

## **INFLUENCE OF E-WOM THROUGH BRAND IMAGE AND TRUST ON PURCHASE DECISION OF ORGANIC PRODUCTS IN KARNATAKA**

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### **ABSTRACT**

Consumers usually tend to seek word of mouth (WOM) from friends and acquaintances before making their purchase decisions, with WOM being the most influential media for product information. As Internet technology grows rapidly, consumers like to share their opinions about products, brands, and businesses over the Web, known as e-WOM and it plays a significant role in consumers' purchase decision making and has been valued by businesses. This Paper focuses influences on consumers' purchase decision with respect to the content of e-WOM and the interaction between the suppliers and users of the information. The method of questionnaire is used for the empirical study. First, this study reviews pertinent literature as the theoretical basis of e-WOM are defined and distinguished by their characteristics and how advertising, brand and trust factors of e-WOM influences on purchase decision on organic products.

**Keywords:** *e-WOM, Internet technology, Brand Image, Trust and Purchase decision*

### **INTRODUCTION**

Word-of-mouth (WOM) communication is broadly acknowledged as a significant factor in building marketing strategies and communications. Invention of the Internet and expansion of social media have added a new electronic dimension to traditional WOM, consequently changing it into electronic WOM (e-WOM). e-WOM is defined as all informal communications directed at consumers through Internet-based technology related to the usage or characteristics of particular goods and services, or their sellers. Customers recognize that online consumer reviews help them to determine e-WOM credibility and to make buying decisions.

In current situation with over 40% of the world population using the internet today, it has opened new platforms for communication empowering both sellers and consumers, wherein they use this platform for sharing information, opinions, and feedback. This platform has a high

impact on Business to-Business, Business to Consumer as well as Consumer to Consumer [21]. Electronic word-of-mouth (e-WOM) communication can be described as any statement whether it is positive or negative made by past current as well as potential customers about any specific product, brand or company that is open for multiple people as well as institutes via online [17].

E-WOM can be considered as an upgraded version of traditional interpersonal communication into the new world of the internet. Recently there has been a lot of interest and attention given to finding out how much influence e-WOM has on the consumption of a particular product and service [28], in his study discusses the various opportunities and threats created by Consumers usually tend to seek word of mouth (WOM) from friends and acquaintances before making their purchase decisions, with WOM being the most influential media for product information. As Internet technology grows rapidly, consumers like to share their opinions about products, brands, and businesses over the Web; this is known as e-WOM. e-WOM plays a significant role in consumers' purchase decision making and has been valued by businesses. This Paper focuses influences on consumers' purchase decision with respect to the content of e-WOM and this study makes the assumptions and establishes the model based on the content of e-WOM and interactions between participants, with the research variables chosen and questionnaire designed based on the model. After the distribution and collection of the questionnaire, a result is obtained by analysing the collected data.

According to the result, among the parameters chosen—Brand image trust and the reliability and relevance of the e-WOM supplier, the professionalism and trust propensity of the e-WOM receiver—are proved to have influence the purchase decisions of consumers. The degree of credit of the sender and related strength have a significant influence on WOM reputation, with the professional degree of the e-WOM recipient tending to trust the positive effect on the influence of WOM. The research conclusion arrived at in the e-WOM domain has a significant referral value for purchase decision of organic products in Karnataka.

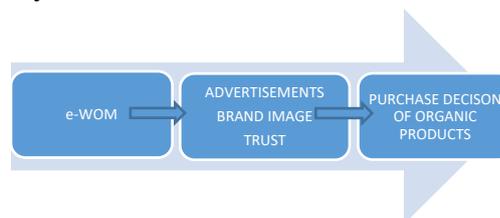
## **LITERATURE REVIEW**

1. e-WOM Word of mouth (e-WOM) is verbal type of communication of person-to-person between the receiver and the transmitter, which involves a product, service, or brand. To the receiver, the message does not have strong commercial intent (Anderson, 1998), which is why consumers trust the credibility of WOM is higher than commercial advertisements (Herr et al., 1991).
2. As defined by Hennig - Thurau et al., (2004), "e-WOM is any positive or negative statement made by potential, actual, or former customers about a product or a company that is available to large groups of people and institutions through the Internet". A recent survey found that most consumers look for online opinion to be as reliable as the brand's website (ACNielsen, 2007).
3. Rowley (2001) also suggested that commercial enterprises should try to organize online communities and not to just advertise on the Internet. These studies show how great the potential impact of e-WOM can have on consumer decision process.

4. Senecal and Nantel (2004) examined how the choice of e-WOM influence product using experimental studies proposed the use of an online resource guide. Own multiple platforms that facilitate e-WOM, such as discussion boards and other online communication tools that also increasingly recognized for how they influence the acceptance and use of products and services (Subramani and Rajagopalan, 2003).
5. Handi et al. (2018) stated that there is a positive and significant relationship between e-WOM and purchasing decisions. Matute et al. (2016) in their research also found that e-WOM has a positive and significant effect on purchasing decisions.
6. Novita et al. (2017) stated that e-WOM has a positive and significant effect on purchasing decisions.
7. Matute et al. (2016) in their research found that e-WOM has a positive and significant effect on trust. Sari and Wijaya's (2016) research results state that e-WOM has a positive and significant effect on trust. The same thing was also expressed in Zahni and Arbror's (2019) research that e-WOM has a positive and significant effect on trust.
8. Anggraeni and Madiawati (2016) stated that trust has a positive and significant effect on purchasing decisions.
9. Research conducted by Fhonna and Utami (2018) found that trust has a positive and significant effect on purchasing decisions.
10. Wibowo et al. (2017) in their research also indirectly revealed that trust had a positive and significant effect on purchasing decisions.

## MODEL AND METHODOLOGY

### Model Framework for The Study



### Objectives of Research

1. Explore the Demographic views on awareness on e-WOM and organic products.
2. influence of e-WOM through Brand image and Trust on Purchase Decision of organic products.

### LIMITATIONS

1. For the Research study the respondents taken are knowing e-WOM concept and the study is restricted to KARNATAKA STATE.
2. The study is considering only Middle class, rich and elite class respondents who are affordable to purchase organic products.
3. The Sampling scheme for the study is convenience and simple random sampling.
4. The sample size is restricted to 670.

**SAMPLING:** Karnataka state is divided into four Divisions for sample collection namely costal, North, central and south Karnataka. The sampling scheme selected is convenience and



**Table 1:** Qualification of Respondents taken for survey

Qualification	No of Respondents	Percent
Matriculation	26	3.88
Higher Secondary	9	1.34
Degree	280	41.79
Post Graduate	232	34.63
Others	123	18.35
Total	670	100

Source: Primary data

Table 1: Shows highest 41.79 % of respondents belongs to Degree qualification, 34.63 % of respondents belongs to Post graduation qualification, 18.35% of respondents belongs to others (Diploma and other certificate Programmes) qualification and whereas the lowest percentage of respondents belongs to Matriculation and higher secondary qualification.

**Table 2:** Occupation of Respondents taken for survey

Occupation	No of Respondents	Percent
Student	10	1.49
Salaried	252	37.61
Business	208	31.04
Consultant	187	27.91
Others	13	1.95
Total	670	100

Source: Primary data

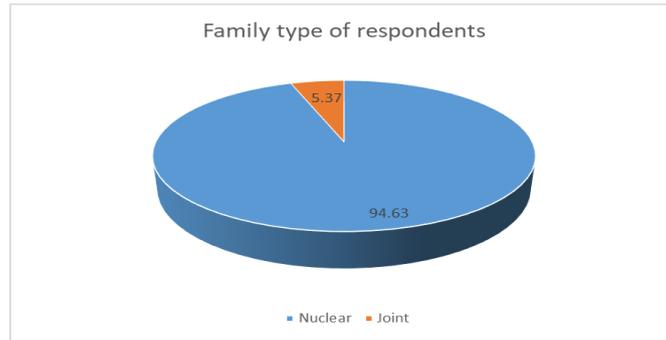
Table 2: Shows highest 37.61 % of respondents belongs to salaried group, 31.04 % of respondents belongs to business group, 30.15 % of respondents belongs to consultant occupation group and whereas lowest percentage of respondents belongs to student and others like program anchors, and entertainment field.

**Table 3:** Income of Respondents taken for survey

Income	No of Respondents	Percent
No Income	10	1.49
Less than 2.5 Lakhs	15	2.24
2.5 Lakhs- 5.0 Lakhs	160	23.88
5.0 Lakhs -7.5 Lakhs	214	31.94
7.5 Lakhs -10.0 lakhs	226	33.73
More than 10 Lakhs	45	6.72
Total	670	100

Source: Primary data

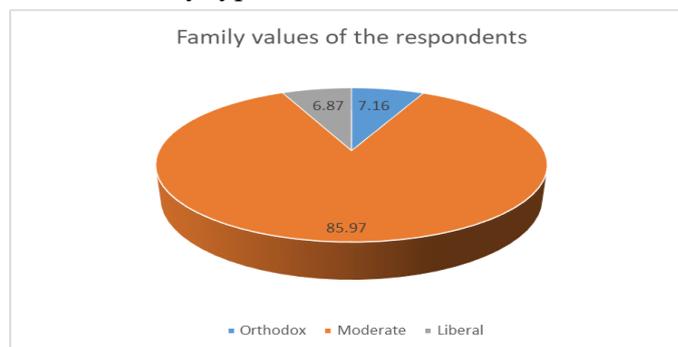
Table 3: shows highest 33,.73 % of respondents belongs to income in between Rs.7.5 Lakhs - Rs. 10.0 lakhs, 31.94% of respondents belongs to Income in between Rs.5 Lakhs to Rs. 7.5 Lakhs, 23.88% of respondents belongs to Income in between Rs.2.5 Lakhs to Rs. 5 Lakhs, and whereas the lowest percentage belongs to Income groups like No income, less than Rs. 2.5 Lakhs and more than Rs. 10.0 lakhs.



**Figure 4:** Family type of Respondents taken for survey

Source Primary data

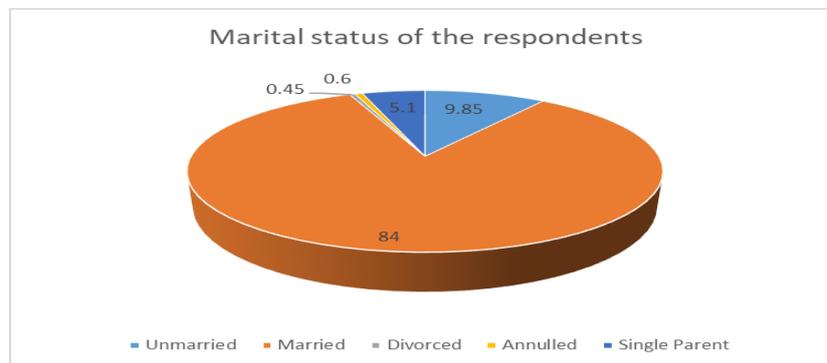
Figure 4: Shows 94.63 % of respondents belongs to nuclear family type and 5.37% of respondents belongs to Joint family type.



**Figure 5:** Family Values of Respondents taken for survey

Source Primary data

Figure 5: shows 85.97 % of respondents belongs to Moderate family values; 7.16 % of respondents belongs to orthodox family values whereas 6.87% respondents belongs to Liberal family values



**Figure 6:** Family Values of Respondents taken for survey

Source Primary data

Figure 6: shows 84 % of respondents belongs to Married group, 9.85 % of respondents belongs to Unmarried status whereas Lowest percentage of respondents belongs to Divorced, annulled and single parent status.

**Table 4: Organic Products preferences given by Respondents**

Grocery Items		Fruits and vegetables		Cosmetics		Dairy Products		Soaps and Detergents	
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
663	7	581	89	326	344	319	351	209	461

Source: Primary data

The following table -4 shows the different category of organic products preferences. Majority of the respondents Prefers Grocery and Fruits and vegetables.

**Table 5: Organic Products Importance given by respondents**

To improve immunity		Health aspects		Free of chemical Contents and adulteration		To fight against Pandemic and epidemic diseases		Free from side effects	
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
668	2	668	2	565	105	585	85	577	93

Source: Primary data

The following table -5 shows the Importance of organic products preferences. Majority of the respondents Prefers for all categories with respect health consciousness.

**Table 6: a and b: E-Wom Sources given by Respondents**

Face Book		WhatsApp		Telegram		Twitter	
YES	NO	YES	NO	YES	NO	YES	NO
659	11	656	14	538	132	453	217

Table-6a

Source: Primary data

Web sites of Organic products		Blogs		e-News Papers		e-Journals of Organic Products	
YES	NO	YES	NO	YES	NO	YES	NO
431	239	542	128	272	398	168	502

Table-6b

Source: Primary data

The following table -6a and 6b shows the sources of e-WOM for organic products information. Majority of the respondents mentioned WhatsApp, Telegram and Blogs.

To Study the influence of Electronic Word of Mouth has a significant Influence through Brand image and trust on purchasing decision on organic products for the study in Karnataka state the Statistical tool Regression Model is used.

**Y (Purchase Decision) = b1X1(Brand Image) +b2X2(Trust)+b3X3(Advertisements on Organic products) +error**

H1: Electronic Word of Mouth has a significant Influence through Brand image and trust on purchasing decisions

**Table 7: Regression Results**

<b>Regression Statistics</b>	
Multiple R	0.652754
R Square	0.426088
Adjusted R Square	0.423503
Standard Error	0.329348
Observations	670

Source: Primary data

Table 7: shows Regression Results, Multiple R shows that there is a high Positive Correlation Between the Purchase decision and e-WOM through Brand Image, Trust and Advertisements on organic products. R-Square value is shows 42.35% the variation in purchase decision can be explained by Brand image, Trust and Advertisements on organic products.

**Table 8a: ANOVA Test Results**

<b>ANOVA-TEST</b>					
	df	SS	MS	F	Significance F
Regression	3	53.63369	17.8779	164.819	0
Residual	666	72.24094	0.10847		
Total	669	125.8746			

Table-8a

Source: Primary data

Table-8a shows the ANOVA test results points out as a whole there is a statistical significance of e-WOM through Brand image and Trust on purchase decision of organic products conducted in Karnataka state.

**Table 8b: t-Test Results**

<b>Components of regression Model</b>	<b>Coefficients</b>	<b>Standard Error</b>	<b>t Stat</b>	<b>P-value</b>	<b>Lower 95%</b>	<b>Upper 95%</b>	<b>Lower 95.0%</b>	<b>Upper 95.0%</b>
Intercept	1.5669	0.8655	1.8103	0.0707	3.2663	0.1326	-3.2663	0.1326
Brand Image	1.2994	0.1262	10.3001	0	1.5471	1.0517	-1.5471	-1.0517
Trust	0.0009	0.0514	0.0173	0.9862	0.1017	0.1	-0.1017	0.1

Advertisements of organic products	2.502 2	0.1284	19.4 872	0	2.250 1	2.754 3	2.2501	2.7543
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Table-8b

Source: Primary data

Table-8b shows the t-test results shows that e-WOM through Brand Image and Advertisements of organic products shows statistical significance of purchase decision but trust does not show statistically significance due to personal choice in buying of organic products.

## CONCLUSIONS AND RECOMMENDATIONS

This study has successfully achieved the objectives to identify the relationship between e-WOM and customer purchasing Decision of organic products and investigate the influence of e-WOM through brand image and trust on customer purchase decision of organic product in Karnataka state. Among all the elements of e-WOM, accuracy has strongest relationship with purchase Decision and most influence on purchase Decision. In this Study e-WOM through Brand Image and Advertisements of organic products shows statistical significance of purchase decision but trust does not show statistically significance, however there is a statistical significance of e-WOM through Brand image and Trust on purchase decision of organic products conducted in Karnataka state.

Based on this result, it is important for marketers and promoters of the Organic products to focus on their customer e-WOM's accuracy, as the more accurate the message are, the more customer purchase Decision are influenced. They can set up a section on their website and social media with their previous customer testimonial about the product or services they bought, with some evidence such as a video or photo. This can boost up the future customer confidence about their product or services. Accuracy is the most important element of e-WOM's. So, the marketer has to be more sensitive on the e-WOM's accuracy issue, such as the false hoax separated by some irresponsible person to get their business down. The marketer must be aware of all that inaccurate e-WOM's as this situation will harm their business when the potential customers simply believe the false hoax is true. So, the marketer must able to handle this situation such as by doing conference and seminars to make the things clear and clarify the doubts of the customer to build trust on organic products purchase decision of customers in future.

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