

**NEAR EAST UNIVERSITY  
GRADUATE SCHOOL OF SOCIAL SCIENCES  
DEPARTMENT OF MARKETING  
MASTER'S PROGRAMME**

**MASTER'S THESIS**

**THE IMPACT OF WORD OF MOUTH ON ONLINE  
PURCHASING DECISIONS IN ERBIL: AN ANALYSIS OF  
BOMBEENE INTERNATIONAL'S ONLINE SHOPPING  
USERS.**

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**NICOSIA**

**2016**

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**2016**

## DECLARATION

I hereby declare that:

This master thesis is the final product of my own work and has not been submitted before for any degree, examination or any related qualifications at any university or institution and ALL the sources I have used or quoted , have received due acknowledgments as complete references.

Name; Surname

Hayman Zakhoy

Signature.....

Date.....

## **DEDICATION**

I proudly dedicate this thesis to my family. They are my rock, joy, support, advisors, critics, mentors. Their love for me is unconditional and through thick and thin they have stood by me and pushed me forward to continue thriving in my academic endeavor. Heartfelt appreciation also goes to Sardar Slevanay and my brothers Homan and Ayman Zakhoy who have always taught me to never give up and continue in this long journey. Thank you.

## ACKNOWLEDGMENTS

To my supervisor Prof. Dr. Erdal Yavuz, your guidance and motivation throughout this thesis has meant a great deal to me. I appreciate the value and immense guidance that has been shared to me by my father and mother, and for that I will forever be grateful. May you continue to do for others as you have done unto me. To the Near East University Staff, thank you for assisting me throughout my academic life and for equipping me with all the necessary skills and resources required to complete my studies. Special thanks goes to my co-advisor, Assist. Prof. Dr. Ahmet Ertugan and the marketing department whose valuable support has propelled me to this profound stage.

To my colleagues, I appreciate all efforts to help get through and your contributions and assistance was most helpful. I am very grateful to my wife who encouraged me to thrive on.

## **ABSTRACT**

The study examined the impact of word of mouth on online purchasing decisions in Erbil: an analysis of Bombeene International's online shopping users. A total of 350 questionnaires were distributed to Erbil consumers who make use of Bombeene International to make online purchases. Descriptive statistics, independent t-test and Cronbach's alpha and correlation coefficient test were employed to analyse the impact of eWOM on online consumer purchasing decisions. The results of the study was based on the developed conceptual framework outlining the importance of message sources, message content and eWOM networks. The results of the study showed that positive improvements in message sources, message content and eWOM networks have positive effects on online consumer purchasing decisions. teWOM network was observed not be correlated with online purchasing decisions.

**Key words:** eWOM, eWOM, Consumer purchasing decisions, Message content, Message sources, eWOM network

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## **LIST OF ABBREVIATIONS**

- ELM:** The Elaboration Likelihood Model
- eWOM:** Electronic Word of Mouth
- ICT:** Information Communication Technology
- IIG:** Invest In Group
- IREX:** International Research and Exchanges
- KRG:** Kurdistan Region of Iraq
- WOM:** Word of Mouth

## CHAPTER ONE

### 1.1 Introduction

Online purchasing has greatly evolved and is now prevalent in most countries such as Kurdistan Region of Iraq. This has seen a number of online shopping companies emerging on the scene and these include Bombeene International which became a famous online shopping site, Mandalawi Online Shopping, Kurdistan Shop, Erbil.com, Erbillifestyle.com, Kurdshopping.com etc.

Bombeene is Kurdistan's largest online shopping service provider. According to a review by Erbil Companies; Bombeene allows consumers in Iraq to buy goods from U.S. and all over the world retailers. We then ship the goods to their home or business using our global shipping partners. Using Bombeene.com package consolidation and international shipping services lets them buy just as if they were on a shopping trip to the United States and any area in the world (Erbil Companies, 20 October 2015).

Information communication technology has allowed people access to international markets and such access is surrounded by word-of-mouth information. eWOM has therefore caused patterns in consumer purchasing decisions. In addition, the development of information communication technology systems has allowed people to access information from anywhere. This has significantly affected the nature and impact of eWOM on online purchasing decisions. Word of mouth means the informal exchange of information among consumers regarding specific product, service or vendor of the properties (Zhenquan, 2015). This has aided consumers to share experiences and opinions about using goods and services online. As such, do provide significant comments about companies notably Bombeene to examine their service quality. Erbil Companies, for example, is one of them.

There is therefore a need to understand how eWOM affects consumer behavior, that is, thoughts, feelings, plans and several buying decisions (Haghshenas et al, 2013). An understanding that consumer behavior is different in terms of time and complexity helps to explain how online shopping trends have changed dramatically over the past five years.

Thus in a region (Kurdistan Region) where Internet usage is still growing, there is greater need to study how eWOM impacts online purchasing decisions. This study therefore seeks to analyse the impacts of eWOM on online purchasing decisions.

## **1.2 Problem statement**

The growth of Bombeene International Online shopping company in the online market is strongly believed to have been spurred by eWOM. This is in line with a study done by Murray (1991) which showed that positive eWOM results in a formation of positive attitudes, reduction of risk associated with buying decision. However, the effectiveness of eWOM depends on credibility of information and experience of the source pertaining the product or service (Park et al, 2011). This entails that the effectiveness of eWOM on customers' online purchasing decisions on Bombeene is effective when the source of eWOM can release credible information and demonstrate concrete evidenced of use of Bombeene. This is also supported by issues such as trust. Despite the growth in Internet crimes and other cybercrimes, Bombeene has continued to witness an increase in the number of users. This contradicts with the notion postulated by Zhenguan (2015) who contends that there is no quality guarantee after the purchase has been made. This is further supported by Still (1984) who strongly believe that eWOM is effective when perceived risk is low. This has been no consensus as to the exact influence or impact of eWOM on purchasing decisions. Moreover, online purchasing is still evolving and this always leaves a study a gap. This study therefore seeks to analyze the impacts of eWOM of online purchasing decisions.

## **1.3 Research objectives**

- The main objective of this study is to determine the impacts of eWOM on online purchasing decisions. Other objectives are given as follows;
- To determine how the impacts of eWOM on online purchasing decisions affect in-store purchasing decisions.
- To analyze how message content significantly influences the effectiveness of eWOM on online purchasing decisions.

#### **1.4 Research questions**

- What are the impacts of eWOM on online purchasing decisions?
- How does the impacts of eWOM on online purchasing decisions affect in-store purchasing decisions?
- How does message content significantly influence the effectiveness of eWOM on online purchasing decisions?

#### **1.5 Hypothesis**

The following hypothesis will be tested;

**H<sub>0</sub>**: eWOM has no correlation with online consumer purchasing decisions.

**H<sub>1</sub>**: eWOM has a correlation with online consumer purchasing decisions.

**H<sub>0</sub>**: Message content has no correlation with online consumer purchasing decisions.

**H<sub>1</sub>**: Message content has a correlation with online consumer purchasing decisions.

**H<sub>0</sub>**: Message sources has no correlation with online consumer purchasing decisions.

**H<sub>1</sub>**: Message sources has a correlation with online consumer purchasing decisions.

#### **1.6 Methodology**

The study will be based on online shopping consumers who have made use of Bombeene online shopping and thus a total of 350 questionnaires will be randomly given out to Bombeene online shopping users in Erbil. Statistical approaches such as the Likert scale will be used to measure respondent's opinions. The data will however be analyzed using descriptive statistics, correlation coefficient test, independent t-tests and reliability test so as to answer the research questions.

#### **1.7 Importance of the study**

This study is of significant importance because numerous studies have focused on European and American continents where online purchasing activities have dramatically progressed. Such studies if applied to Middle East nations such as Kurdistan region, may



fail to provide concrete explanations of the impacts of eWOM on online purchasing decisions. Thus this study will be one of the few that adds to the available spheres of knowledge in the area of consumer behavior and particular to the Middle East region. In addition, online activities are still evolving and Kurdistan Region still remains “an infant to online purchasing systems”. This leaves a study gap and thus there is greater need to continually add to the few available consumer behavior sources of knowledge that relate to the Kurdistan region.

### **1.8 Justification of the study**

This study is carried out in partial fulfillment of the requirements of MSc Marketing at Near East University. This thesis will confer significant value to the following stakeholders;

- **Bombeene International**

It must be noted that the ability of this study to solve the problem at hand and going the extra mile to identify deeper and hidden opportunities and problems will greatly improve Bombeene International’s performance. This study will thus provide information that will allow Bombeene International to understand the behaviour of its market and the factors that cause consumers to change their behaviour towards Bombeene or away to other suppliers as well as change their levels of purchases.

- **The researcher**

This study will heighten the researcher’s ability to understand problems and identify issues behind it. It also helps the researcher in analyzing situation and deducing the appropriate solutions.

- **Near East University**

This study will be of significant benefit to other fellow students at Near East University as it will be a source of reference for word of mouth and marketing related issues.

## **1.9 Organization of the study**

This study is organized into six chapters. Chapter one introduces the study by looking at the problem and its setting while chapter two lays down the theoretical and empirical frameworks that help explain the impact of word of mouth on consumers' online purchasing decisions. A brief overview of Bombeene International is given in chapter three. Research methodology is outlined in chapter four. Chapter five deals with the analysis and presentation of data and chapter six concludes this study by looking at recommendations and suggestions for future studies.

## **CHAPTER TWO**

### **THEORETICAL AND EMPIRICAL LITERATURE REVIEW**

#### **2.1 Theoretical Literature Review**

This chapter seeks to employ both theoretical and empirical frameworks and concepts that related to eWOM and online purchasing decisions as a prior base of understanding. This will aid in the ability to analyse the impacts of eWOM on consumer purchasing decisions.

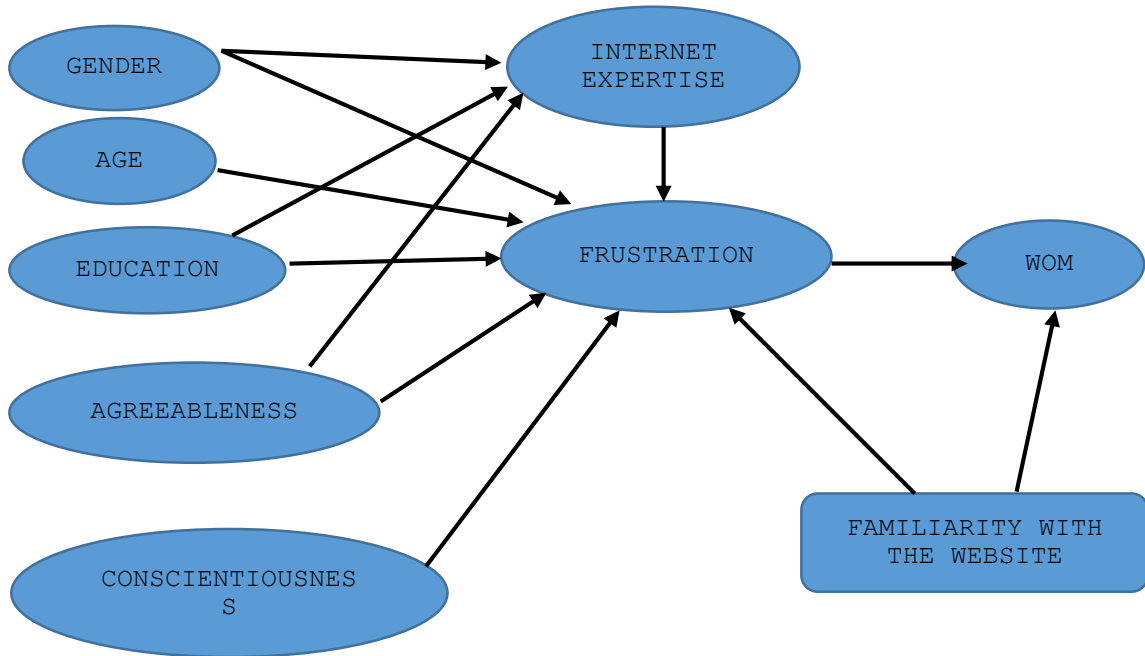
##### **2.1.1 Cognitive Appraisal Approach**

Cognitive Appraisal Approach is an approach that seeks to analyse how technological, social, economic, political and religious issues affect consumers' emotions. Nyer (1997) analysed how the usage of computers influenced people's emotions. This theory can be applied to aid the analysis of the impacts of eWOM on consumers' purchasing decisions because it outlines how consumer emotions such as frustrations will affect the use of eWOM.

This approach assumes that though situations may differ, they may provoke the same emotions and what differs is the way individuals will choose to react. This is based on the idea that individuals can show negative reactions to the same situation. It was established that what causes differences in individual reactions is differences in individual characteristics (Roseman, 2001). This greatly applies in post purchase behaviour especially when the consumer is dissatisfied about the purchased product. This can trigger the consumer to actively seek eWOM information as warn other potential consumers about the inherent dissatisfaction obtained from using that product. This has significant reference to online products which have been greatly critiqued on the basis of quality and fraud.

Roman (2014) applied the cognitive appraisal approach to online shopping and drew from it that bad emotions will cause customers to negatively evaluate their shopping experience. It was further established that these negative emotions are as a result of inability to find required product related information, long processes involved in the experience etc. Roman (2014) developed a model which attempted to explain how demographic characteristics such as age, gender, education, agreeableness and conscientiousness affect a consumer's ability to use the Internet and consequently leading to frustration which also affects the usage of eWOM. This model can be expressed diagrammatically as follows;

**Fig 2.1: The Cognitive Approach Research Model**



Source: Roman (2014)

This model shows that customers' knowledge and expertise in the use of Internet technology affects their confidence and hence their ability to use it. This has an important on online eWOM and online purchases. For example, inability to use certain Internet technology can limit the use and access of eWOM and even prevent customers from making online purchases. Thus experience and expertise in the use of Internet technology

helps to overcome difficulties and risks inherent in the use of Internet technology thereby improving customer confidence.

### **2.1.2 The Elaboration Likelihood Model (ELM)**

According to Fan and Miao (2012) the Elaboration Likelihood Model is a model that the ability of people to use central concepts depends on their ability and willingness to process persuasive information. Thus persuasive information is said to trigger individuals' thoughts.

The ELM is based on expertise, involvement and willingness to process information. In this regard, expertise refers to an inbuilt and acquired ability to acquire, process information and respond in the best possible manner. On the other hand, involvement can be said to be a force that stimulates the willingness to process information. Fan and Miao (2012) further posit that the ELM is built on the principles of credibility, acceptance and intent to purchase and these are explained below as follows;

**Credibility:** This concept is based on trust and asserts that the more people trust the communication channel or the provider of a product, the more credible the eWOM is assumed to be. Credibility entails that the recommendations made, product information, and reviews are reliable and one can actually believe them. It was revealed in a study by Fan and Miao (2012) that there is a negative relationship between eWOM and customer expertise. The study concludes by acknowledging that such a negative relationship is caused by customers' ability to process and information on their own based on their expertise (Park and Kim, 2008). On the contrary, it was found that the more credible the eWOM the more favourable consumers' decisions will be about buying products using a given channel.

**Acceptance:** Acceptance is a response to an evaluation exercise. When consumers have verified the credibility of the information and are satisfied with it, they will acceptance the eWOM (Wathen and Burkell 2002). This also means that more consumers will make use of the eWOM to execute their purchasing decisions and ability. It can therefore be concluded that the greater the level of acceptance of the eWOM the more customers will regard the eWOM to be credible.

**Intent to purchase:** The intent to purchase revolves around credibility and acceptance. Once customers have verified the credibility of the eWOM they then proceed to acceptance the eWOM and this is evidenced by a purchasing decision. This is known as involvement.

### **2.1.3 Attitude theory**

The attitude theory assumes that there is a difference between the attitudes the consumer has when he initially sees the product and the attitude he has when he purchases the product. Thus according to this theory, corporate image is often a reflection of consumers' attitudes. This also encompasses service quality (Aydin and Ozer, 2005). This notion was reinforced by Griffin and Babin (2009) who found that higher service quality is positively affects corporate image. It is a response from corporate image that consumers can determine if they should buy or continue buying the same product.

### **2.2 Word-of-Mouth (WOM)**

Walsh and Gremler (2004) defined word-of-mouth as a process that allows people to share news and opinion about products, services and brands while Heriyati and Siek (2011) viewed WOM as a way that allows consumers to inform others about their gained experience which might be satisfaction or displeasure from the use of the products or services. From this definition it can be noted that WOM has an important bearing to a marketer and must therefore not be taken for granted. This emanates from the fact that WOM affects consumers' decisions to buy a product. This idea is supported by Heriyati and Siek (2011) who established in their study that WOM has a significant bearing on teenagers and new generation consumers' decisions to buy a product. However, they further revealed that consumer' buying behaviour to acquire a product was not significantly influenced by information received through WOM. This can be said to be true especially in cases when consumers are indifferent about certain choices of goods and services. This is because there is always uncertainty before the actual experience.

WOM can pose significant threats to companies especially when negative information has been passed on compared to a case were positive information has been passed on. This is reinforced by Williams and Buttle (2011) who assert that negative information passed

through WOM has negative consequences on the effectiveness of companies. WOM is said to play an important role when consumers are in the middle of making a decision about whether to buy a product or not. The effects of WOM also extend to affect brand loyalty and this usually occurs when consumers are deciding whether they should buy the same product from the same provider again. On the other hand, WOM has changed the landscape of information availability as it impacts consumers' perception about the firm's goods and services and hence affecting the firm's volume sales.

### **2.2.1 Electronic Word-of-Mouth (eWOM)**

Electronic Word-of-Mouth (eWOM) is a communication channel designed by both end users of goods and services and product experts through which both negative and positive information is sent (Henni-Thurau et al, 2004). The origins of eWOM can be traced from the development of Internet technology. Internet technology has spurred both the development and prevalence of eWOM and this has seen the number of Internet users rising sharply. Hence as a result the number of consumers sending and receiving information through eWOM has risen sharply. A lot of consumer opinions about purchased goods and services are now being shared through eWOM. A major contributor to eWOM is web 2.0 and this resulted in a lot of information in the form of opinions and ideas being exchanged through social media platforms such as review websites, chat board, blogs etc. Thus Lerrthairakul and Panjakajornsak (2014) asserts that technological advances in the Internet have caused a major shift of WOM to eWOM.

### **2.2.2 Channels of eWOM**

There are different channels that eWOM can take and these channels are a way for consumers to pass comments, suggestions, ideas or opinions about certain products to either other consumers or providers. These channels can be in the form of social network site such as Twitter, a review websites such as Amazon customer review ([www.amazon.com/gp/help/customer/display](http://www.amazon.com/gp/help/customer/display).), or webpage such as Trip Advisor.com. The increase in eWOM can be attributed to technological advances in Web 2.0 (Cheung and Thandani, 2012). This has led to a shift of power from providers of goods and services to customers who can now influence other customers through suggestions and opinions via social networks, chat boards, blogs and chat rooms. Thus channels of eWOM have a

significant effect on online sales. Lerrhathaitrakul and Panajakajornsak (2014) outlined that there are three channels that eWOM may take and these are;

1. One-to-one channel which refers to information sent from one individual to another and examples include text messages and emails.
2. One-to-many channel is when information is sent by one person by is obtained by other people and examples include suggestions or opinions made on a website such as customer reviews.
3. Many-to-many channel represent information sent form one group to other people and includes online and virtual communities, google groups etc.

### **2.3 Online opinion and purchases**

Technological advances has greatly widened the number of sources of information and this has significantly taken a toll especially in social media where suggestions and recommendations are being made before one purchases a certain product. In a study done by Park et al (2011) it was revealed that online opinion was greatly influencing purchases as consumer reviews about products was increasing to become a prime source of information. This further showed that both written negative and positive reviews determined initial purchase and repurchase of products by consumers. This was reinforced by Cheung et al (2009) who contended that consumers tend to act by following other customers' advice obtained from online reviews. Moreover, other studies have pointed to the same notion and argued that consumers preferred to believe more about negative reviews or opinions about products compared to positive information shared about the products Lee and Koo (2012). Park et al (2008) assert that negative information sent through eWOM be it in the form of opinion or any suggestions had a huge effect on consumers' purchasing behaviour. Negative opinions can be said to reduce uncertainty in consumers' ability to make decisions and their expectations.

### **2.4 Factors influencing online purchasing decisions**

There is a big difference between the decision to buy online and the decision to buy traditionally using shops Lee and Koo (2012). As a result, each decision making process is subject to different factors. For instance, when the consumer is uncertain about certain



product features he might search for information using eWOM unlike in traditional shopping where the consumer can just go straight into the shop and window shop. Before information is sent or searched for, there are factors that determine such actions and these factors are hereby given below;

#### **2.4.1 Product involvement**

Product involvement refers to how important the product is in meeting consumers' needs and wants and the level of relevance it has on consumer satisfaction. Thus the degree of satisfaction, value and relevance will prompt consumer to actively seek eWOM information. Product involvement is also associated with how simple it is to buy the product (Ziachkowsky, 1985). When it is complicated to buy a product, product involvement tends to be high and as a result consumers will actively seek eWOM information. Product involvement thus has indirect consequences on consumers' purchasing decisions.

#### **2.4.2 Perceived risk**

There is always a risk when consumers do not have physical access to the product before a purchase decision is made especially when one wants to make an online purchase. Online shopping has been criticized on such basis were quality guarantee is not available soon after a purchase has been made. It has also been associated with a lot of fraudulent activities. As a result, people tend to aggressively look for eWOM information. eWOM information thus plays a significant role of reducing risk associated with online purchasing activities (Murray, 1991). More evidenced also showed that the impact of eWOM on consumers' purchasing decisions is very low when the associated risk is low (Still, 1984).

#### **2.4.3 Social responsibility**

They are a lot of people who might just choose to convey eWOM information for social reasons even if they stand to obtain nothing from it. Results obtained by Lutterman(1968) also showed that eWOM social responsibility in results from customer dissatisfaction from an acquired product or service. It is dissatisfaction that causes consumers to actively seek eWOM and pass it to other consumers so as to help others from falling prey to bad experiences. eWOM passed for social responsibility reasons is considered to be the most

risky eWOM on consumer buying behaviour. Thus it can be said that when there is no social responsibility, there is no need to search for eWOM information.

#### **2.4.4 Actively seeking eWOM**

This is when information is actively sought through eWOM. A study by Zhenquan (2015) revealed that the greater the extent to which customers actively seek eWOM from senders of eWOM, the greater the impact of the eWOM on the decision making process. Thus eWOM can have significant consequences when consumers actively seek eWOM from senders as the eWOM sender can effectively influence their purchasing decisions.

### **2.5 Diffusion innovation and online purchases**

Diffusion innovation is the process by which innovation spreads from one channel to the other within a social system over a given period of time (Rogers, 1995). Andrews (2004) identified four key factors of diffusion innovation and these are;

- Innovation.
- The communication sources.
- Social system.
- Time.

Diffusion innovation is based on the belief that communication sources are an important tool that consumers use when making decisions. Such communication sources include agents, friends and family, media etc. The importance of these communication channels was emphasized by Lee et al (2002) when he mentioned that the decision to employ innovation lies in the level of perceived economic and social risk. When both economic and social risks undermine the performance or the value of benefits to be obtained, consumers' perceptions will change as a result of the associated uncertainty.

It can be deduced from diffusion innovation that the decision to use eWOM on whether to buy online is as a resultant attitude that stems from the evaluation of both negative and positive information contained in the eWOM. eWOM in this case is regarded as a source of information that customers use in order to make decisions. Further, there is a belief that diffusion innovation causes customers to imitate the behaviour of others customers' who

have used the eWOM information. Diffusion innovation is of significant value because it shows that consumers are will place much emphasis on avoiding risk especially with online purchasing. One of the greatest risk of online purchasing is risk of fraud when and after conducting transactions. However, firms selling products online have improved security features when one executes transactions on their website and this includes secure payment methods, privacy protection, change in policy statements to boost consumer trust etc.

## **2.6 Buying behaviour**

In marketing, consumer buying behaviour can be defined as the behaviour that surrounds end users of a particular product. Consumer buying behaviour is therefore a decision making process that seeks to understand the reasons why consumers make certain purchase decisions and the factors that influence such decisions in a society with ever changing factors. Rani (2014) asserts that consumer buying behaviour is influenced by;

- Psychological.
- Social.
- Cultural.
- Personal factors.

Rani (2014) however argues that consumers will undergo a certain decision making process before buying a product. Thus according to Rani (2014) the decision making process is divided into five stages and these are;

- Stage 1: Problem recognition.
- Stage 2: Information search.
- Stage 3: Evaluation of alternatives.
- Stage 4: Purchase decision.
- Stage 5: Post purchase decision.

Rani (2014) five-stages of buying behaviour are important because they help one to understand consumers' buying behaviour. Moreover, they incorporate post purchase decision which determines whether a customer will continue buying the same product. However, it implies that customers must necessarily go through those stages before they make a purchase decision and thus neglecting that the type of decision to be made will

also determine the stages of buying behaviour the customer will go through before he makes a decision to purchase the product. This also implies that it does not consider the effects of impulse behaviour.

## **2.7 Buying decisions and online purchases**

Consumer behaviour is a universal concept which has a wide scope of applicability. One of the areas where consumer behaviour plays a significant role is online purchasing. Consumer behaviour determines why consumers buy or do not buy certain products and the means of purchase. Haghshenas et al (2013) outlined that the ability to buy a product hinges on the decision made by the consumer. This entails that the decision to buy is determined by factors such as product consistency with consumer expectations, price affordability, quality and problem free products, and the promotional aspect of the company selling the products.

On the other hand, the decision to purchase a product online can also be determined by controllable and uncontrollable factors. However, whether this factors are controllable and uncontrollable, it must be noted that consumer behaviour varies from one consumer to the other. Moreover, the decision to buy also lies with the nature of the decision to be made. Thus if the decision to buy online varies, then the amount, quantity and time of online purchases will also vary. Buying decisions can vary from time to time, place to place and consumer to consumer. Such decisions are;

### **2.7.1 Regular decision making**

These are decisions that are made on a regular basis and are determined by issues such as behaviour and habits. Regular decision making is easy and does not require huge amount of eWOM information (Haghshenas et al, 2013). The impacts of eWOM information tends to be low in regular decision making and hence its impact on consumers' decisions to buy certain products is also low.

### **2.7.2 Complicated decision**

Haghshenas et al (2013) assert that these are kind of decisions that are made in order to solve a complicated problems. Complicated decisions are associated with high risk and

consumers will actively search for a lot of eWOM information. Consumers are said to pay a lot of attention to complicated decisions. It can therefore be established that the more complicated the decisions are, the more information is sought. Complicated decisions pose a serious effect on purchasing decisions when the consumer obtains negative information about the firm's products.

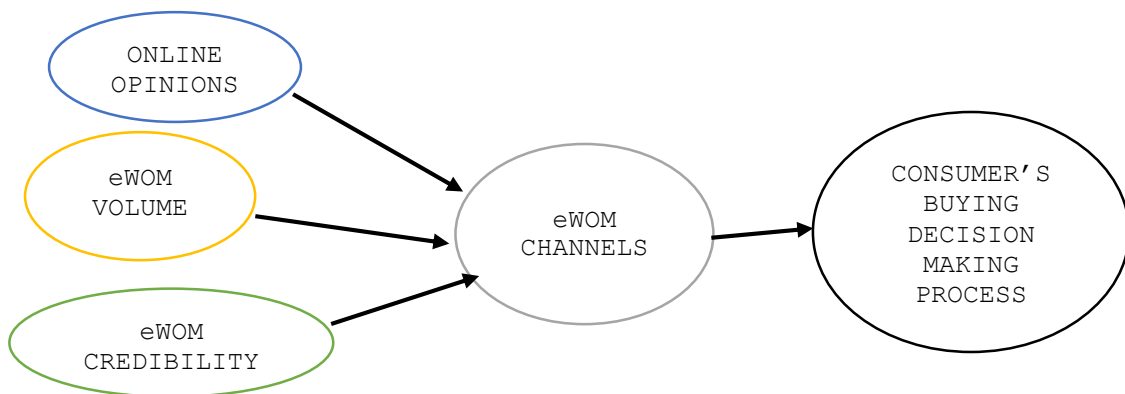
### 2.7.3 Limited decision

The decision making process is easy and hence the scope of it will be limited. Haghshenas et al (2013) highlighted that when the nature of the decision is limited, consumers have limited incentives to search for information. Limited decisions are not complicated. When the decision to buy online is limited, consumers will not actively seek eWOM information. Hence eWOM information can be said to be significantly ineffective when limited decisions are involved. Limited decisions have no significant effect on online purchasing decisions.

Haghshenas et al (2013) further pointed out that whether consumers are forced to make a decision under these three types of decisions, they will consider the following factors;

- Amount of data collected data.
- Available options.
- Time.
- Involvement rate in purchasing the product.

**Fig 2.2: Consumers' buying decision making process**



Source: Lerrhathairakul and Panajakajornsak (2014)

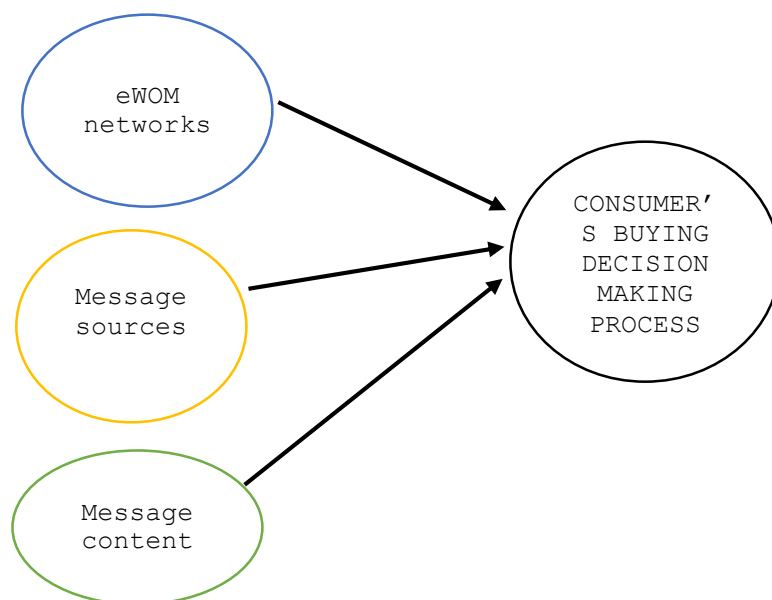
Fig 2.2 illustrates that the type of eWOM channel that will be used in making a purchasing decision is determined by online opinions, eWOM volume and credibility. If these three factors have a negative influence on a particular eWOM channel, customers will switch to another credible and low volume channel of positive opinion.

## 2.8 Conceptual framework

In study that was conducted by Alman (2013) it was revealed that eWOM has a significant impact on consumers' purchasing decisions. Though it highlighted the individual elements that affect consumers' purchasing decisions, it was identified that elements such as relying on Internet sources for information, the source, type and quality of information can be categorized into eWOM network, message sources and message content. Elements such as product involvement, perceived risk, social responsibility and the willingness to actively seek eWOM can thus be said to hinge on network, message sources and message content.

This study therefore endeavor to establish how network, message sources and message content affect factors that influence consumers decisions leading to a certain buying behaviour. It is in this regard that the following conceptual framework will be developed.

**Fig 2.3: Proposed conceptual framework**



Using the developed conceptual framework it can be ascertained that consumers' buying decision making process is determined by network, message sources and message content. Thus the interaction between network, message sources and message content causes consumers to make certain decisions that may be in favor or against other decisions. This decision making process resultantly cause consumers to adopt a certain behaviour. Hypothesis testing and study results will therefore be based on this proposed conceptual framework.

### **2.9 Empirical literature on eWOM and consumer buying behaviour**

Almana (2013) examined the impacts of eWOM on consumers' purchasing decisions in the Saudi Arabian context. The study utilized descriptive statistics and Cronbach's Alpha to determine the reliability of the variables. It was revealed through the study results that eWOM has a significant impact on consumers' purchasing decisions. The study highlighted that most consumers are now placing a demand on the use of Internet information to make sound buying decisions.

Yayli (2013) provided an assessment of the impact of eWOM on online consumers' purchasing decisions. The study used a combination of descriptive statistics, rotated component matrix and Cronbach's alpha. The results of the study revealed that attributes of the reviewer, consumer reviews and websites for reviewing products are main elements that can pose an effect on online purchasing decisions. The study results also showed that positive attributes of the reviewer, consumer reviews and websites for reviewing products are positively related with online consumer purchasing decisions.

Christy, et al (2009) analysed the impact of positive eWOM on consumer online purchasing decisions. The undertaking of the study stemmed from assertions that there is little empirical support that examines the impact of positive eWOM on consumer online purchasing decisions. The study utilized laboratory experiments to assess the impact of positive eWOM on consumer purchasing decisions pertaining to consumers' beliefs. This was based on integrity, competence and cognitive trust. The obtained results from the study showed that positive eWOM is positively linked to perceived integrity, ability to buy online and consumers' attitudes.

Penderson et al (2014) undertook an explanatory study of the impact of eWOM with regards to social media influence on Danish consumers. Assertions from the study showed that dynamic changes in social media platforms have greatly altered eWOM and interactions between consumers. The study employed a theoretical approach to examine the impact of eWOM on consumer purchasing decisions. The results of the study showed that eWOM was very dominant among peer consumers and offered more reliable information towards consumer purchasing decisions. It also revealed that traditional WOM is more preferable as opposed to eWOM.

There are a significant number of studies that have analysed the impact of eWOM on consumer purchasing decisions. The extent to which studies have analysed the linkage between eWOM and consumer purchasing decisions varies greatly. For instance, Klerk (2012) used a conceptual approach in assessing the impact of eWOM on consumer purchasing decisions on individual level. The results revealed that product type and involvement had a major influence on consumer purchasing decisions. In addition, the extent to which eWOM changes was determined by the degree of product involvement. Thus low product involvement was established to be negatively related to consumer purchasing decisions.

Sandres and Urdan (2013) also undertook experimental and exploratory studies about the linkage between eWOM and consumer purchasing decisions. The main objective was to ascertain the extent to which eWOM affects consumer purchasing decisions. The results showed that positive and negative comments tend to affect brand image but negative comments were established to negatively affect brand image but had no resultant effect on purchase decisions.

It can be noted that a significant number of studies do examine and analyse the impact of eWOM on consumer purchasing decisions but different results have been obtained from these studies. This is because of among others different objectives and methodologies that were employed, however, these studies have explored different areas and left other areas unexplored. Thus there is no consensus among these studies about the impact of eWOM



on consumer purchasing decisions. Furthermore, the area of message content, sources and eWOM networks and how they affect consumer purchasing decisions remains under explored. This study will therefore examine the impacts of eWOM on consumers' online purchasing decisions with regards to Erbil.

### **2.10 Chapter summary**

This study has looked at both theoretical and empirical frameworks that address the impact of eWOM on online purchasing decisions. The cognitive approach model, attitude theory and the Elaboration Likelihood Model were used to lay a theoretical base on which this study will base on to address the study problem. These theories however do suffer from scope problems in the fact that they mainly emphasis on risk as a principal factor determining on the use of eWOM in consumer decision making process. The employed literature reviewed that WOM can also be in take an electronic form called eWOM and such forms include social network sites such as Twitter, a review websites such as Amazon customer review etc. The decision to buy online is also determined by the nature of the decisions and the nature of decisions to be made varies from time to time, place to place and consumer to consumer. This study revealed that the decision by consumers to make online purchases was determined is product involvement, perceived risk, social responsibility and actively seeking eWOM. Diffusion innovation was found to be of significant value because it shows that consumers are will place much emphasis on avoiding risk especially with online purchasing. This study further established that consumer buying decisions can be classified into regular decisions, complicated decisions and limited decisions. Empirical gaps in literature were revealed and such literature has no consensus as to the exact impact of eWOM on consumers' online purchasing decisions.

## **CHAPTER THREE**

### **OVERVIEW OF BOMBEENE INTERNATIONAL AND ONLINE PURCHASING IN KURDISTAN REGION OF IRAQ**

#### **3.1 Bombeene International**

Bombeene International is a company that specializes in online shopping and was founded by Edicco Group in 2010 in Erbil. Bombeene International is the first online shopping service provider and has serviced Suleimaniah, Duhok and Erbil cities. According to Bombeene International's website, Bombeene allows people to make online purchases from the United States of America and the rest of the world. Thus the customer orders the product online and Bombeene delivers the product to the customer's residential location in Iraq. Bombeene has grown to be a popular online purchasing service provider because it is cost effective and convenient and it even allows customers to customize their home deliveries. The advantages of using Bombeene also include elements of time saving and security in executing transactions.

#### **3.2 Overview of Kurdistan Region of Iraq**

Kurdistan is located in North Iraq and has been officially declared an autonomous region in 2005 and the dominant languages are Kurdish, Arabic and Turkmeni. The population is estimated to be 5.2 million. Kurdistan has 45 oil sites with an estimated total of 45 billion barrels of oil and gas reserves of 2800 Km<sup>3</sup> (Hawlergov, 2013). The most dominating economic activities in Kurdistan region are agriculture, oil industry and tourism.

#### **3.3 Online purchasing activities in Kurdistan Region of Iraq**

Despite growing fears of product misspecifications, poor quality and scams, online shopping has grown tremendously in Kurdistan Region of Iraq. Much of online purchasing activities are concentrated in Erbil the capital city of Kurdistan Region of Iraq. The growth

of online shopping has seen products such as cosmetics, clothes, cell phones and accessories, drugs and even cars being bought online in Kurdistan (Erbil Companies, 2015). Online shopping in Kurdistan is now encompassing other virtual and social media channels such as Facebook. This has been attributed to the increase in Internet availability and usage developments in the region. Internet access is now so common in Kurdistan that even in homes people are now accessing it.

### **3.4 Internet developments and usage in Kurdistan Region of Iraq**

Kurdistan obtains Internet access from Iran, Iraq and Turkey. The government of Iraq embarked on projects to enhance Internet service quality and one of the biggest project to be implemented is the Sea cable in 2005. This project was initially intended to link Iraq with Arab nations in the Gulf region but was later expanded in 2007. The sea cable project went on to include the FLAG-FALCON which was supervised by Reliance Telecommunications Company of India. According to Tawfeeq et al (2014) the FLAG-FALCON was based on 444 GBI (STM1) capability and would be implemented within a period of 15 years for a whopping cost of US\$60 million. Some of the FLAG-FALCON objectives are;

- Fao-Iran-Oman which connected with India and would extend to East Asian Countries, Egypt, Europe and America.
- Fao-Kuwait-Saudia-Bahrain-Qatar-Oman-India project link.

There also another project called TATA which is running the 4<sup>th</sup> Internet cable and aims at developing Iraq's communication sector including that of Kurdistan. Tawfeeq et al (2014) established five key public policy elements that determined Internet usage in Kurdistan region of Iraq and these are;

- The available infrastructure.
- Management of essential Internet resources.
- Influence on other activities such as trade, ecommerce, intellectual property rights etc.
- Development.
- Cyber-crime.

Kurdistan's telecom sector can be said to be strategically important for the growth and development especially in tourism research and ICT related industries. Results published by Invest In Group (IIG, 2008) showed that the mobile penetration rate has grown and is currently standing at 90%. The results further revealed that about 7-10% individuals in Iraq now have access to the internet. Though mobile service providers are currently offering 2G GSM service, projected Internet usage is estimated to grown to 50% by the year 2018. Furthermore, ICT demand is projected to increase because the median age is 20 years and dominates in terms of Internet usage in Kurdistan Region.

In addition, IREX (2011) conducted a social network usage survey in Kurdistan and the results showed that the widely used websites are YouTube, yahoo and Google. IREX further revealed that Facebook dominates social media usage in Kurdistan and the age group of these users lies between the ages of 18-34 years and constitute a total of 72% of Facebook users.

### **3.4.1 Mobile operators**

The telecom industry in Kurdistan Region is dominated by three largest mobile operators and these are Zain, Korek and Asiacell. According to publications by Invest In Group (2008), these companies comprise of 13.5 million, 4.8 million and 10 million subscribers respectively.

### **3.4.2 Data networks**

Data networks are increasingly covering most part of the region of Kurdistan and this is seeing more private sector firms entering the ICT market. Such developments have also resulted in partnerships being formed between private telecommunications companies and the Kurdistan Regional Government. This is aimed at improving the competitiveness of the ICT industry. Private companies such as NEWROZ cannot be sidelined, as these have contributed significantly to the development of data networks and as well as fiber optic connections. Attempts are currently being made by NEWROZ to establish a modern and fastest fiber optic service called FTTH (Erbil Companies, 2015).

## CHAPTER FOUR

### RESEARCH METHODOLOGY

#### 4.1 Introduction

This chapter will look at the research design, population, research instruments, data collection and presentation procedures. The main aim of this study is to obtain enough data that will be used to answer the research questions and thereby making good recommendations.

#### 4.2 Research design

The study will specifically draw attention on the impact of electronic word-of-mouth on consumer purchasing decisions. This stems from the fact that a considerable amount of online purchasing decisions are affected by eWOM as evidenced by deductions made by Almana (2013). Almana (2013) strongly asserts that there is a strong unilateral association between eWOM and online purchasing decisions as opposed to other types of WOM. Descriptive statistics and other related statistical approaches which include mean, standard deviation, correlation coefficient test and Cronbach's alpha will be used to analyse the data. These methods are very significant in identifying patterns of association in data and SPSS will be used for this. The following hypotheses will be tested;

**H<sub>0</sub>**: eWOM has no correlation with online consumer purchasing decisions.

**H<sub>1</sub>**: eWOM has a correlation with online consumer purchasing decisions.

**H<sub>0</sub>**: Message content has no correlation with online consumer purchasing decisions.

**H<sub>1</sub>**: Message content has a correlation with online consumer purchasing decisions.

**H<sub>0</sub>**: Message sources has no correlation with online consumer purchasing decisions.

**H<sub>1</sub>**: Message sources has a correlation with online consumer purchasing decisions.

### 4.3 Definition and justification of variables

The definition and justification of variable is based upon the proposed conceptual framework developed in literature review. Definition of variables and their expected associated effects are herein discussed.

#### 4.3.1 Purchasing decision

In this study purchasing decisions refers to the process that consumers will undergo before acquiring a product. The usage of consumer decision stems from the problem statement and hence consumer decision is the dependent variable under study and the study will ascertain how it is affected by eWOM. Likert scale values ranging from 1-5 will be used so as to further determine both the magnitude of impact and reliability of the variable elements. Table 4.1 provides a description of variable elements that characterize consumer purchasing decisions and behaviour. The following variable elements will be used to ascertain the various variable elements of message content and their magnitude of impact on consumer purchasing decision;

Table 4.1 Variable elements of consumer purchasing decisions and behaviour

<b>PURCHASING DECISIONS</b>
Extent to which eWOM affects online purchasing decisions
eWOM sources are usually complicated to use
Bad experiences you have encountered
How often do you use eWOM to make online purchasing decisions
Availability of eWOM sources determines the usage of eWOM

#### 4.3.2 Message content

Message content can be defined as the capacity, nature and quality of information contained in the eWOM channel. The inclusion of message content is justified by the fact that little has been done to examine how message content affects consumer purchasing decisions. Studies by Lerrhathairakul and Panajakajornsak (2014) have revealed that positive message content related elements have unidirectional linkage on consumer purchasing decisions. Thus a positive relationship between message content and consumer

purchasing decision is therefore anticipated. Table 4.2 shows a description of variable elements of message content.

Table 4.2 Variable elements of message sources

<b>MESSAGE CONTENT</b>
Reviews affect confidence towards purchasing
Have no regards to reviews when purchasing products
eWOM is convenient in sharing information
eWOM provides more information
eWOM normally carries quality information

### **4.3.3 eWOM networks**

eWOM networks refers to the various electronic word-of-mouth mediums that are used to convey information pertaining to existing products that are available for sale. The study by Lerrhathairakul and Panajakajornsak (2014) showed that the prevalence, accessibility, dependability, convenience and affordability of eWOM greatly influences consumer purchasing decisions. Positive changes in eWOM networks therefore can be said to positively stimulate positive consumer purchasing decisions. Positive effects between eWOM networks and consumer purchasing decisions are therefore anticipated. Variable elements of eWOM networks are shown in table 4.3

Table 4.3 Variable elements of eWOM networks

<b>eWOM NETWORKS</b>
eWOM reduces uncertainty
Negative views have greater impacts on online purchases
eWOM requires high-quality networks
Expensive eWOM reduce the use of online eWOM
eWOM provide a faster way of obtaining information

#### 4.3.4 Message sources

Message sources refer to individuals and other things from which information originates. Message sources have been established to be positively related to consumer purchasing decisions (Lerrhathairakul and Panajakajornsak, 2014). This study will therefore use results obtained by (Lerrhathairakul and Panajakajornsak, 2014) as a base upon which analysis and comparisons will be based. The Variable elements of message sources are shown in table 4.4

Table 4.4 Variable elements of message sources

<b>MESSAGE SOURCES</b>
Extent to which eWOM affects online purchasing decisions
eWOM sources are usually complicated to use
Bad experiences you have encountered
How often do you use eWOM to make online purchasing decisions
Availability of eWOM sources determines the usage of eWOM

#### 4.4 Population

A population is described as an entire section or pool from which a study is based and a sample size is drawn. This study will focus on a stratified random sample of online shopping consumers in Erbil and Boombene reports an average of 350 sales that are made daily by retailers on Bombeene. Thus a total of 350 questionnaires were distributed to Erbil consumers who make use of Bombeene International to make online purchases.

#### 4.5 Data collection methods

The researcher used primary data to analyse the impact of word of mouth on consumer purchasing decision. The data collected by the researcher is referred to as the primary data. Therefore, face to face interviews were used to collect the data. The researcher went further to use secondary data in order to gather the necessary information. Charts, tables



and figures will be used to present information about Bombeene International. These will further be used to offer more explanations and provide insights.

#### **4.5.1 Questionnaire design**

The researcher designed a questionnaire that would match the study objectives and questions for data collection purposes. The questionnaire had closed and open questions. Closed questions refer to those that require a 'yes' or 'no' answer. On the other hand, open questions allow the respondent to express themselves fully. In this study the researcher will use both the open and closed questions. For the relevance of this study the researcher will be able to get more detailed information from the open questions while the use of closed questions will assist in clarifying matters as well as enhancing precision. The following are the advantages of using questionnaires;

- Save costs as they are cheaper to administer.
- They are convenient because the respondent can answer the questions at any time.
- Bias is limited as compared to interviews.

However, questionnaires have the following limitations;

- The researcher will not be able to judge the quality of the response.
- Low rate of response.

The main objective of the questionnaire designed is to be able to gather the data that will be used to assess the impact of word of mouth on consumer behavior. Thus, the questionnaire will be used to answer the following questions;

- What are the impacts of eWOM on online purchasing decisions?
- How does the impacts of eWOM on online purchasing decisions affect in-store purchasing decisions?
- How does perceived risk significantly influence the effectiveness of eWOM on online purchasing decisions?

The format for the questionnaire was obtained from Alman (2013). However, changes were made so as to best suit the study objectives of this study thereby making sound decisions. The questionnaire format provided by Alman (2013) was a helpful guide in

assisting the researcher design the specific study questions for this research. This questionnaire however has inherent scope limitations.

The major problems of this questionnaire was that it had problems related to the scope and that the respondents were generally selected as compared to this study. As a consequence their formats will not be considered in order to retrieve the required information necessary for understanding, analyzing and make good recommendations for this particular study.

#### **4.6 Questionnaire pretesting**

A questionnaire pretest is very important as it will determine if the questions asked are understood. Another important aspect of conducting the questionnaire pretest is to check the response rate. The questionnaire pretest had a positive feedback. The respondents were satisfied with the objectives of the study. After conducting the pretest, the researcher proceeded to gather the data necessary for analysis.

#### **4.7 Problems encountered in gathering the data**

A lot of time was taken in answering the questions. Some of the respondents did not fill in the questionnaires. This resulted in a low level of response rate. This had a negative effect on the results and recommendations of the study.

#### **4.8 Research findings**

The data gathered from the designed questionnaire will be used for analysis purpose. The use of tables, charts and diagrams will be incorporated in order to present the data in an understandable way. These representations are useful tools in data analysis and presentation. The responses gathered are sufficient to make study recommendations and conclusions.

#### **4.9 Conclusion**

This chapter outlined the steps that were used by the researcher to gather the data, represent and analyse it. Time was the most hindering factor during the collection of data. The researcher made use of graphs, tables, charts and diagrams to represent the data. The following chapter is on data analysis and presentation procedures that are used in this study.

## CHAPTER FIVE

### DATA ANALYSIS AND PRESENTATION

#### 5.1 Introduction

A total of 350 questionnaires were distributed to respondents who use Boombeene.com and this was based on a 2015 figures which showed that about an average of 350 purchases are made daily from Bombeene.com. Of the 12 questionnaires were not returned, the response rate can be organized as follows;

#### 5.2 Response rate

Table 5.1 Response rate

Standard response rate	50%	60%	70% and above
Basic assumption	Better	Good	Excellent
Study response rate	-	-	96.57%

From table 5.1 the obtained 338 questionnaires equated to a response rate of 96.57% and this represents a satisfactory response rate. Patrali, (2001) posits that a response rate of 50% is a better response rate while that of 60% and 70% and above represent good and excellent response rates respectively. This is of paramount importance because a high response rate is synonymous to a high level of reliability. Thus our study results can be foreseen to have a relatively high level of reliability.

#### 5.3 Demographic trends of the study sample

Of the obtained 338 questionnaires the demographic features of the respondents can be represented as shown in table 5.2.

Table 5.2 Demographic features of the respondents

<b>Item</b>	<b>Variable</b>	<b>Description</b>	<b>Responses</b>	<b>Percentage</b>
<b>1</b>	<b>Gender</b>	Male	154	45.6%
		Female	184	54.4%
		<b>Total</b>	<b>338</b>	<b>100%</b>
<b>2</b>	<b>Age</b>	18-23	50	14.8%
		24-29	79	23.4%
		30-35	95	28.1%
		36-41	41	12.1%
		42+	73	21.6%
		<b>Total</b>	<b>338</b>	<b>100%</b>
<b>3</b>	<b>Marital status</b>	Single	121	35.8%
		Married	217	64.2%
		<b>Total</b>	<b>338</b>	<b>100%</b>
<b>4</b>	<b>Level of education</b>	High School	28	8.3%
		Undergraduate	109	32.2%
		Masters	142	42.0%
		PhD	59	17.5%
		<b>Total</b>	<b>338</b>	<b>100%</b>

Table 5.2 denotes that the highest number of respondents were male and they accounted for 54.4% while females accounted for 45.6%. The significant number of respondents were in the age group of 30-35 years old while 217 respondents were married and 121 respondents were single. The highest level of educational qualification is PhD with 59 people who had PhD degrees. 142 respondents were masters graduates and undergraduates accounted for 32.2% of the total number of respondents.

#### 5.4 Usage of online purchasing websites in Erbil

Table 5.3 Online purchasing website usage in Erbil

##### Do you use online purchasing websites

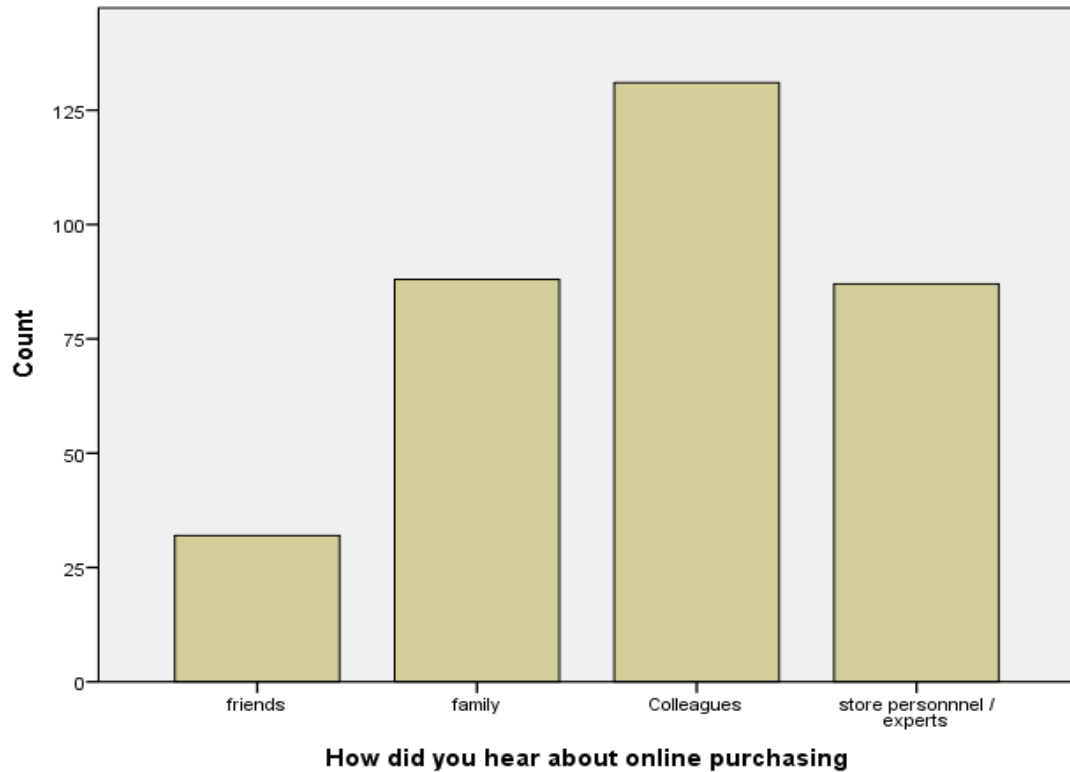
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	287	84.9	84.9	84.9
	no	51	15.1	15.1	100.0
	Total	338	100.0	100.0	

Table 5.3 denotes that out of the obtained 338 questionnaire responses, 287 individuals use online purchasing websites and this represents 84.9% of the total respondents. 15.1% respondents expressed negative usage of online purchasing websites. Therefore it can be deduced that a lot of people retailers in Erbil use online purchasing websites.

#### 5.5 Online purchasing websites awareness

The utilized questionnaire sought to determine the awareness of online purchasing websites. That is, how online purchasing websites information was spreading among the retailers. The responses were organized into 5 responses namely; friends, family, work colleagues and store personnel or experts. The results are expressed diagrammatically as shown in figure 5.1. It can be noted that a lot of retailers heard about online purchasing websites through work colleagues and this is evidenced by a response count of 131. This was followed by family and store personnel or experts which accounted for 26% and 25.7% respectively. Friends as an awareness medium was ranked lowly with 32 respondents revealing that the heard about online purchasing websites from family.

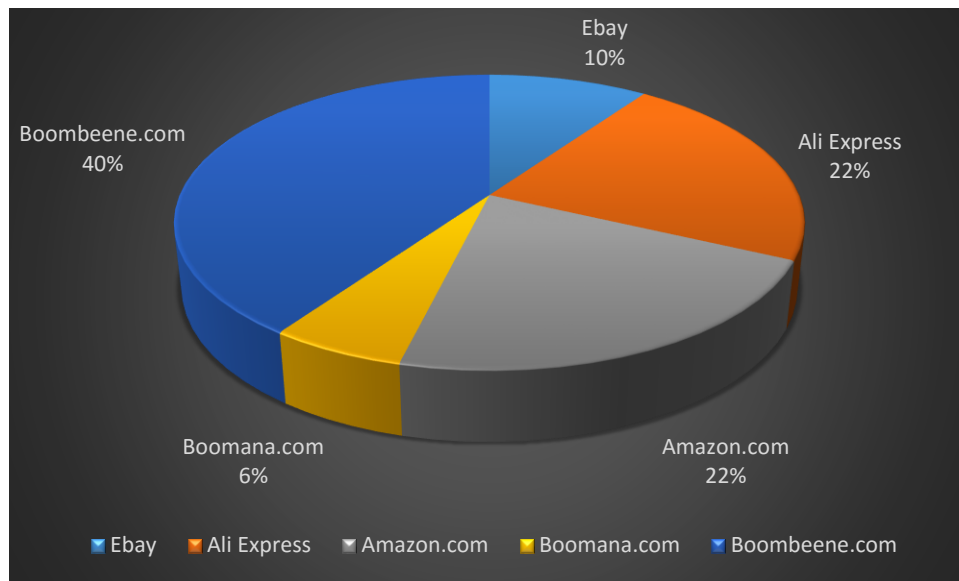
Figure 5.1 Online purchasing websites awareness



### 5.6 Online purchasing websites usage by the retailers in Erbil

From the obtained results it is exhibited that Boombene attracts a significant user base compared to other online purchasing websites in Erbil. 40% of the retailers indicate their preferences to be biased at Boombene and this was followed by Amazon and Ali Express which accounted for an equal margin of 22% each. Ebay and Boomana.com had lower preferences with response rates of 10% and 6% respectively. This differences in preferences can be attributed that Boombene is a locally based online purchasing websites usage by the retailers in Erbil and hence concerns of fraudulent and other unscrupulous misconducts are very low. This promotes retailer customer trust and hence the high growth in usage. This can is shown in figure 5.2.

Figure 5.2 Online purchasing websites usage by retailers in Erbil



### 5.5 Online purchasing websites usage

Figure 5.3 Online purchasing websites usage time frame by retailers in Erbil

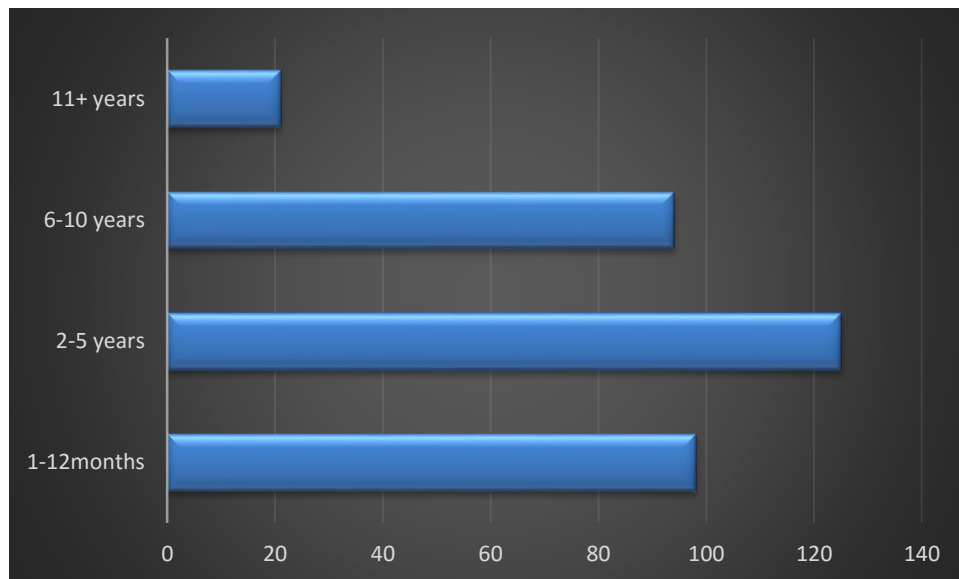


Figure 5.3 depicts that 125 retailers in Erbil have been using online purchasing websites for as long as 2-5 years. 98 retailers have been using online purchasing websites for a period of 1-12 months. This was followed by a time frame usage of 6-10 years with 94 respondents. 21 retailers have been using online purchasing websites for at least 11 years and this can be attributed to the fact that Internet usage had not proliferated in Kurdistan Region that time. Furthermore, the high response of 2-5 years in terms of usage time span



can be attributed to the fact that a lot of purchasing websites had not emerged and were not widely known.

### **5.7 Analysis of the impact of eWOM on customer purchasing decisions**

Descriptive statistics were employed to analyse the extent to which eWOM affect consumer purchasing decisions. The impacts of eWOM were asserted by Mackinsey and Company (2009) to significantly arise from message sources, message content, network and sender related. Thus these four aspects were used to analyse the impact of eWOM on online purchasing decisions.

#### **5.7.1 Analysis of the impact of eWOM message sources on customer purchasing decisions**

Table 5.4 Analysis of the impact of eWOM message sources on customer purchasing decisions

<b>PURCHASING DECISIONS</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Extent to which eWOM affects online purchasing decisions	338	2.4822	1.29412
eWOM sources are usually complicated to use	338	2.6272	1.37272
Bad experiences you have encountered	338	2.6627	1.24642
How often do you use eWOM to make online purchasing decisions	338	2.4379	1.30190
Availability of eWOM sources determines the usage of eWOM	338	2.7544	1.34166

Table 5.4 depicts that availability of eWOM sources determines the usage of eWOM has a high effects on consumer purchasing decisions. This is evidenced by a high mean score of 2.75. In this case a high mean is synonymous to high impact on consumer purchasing decisions. It is further revealed that the extent to which eWOM is used to make online purchasing decisions has a low impact on the retailers' online purchasing decisions and this is supported a low mean score of 2.44. Standard deviation denotes the responsiveness of the variables to pose effects on online purchasing decisions. Thus a high standard deviation entails that the variable has high responsive effects on consumer purchasing

decisions. It is in this regard that complications in the use of eWOM sources has high responsive effect on online purchasing decisions (a standard deviation of 1.37). Possible reasons suggest that the complications in the use of eWOM sources and networks results in a greater amount or uncertainty which translates to high risk. This negatively affects consumers purchasing decisions as consumers become reluctant to engage in purchasing activities as a result of high risk. Bad experiences in the use of eWOM has significantly low responsive impact on online purchasing decisions with a standard deviation of 1.25. This may be because the ability to or failure curb bad experiences greatly poses effects on consumer purchasing decisions.

### 5.7.2 Analysis of the impact of eWOM message content on customer purchasing decisions

Table 5.5 Analysis of the impact of eWOM message content on customer purchasing decisions

MESSAGE CONTENT	N	Mean	Std. Deviation
Reviews affect confidence towards purchasing	338	2.7544	1.34166
Have no regards to reviews when purchasing products	338	2.8047	1.41328
eWOM is convenient in sharing information	338	2.8521	1.36358
eWOM provides more information	338	2.8047	1.41328
eWOM normally carries quality information	338	2.7544	1.34166

Table 5.5 depicts that high impacts of message content elements are being posed by convenience of eWOM in sharing information. Convenience in sharing information has a high mean contribution of 2.85 and low impacts can be said to be emanating from the use of eWOM to carry quality information and the effect of reviews on consumer confidence towards purchasing decisions with a mean scores of 2.75 each. This means that quality information transmitted using eWOM and the effect of reviews on consumer confidence towards purchasing decisions have relatively less impact on consumer buying behaviour. The ability of eWOM to provide information and having no regards to reviews when

purchasing products have however high potential effects on consumer buying behaviour. This is reinforced by a high standard deviation of 1.41.

### 5.7.3 Analysis of the impact of eWOM networks on customer purchasing decisions

Table 5.6 Analysis of the impact of eWOM network on customer purchasing decisions

<b>NETWORK SOURCES</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
eWOM reduces uncertainty	338	2.4763	1.28713
Negative reviews have greater impact on online purchases	338	2.6243	1.36866
eWOM requires high-quality networks	338	2.6686	1.24325
Expensive eWOM reduce the use of online eWOM	338	2.4438	1.30899
eWOM provides a faster way of obtaining information	338	2.7604	1.34715

It can be seen in table 5.6 that the ability of eWOM provides a faster way of obtaining information enhances the ability and effectiveness of eWOM on consumer buying behaviour. This is because of efficiency and effectiveness which make it relatively easy and less expensive to use eWOM. This is reinforced by a high mean score of 2.76 which is associated with a low standard deviation of 1.35. A low standard deviation means low probable effects and these are being posed by the quality of eWOM networks. Possible reasons suggest that a few people are making use of eWOM and hence quality improvements in eWOM networks has little effects on consumer buying behaviour.

#### 5.7.4 Analysis of the impact of eWOM sender attributes on customer purchasing decisions

Table 5.7 Analysis of the impact of eWOM sender attributes on customer purchasing decisions

<b>MESSAGE SOURCES</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Influential senders have a strong impact on eWOM	338	2.5917	1.35381
Integrity of the sender has an important role in eWOM	338	2.6982	1.37508
Senders of eWOM are very considerate about costs of using eWOM	338	2.7811	1.21538
Senders of eWOM significantly affect consumer buying behaviour	338	2.6686	1.45648
eWOM requires a lot of user knowledge	338	2.8846	1.40632

Meanwhile, table 5.7 exhibits that the extent to which eWOM requires a lot of user knowledge has an associated mean score of 2.88. Influence of the sender can be noted not to pose little effects on consumer buying behaviour and has an associated mean score of 2.59. High potential effects of eWOM on consumer buying behaviour are resulting from senders' of eWOM considerations about the costs of using eWOM with a standard deviation of 1.46. Thus the higher the considerations about the costs of using eWOM the more consumers will be rational and decisive towards their purchasing decisions. As a result their buying behaviour is affected.

## 5.8 Correlation coefficients

Table 5.8 Correlation coefficients

		Online Consumer purchasing decisions	Message content	eWOM network	Message sources
Online Consumer purchasing decisions	Pearson Correlation	1	.856**	.038	.466**
	Sig. (2-tailed)		.000	.486	.000
	N	338	338	338	338
Message content	Pearson Correlation	.856**	1	.104	.342**
	Sig. (2-tailed)	.000		.056	.000
	N	338	338	338	338
eWOM network	Pearson Correlation	.038	.104	1	-.001
	Sig. (2-tailed)	.486	.056		.990
	N	338	338	338	338
Message sources	Pearson Correlation	.466**	.342**	-.001	1
	Sig. (2-tailed)	.000	.000	.990	
	N	338	338	338	338

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Correlation coefficients test were conducted using Pearson Correlation test and the results are presented in table 5.8. It can be noted there is an insignificant negative relationship between message sources and eWOM network of -0.001 but the relationships between all of the variables can be observed to be positive. For instance, the relationship between message sources and consumer behaviour and message content is significantly positive with correlations of 0.466 and 0.342. Message content and consumer behaviour are positively correlated with a significant coefficient of 0.856.

## 5.9 Reliability tests

Cronbach's alpha was used to determine the reliability of the four variables that pose effects on consumer purchasing decisions. The reliability tests of the four individual decomposition of the variables are presented as follows;

### 5.9.1 Reliability of message sources

Table 5.9 Reliability tests for purchasing decisions

<b>CONSUMER PURCHASING DECISION</b>	<b>Cronbach's Alpha</b>	<b>Model Cronbach's alpha</b>
Extent to which eWOM affects online purchasing decisions	0.736	0.816
eWOM sources are usually complicated to use	0.845	
Bad experiences you have encountered	0.759	
How often do you use eWOM to make online purchasing decisions	0.755	
Availability of eWOM sources determines the usage of eWOM	0.794	

Table 5.9 shows that all the variable elements of message sources have relatively equal Cronbach's alpha values. The overall Cronbach's alpha value for consumer purchasing decision is 0.816 and this entails that the internal consistency of consumer purchasing decisions is 81.6%. All the sub scores of consumer purchasing decisions have alpha values that are greater than 70% which is usually considered as the limit. However, the highest was observed under complications in the use of eWOM sources with an alpha value of 84.5%. A Cronbach's alpha value of 0.683 entails that 68.3% of internal consistency in message sources is explained by bad experiences encountered in the usage of eWOM. Since Cronbach's alpha values for all the sub scores are greater than 70%, it can therefore be concluded that it is meaningfully reliable to interpret the results of the sub scores.

### 5.9.2 Reliability of message sources

Table 5.10 Reliability tests for message sources

<b>MESSAGE SOURCES</b>	<b>Cronbach's Alpha</b>	<b>Model Cronbach's alpha</b>
Influential senders have a strong impact on eWOM	0.816	0.841
Integrity of the sender has an important role in eWOM	0.851	
Senders of eWOM are very considerate about costs of using eWOM	0.782	
Senders of eWOM significantly affect consumer buying behaviour	0.817	
eWOM requires a lot of user knowledge	0.765	

Message sources had a Cronbach's alpha value of 0.841 and this means that the internal consistency of message sources is 84.1%. It can be observed that all the sub scores have alpha values that exceed 70% and thus it can be concluded that it is meaningfully reliable to interpret the results of the sub scores. High Cronbach's alpha values of 85.1%, 81.7%, and 81.6% were observed under integrity of the sender, senders of eWOM affecting consumer behaviour and influential senders having an impact on eWOM respectively.

### 5.9.3 Reliability of eWOM network sources

Table 5.11 Reliability tests for eWOM network sources

<b>NETWORK SOURCES</b>	<b>Cronbach's Alpha</b>	<b>Model Cronbach's alpha</b>
eWOM reduces uncertainty	0.739	0.818
Negative reviews have greater impact on online purchases	0.847	
eWOM requires high-quality networks	0.760	
Expensive eWOM reduce the use of online eWOM	0.758	
eWOM provides a faster way of obtaining information	0.796	

Network sources had an overall Cronbach’s alpha value of 0.818 which suggest that 81.8% variations in network sources is said to be internally consistent. Moreover, all the sub scores has alpha values above 70% and hence we can conclude that it is meaningfully reliable to interpret the results of the sub scores. The addition of the sub element ‘negative reviews have greater impact on online purchasing decisions’ adds little benefit to the overall consistency of network sources.

#### 5.9.4 Reliability of message content

Table 5.12 Reliability tests for message content

<b>MESSAGE CONTENT</b>	<b>Cronbach’s Alpha</b>	<b>Model Cronbach’s alpha</b>
Reviews affect confidence towards purchasing	0.784	0.840
Have no regards to reviews when purchasing products	0.775	
eWOM is convenient in sharing information	0.898	
eWOM provides more information	0.775	
eWOM normally carries quality information	0.784	

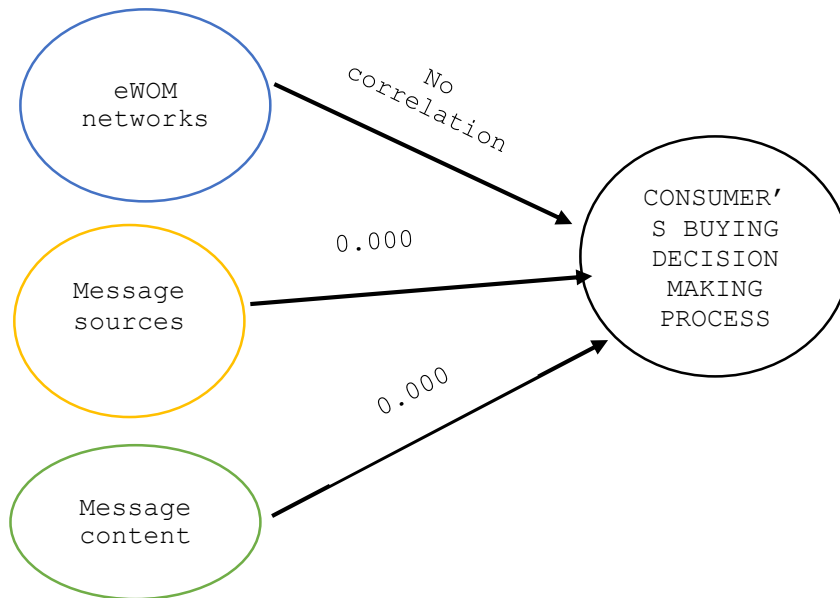
Message content had a Cronbach’s alpha value of 0.840 which means that 84.0% of the variations in message contents is internally consistent. In addition, it is meaningfully reliable to interpret the results of the sub scores. This is because their alpha values exceed the bench mark of 70%. However, high alpha values were observed in respect of ‘eWOM is convenient in sharing information’, ‘eWOM normally carries quality information’ and ‘reviews affect confidence towards purchasing’ with alpha values of 89.8%, 78.4% and 78.4% respectively.

#### 5.10 Hypothesis test results

Hypothesis testing was undertaken using independent t-test and the results are shown in table 5.13. The undertaking of hypothesis test stems from the desire to determine the validity of the proposed hypotheses.



**Fig 5.4: Hypothesis testing results**



Hypothesis testing was conducted using Pearson correlation coefficient tests and the decision criteria is to accept the null hypothesis when the obtained p-value is greater than 5%. Using the information provided in figure 5.4, it can be noted that all the p-values are less than 5% and thus we reject the null hypotheses that message sources and message content are not correlated with online purchasing decisions. Conclusions are therefore made that message sources and message content are correlated with online purchasing decisions. This can be attributed to the availability and nature of information, and the speed at which it is accessed has a strong influence on the attitude and response of the consumer towards online purchasing decisions. For instance, if more positive information can be accessed speedily, the more consumers will continue to access and use the information to make decision. Hence the information will have profound positive effects on online purchasing decisions. eWOM networks is however not correlated with online purchasing decisions. The null hypothesis that there is no correlation is accepted at 5% and thus it can be concluded that eWOM networks is not correlated with online purchasing decisions. We can therefore conclude that eWOM networks, message sources and message content have a significant impact on online consumer purchasing decisions. Reasons can point to the notion that consumers have no significant use of eWOM

networks either because of lack of positive contribution or because they are expensive to use. The most notable suggestions may point to the idea that the value that is derived from eWOM has insignificant effect on the decision making process and hence it will not influence online purchasing decisions.

### **5.11 Conclusion**

Using the obtained results it can therefore be concluded that eWOM has significant impact on consumer buying behaviour. The channels through which eWOM impacts consumer buying behaviour have been observed to be emanating from message sources, message content, eWOM network sources and sender attributes. All the channels, through which eWOM is posing effects on consumer behaviour (message sources, message content, eWOM network sources) are positively contributing to consumer purchasing decisions. Recommendations will be proffered based on the obtained results.

## CHAPTER SIX

### RECOMMENDATIONS AND CONCLUSION

#### **6.0 Introduction**

The main objective of the study was centered on examining the impact of eWOM on online consumer purchasing decisions. Other objectives of the study were to determine how the impacts of eWOM on online purchasing decisions affect in-store purchasing decisions and to analyze how message content significantly influences the effectiveness of eWOM on online purchasing decisions. The undertaking of the study was stemmed from different assertions which have showed that the effectiveness of eWOM depends on credibility of information and experience of the source pertaining the product or service. This entails that the effectiveness of eWOM on customers' online purchasing decisions on is effective when the source of eWOM can release credible information and is also supported by issues such as trust.

Meanwhile, Bombeene has continued to witness an increase in the number of users despite increases of incidents of fear as the number of Internet crimes and other cybercrimes sky rocketed. Contradictions were thus observed about the linkage that exists between eWOM and consumer purchasing decisions as various studies have shown there is no quality guarantee after the purchase has been made. It was revealed that eWOM is effective when perceived risk is low. Thus has been no consensus as to the exact influence or impact of eWOM on purchasing decisions.

Theoretical theories were used to establish a foundation upon which analysis of results was based. Such theories comprised of the cognitive appraisal approach, the elaborative likelihood theory and the attitude theory. It was established that cognitive appraisal approach is an approach that seeks to analyse how technological, social, economic, political and religious issues affect consumers' emotions. It can be applied to aid the

analysis of the impacts of eWOM on consumers' purchasing decisions because it outlines how consumer emotions such as frustrations will affect the use of eWOM. Moreover, the cognitive appraisal asserts that though situations may differ, they may provoke the same emotions and what differs is the way individuals will choose to react. It was established that the elaboration likelihood model contends that the ability of people to use central concepts depends on their ability and willingness to process persuasive information. Thus the ELM is based on expertise, involvement and willingness to process information and that persuasive information triggers individuals' thoughts. The attitude theory on the other hand posits that there is a difference between the attitudes the consumer has when he initially sees the product and the attitude he has when he purchases the product. Thus according to this theory, corporate image is a reflection of consumers' attitudes and encompasses service quality.

The study revealed that online purchasing decisions are determined by product involvement, perceived risk, social responsibilities and actively seeking eWOM. The study further revealed that consumers purchasing decisions are therefore said to increase with an increase in the level of product involvement. Perceived risk was discovered to cause increases in unwillingness among consumers to purchase products from Bombeene. Social responsibility and actively seeking eWOM have an important positive bearing on consumer purchasing decisions.

The study revealed that diffusion innovation is chiefly determined by four key factors which are innovation, the communication sources, social system and time. Diffusion innovation is based on the belief that communication sources are an important tool that consumers use when making decisions. On the other hand, it was noted that consumer buying behaviour is a process which is influenced by psychological, social, cultural and personal factors. However, decision making is contended to be different and hence causing different sets of behaviour among consumers. Thus consumer decisions is composed of regular decisions, complex decisions and limited decisions.

Contributions made by this study were in relation to the endeavor to ascertain the impact of message content, message sources and eWOM networks on consumer purchasing decisions. Descriptive statistics, correlation coefficient, independent t-tests and Cronbach's alpha were employed in data analysis and the results of the study showed that all the three variables are positively related to consumer buying behaviour. Thus improvements in these factors was observed to further cause increases in consumer purchasing decisions. It is in this regard that study recommendations will therefore be made.

### **6.1 Recommendations**

Foremost, it can be recommended to Bombeene International to improve its message sources about its business activities and operations. Since message sources are positively related to consumer purchasing decisions, efforts to improve messages can have positive resultant effect on consumer purchasing decisions. Thus as more information is made available about Bombeene, its activities, operations and products it sells, the more customers will be fully informed. This implies that issues and challenges such as uncertainty which increase risk levels of buying online are limited.

Since the results have revealed that message content is positively related to consumer purchasing decisions, in order to improve consumers' behaviour towards their products it must try to positively improve message contents by reducing such as the growing incidents of fear of being defrauded, Bombeene must improve its information communications systems by either upgrading it or introducing new systems that are not prone to hacking and other acts of fraud. Such information can also be used to improve the availability of information provided by Bombeene.

The supply of information by Bombeene officials must however be made in a manner that ensures that the quality, and quantity of information supplied is readily accessible at relatively low cost and more conveniently. Lack of quality information, inconveniences and high costs in accessing information significantly hampers online purchasing activities.

It can however be deduced and recommended that the effectiveness of online purchasing activities is determined by the availability of appropriate infrastructure. Effective functioning of electronic word-of-mouth hinges on sound infrastructure that can promote smooth and convenient flow of information.

Other recommendations that can be made are sender and user related. This is because effective purchase of products online is determined by the extent to which individuals possess knowledge about online purchases. Most consumers lack the know-how of online purchase and as a result they are reluctant to make online purchases. Knowledge about the use of online purchase is not prevalently available and thus there is need to promote the usage of computers among other things in societies and educational programs. Such programs involve a great interplay of governmental and private efforts to improve information systems either by investment or through awareness campaigns.

Since consumers have little impact on the things such as volume and cost eWOM networks, the senders of eWOM are the one who control the volume of eWOM and hence the choice of eWOM lies in feasibility, convenience and cost effectiveness elements towards the sender. Consumers are therefore advocated to choose eWOM networks that are feasible, convenient and cost effective to the sender so as to obtain more information. It is in this regard that eWOM networks might have positive correlations with online purchasing.

## **6.2 Suggestions for future research**

The study has provided a deeper understanding of the impact of message content, message sources and eWOM networks on online consumer purchasing decisions. Other studies can however look at the situation in question in different aspects such as sectors or type of products purchased. On the hand, during the period of study observations were made that the clothing industry in Erbil was also witnessing significant patterns in online purchasing. Other studies can also examine how eWOM impacts online purchasing decisions of clothes by Erbil consumers.

### **6.3 Conclusion**

It can therefore be concluded that eWOM has a significant impact on online consumer purchasing decisions. Moreover, eWOM elements such as message sources, message content and eWOM network have an important positive contribution to online consumer purchasing decisions of Bombeene customers. It can further be concluded that the ability of consumers to purchase products online is greatly being undermined by a growing number of incidents of cybercrime and related incidents. In addition, lack of quality guarantee is one of the most hampering factor towards effective increases in online purchasing behaviour. Deductions made from literature review revealed that the extent to which customers have negative perception about online purchasing and the increase in riskiness of online purchasing implies reluctant to continue buying online hence more customers will switch to in-store purchasing. The volume, nature of content embodied in a message and the speed at which the content is received (message content) can influence the effectiveness of eWOM given that it changes the customer's attitude and reaction. A positive change in attitude and reaction from message content is thus viewed to be causing an increase in eWOM and hence positive changes in consumer behaviour.

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## LIST OF APPENDICES

### APPENDIX 1: RESEARCH QUESTIONNAIRE: IMPACT OF WORD OF MOUTH ON ONLINE CONSUMER PURCHASING DECISIONS

#### SECTION A: RESPONDENT PROFILE

**1. What is your gender? Please tick where appropriate.**

Male

Female

**2. What is your age group? Please tick where appropriate.**

18-24

24-30

30-36

36-42

42 and above

**3. Marital status? Please tick where appropriate.**

Single

Married

**4. What is your level of education? Please tick where appropriate.**

- |                |                          |
|----------------|--------------------------|
| Primary school | <input type="checkbox"/> |
| High school    | <input type="checkbox"/> |
| Undergraduate  | <input type="checkbox"/> |
| Masters        | <input type="checkbox"/> |
| PhD            | <input type="checkbox"/> |

**SECTION B: INFORMATION SECTION**

**6. Do you use online purchasing websites? Please tick where appropriate.**

Yes

No

**7. How did you come to find out about online purchasing?**

- |                         |                          |
|-------------------------|--------------------------|
| Friends                 | <input type="checkbox"/> |
| Family                  | <input type="checkbox"/> |
| Colleagues              | <input type="checkbox"/> |
| Store personnel/experts | <input type="checkbox"/> |

**8. Which of the following purchasing websites or online stores in your country do you use? Please tick**

**Where appropriate.**

EBay

Ali express

Amazon.com

Boomana.com

Boombeene.com

Other, please specify

---

**9. Roughly how long have you been using online purchasing facilities?**

- 1-12 months
- 1-5 years
- 5-10 years
- 10 and above

**10. On a scale of 1 to 5, what is the to what extent do WOM influences the following?**

**Kindly rate the following in which 1=agree, 2=strongly agree, 3=neutral, 4=disagree, 5=strongly disagree.**

	1	2	3	4	5
<b>CONSUMER PURCHASING DECISION</b>					
Extent to which eWOM affects online purchasing decisions					
eWOM sources are usually complicated to use					
Bad experiences you have encountered					
How often do you use eWOM to make online purchasing decisions					
Availability of eWOM sources determines the usage of eWOM					

	1	2	3	4	5
<b>MESSAGE SOURCES</b>					
Influential senders have a strong impact on eWOM					
Integrity of the sender has an important role in eWOM					
Senders of eWOM are very considerate about costs of using eWOM					
Senders of eWOM significantly affect consumer buying behaviour					
eWOM requires a lot of user knowledge					

<b>NETWORK SOURCES</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
eWOM reduces uncertainty					
Negative reviews have greater impact on online purchases					
eWOM requires high-quality networks					
Expensive eWOM reduce the use of online eWOM					
eWOM provides a faster way of obtaining information					

<b>MESSAGE CONTENT</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Reviews affect confidence towards purchasing					
Have no regards to reviews when purchasing products					
eWOM is convenient in sharing information					
eWOM provides more information					
eWOM normally carries quality information					