

Consumers' Purchase Intention on Social Media: Online Reviews, Perceived Usefulness, and Network Trust

Zheng HUANGFU

Faculty of Journalism and Communication, Nanjing Xiaozhuang University, Nanjing, China

jshuangfou@sina.com

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Abstract: The purpose of this study was to explore whether online reviews in social media affect users' purchase intention. This study selected Weibo, a social media platform that has nothing to do with e-commerce shopping but has a wide influence in China, as an example, which were completed by an online questionnaire filled in by 220 Weibo users. The results showed that online reviews positively affected purchase intention, and perceived usefulness mediated online reviews and purchase intention; network trust positively regulated the relationship between online reviews and perceived usefulness.

1. Introduction

With the wide application of e-commerce, online shopping is no longer new. By June 2020, there will be 749 million online shopping users in China, and with the increasing number, there will inevitably be discussions on online shopping evaluation, use experience, etc. Accenture's 2018 China Consumer Insights Report states that 55% of consumers would like to share their purchase in social applications. 42% of consumers said that reading reviews would increase impulse purchase intentions. However, with the anonymous and massive online reviews, whether they can have a direct impact on users and what factors are restricted by these effects will be discussed in this study. In this study, we use a social media platform Weibo that is not a direct purchase channel, but users can share and comment on the experience of commodity use as an example. By September 2020, the number of Weibo users reaches 511 million. A large number of e-commerce platforms rely on the Weibo to carry out the impact. Therefore, this study hopes to analyze the shopping sharing and discussion of Weibo users, in order to determine whether the online reviews based on the social media can influence users' purchase intention.

2. Literature Review

According to Davis's(1989) Technology Acceptance(TAM) Model, this study was appropriately simplified on this basis. Previous studies focus on the relationship between online reviews and decision-making. The majority of previous studies focused on the influence of consumer online reviews on e-commerce platforms on purchasing behaviors. Park(2007) demonstrates that purchasing intention increases as the number of reviews increases. Forman(2008) believes that positive or negative reviews of online shopping reviewers will affect whether consumers buy a product or not. Meanwhile, according to Fang et al.(2016), consumers consider online reviews as a more credible as other traditional sources of information. Trust also constitutes an important variable in online reviews and purchase intention. Network trust refers to the disposition of a customer of being vulnerable to actions of a seller when realizing online transactions(Lee & Turban 2001). The perceived benefits and sustainable advantages of shopping online are summarized as perceived usefulness. E-commerce websites supply application software and helpful services that can facilitate shoppers' decisions of buying a product/service.(Massoud. M.et al., 2018). However, these studies have ignored an important platform for consumers to discuss products, that is, social media. In view of this, this study expects to shift the attention to social media platforms, thereby

investigating whether online consumer reviews on social media platforms can also have effects on consumer purchase intention. Based on the above literature review, the study mainly discusses the influence of comments on purchase intention and the moderating effect of online trust. Therefore, the hypothesize as follow.

H1: The online reviews positively influences purchase intention;

H2: The mediating role of perceived usefulness in online reviews and purchase intentions;

H3: Network trust positively moderates the relationship between online reviews and perceived usefulness.

3. Research Methodology

In this study, Weibo as a social media platform with the highest use rate in China, which owns 523 million monthly active users with huge influence. An online questionnaire was distributed from January 10 to January 30, 2020 to understand Weibo users' purchase intention, and 220 valid data were finally collected. In order to adapt to Chinese reading habits, this study translated some variables into Chinese, and adjusted them accordingly. All the participants are Weibo long-term users in China. The final sample (N =220) included 107 male and 113 female.

The questionnaire was mainly composed of the following variables: online reviews(Cronbach's $\alpha=0.82$) with six items were developed from Featherman and Pavlou(2003); perceived usefulness(Cronbach's $\alpha=0.84$) with eight items were developed from Davis(1989); network trust(Cronbach's $\alpha=0.78$) with five items were developed from Fogel and Nehmad(2009); purchase intention(Cronbach's $\alpha=0.88$) with six items were developed from Davis(1989) and Fang(2016). All of these variables were measured using a five-point Likert scale ranging from 1(strongly disagree) to 5(strongly agree).

4. Analysis and Results

4.1 Confirmatory Factor Analysis and Model Fit

The study conducted a confirmatory factor analysis with Amos 22.0, and the model fit indicators were as follows: $\chi^2=162.99$, $df = 164$, $RMSEA = 0.01$, $CFI = 0.99$, $TLI = 0.99$. Therefore, the hypothetical model in this study fits well and can be subjected to confirmatory analysis.

4.2 Main Effects Test Results

To verify the effect of online reviews on purchase intention, a regression analysis on purchase intention was conducted. As shown in Table1 M1, online reviews positively predict purchase intention($\beta = 0.31$, $p < 0.001$). Hypothesis 1 is verified.

4.3 Results of the Mediating Effects Test

On the basis of Baron and Kenny's three-step method, we verified whether perceived usefulness plays a mediating role between online reviews and purchase intention. In the first step, for the effect of the IV on DV, the main effects test confirmed that hypothesis 1 holds. In the second step, the effect of the IV(online reviews) on the intervening variable was tested. As shown in Table1 M2, online reviews are positively correlated with perceived usefulness($\beta=0.46$, $p<0.001$). In the third step, the effect of the moderator variable on the dependent variable was tested. As shown in Table1 M3, perceived usefulness shows a significantly positive correlation with purchase intention($\beta=0.62$, $p<0.001$), and the correlation between online reviews and purchase intention remains significant after perceived usefulness is added($\beta=0.47$, $p<0.001$). It can be seen that perceived usefulness plays a fully mediating role between online reviews and purchase intention (indirect effect = 0.26, sample = 2,000, 95%CI = [0.22, 0.42]). Hypothesis 2 holds.

Table 1 Results of Regression Analysis

	M 1	M 2	M 3	M 4	M 5
	X→Y	X→M	M→Y	Z→M	X×Z→M

IV					
Online reviews	0.31***	0.46***		0.47***	
Mediator variable					
Perceived usefulness			0.62***		
Moderator variable					
Network trust				0.37***	
Independent variable x Moderator variable					
Online reviews x network trust					0.27**
R ²	0.10***	0.21***	0.34**	0.34***	0.35**
ΔR ²	0.10***	0.21***	0.35***	0.34***	0.36***
ΔF	33.14***	59.21***	57.67***	81.15***	51.07***
Indirect effect	Effect value	Standard error	Lower limit of 95% CI	Upper limit of 95% CI	
X→M→Y	0.26***	0.05	0.22	0.42	
Moderating effect	Effect value	Standard error	Lower limit of 95% CI	Upper limit of 95% CI	
-1SD (-.95)	0.28***	0.09	0.11	0.45	
+1SD (+.95)	0.66***	0.10	0.47	0.85	

*p < 0.05, **p < 0.01, *** p < 0.001.

4.4 Results of Moderating Effect Test

As seen in Table 1M5, the interaction terms(online reviews x network trust) positively affect perceived usefulness($\beta=0.27$, $p < 0.01$). Hypothesis 3 holds. That is, the effect of online reviews and perceived usefulness is positive, and the higher the individuals' network trust in the media, the greater the perceived usefulness for individuals with more online reviews.

5. Conclusion

Through the application of the simplified TAM model, this study explores whether online review in social media on non-shopping platforms will affect users' purchase intention. Most of the existing studies focus on the impact of online review of e-commerce platforms on purchase intention, while ignoring social media. This study confirms that users' comments of products on social media also have a certain influence on purchase intention. Results based on data analysis, online review has a positive impact on purchase intention, which is similar to many previous studies. This study makes improvements on this basis. The study takes the perceived usefulness as the mediating variable and the trust in online reviews as the moderating variable. In the end, the following two points of view are reached. (1) Perceived usefulness plays an intermediary role in online review and purchase intention. (2) Network trust plays a positive role in moderating the relationship between online review and perceived usefulness. Base on this, it can be concluded that based on the user's trust in social media platforms, comments have a certain effect, including promoting the purchase intention. To sum up, social media platform is also one of the influencing factors for online purchase. Consumers share the reviews on the purchased goods to social media platforms, which will induce other consumers' purchase intention.

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