

The Mediating Effect of Customer Intimacy On Electronic Word of Mouth (eWOM) In Social Networking Sites On Buying Intention

^{1st} Thangaraja Arumugam, ^{2nd} Renju Mathai, ^{3rd} K. Balasubramanian, ^{4th} Renuga K,
^{5th} Mohamed Rafiq, ^{6th} V.Kalyani

1st Assistant Professor, Business School, Vellore Institute of Technology, Chennai, Tamilnadu, India.

2nd Assistant Professor & Program Leader IBMS/ IB, Stenden University, Qatar.

3rd Assistant Professor, SCMS Cochin School of Business, Cochin.

4th Research Scholar, Business School, Vellore Institute of Technology, Chennai.

5th Lecturer, Department of Business Studies, University of technology and applied sciences, Nizwa, Sultanate of Oman.

6th Research Scholars, Department of Social Work ,Alagappa University, Karaikudi ,India

* Corresponding author: thangaraja.mba@gmail.com

Received: 21st March 2021

Revised: 12th June 2021

Accepted: 24th June 2021

Abstract: Social networking sites are the hub for social interaction about the brands and product performances among consumers who actively participate in the online shopping. The consumers are becoming more conscious about their shopping especially when it comes to online shopping. The consumers keenly search for the information about a product and its performance features. They are flooded with huge suggestions and stories about the product usage and performance. Unfortunately, they are confused to take a buying decision. At this moment, a right eWOM strategy would support them to take a decision on a particular purchase. Will only a better eWOM strategy influence the customers' buying intention? This research question leads to the enquiry that the mediating effect of customer intimacy on the relationship between eWOM in SNS and buying intention. This study attempts to empirically evaluate the structural model of this conceptual framework. The eWOM and customer intimacy scales were adopted and a structured e-questionnaire was constituted and a survey was conducted among the online shoppers who are exposed to eWOM in the social networking sites. 800 valid responses were finalized for further analysis. The findings reveal that customer intimacy has a partial mediation effect. This study contributes to the notion that not only eWOM strategy in SNS has a positive impact on buying intention but also the customer intimacy will increase the buying intention. It is understood that eWOM strategy can be coupled with increased customer intimacy for a better buying intention.

Key words: eWOM, Customer intimacy, Social network sites, online shopping, E-Shopping

1. Introduction

Social Media (SM) is still a somewhat confounding hypothesis for the researchers. Kaplan and Haelien, according to (2010). SM is the "collection of Internet-construction applications that work with Web 2.0 conceptual and innovative establishments and that allow information to be created and traded" (Kaplan and Haelien, 2010). SM is divided into six separate categories, such as: blogs, virtual environment, websites for the content community, collaborative ventures, feedback sites and SNS (Social networking sites) (Chan & Guillet, 2011). In order to share ideas and opinions on goods and services, these platforms are used. SNS allows customers to communicate with companions, exchange messages and texts, images and videos, sound and web journals. A few SNS concentrate on unique subjects, such as sharing learning or buying products and administration (Wu, S. & Lo, C., 2009). "WOM is a "oral person to individual correspondence with a brand, an object or a facility between a recipient and a communicator whom the collector considers to be non-business" (Arndt, 1967). In this collaboration; the views, approaches and practices on facilities are communicated by the person who feels well-informed about that particular requirement.

Generally, customer intimacy based on the customer needs and it analyses the company's capacity to provide the needs of customers. At initial era, the companies didn't give importance for customers, the concept they followed are different from ours. Because on those days, companies manufacture products and sell on the market. But for the time being the companies realizes customers are the backbones and revenues of the company. So they started to give importance to customers and the customer relationship management evolved. Intimacy is important because humans have close relationship with others. Intimacy exists in every relationships is usually something that is built over time. Long-term intimacy is a gradual process requires patience and communication that are involved in the marketing strategy. Intimacy mainly deals with the trust, vulnerability, communications, needs, and desires.

Problem statement

This research attempts to observe the impact of eWOM on customer intimacy in the arena of online shopping. Customer intimacy is the competitive strategy to sustain in the market with the improved engagement of customers. In such a dynamic and modern business environment, customer expectations and their needs are continuously evolving, it becomes challenging for the marketers. eWOM through social networking sites can influence the level of customer intimacy on online shopping.

Aim of research

The world is transforming into digitalized world. In this world the people can reach to their acquaintances with an instant through internet. Moreover, the present pandemic situation forces the customers to adopt more and more virtual in nature. Any individual can find the positive or negative information about a company, restaurant, or hotels etc., through eWOM. That may influence the customers on their shopping decisions. Therefore, the main aim of this research is to examine the impact of eWOM towards consumer intimacy.

Literature Review

Word of mouth

Before making any buying decisions, purchasers gather product data to decrease the risk of the unfamiliar (Wu & Wang, 2011). Product participation is established by the purchasing performance. The higher the product features, higher the risk for the potential buyers. Word of mouth assumes an essential part in molding buyer approach and it is considered as an intriguing and critical subject by the promoting and correspondence researchers (De Bruyn & Lilien, 2004).

Many consumers use multiple platforms to connect with options from the electronic sources (Rowley, 2001). Riegner (2007) recognised numerous causes in her research that predisposed the buying choices of customers. Consequently, surfing the retail provisions is the most significant influence WOM (Riegner, 2007). Godes and Mayzlin (2004) 2019. (2019). Discussion that, compared with other influential outlets, eWOM impacts brand and decision. Nail (2005) reports that only 40% of the individuals agrees that advertisement is the decent approach to find out the new products and services, whereas, 41% of individuals says that they purchase the products on their account of notices, and 51% finds advertisement entertaining. One of the quickest developing fields of the World Wide Web is the space is SNS. A long range interpersonal communication site is regularly started by a little gathering of originators who convey solicitations to join the site to the individuals from their very own systems.

Despite the fact that the review is weak, it seems to be apparent that WOM will function in the other five markets. WOM, for example, may affect options for speculation (impact markets). In the enrollment advertising, WOM is also an important source of data. For example, one design company assesses that 80 per cent of its employees are chosen after individual referrals. Certainly, a few companies compensate their staff for choosing fair people. Rewards going from \$50 to \$2000 have been paid (Tyler, 1996). WOM is additionally the essential type of activity in which authoritative culture is communicated and reconstituted, in this way considerably affecting the conduct of workers.

EWOM and SNS

Since convectional WOM is like eWOM, the aims highlighted in the writing are also connected in eWOM, with reference to why individuals interface in traditional WOM (Hennig Thureau Walsh, 2004). In eWOM, the goals as well as the ties found in convectional WOM are implementable because they operate comparatively (Sun, 2006; Prendergast, 2010). SNS is the concept focused on the group of people who enter the virtual community, and furthermore, these people who have been part of the virtual community will give the invitation or WOM to other people to join the community (Trusov, 2009). Social networks aim to draw consumers and inspire to engage, expending numerous techniques (Keenan & Shiri, 2009).

The Mediating Effect of Customer Intimacy On Electronic Word of Mouth (eWOM) In Social Networking Sites On Buying Intention

For a decade, WOM efficiencies have been tackled. WOM was emphasised by Brooks (1957) as being of great importance in promoting goods and expanding their sales. In order to improve the chance to spread these beliefs quickly to countless people (Dellarocas, 2003; Hennig- Thureau, 2004), Internet clarity, scale and transparency have provided advertisers the opportunity to impact and show WOM (Kozinets, 2010).

Hennig- Thureau (2004), explores how necessary it is for advertisers to concentrate on eWOM, since online views are available for an unlimited period of time to a wide range of people. Similarly, because at lower costs, they will meet the number of people (Dellarocas, 2003).

WOM is considered to be accurate (Arndt, 1967; Bone, 1995; Godes & Mayzlin, 2004; Brown, 2007), since it is started by customers who have no self-enthusiasm for the product (Arndt, 1967), and it is also agreed that neutral data originated from customers who are similar (Alsop, 2007). EWOM affects the purchasing objectives of consumers, as they rely on eWOM before consuming a commodity (Doh& Hwang, 2009). Individuals participating in the virtual world should not follow the feedback published online to test them (Cheung, 2009).

Some undesirable comments can be helpful, provided that if there were only good web-based ideas about an object and the reliability. The five metrics impact social relations, WOM and eWOM: tie power, confidence, source reputation, interpersonal influence and homophilia (Brown 2007).

When attempting to recognise and influence eWOM, the framework below distinguishes the primary exercises organisations can obtain. Checking eWOM discussions (1), motivating eWOM discussions (2), and concentrating on these eWOM related activities are the three primary levels of the structure: checking and empowering (3). All things considered, these stages consist of sixteen events that were put into real life or wished to be put into real life by the organisations spoken to. Despite the fact that the sample of nine organisations is relatively small, this structure can be helpful for organisations that try to promote eWOM discussions within their intended interest group for buyer gain.

Confidence is described as "an ability to depend on an exchange assistant in whom one has certainty" (Moorman, 1993). Therefore, the higher the degree of confidence between individuals, the greater the probability of engaging in data chasing, giving and passing on (Chu & Kim, 2011).

The concept of SNS is developed from the usual informal organisations, but without close and personal correspondence underlying it. Customary interpersonal organisations are those focused on individuals, meetings and associations that are associated with normal connection-building interests for specific purposes, such as family relations and kinship, and business, social and religious reasons (Boss 2009).

Homophily is the degree to which individuals who talk to each other are parallel to specific qualities (Chu & Kim, 2011). Reviews of historical research have debated that related individuals speak more frequently and therefore more effectively, and would therefore communicate about product-focused knowledge in eWOM. Nevertheless, later research has shown that the approach and features of parallel buyers do not prompt eWOM to (Chu & Kim, 2011; Brown, 2007). Online homophilia can limit the gaps between ideas and perceptions and thus the groups of friends of these lines; this can also limit the person to a fine range of data choices (Chu & Kim, 2011). Brown, (2007) argued that stable characteristics and mutual securities, such as age and financial class, are free of statistical variables; and that online homophilia is measured at the level of the web page and how its content coordinates the benefits of individuals.

Wellman, (2001) argued that by using it to replace some of the eye to eye interactions, the time people spend on the site will be more significant. A few readings showed that the degree to which social capital and groups grow when people use PCs for their social communications can generate a confident outcome

(Kavanaugh, 2005). For people with low obsessive relief, this Internet activity may be beneficial due to poor social links (Bargh & McKenna, 2004).

EWOM (Electronic Word of Mouth)

Introduction to positive WOM typically prompts the purchase of an item, whereas negative WOM tends to have the opposite impact (Arndt, 1967). Recommendation available online may also have a similar effect and increase the general offers of an item, since they can influence the idea of consumers in relation to an item and ultimately endorse a purchase (Cheung, et al., 2009). even, especially those concepts that are sensible and addressed with sound evidence all around (Park, 2007). The quantity of feedback available online often appears to build the purchasing goals of consumers, as different comments on an item indicate that many people have obtained the item and enjoyed it has grown in status and has become a critical component in the evaluation of goods by buyers before making a purchase (Doh & Hwang, 2009). Online item proposals influence the item preferences of the beneficiaries, as it has been established that certain consumers who have been opposed with an online item recommendation more likely to purchase that item than the people who were most definitely not (Senecal & Nantel, 2004). If consumers search for information about an item, the records would have a greater impact on their buying choices.

Numerous scientists have recognized EWOM as having a major effect on clients (Riegner, 2007; Fergusson, 2008; Sung 2008). EWOM is known to shape the brand awareness of consumers, allows an organisation to build a buzz (Fergusson, 2008) that affects brand loyalty (Sung, 2008). EWOM also influences buying priorities and decisions, but with a few more goods than others. Buyers purchasing products online are likely to be influenced by feedback from various buyers (Riegner, 2007).

Customer intimacy

J Ahn, J Ock, H Greene, T Rho (2014) examines the friendship role in relationship marketing attributes which are customer loyalty, customer commitment, and contribution to relationship outcomes. A de Waal, B van der Heijden (2016) analyze the customer loyalty and customer intimacy by improving the employees' behavior in an organization. They mainly concentrate on the B2B services.

M Tabrani, M Amin, A Nizam (2018) tests the customer intimacy in Islamic banking relationship through the loyalty of a customer, commitment towards a bank and trust. The mediation of customer intimacy between the customer loyalty and trust are measured.

L Nora (2019) towards the understanding of a customer trust, customer's knowledge on customer intimacy and religious commitment towards the repurchase intention and its influential impact on the relational commitment. D mulia, H Usman, NB Parwanto (2020) discussing about the customer intimacy role in service marketing which is banking and e-banking sector and by adding the technology acceptance model.

Methodology

This study was conducted among the online shoppers who are exposed to eWOM in the social networking sites. The eWOM and customer intimacy scales were adopted and a structured e-questionnaire was constituted and circulated among the online shoppers. 800 valid responses were finalized for further analysis. The expert views were taken to ensure the randomness of the responders in order to make a valid sample selection. A structural model was developed by the data collected using SMART PLS.

Below are the hypotheses for validating the working research model for examining the relationship between IV and DV along with intervening variables. These hypotheses are validated for different levels of RE. Beside these hypotheses, there are several working hypotheses which test the relationship between the individual dimensions of the main constructs to that of the intervening constructs.

H₁:EWOM in SNS has a positive impact on buying intention

The hypothesis is developed to understand the relationship between eWOM in SNS and buying intention. (Abedi, Ghorbanzadeh, & Rahehagh, 2019) identified that there's a positive impact on buying intention. This study hypothesis the relationship positively.

H₂: Customer intimacy mediates the relationship between EWOM in SNS and buying intention

This hypothesis was developed by the author in order to identify that whether there is a mediating effect of customer intimacy on the relationship between eWOM in SNS and buying intention.

Analysis and discussion

Table.1: Validity and reliability of the constructs

Constructs	Items	Standardised Loadings	Composite Reliability	AVE
eWOM Quality	It provides Sufficient reasons supporting the opinions.	0.644	0.732	0.558
	It is Objective.	0.544		
	It is Understandable.	0.864		
eWOM Credibility	It is convincing	0.766	0.799	0.602
	It is Strong.	0.739		
	It is Credible.	0.76		
Needs of eWOM	I apply eWOM to purchase a new product.	0.911	0.867	0.542
	I often use a product if I get a good experience	0.942		
	I use eWOM for choosing best alternative	0.602		
Attitude on eWOM	I always refer online comments and messages about a product/service.	0.682	0.836	0.667
	Online comments or messages are helpful for e-shopping	0.783		

	I am not happy on purchase if I don't refer user comments or messages	0.812		
	I feel confident by reading user comments	0.731		
eWOM Adoption	The user comments and messages stimulate me for purchase	0.822	0.818	0.587
	It improves my knowledge about product	0.702		
	My purchase decision becomes easier	0.728		
	Over all purchase decision becomes meaningful	0.651		
eWOM Usefulness	It motivate me to make purchase decision.	0.728	0.879	0.668
	eWOM is useful	0.911		
	eWOM is informative	0.942		
	Referring eWOM helps me to shop optimally	0.602		
Customer intimacy	The optimal level of intimacy on brand through online shopping	0.702	0.824	0.875
	The Internet increases the level of intimacy or closeness I have with brand	0.728		
	My experience is pleasurable online	0.651		
	I would recommend others to shop online	0.728		
	Overall, How do you rate the relationship with the brand	0.666		

The convergent validity (CV) is better when the average variance extracted(AVE) is above 0.5. All the constructs in the model have attained the AVE value more than 0.5 which shows that the model with these constructs are achieving the convergent validity. These constructs can be further taken for structural model.

Table 3: Assessment of discriminate validity

	eQL	eCR	eN	eU	eAT	eA	CI
eQL	<u>0.76</u>						
eCR	0.074	<u>0.74</u>					
eN	0.057	-0.002	<u>0.72</u>				
eU	-0.048	-0.093	-0.002	<u>0.72</u>			
eAT	-0.153	-0.008	0.326	0.326	<u>0.75</u>		
eA	-0.026	-0.012	-0.056	0.029	0.044	<u>0.74</u>	
CI	0.116	0.179	0.021	-0.019	-0.092	0.181	<u>0.78</u>

In this study Fornell – Larcker criteria are used, in which AVE values should be greater than the variance between the construct and the other constructs in the model (i.e., the squared correlation between two constructs). Indicate the square root of AVE values and the off-diagonal elements are the squared

The Mediating Effect of Customer Intimacy On Electronic Word of Mouth (eWOM) In Social Networking Sites On Buying Intention

correlation between the construct. It is evident from the table that diagonal elements values are greater than off-diagonal elements and hence it is ensured that the constructs are free from discriminate validity. All the constructs have composite reliability (CR) more than 0.7. Specifically CR of the constructs Needs of eWOM ,eWOM Adoption, eWOM Usefulness and Customer intimacy are have got higher level of composite reliability as above a level of above .8. When the CR values of the constructs compared with standard value 0.7 it can be understood that the construct reliability is high.

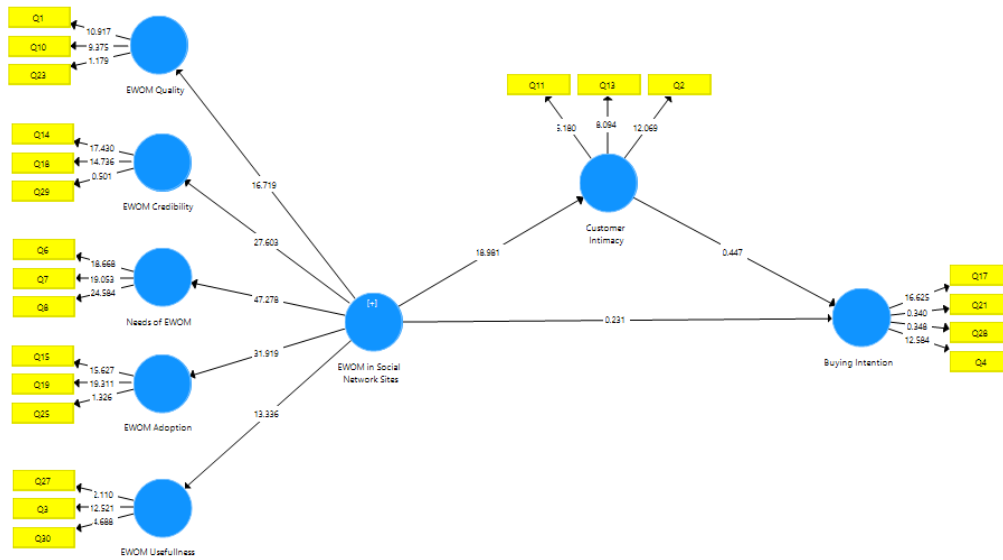


Fig.1: Structural Model shows the relationship between eWOM and customer intimacy

Table 4:

Path	Path coefficients	Mean	STDE V	T Value	P Values	Decision
Customer Intimacy -> Buying Intention	1.091	1.115	0.941	1.159	0.007	Supported
EWOM in Social Network Sites -> Buying Intention	-1.078	1.135	0.943	-1.143	0.008	Supported
EWOM in Social Network Sites -> Customer Intimacy	0.998	1.003	0.057	17.618	0	Supported
EWOM in Social Network Sites ->EWOM Adoption	1.093	1.095	0.035	31.683	0	Supported
EWOM in Social Network Sites ->EWOM Credibility	1.073	1.078	0.037	29.348	0	Supported
EWOM in Social Network Sites ->EWOM Quality	1.105	1.114	0.068	16.359	0	Supported
EWOM in Social Network Sites ->EWOM Usefullness	0.95	0.953	0.076	12.56	0	Supported
EWOM in Social Network Sites -> Needs of EWOM	1.021	1.02	0.021	48.594	0	Supported

Various indicators of model fit of the confirmatory factor analysis as given in the Table 4 shows that model is good fit. The value of chi square/degrees of freedom is 2.352 which shows high model fit. Comparative Fit Index (CFI) is 0.939 which also is an indication of high model fit. Other indicators like Goodness of Fit (GFI), Adjusted Goodness of Fit (AGFI), are 0.931 and 0.915 respectively also showing good fit of the model. RMR and Root Mean Square Error of Approximation (RMSEA) are 0.042 and 0.041, respectively, which is another sign of good fit of the model. Value of NFI, shows a value of 0.9 which seems to be a little violation of the recommended value but a value more than 0.8 is widely considered acceptable. Thus it is seen that model fit of the CFA of the model are good. P value ($.000 < 0.05$) is significant. This violates the recommended p value insignificance but this is accepted with the large sample size and the acceptable number of observed variables (RE Anderson 2010). Altogether, this model provides a good fit. The structural model depicts that there is a positive impact of eWOM on the customer intimacy. All the paths as per the hypothesis developed are statistically significant. Hence, It is implicit that the eWOM has a positive impact on the customer intimacy. The marketers have to seriously monitor and make the strategies to improve the eWOM on their products. That would lead the better customer intimacy on the products.

H₁: EWOM in SNS has a positive impact on buying intention was proved to be true in the analysis. That denotes that when the EWOM strategy is developed in social networking sites, It will positively affect the buying intention.

The second hypothesis, H₂: Customer intimacy mediates the relationship between EWOM in SNS and buying intention is supported. That reveals that a better EWOM strategy is coupled with the better customer intimacy will have more impact on the buying intention. As there is a partial mediation is proved, this study contributes to the notion not only EWOM strategy in SNS has an impact on buying intention but also the customer intimacy will have a supporting part in the marketing effort.

Conclusion

Customer intimacy is a strategy which is for building long - term and close relationship with the customers by adopting or making products to meet the customer expectations. To get succeed in the market every marketer has to have better a competitive advantage. The author concludes the study by saying, the model developed in this study would add a value in the online sellers. eWOM and Customer intimacy strategy are more suitable areas for online sellers. This study has got more fascinating results which emphasis on the electronic word of mouth is the tool which can direct the customers' intimacy level with the sellers.

REFERENCES

- Abedi, E., Ghorbanzadeh, D., & Rahehagh, A. (2019). Influence of eWOM information on consumers' behavioral intentions in mobile social networks. *Journal of Advances in Management Research*, 84-109.
- Arndt, J., 1967. Role of Product-Related Conversations in the Diffusion of a New Product. *Journal of Marketing Research*, 4, pp.291-95.
- Ahuja, R. D., Michels, T. A., Walker, M. M., & Weissbuch, M., 2007. Teen perceptions of disclosure in buzz marketing. *Journal of Consumer Marketing*, 24 (3), pp.151 - 159
- Chan, N. L., & Guillet, B. D., 2011. Investigation of Social Media Marketing: How Does the Hotel Industry in Hong Kong Perform in Marketing on Social Media Websites?. *Journal of Travel & Tourism Marketing*, 28 (4), pp.345-368.

The Mediating Effect of Customer Intimacy On Electronic Word of Mouth (eWOM) In Social Networking Sites On Buying Intention

- De Bruyn, A., & Lilien, G. L. (2004). A multi-stage model of word of mouth through electronic referrals. eBusiness Research Center, Working Paper.
- D Mulia, H. U. (2020). The role of customer intimacy in increasing Islamic bank customer loyalty in using e-banking and m-banking. *Journal of Islamic Marketing*.
- Godes, D., & Mayzlin, D. (2004). Using online conversations to study word-of-mouth communication. *Marketing science*, 23(4), 545-560.
- J Ahn, J. O. (2014). The role of friendship in relationship marketing, Investigated in the retail service industries. *Services Marketing Quarterly*, Vol 35 NO 3, PP 206-21.
- Kaplan, A. and Haenlein, M. (2010) Users of the world, unite! The challenges and opportunities of Social Media. *Business Horizons* Vol. 53, p. 59- 68
- M Tabrani, M. A. (2018). Trust, commitment, customer intimacy and customer loyalty in Islamic banking relationships. *International Journal of Bank Marketing*, Vol 36 No 5, pp 823-48.
- Nora, L. (2019). Trust, commitment, and customer knowledge. *Management Decision*, Vol 57 No 11, pp 3134-3158.
- Saunders, M., Lewis, P. and Thornhill, A., 2009. *Research methods for business students*. 5th ed. England. Pearson education limited.
- Thorson, K. S., & Rodgers, S. (2006). Relationships between blogs as eWOM and interactivity, perceived interactivity, and parasocial interaction. *Journal of Interactive Advertising*, 6(2), 5-44.
- Wu, S. & Lo, C., 2009. The influence of core-brand attitude and consumer perception on purchase intention towards extended product. *Asia Pacific Journal of Marketing and Logistics*, 21 (1), pp. 174-194.
- Yen, C. L. A., & Tang, C. H. H. (2019). The effects of hotel attribute performance on electronic word-of-mouth (eWOM) behaviors. *International Journal of Hospitality Management*, 76, 9-18.