

How Do Online Review Characteristics Influence Persuasion Effectiveness among E-Commerce Consumers?

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Abstract

This research paper examines the effectiveness of online reviews as a persuasion tool for electronic commerce or e-commerce platforms among Malaysians. Past literature indicates that online reviews are highly influential in shaping consumers' purchase decisions. The study also found that the persuasiveness of online reviews is affected by several factors, including the brand awareness of the reviewer, the perceived value of the product in the review and the brand personality shown in the review made. A set of questionnaires was developed through adopting and adapting in order to collect data and was distributed to the respondents. Upon obtaining the results, it was found that brand personality is a factor that highly influences the persuasion of Malaysian e-commerce users when it comes to purchasing products online. The findings of this study have implications for e-commerce businesses in Malaysia, highlighting the importance of managing online reviews to build trust and credibility with customers, and leveraging the persuasive power of online reviews to drive sales and customer loyalty.

Keywords: Online Reviews, E-Commerce, Persuasion.

Introduction

In this new era of technological advancements, online shopping has grown in popularity, revolutionizing the way we buy and sell goods and services. Consumers can now shop online anytime and anywhere, with just a few easy clicks on their smartphones or laptops. Online shopping lets individuals purchase anything they want at any moment, making it the most flexible method of electronic purchasing (Ariff, Sylvester, Zakuan, Ismail & Ali,

2014). This continuous rise in popularity of online shopping is also present in Malaysia as well. The country has seen a significant increase in online shopping over the last decade, owing to the country's growing middle class, improved internet infrastructure, and most importantly, the rapid growth and advancements of electronic commerce or e-commerce platforms.

Furthermore, it is important to note that customers place the most confidence in shared channels such as online consumer reviews or social media. To evaluate the success of a brand, consumers frequently seek the views and suggestions of other consumers (Jacobsen, 2018). Previous research also shows positive results that these online reviews are able to show more information about the brand which increases the brand awareness of the product among the consumers. This is because users who have bought a certain product are able to give more insight about the brand in their online reviews. This is made easier with e-commerce platforms such as Shopee, Lazada and Zalora having a very easy-to-use system where users can give proper and detailed brand descriptions to aid others on their intention of purchase (Liu, Hu & Xu, 2017). Therefore, after reading the online reviews of other users who bought the product, consumers who are interested in purchasing a product will be more inclined to gain knowledge and be more aware of the product, ultimately making them more persuaded to purchase the product.

Problem Statement

Online shopping has grown in popularity in Malaysia in recent years, with e-commerce sites such as Lazada, Shopee, and Zalora obtaining considerable market share (Shuraddin & Adnan, 2022). The ease of internet shopping has made it appealing to Malaysian customers, who can now buy from the comfort of their own homes and have their products delivered straight to their door (Md Saad & Yaacob, 2022). But, as online buying becomes more widespread, e-commerce enterprises have new obstacles, notably in terms of establishing trust and credibility with customers and to also gain new customers of the product itself (Koe & Sakir, 2020). It is also important to note that because of the growing popularity of e-commerce platforms that has transformed the way Malaysians buy, online reviews play an important part in molding consumers' purchasing decisions. Despite their substantial significance, little is known about the factors that drive consumer persuasiveness on Malaysian e-commerce platforms.

Brand awareness is a key aspect in establishing trust and credibility with customers, especially on e-commerce platforms where users may have no direct connection with a brand (Rahman, Abir, Yazdani, Hamid & Al Mamun, 2020). Therefore, a question that arises is how can brand awareness be spread in online reviews as it is shown to be one of the most truthful elements that a consumer can rely on. Furthermore, perceived value is also another key element as it is a valuation perceived by a client in a product or service, taking into consideration criteria such as price, quality, and features (Mohd Satar, Dastane & Ma'arif, 2019). Thus, it is to be researched on how perceived value can be present in online reviews and how it can impact the persuasiveness of online reviews. Lastly, brand personality refers to the collection of positive attributes linked with a brand, and can include attributes like honesty, enthusiasm, competence, and sophistication (Rahman et al., 2020). Hence, the problem arises on how online reviews can display the personality of the brand while also persuading more potential customers.

Literature Review*Effectiveness of Persuasion Online Reviews*

Online reviews, as we know, are an important aspect of online shopping and e-commerce in general as it is looked upon as a truthful source of the thoughts and opinions of other consumers about the product that is being bought. Consumers rely heavily on online reviews for information, especially when purchasing items or services from e-commerce sites. Online reviews have been proven to be extremely significant in customer decision-making in Malaysia (Osman & Ying, 2022). Hence, internet reviews give essential information to consumers about the quality, features, and advantages of products and services. Moreover, internet reviews might impact buyers' opinions of the brand and inclination to purchase.

Furthermore, internet reviews had a substantial positive influence on both perceived utility and purchase intention, with perceived credibility acting as a mediator. The study revealed that online reviews have a crucial role in affecting customer behaviour in Malaysia's fashion e-commerce business. Lastly, internet reviews had a considerable beneficial influence on the effectiveness of bringing in more customers to the brand. The study showed that online reviews may be a useful technique for developing Malaysia's e-commerce sector (Mohd Azam et.al., 2021).

Brand Awareness

Wu and Liu (2019), discovered that customers with high brand awareness are more likely to be affected by online reviews. This is because consumers with high brand awareness are more likely to have pre-existing beliefs and expectations about the company, which internet evaluations can support or contradict. Many marketing and advertising initiatives, such as television commercials, internet ads, social media, and other promotional activities, can be used to increase brand awareness. Brand awareness has a substantial influence on the effectiveness of online reviews. For example, Kim and Lee (2021), discovered that brand awareness increases the link between online reviews and purchase intent. Furthermore, brand awareness boosts the reliability of online reviews, which increases customers' buy intent. Moreover, it was found that the influence of brand awareness on the link between online reviews and brand equity

Brand awareness is a strong component that impacts the effectiveness of online reviews in convincing customers to make purchases. Customers with more brand awareness are more likely to be impacted by online reviews because they already have thoughts and expectations about the brand that online reviews might confirm or question. This has significant ramifications for marketers and e-commerce platforms, who may use the power of online reviews to boost brand awareness and sales.

Perceived Value

The perceived benefits of a product or service in relation to its cost are referred to as its perceived value. Perceived value has a substantial effect on the effectiveness of online reviews in persuading potential customers. Chen and Chen (2018) discovered that online reviews are more successful in convincing people to purchase items with higher perceived value. This is because, internet reviews give customers more knowledge about a product's advantages and characteristics, which can improve their opinion of its worth.

Perceived value has a substantial impact on the effectiveness of online reviews. Sun, Li, Wang and Liang (2021), investigated the influence of perceived value on the link between online reviews and brand loyalty in which the authors discovered that perceived value considerably moderates the association between online reviews and brand loyalty, implying that for items with higher perceived value, online reviews have a bigger influence on brand loyalty. Furthermore, according to Yang and Lim (2020), internet reviews are more efficient in convincing consumers to buy things with greater perceived value. The study also discovered that perceived value mediates the association between online reviews and purchase intent. Lastly, Lin et al (2018), investigated the influence of perceived value on the link between online reviews and customer trust. The authors discovered that perceived value considerably moderates the association between online reviews and customer trust, implying that for items with higher perceived value, online reviews have a greater influence on consumer trust. Therefore, perceived value is an important component that influences the effectiveness of online reviews in persuading customers to make purchases. Online reviews are more likely to impact consumers for items with greater perceived value because they give extra information that boosts their opinion of worth. This has major implications for marketers and e-commerce platforms, since they can utilize online evaluations to emphasize the benefits and features of their products and services, increasing perceived value and, ultimately, driving sales.

Brand Personality

The set of human qualities and attributes that customers connect with a brand is referred to as brand personality. Sincerity, enthusiasm, competency, sophistication, and roughness are examples of such characteristics. Customers may acquire a more positive opinion of a brand if its personality matches their own values and self-concept. The brand personality can also impact the effectiveness of online review persuasion. This is supported by Lin, Hung and Chen (2018), in which they discovered that brand personality influences the association between online reviews and purchase intent. The study discovered that when the brand personality fits their own personality attributes, customers are more likely to be impacted by online reviews.

Furthermore, another study found that brand personality increases the perceived usefulness of online reviews. According to the study, people find online reviews more relevant when the brand personality matches their own personality attributes (Song & Lee, 2021). In addition, the relationship was also supported by Baek et al. in 2020, which mentions that customers are more likely to be persuaded when the online reviews show similar attributes of the brand's personality with their very own. These findings imply that the brand personality can have a significant impact on the success of online review persuasion. Customers are more inclined to believe online reviews connected to a company that has a personality that matches their own beliefs and self-concept, resulting in higher purchase intention and favorable brand image.

Research Objectives and Hypotheses

Research objective

The research objectives for this study are

RO1: To identify the relationship between the online review characteristic (brand awareness, perceived value and brand personality) on effectiveness of persuasion among E-commerce users.

Research Questions

RQ1: What is the relationship between the online review characteristic (brand awareness, perceived value and brand personality) on effectiveness of persuasion among E-commerce users?

Besides, researchers have also formulated several hypotheses for this study which are:

Hypotheses for research question.

H_{1a} : There is a positive relationship between brand awareness and effectiveness of persuasion

H_{2b} : There is a positive relationship between perceived value and effectiveness of persuasion

H_{3c} : There is a positive relationship between brand personality and effectiveness of persuasion

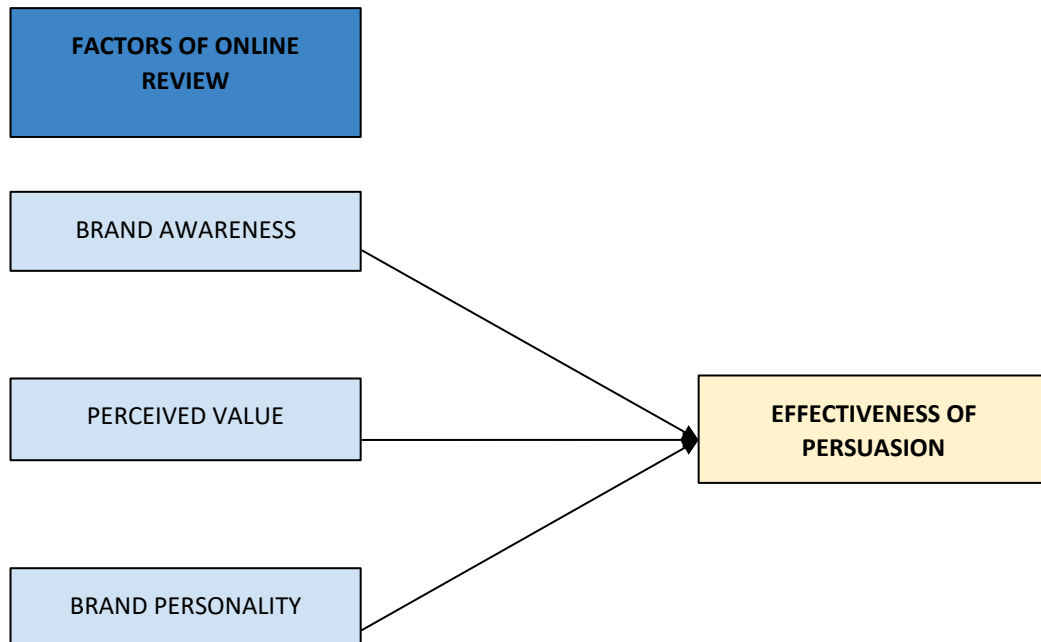


Figure 1: Conceptual Framework on the relationship between Factors of Online Review's dimension (brand awareness, perceived value and brand personality) on Effectiveness of Persuasion (Chakraborty, 2019).

Methodology

Research Design

The research design used in this study is correlational research, which aims to examine the relationship between two variables (Ary, Jacobs, & Razavieh, 2010). The dependent variable for this study is effectiveness of persuasion, which refers to the ability of service providers to influence buyers to purchase product or services. The independent variable, on the other hand, is the factor of online reviews, which include brand awareness, perceived value and brand personality.

Population and Sampling Technique

In this study, the population being examined consists of 100 e-commerce platform users who are between the age of 19 and 30 with purposive sampling technique. The reason for targeting this specific population is that they are among the group of young adults who could provide insights and experience into the effectiveness of persuasion of online reviews on e-commerce platforms

Results and Discussion

Reliability Analysis

The research study examined the impact of three independent variables, namely Brand awareness, Perceived value, and Brand Personality, on the effectiveness of persuading online review users in Malaysia. To ensure the consistency and accuracy of the measurements for each variable, a reliability test was conducted. The reliability scores obtained for the variables were 0.567, 0.581, and 0.486, indicating that only two variables demonstrated strong reliability, while the others showed low reliability. The dependent variable in the study was the effectiveness of persuading online review users, which had a reliability score of 0.724. These reliability scores establish the credibility and validity of the study findings, highlighting the significance of reliability tests in ensuring accurate and consistent data collection.

Pearson-Correlation and Multiple Regression Analysis

Table 1

No	Variables	SD	Mean	1	2	3
1	Brand Awareness	0.538	4.52			
2	Perceived Value	0.444	4.61	0.483**		
3	Brand Personality	0.478	4.54	0.641**	0.608**	
4	Effectiveness of Persuasion	0.475	4.41	0.357**	0.353**	0.550**

Table 1: Correlation between Factors of Online Review's dimension (brand awareness, perceived value and brand personality) and Effectiveness of Persuasion.

Table 1 there exists a notable moderate positive correlation among the variables of Brand Awareness, Perceived Value, and Brand Personality. This indicates that as one of these variables increases, the others also tend to increase. Of particular interest is the correlation between Brand Awareness and Perceived Value, which demonstrates a moderate positive

relationship with a correlation coefficient of 0.483 ($p < 0.01$). This implies that as Brand Awareness increases, there is a corresponding increase in Perceived Value. Meanwhile, the correlation between Brand Awareness and Brand Personality is significantly positive, exhibiting a correlation coefficient of 0.641 ($p < 0.01$). This suggests that as Brand Awareness increases, so does Brand Personality. Moreover, the correlation between Perceived Value and Brand Personality is also strongly positive, with a correlation coefficient of 0.608 ($p < 0.01$). This indicates that as Perceived Value increases, there is a corresponding increase in Brand Personality.

These findings highlight the interrelationships between Brand Awareness, Perceived Value, and Brand Personality, emphasizing the moderate positive associations they share. The observed correlations provide insights into how these variables interact and influence each other within the context of the research study.

Table 2

Multiple Regression Analysis (Effectiveness of Persuasion of Online Reviews)

Model	Standard Coefficient Beta
Brand Awareness	.002
Perceived Value	.030
Brand Personality	.530**
R	.550
R ²	.303
Adjusted R	.281
F Change	14.046
Significant F Change	<.001
Durbin Watson	1.746

Findings from the regression analysis between Factors of Online Review's dimension (brand awareness, perceived value and brand personality) on Effectiveness of Persuasion were tabulated in **Table 2**. As illustrated in the table, the F value was 14.046. The F value helps to show the details of the relationship between the regression and the residuals. The R² of (30.3%) shows the association between the dependent variable, effectiveness of persuasion and the independent variables (Brand Awareness, Perceived Value and Brand Personality). The analysis conducted reveals that among all the independent variables examined, only one variable exhibits a significant relationship with the dependent variable, which is Brand Personality. Brand Personality demonstrates a positive relationship with the effect of persuasion. This means that as the levels of Brand Personality increase, there is a corresponding increase in the effectiveness of persuasion. A brand with a strong and well-defined personality may connect with people and elicit certain emotions or connections. These brand personality attributes may be aligned with the content and tone of online

reviews, making them more convincing and impactful to potential consumers. In research done by Schau, Muñiz Jr and Arnould in 2009, the researchers investigated value generation through brand community practices. They contend that brand community members engage in a variety of activities and interact with the brand in ways that strengthen the brand's personality and produce value for both the community members and the brand itself. While this study does not particularly address the relationship between brand personality and the effectiveness of persuasion of online reviews, it does emphasize the importance of brand community practices in the development of brand value. When it comes to online reviews, a brand's personality that is well-established and connects with consumers may favorably affect brand perception and increase the legitimacy and effectiveness of persuasion of online reviews. Consumers may be more likely to believe and act on reviews that match the personality features of the brand, since this confirms their opinion of the brand and enhances their relationship to it. In conclusion, the independent variable of brand personality demonstrates a significant and positive impact on the effectiveness of persuasion of online reviews.

In terms of brand awareness, it is more closely related to relying on a brand's general awareness and familiarity among customers, but the efficacy of online reviews is more strongly tied to the exact content and quality of those reviews. In research done by Racherla and Friske in 2012, they discovered that, while brand awareness increased customers' perceptions towards a brand positively, it did not always lead to a favorable association with the perceived utility of online reviews. The perceived utility of the reviews was more significantly connected with criteria such as the review content's quality, credibility, and relevancy. As a result, even if customers are aware of a brand, they may depend on information offered by online reviews rather than overall brand knowledge when making purchase decisions.

Moreover, because of different factors, perceived value and the effectiveness of persuasion of online reviews may not always correspond favorably. One possible reason is that perceived value is a subjective judgment made by customers based on their own expectations, preferences, and wants, whereas the effectiveness of persuasion of online reviews is determined by criteria such as the review content's trustworthiness, quality, and relevancy. While electronic word-of-mouth may have a considerable impact on customer perceptions and attitudes, the relationship between perceived value and the effectiveness of persuasion of online reviews is not always clear (Cheung & Thadani, 2012).

Conclusion

The study's findings provide unique insights into the effect of the three independent factors on the dependent variable, namely Brand Awareness, Perceived Value, and Brand Personality. Based on this research, only Brand Personality appears to have a substantial influence on the dependent variable. This means that when it comes to affecting the dependent variable, this variable is very significant. While being investigated, the variables of Brand Awareness and Perceived Value appear to have a significantly smaller significant influence. In other words, they lack the same amount of significance as Brand Personality. This is because the factors of Brand Awareness and Perceived Value on online reviews do not play a significant role in enhancing users' effectiveness of persuasion towards the online reviews. However, it does

play a beneficial role in fostering the enhancement of users' knowledge on product purchasing. To summarize, these findings give light on the varied degrees of influence that these independent variables have on the dependent variable, offering useful insights into their connection.

Recommendations

It is recommended that future research might look into how different degrees of brand awareness affect the impact of online reviews. This might entail identifying users into groups based on their brand familiarity, whether it is low, medium or high, and examining how varying levels of brand awareness influence the persuasiveness of online reviews. Other than that, consumers' brand awareness is intimately related to their brand image and associations. As a result, it would be worthwhile to explore how various brand image qualities and connections, such as dependability, innovation and social responsibility, interact with brand awareness in determining the impact of online reviews. This might lead to a better understanding of how different characteristics of brand perception interact with brand awareness to impact the persuasiveness of online reviews.

In view of perceived value, future study might investigate how the connection between perceived value and the effectiveness of persuasion of online reviews vary across different product kinds. Items with high engagement or high price points, for example, may exhibit distinct patterns in the connection than items with minimal involvement or low-price points. Analyzing these distinctions would give a more sophisticated understanding of the relationship between perceived value, online reviews, and persuasive effectiveness.

Lastly, future research can investigate the impact of brand personality on emotional response. Brand personality can elicit emotional reactions from customers. Besides that, future research should investigate how certain brand personality qualities communicated through online reviews affect consumers' emotional reactions, such as joy, trust, or enthusiasm. Understanding the emotional influence of brand personality in the context of online reviews might shed light on the underlying mechanisms that underlie persuasion efficacy.

Practical Contributions

The practical implication of this research is that Malaysians can identify whether key elements of an online review can impact the effectiveness of persuasion of the review on e-commerce sites.

Theoretical Contributions

This research has theoretical implications by being linked to the brand equity theory. Brand equity theory refers to the value that a brand adds to a product or service that goes beyond its practical benefits. The goal of brand equity is to raise a product's or service's perceived worth, which leads to increased customer loyalty, better price, and, finally, greater profitability. There are various components of brand equity theory that have been studied in recent research, including brand awareness, brand loyalty, perceived quality, brand personality, and brand associations.

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