



**THE EFFECT OF E-WOM
ON
CUSTOMER PURCHASE INTENTION**

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ABSTRACT

This project paper titled “The Effect of e-WOM on Customer Purchase Intention” is undertaken in the Bandaraya Kuching Town Land area. 361 respondents have involved in this survey which was conducted for three weeks and the data from the questionnaires were analyzed and computed. The purpose of this study is to determine the elements of e-WOM that give impact on customer purchase intention. Four elements were tested which are relevance, accuracy, timeliness and comprehensiveness of e-WOM. From this research, accuracy is the most influencing elements in the e-WOM. This research also determines that there are significant relationship among the e-WOM’s element and customer purchase intention. The accuracy of e-WOM has the strongest relationship with customer purchase intention. Overall, this study provides a greater knowledge sharing in the subject of Consumer Behaviour whereby which element of e-WOM will actually give impact on the potential customer purchase intention.

Keywords: e-WOM, word of mouth, relevance, accuracy, timeliness, comprehensiveness, Universiti Teknologi MARA, Bandaraya Kuching.

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CHAPTER ONE: INTRODUCTION

Chapter 1 will clarify on the background of the study, problem statement of the study, the objectives of the study, and limitation of the study.

1.1 BACKGROUND OF STUDY

In this era of technology, the consumers especially working people, adults, teenagers, are become more aware about what they purchase and consume; and they are now tend to look for previous customer review, rather than the product advertisement itself. This is because, they believe more on the customer word of mouth as it is unpaid source and mostly it is an honest review based on their experience. Back in last time, word of mouth (WOM) communication initially referred to the idea of conversation between people-to-people among consumers about the product (Chatterjee, 2001). People share opinion among each other about the product and services in their face-to-face conversation, and influence their friend to buy or to avoid the product or services.

As said by Chatterjee, (2001), now, the worldwide spread of the Internet brought a form less personal but more extensive way of WOM communication, called e-WOM communication. This new type of WOM communication has become an important place for opinion score (Bickart and Schindler, 2001) and it is assumed to be more effective than in the offline world WOM communication. It is due to greater and higher access (Chatterjee, 2001). People can look for e-WOM anytime and everywhere just with their fingertip as long as there is an Internet connection. E-WOM become more reliable as the people who talk about the product are free and neutral, does not attached to any specific brand. E-WOM can affect consumer purchase intention. This is because, either positive or negative e-WOM, people will believe and will have their own perception toward the product or services, after referring to the e-WOM. This situation will give impact to the customer purchase intention, as e-WOM will influence them to buy or not to buy the product or services.

A number of researches have been done to find the factors that brings customer purchase intention by reading online customer review (e-WOM). However there are some of