

The Influence of Electronic Word of Mouth in Social Media on Generation Z' Purchase Intentions: A Review

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Abstract

The advances of information technology and the emergence of online social media platforms have changed the way information is transmitted and have transcended the traditional limitations of WOM by bringing a new perspective for eWOM. Electronic word of mouth (eWOM) can reach a multitude of people at the same time and by that fact it shows its greater potential of becoming viral among a most global and multicultural generation – Z. Generation Z is born in the digital era. They are technologically native and the way they process information is different from other generations. Moreover, by 2019 Generation Z will account 31.5 percent of the whole world population. Therefore, it is crucial to understand the importance of Electronic Word of Mouth in Social Media on Generation Z' Purchase Intentions for any organization who is willing to succeed in the long run. This paper presents a preliminary review on the Influence of Electronic Word of Mouth in Social media on Generation Z purchase intentions. The purpose of this paper is to identify the research gap in the body of knowledge in context with electronic word of mouth (eWOM) influence in social media on Generation Z. Followed by developing research questions and research objectives.

Keywords

Electronic word of mouth (eWOM), social media, purchase intention, Generation Z

Introduction

Everyday consumers are exposed to a vast amount of advertisement through the mass media channels. Hereby, this has given to consumers more options to choose from as well as more information about products and services. As a results now consumers have a hard time making a purchase decision. Therefore, this led consumers to exchange their opinion about products and services which is known as word of mouth (WOM) (Arndt, 1967). Previous studies have discovered that WOM conversation is more influential on consumers and more reliable than the traditional form of media (Huete-Alcocer, 2017).

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Word of mouth has been around for a long time, but with the advent of the Internet era, it has been changed significantly. Before the Internet era has stepped, word of mouth took place either in conversations in the form of face to face or through cell phone (Tavukçuoğlu, 2018). Nowadays, consumers got a chance to exchange their opinions and experiences with millions of people through internet. These online conversations regarding brands, products and services have been called electronic word of mouth (eWOM) (Huete-Alcocer, 2017). Before the social media era started word of mouth conversations were spread through discussion forums, consumer review sites, blogs and online shopping websites (Haibin, 2018).

According to Kaplan, 2015 social media has been defined as a group of applications on the internet that allows for creating and exchanging user-generated content. In social media, users can create their content and share such as pictures and videos. This content can be either personal or about brand-related products and services (Dessart, Veloutsou, & Morgan-Thomas, 2015). Recent studies have discovered that consumers tend to use social media to obtain information about brands and products and services (Ismail, 2017; Erkan & Evans, 2018). Social media platforms have brought a new prospect to electronic word of mouth. Moreover, social media platforms enable a user to communicate with their existing network of followers and friends about their opinions and experiences. According to global digital report 2019, there are 3.48 billion active social media users (We Are Social, 2019). As a result of an increasing number of users, many brands also have started to engage with consumers through social media using their official brand name as it has created an opportunity to interact with current and potential consumers (Venkatesan, 2017). As a result of this, consumers and brands are using social media platforms and this way of advertisement has created a new era in electronic word of mouth.

The term Generation Z applies to individuals born after the generation of the millennials. They are born between 1995 to 2010 (Mohr & Mohr, 2017). According to an article published by Bloomberg, Generation Z will account for 32 percent of the global population in 2019. One of the most significant characteristics of Generation Z is that they are born digital natives. It means that they are surrounded by word of technology since their first day (Silvia, 2016). Furthermore, Generation Z is the most global and multicultural generation, because they are born in an era where internationalism, gender equality, and climate change awareness are taken seriously. Therefore, caring for the greater good, social responsibility and social advocacy plays a very important role in the behaviour of Generation Z (Bergh & Behrer, 2016). They are also more aware of global issues than all previous Generation Z. Hence, the way they live, socialize, process information and make decisions are completely different from any other generations (Miller J. , 2018).

Researchers are just starting to analyse the youngest generation of consumers. Understanding Generation Z is crucial as they are different from other generations in terms of personality traits as well as their consumer behaviour (Silvia, 2016).

Current Gaps in Research

Consumers are exposed to a vast amount of information on social media as well as online. Hence, the created situation makes it difficult to anticipate that electronic word of mouth information being influential to consumers. Determinates of eWOM between social media and consumer purchase intentions have not been yet explained even though some previous studies have discovered that impact of word of mouth on social media (Erkan & Evans, Social media or shopping websites? The influence of eWOM on consumers' online purchase intentions, 2018). Furthermore, according to Tien, Rivas, & Liao, the linkage between customer adoption of eWOM in social media and purchase intentions remain unclear as there are limited empirical finding (Tien, Rivas, & Liao, 2018). Previous eWOM studies have been conducted on general consumers, but not on a specific age group or generation (Ismail, 2017, Tien, Rivas, & Liao, 2018, Erkan & Evans, 2018). Therefore, this research will be focused on a specific generation called generation Z. The following question was addressed as the first research question of this study:

RQ1. What are the determinants of eWOM information on social media which influence Generation Z' purchase intentions?

Even though separate studies have been conducted to find out the impact of electronic word of mouth in social media (Rosario, Sotgiu, De Valck, & Bijmolt, 2016, Erkan & Evans, 2016). Additionally, eWOM influence on an online platform such as review sites and shopping websites compared to social media has been studied previously in terms of eWOM between familiar people such as friends family and acquaintances on social media or eWOM between anonymous people on other online platforms more influential on consumers' purchase intentions (Erkan & Evans, Social media or shopping websites? The influence of eWOM on consumers' online purchase intentions, 2018). However, in this study will be focused on either eWOM familiar people on social media or anonymous people in social media influence Generation Z purchase intention. Furthermore, most studies focused on social media as a whole (Soyoung, Martinez, McClure, & Soo Hyun, 2016) (Tien, Rivas, & Liao, 2018). This means that the influence of individual or different social media platforms on eWOM was not tested. Besides, studies were conducted on the general consumer, not on context with a particular generation such as Generation Z. Hence, this study has considered these following questions important, due to the lack of research and uncertainty in the existing literature.

RQ2. eWOM between familiar people on social media or anonymous people on social media influence Generation Z purchase intention?

RQ3. eWOM between which social media platform influent most on Generation Z purchase intentions?

The Aims and Objectives

This research paper aims to study the determinants of electronic word of mouth on social media which influence generation Z purchase intentions. Furthermore, to investigate whether Generation Z purchase intentions are influenced by familiar people on social media or anonymous people on social media.

Firstly, the main objectives of this research are to review current literature based on electronic word of mouth on social media and the influence of eWOM on purchase intentions. Secondly, is to develop a model based on existing literature to clarify factors of eWOM on social media which influence Generation Z purchase intentions. Furthermore, to investigate whether eWOM between familiar people or anonymous people on social media influence Generation Z purchase intentions. After a model is created the relationships hypothesized will be empirically assessed to answer the research question and results and findings will be discussed and positioned within the existing literature. Lastly, theoretical contributions and managerial implications will be drawn for researchers and practitioners in terms of the influence of electronic word of mouth in social media on generation Z purchase intentions. As the research will enable researchers to deep dive into Generation Z behaviour and purchase intentions. For the predictionaries and industry leader, this research will contribute as a way to understand Generation Z and their behaviour so that they will know how to target and capture this particular Generation.

Direction of Further Study

Further study is to develop a conceptual model and conduct a pilot study to test the applicability of the conceptual model. Then conduct the main survey to collect data and adopting the analytical and quantitative approach to validate the competing factors. More specifically this study aims to investigate influence of electronic word of mouth in social media on Generation Z purchase intentions by answering the 3 main research questions. First research question will be analysed using a contextual study. Research question two and three will be examined using a comparative study. Data will be analysed and results will be discussed in line with existing literature. A strategy will be developed based on the results to target generation Z purchase intentions. Followed by recommendation and conclusion.

Conclusions

Generation Z social media goes hand in hand. This young generation cannot be kept away from social media. Hence it has become a better platform to approach this generation. Understanding this generation is particularly important as they are the ones that going to be future consumers. Generation Z are tech savvy. Most of this generation now is approaching adulthood. Their daily lives are shaped by the digital age. Brands and organizations are struggling to understand this particular generation. Hence, it is important to research about this particular generation as it will enable to understand them better. This research will help to understand them better in terms of their purchase behaviour and purchase intentions as well as their social media behaviour.

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