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**“ELECTRONIC WORD OF MOUTH AND CUSTOMER BUYING  
BEHAVIOR; LAZADA”**

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## **ABSTRACT**

This project paper titled “Electronic Word of Mouth and Customer Buying Behavior; Lazada” is done in the Kota Samarahan area, focusing in Desa Ilmu and nearby area. 284 respondents have involved in this survey. The survey is conducted for three weeks and data from the questionnaires were then analyzed and reported. The purpose of the study being conducted is in order to have more knowledge on how thus the factors of EWOM may affect the buying behavior of the customers. Three elements were tested which are intensity, valence, and content of EWOM. From this research, content is the most influencing elements in the EWOM compared to the other two elements. This research also shows that there are significant relationship among the EWOM’s element and customer buying behaviour. The content of EWOM has the strongest relationship with customer buying behaviour. Overall, this study has provides a greater knowledge in the subject of Consumer Behavior where the element of EWOM will definitely give impact on the customer buying behavior.

**Keywords:** EWOM, word of mouth, intensity, valence, content, customer buying behaviour.

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# 1 Research Introduction

## 1.1 Introduction

Word of mouth is some sort of an unpaid form of promotion done by ordinary people in whom satisfied customers would tell other people how much they like a business, product or service. According to Arndt (1967) word of mouth can be define as an oral, person-to-person communication between a receiver and a communicator. This is where the receiver perceives as non-commercial, concerning a brand, a product, or a service.

Electronic word of mouth would refer to the internet such as Facebook, Twitter, Instagram and many other social media in the networks. Customers can get as much of information from the media about the products information especially about the products reviews. This wide reach of EWOM gives huge blow to customers and also has impact towards the brand image and recognitions (Reynolds, 2006).

However nowadays, only limited number of research on consumers' EWOM has been published up to today. Current publications tend to be mainly practice oriented and deal with what has often being referred to as viral marketing. It is the practice of using consumer communication as a means of multiplying a brand's popularity through customers spreading the brand name of a product or name of a company (Hennig-Thurau et al., 2004).

Malaysians are popular of their preference towards luxury goods and for them to own those goods it took several measures before the decisions are being made (Bagheri, 2014). Most of this information can easily be got through the use of internet. With the advancement of internet, people are sharing their thought through social media. Therefore this study is conducted to examine the factors that affect the customer behaviour in which is especially being conducted towards the residents of Kota Samarahan, Sarawak.

## 2 Literature Review

### 2.1 Introductions

In this chapter are the review of literature on the evolution of word of mouth to electronic word of mouth, and also other literature review on how the elements of electronic word of mouth affect customer behavior and how they are becoming new advertising method chosen by business organizations. In this chapter also shows the theoretical framework of the research.

### 2.2 Evolution of WOM to EWOM

Conventional or old school (offline) informal exchange has been indicated to assume a notable part for customers purchasing behaviour (Richins & Root-Shaffer, 1988). WOM communications can be occasionally be defined as a post purchase behaviors (Goyette et al., 2010). Traditional word of mouth (WOM) can be apparently the oldest method for trading ideas on different products and services offered by business sectors (Goyette et al., 2010). There was in one time, word-of-mouth appeared to be the most popular ways among neighbors in order to make of exchanging news on what was being offered by nearby stores (Whyte, 1954).

To as early as 1955, researchers has believed that word-of-mouth has become seven times more effective than newspaper advertisement, four times more effective than direct selling, and twice as effective as radio advertising (Goyette et al., 2010). Day (1971) has estimated that word-of-mouth are becoming nine times more effective compare to other advertising method when doing advertising in changing consumer behavior.

With the advancement of the internet nowadays it has extended the consumers' options for collecting of unbiased product information from other consumers not only in the