

EFFECT OF ELECTRONIC WORD-OF-MOUTH (E-WOM) ON CONSUMER BUYING BEHAVIOR

Dr. Bharti Barapatre^{*1}, Dr. Payal Pashine^{*2}, Prof. Prafulla Jawanjal^{*3}

**1 Assistant Professor, Department of MBA, J.M. Patel College, Bhandara
b_barapatre@yahoo.co.in*

**2 Associate Professor, HOD, Dept. of MBA, Govindrao Wanjari College Of Engineering & Technology, Nagpur
payalkatakwar29@gmail.com*

**3 Assistant Professor, Dept. of MBA, Govindrao Wanjari College Of Engineering & Technology, Nagpur
prafullajawanjal75@gmail.com*

Abstract

Electronic Word-of-Mouth (E-WOM) has become a critical element influencing consumer decision-making in the digital era. Consumers increasingly rely on online reviews, ratings, blogs, and social media comments when evaluating products and services. This study examines the impact of E-WOM on consumer buying behavior by analyzing the role of credibility, information quality, and trust in online platforms. The research adopts a descriptive research design using primary data collected through a structured questionnaire from 100 respondents. The findings indicate that positive E-WOM significantly influences purchase intention and consumer trust, whereas negative reviews can discourage purchasing decisions. The study highlights the importance of managing online consumer feedback to improve brand reputation and customer engagement.

Keywords:: *Electronic Word-of-Mouth, Consumer Behavior, Online Reviews, Digital Marketing.*

I. INTRODUCTION

With the growth of the internet and social media platforms, consumer communication has shifted from traditional word-of-mouth to electronic word-of-mouth (E-WOM). E-WOM refers to online opinions, recommendations, and experiences shared by consumers about products or services through digital platforms such as social media, blogs, review websites, and online forums. These online interactions have a powerful influence on consumer perceptions and purchasing decisions.

Consumers today prefer searching for online reviews before purchasing products, especially in e-commerce platforms. Positive online reviews often increase trust in the brand and encourage purchase decisions, while negative reviews can significantly reduce consumer confidence.

II. LITERATURE REVIEW

Several studies have highlighted the importance of electronic word-of-mouth in influencing consumer behavior. Previous research indicates that E-WOM significantly affects consumers' purchasing decisions because consumers perceive online reviews as credible sources of product information (Thorsten Hennig-Thurau et al., 2004).

A study conducted on consumer purchase behavior revealed that a majority of consumers search online reviews before purchasing products and rely heavily on customer feedback to compare brands (Erkan Irem & Chris Evans, 2016).

Another study found that the credibility of online reviews and the trustworthiness of information sources play a significant role in shaping consumer attitudes and purchase intentions (Soo Cheong Jang et al., 2008; Xiaoyan Cheung et al., 2009).

Furthermore, systematic reviews of E-WOM research indicate that factors such as message quality, trust, and perceived usefulness strongly influence consumers' intention to buy (Judith A. Chevalier & Dina Mayzlin, 2006; Ismail Erkan & Chris Evans, 2018). These findings suggest that E-WOM has become a powerful marketing communication tool that can influence consumer perceptions, brand image, and purchasing behaviour.

III. OBJECTIVES OF THE STUDY

The main objectives of this study are:

- To examine the impact of electronic word-of-mouth on consumer buying behavior.
- To analyze the influence of online reviews and ratings on purchase decisions.
- To evaluate the relationship between E-WOM credibility and consumer trust.
- To identify the role of E-WOM in shaping consumer purchase intention.

IV. RESEARCH HYPOTHESES

H1: Electronic Word-of-Mouth has a significant positive impact on consumer buying behavior.
 H2: Online reviews and ratings significantly influence consumer purchase intention.

V. RESEARCH METHODOLOGY

5.1 Research Design:

The present study adopts a descriptive research design to examine the influence of electronic word-of-mouth (E-WOM).

5.2 Data Collection Method:

The Primary data were gathered through a structured questionnaire survey. Secondary data were collected from various sources such as academic journals, research articles, books, and online databases.

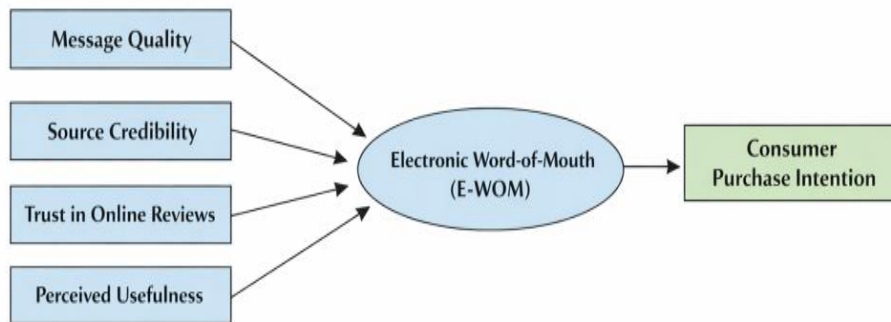


Figure 1: Conceptual Framework

Figure 02 - Data Collection Method

5.3 Sample Size:

The study was conducted with a sample size of 100 respondents in Nagpur city.

5.4 Sampling Technique:

For the purpose of this study, convenience sampling technique was used.

VI. DATA ANALYSIS AND INTERPRETATION

1) Gender of Respondents

Table 01

Gender	Frequency
Male	58
Female	42

2) Consumer Purchase Decision

Table 02 - Consumer Purchase Decision

Factor	Consumer Purchase Decisions
Message Quality	17
Source Credibility	18
Trust in Online Reviews	22
Perceived Usefulness	26
Purchase Intention	17

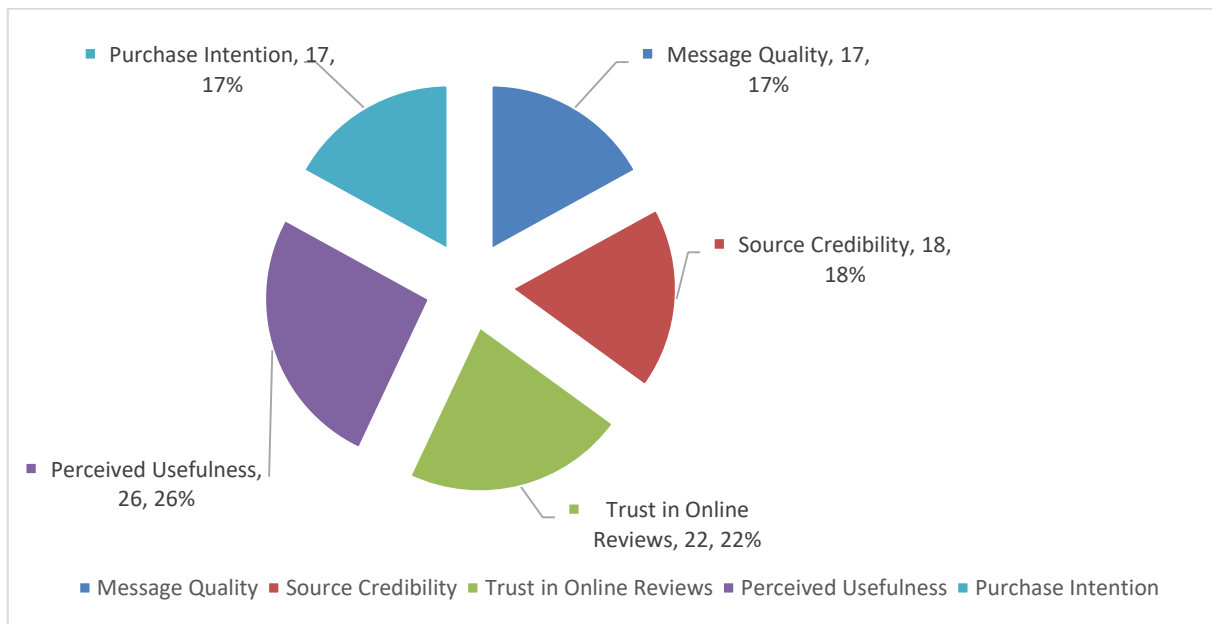


Figure 03 - Consumer Purchase Decision

Interpretation: The respondents generally agree that electronic word-of-mouth influences their buying behavior. Among the factors, Perceived Usefulness has the highest impact on consumer purchase decisions.

3) Influence of Online Reviews

Table 03 - Influence of Online Reviews

Statement	online reviews
Consumers read online reviews before purchasing	27
Positive reviews increase purchase intention	39
Negative reviews discourage purchase	16
Consumers trust online reviews	18

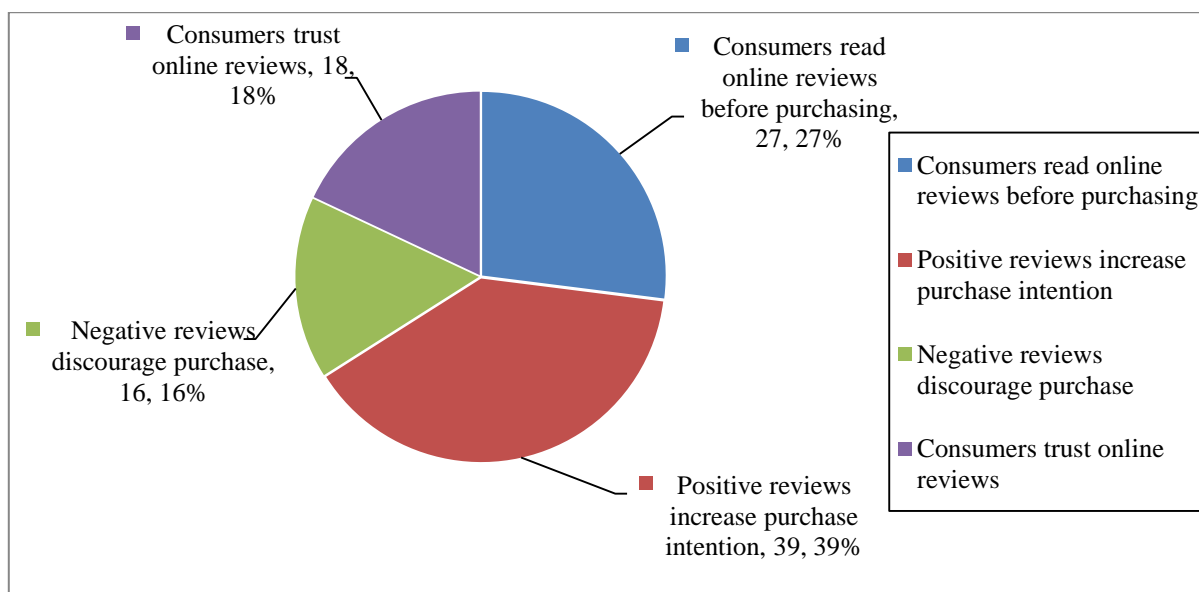


Figure 04 - Consumer Purchase Decision

Interpretation: Consumers strongly agree that online reviews influence their purchase decisions. Positive reviews encourage buying, while negative reviews reduce purchase interest.

4) Trust in Online Reviews

Table 04 - Online Reviews

Level	Online Reviews
Strongly Disagree	5
Disagree	9
Neutral	18
Agree	42
Strongly Agree	26

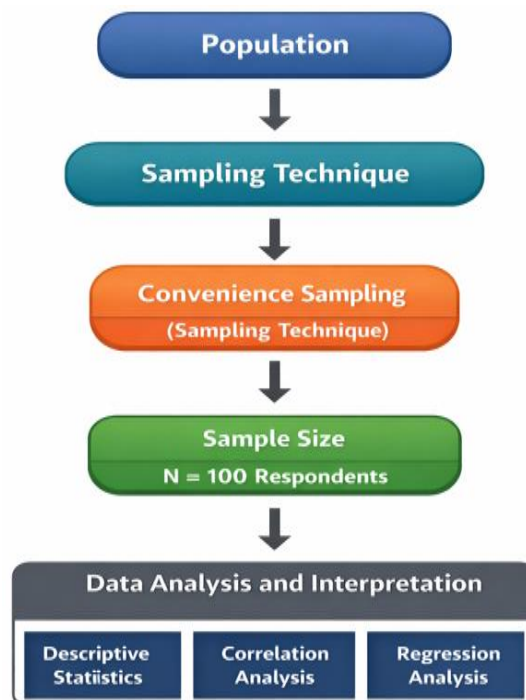


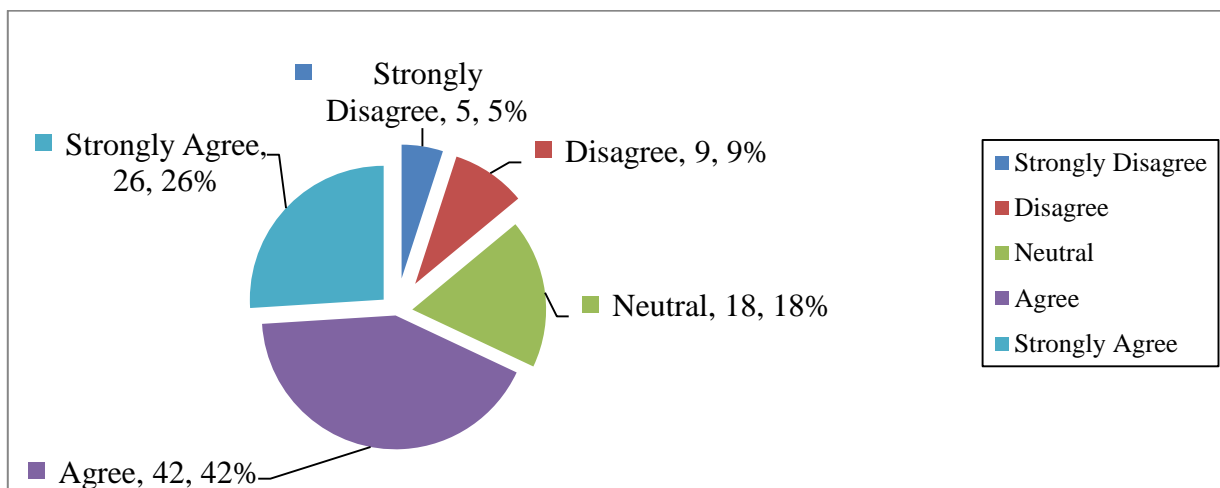
Figure 05 - Trust in Online Reviews

Interpretation: Most respondents (68%) agree that they trust online reviews.

5) Impact of E-WOM on Purchase Intention

Table 05

Influence Level	Respondents
Very Low	6
Low	12
Moderate	18
High	38
Very High	26



Interpretation: About 64% of respondents report high or very high influence of E-WOM on their purchasing decisions.

VII. HYPOTHESIS TESTING

Chi-Square Test Table

Factor	Observed (O)	Expected (E)	(O-E)	(O-E) ²	(O-E) ² /E
Message Quality	17	20	-3	9	0.45
Source Credibility	18	20	-2	4	0.20
Trust in Online Reviews	22	20	2	4	0.20
Perceived Usefulness	26	20	6	36	1.80
Purchase Intention	17	20	-3	9	0.45

Chi-square value

$$\chi^2 = 3.10$$

Degree of Freedom

$$df = n - 1 = 5 - 1 = 4$$

Critical value at 0.05 level = 9.49

Since 3.10 < 9.49, the calculated value is less than the critical value.

H1: Electronic Word-of-Mouth significantly influences consumer buying behavior is accepted.

H2: Online reviews and ratings influence purchase intention is accepted.

VIII. CONCLUSION

Electronic Word-of-Mouth has emerged as a powerful communication tool in modern marketing. Consumers depends heavily on online reviews and recommendations when making purchasing decisions. The study concludes that positive E-WOM enhances brand reputation, increases consumer trust, and significantly influences purchase intention.

Businesses should actively monitor and manage online reviews, encourage satisfied customers to share feedback, and respond effectively to negative comments. By doing so, companies can improve their brand image and strengthen customer relationships in the digital marketplace.

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