.123	1.904	0.029
Trust	0.640	11.607	0.000
eWOM Engagement	6	0.940	

*Sig at two tail

The multiple regression results indicated that consumers' involvement in SNS, perceived usefulness of SNS and trust in contacts on SNS as independents variables have positive influences on the dependent variable eWOM engagement in SNS. Therefore, all the research hypotheses have been accepted based on the findings that supports the positive relationship between the research variables. The research findings

provided insight for the development of eWOM as an effective marketing tool, with supporting evidence that consumer involvement on SNS, perceived usefulness of SNS and perceived trust in contacts in SNS have positive influence towards consumers' eWOM engagement in SNS. Focusing the standardized coefficient Beta values and significance level, the multiple regression tests findings shown trust ($B = 0.640$) is the most influential variable (predictor) on eWOM engagement on SNS. This is followed by Involvement ($B = 0.270$) and Perceived Usefulness ($B = 0.123$). This finding is consistent with previous studies by (Bataineh & Al-Smadi, 2015; Chu & Kim, 2011; Dou, Walden, Lee, & Lee, 2012). Respectively the consumer involvement on SNS found to be consistent with (Bataineh & Al-Smadi, 2015; Fan & Miao, 2012), while perceived usefulness of SNS as influencing factors of eWOM engagement findings found to be consistent with (Bataineh & Al-Smadi, 2015).

IMPLICATIONS AND CONCLUSION

Trust of contacts, consumers' involvement and perceived usefulness are elements that positively determines consumers eWOM engagement level in SNS. Market players have to take serious consideration of these elements when interacting with potential customers on SNS. The research findings are significant to provide insights for organizations to develop effective marketing strategies for their business. Firms needs

to leverage eWOM in SNS as a cost-less platform to boost marketing strategies when penetrating the market. Thus the findings of this study is useful for any organization be it a multinational giant or a small and medium enterprise. All can leverage the engagement of consumer on eWOM to their advantage by taking into account the importance of trust, involvement and perceived usefulness in their strategy to influence engagement. From the academic perspective, further research should be done to scrutinize the positive and negative eWOM since it is known to impact the firms successfully or severely.

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