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## Impact of electronic word of mouth (e-WOM) on purchasing decisions: an empirical study

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### Purpose

In today's fast-paced and interconnected market, companies must adapt to the evolving demands of their customers. Therefore, it is essential to examine the impact of online reviews on potential customers' intent to purchase. This study seeks to identify the characteristics of electronic word-of-mouth (eWOM) that influence a buyer's intention to purchase goods and services.

### Design/methodology/approach

We used the snowball sampling method to collect data using a pre-tested survey instrument with a five-point Likert scale. We received 696 usable responses. We conducted assumption tests to ensure that we could use covariance-based structural equation modelling (CB-SEM) for data analysis. The collected data were analysed using exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) to compute the latent variables. We then tested our research hypotheses using CB-SEM.

### Findings

Eight latent constructs – perceived persuasion, perceived information, image aesthetics, ease\_of\_experience, eWOM\_credibility, eWOM\_usefulness and eWOM\_adoption – have been identified, which determine the influence of eWOM on purchase intent (PI) for both tangible and experiential products. Though the structural model emerged relatively similar, the constructs had differential impacts on PI for commodities and services. The perceived information quality and source trustworthiness had a greater impact on eWOM credibility in the case of services than in the case of commodities, while image aesthetics played a more crucial role in determining the eWOM credibility for commodities than

services. In both cases, credible eWOM was found useful, but a persuasive eWOM influenced its perceived usefulness more in the case of commodities. The likelihood of adopting a useful eWOM and converting it to positive PI is present in the case of both services and commodities, but the impact is much higher in the case of services.

### Research limitations/implications

The study has examined the interplay of three theoretical consumer behaviour models: elaboration likelihood model (ELM), stimulus-organism-response model (SOR), and information adoption model (IAM). Thus, it adds to the existing literature on the characteristics of eWOM that influence the PI of online buyers.

### Practical implications

This study's findings demonstrate how eWOM influences consumers' perceptions of the utility of goods and services, impacting their intention to purchase. It also provides valuable insights into marketing and consumer behaviour in the Indian market. Thus, this study assists marketers in adjusting their digital marketing strategies to ensure the effective use of eWOM characteristics to positively influence the PI of the target audience in the Indian market.

### Originality/value

This research study examines the relationship between eWOM characteristics and PI for both goods and services sectors. Most existing literature is skewed towards specific service sectors, such as hospitality and health care. A generalised comparative study is what makes this research work unique.

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**Keywords:** AVE, CB-SEM, CFA, Composite reliability, Convergent validity, Discriminant validity, EFA, ELM, Information adoption model, eWOM, Fornell–Larcker criteria, Online reviews, Purchase intent(PI), SOR model