

The Effect of Electronic Word of Mouth (e-WOM) and Trust on Online Purchase Intention: The Moderating Role of Perceived Risk

Nima Orangifard

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Approval of the Institute of Graduate Studies and Research

Prof. Dr. Ali Hakan Ulusoy
Director

I certify that this thesis satisfies all the requirements as a thesis for the degree of Master of Business Administration.

Assoc. Prof. Dr. Burak Erkut
Chair, Department of Business
Administration

We certify that we have read this thesis and that in our opinion it is fully adequate in scope and quality as a thesis for the degree of Master of Business Administration.

Assoc. Prof. Dr. Emrah Öney
Supervisor

Examining Committee

1. Assoc. Prof. Dr. Emrah Öney

2. Asst. Prof. Dr. Iman Aghaei

3. Asst. Prof. Dr. Mehmet İslamoğlu

ABSTRACT

The widespread growth of the internet and its related communication channels in the modern day has led to a significant move toward online platforms in the fields of marketing and business. This revolutionary development emphasizes how important Trust dynamics and Electronic Word of Mouth (e-WOM) are becoming in shaping customer buy intentions. The increasing dependence on online platforms for promotional activities and purchase choices highlights the critical role that e-WOM and Trust considerations play in the modern marketing environment. As such, these factors have become of the highest importance in the marketing industry, acting as pivotal factors that profoundly influence customer behavior and purchase intentions.

The primary objective of this research is to investigate and clarify how Trust and e-WOM affect consumers' intentions to buy on online environments. Understanding the impact of these variables is crucial for marketers and policymakers who aim to understand the elements influencing consumer preferences for making online purchases. Furthermore, the goal of this research is to clarify how perceived risk influences the link between e-WOM and buy intentions, as well as trust and purchase intentions, by examining the moderating function of perceived risk. The objective of this study is to further our understanding of the complex mechanisms that underlie consumer behavior in online shopping environments by investigating the subtle interactions between these factors.

The data utilized in this study was obtained from a sample of 214 individuals residing in Northern Cyprus. Based on the analysis performed utilizing the available data, the

findings demonstrate that e-WOM and Trust exert favorable influences on the intention to purchase online. Furthermore, the association between e-WOM and Purchase Intention is effected by the moderating role of the Perceived Risk, while there is no substantial moderating influence of perceived risk on the relationship between Trust and Online Purchase Intention.

The final section of this research comprises a comprehensive examination of the constraints encountered in this study, as well as the managerial suggestions for further investigation on this subject in subsequent research endeavors.

Keywords: Electronic Word of Mouth, Trust, Online Purchase Intention, Northern Cyprus.

ÖZ

Günümüzde internetin yaygın büyümesi ve ilgili iletişim kanallarının gelişimi, pazarlama ve iş dünyasında çevrimiçi platformlara doğru önemli bir harekete neden oldu. Bu devrim niteliğindeki gelişme, güven dinamiklerinin ve elektronik ağızdan ağıza iletişimin (e-WOM) müşteri satın alma niyetlerini şekillendirmede ne kadar önemli hale geldiğini vurgular. Tanıtım faaliyetleri ve satın alma seçimleri için çevrimiçi platformlara artan bağımlılık, e-WOM ve güven düşüncelerinin modern pazarlama ortamında oynadığı kritik rolü ortaya koyar. Bu nedenle, bu faktörler pazarlama endüstrisinde en yüksek öneme sahip olmuş, tüketici davranışını ve satın alma niyetlerini derinden etkileyen temel faktörler olarak hareket etmiştir.

Bu araştırmanın temel amacı, güven ve e-WOM'un çevrimiçi ortamlarda tüketicilerin satın alma niyetlerini nasıl etkilediğini araştırmak ve açıklamaktır. Bu değişkenlerin etkisini anlamak, çevrimiçi alımlar yapma konusundaki tüketici tercihlerini anlamayı amaçlayan pazarlamacılar ve politika yapıcılar için önemlidir. Dahası, bu araştırmanın hedefi, algılanan riskin e-WOM ve satın alma niyeti ile ilişkisini, ayrıca güven ve satın alma niyeti arasındaki ilişkiyi etkileyip etkilemediğini anlamak için algılanan riskin düzenleyici rolünü inceleyerek açıklığa kavuşturmadır. Bu faktörler arasındaki ince etkileşimleri araştırarak, bu çalışma çevrimiçi alışveriş ortamlarında tüketici davranışının karmaşık mekanizmalarını anlama hedeflemektedir.

Bu çalışmada kullanılan veriler, Kuzey Kıbrıs'ta yaşayan 213 bireyden oluşan bir örneklem tarafından elde edilmiştir. Mevcut veriler kullanılarak yapılan analize dayanarak, bulgular e-WOM ve Güven'in çevrimiçi satın alma niyetine olumlu

etkilerini ortaya koymaktadır. Ayrıca, e-WOM ve satın alma niyeti arasındaki ilişki, algılanan riskin düzenleyici rolü tarafından etkilenirken, Güven ile satın alma niyeti arasında önemli bir düzenleyici etkinin olmadığı gözlemlenmiştir.

Bu araştırmanın son bölümü, bu çalışmanın sahip olduğu sınırlamaların detaylı bir analizini, yönetim çıkarımlarını ve gelecekte bu konuda daha fazla araştırma için önerileri içermektedir.

Anahtar Kelimeler: Elektronik Ağızdan Ağıza İletişim, Güven, Satın Alma Niyeti, Kuzey Kıbrıs.

DEDICATION

To My Family

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LIST OF ABBREVIATIONS

e-WOM	Electronic Word Of Mouth
HTMT	Heterotrait-Monotrait Ratio
PI	Purchase Intention
PR	Perceived Risk
SOR	Stimulus Organism Reaction
TRA	Theory of Reasoned Action

Chapter 1

INTRODUCTION

1.1 Introduction

Technology is a crucial factor in the daily lives of individuals in the contemporary era (De Mooij, 2019). It has had a profound impact on all aspects of people's lives, leading to substantial transformations in their lifestyles and behavior. The internet is a fundamental component of technology that has significantly transformed the world as a whole. The Internet facilitates communication and provides a platform for individuals, corporations, and organizations to promote their products or services in order to get a larger market share (Chaffey & Ellis-Chadwick, 2019). Furthermore, people utilize it for other purposes, such as acquiring online buying information. Purchasing items online is widely regarded as a significantly more efficient method (Manzoor, Baig, Hashim, & Sami, 2020).

With the rapid advancement and widespread adoption of the internet over the past few decades, there has been a significant increase in the number of online users. This surge in online users has had a profound impact on various sectors of the business industry (Zainal et al., 2017). In the current digital era, the way consumers interact with brands and make purchasing decisions has been transformed by the digital landscape. Consequently, it has become crucial to comprehend the dynamics of electronic word-of-mouth (e-WOM) and Trust. The emergence of online platforms and social media has facilitated an unusual aspect of consumer behavior, characterized by the rapid and

widespread exchange of opinions and recommendations. In the current digital landscape, the impact of e-WOM and the significance of Trust have become essential in determining consumers' Online Purchase Intentions.

This research aims to thoroughly investigate the influence of e-WOM and Trust on consumers' Purchase Intentions in the dynamic context of Online Shopping Platforms. The main objective is to examine the complex connections between e-WOM, Trust, and their impact on consumers' likelihood to engage in Online purchasing activities. Moreover, this study aims to examine the moderating impact of Perceived Risk in this comprehensive framework. The objective of this study is to examine the impact of Perceived Risk on the association between e-WOM and Purchase Intention. Furthermore, this study aims to analyze the influence of Perceived Risk on the connection between Trust and Purchase Intention, treating these relationships as separate factors.

According to Silverman (2011), e-WOM marketing can be highly beneficial for consumers in making purchase decisions. Hennig-Thurau et al. (2004) define e-WOM as the expression of positive or negative opinions about a product or company by potential, current, or past customers. These opinions are accessible to a broad audience through the Internet. E-WOM refers to the generation and dissemination of information by online users through various channels, including online ratings, reviews, blog posts, complaints, and the sharing of personal experiences on the internet. Cheung and Thadani (2012) state that it is present on various platforms such as online discussion forums, consumer review sites, company websites, blogs, social networking sites, and online shopping sites.

Stated by Alhidari and Almeshal (2017), Trust is a crucial factor that influences Purchase Intention. It is a personal experience for customers, and it is influenced by the nature of their interactions and the information they share with others. Trust is defined as a belief held by a consumer that a service provider or company will deliver the promised quality and service (Seo et al., 2020). Customer loyalty is crucial for businesses as it promotes repeat purchases, advocacy, and fosters a sense of security and confidence. This enables customers to make informed decisions and establish long-term relationships with brands.

Purchase intention refers to a consumer's likelihood of purchasing a product, preferring a particular brand, or switching from one brand to another. It is a significant factor in marketing, as a higher intention to purchase increases the likelihood of a consumer making a purchase (Kotler & Armstrong, 2018; Gorji & Siami, 2020).

1.2 Theoretical Background

1.2.1 Theory of Reasoned Action (TRA)

Interest is one of the psychological factors that affects attitudes and actions (Schiffman & Kanuk, 2012). According to "Theory of Reasoned Action (TRA) describes how behaviors that change based on the results of behavioral intentions, and behavioral intentions can be influenced by social norms and individual attitudes towards behavior" (Eagle et al., 2013, p. 1). According to Lee and Kotler (2011), the Theory of Reasoned Action provides the most accurate forecast of a person's actions based on their interests. The two primary determinants of behavioral interest are an individual's impression of the opinions of people closest to them regarding the action they have engaged in and their level of trust in the conduct's result.

It may be concluded that purchasing interest is a mindset based on a person's perception and trust following the receipt of information and encouragement to buy a product. Customers that are well-versed in a product may show enthusiasm in making future purchases.

1.2.2 Stimulus-Organism-Response (S-O-R) Theory

The Stimulus-Organism-Response (S-O-R) theory is a theoretical model that was first applied in the field of environmental psychology, as noted by Mehrabian & Russell in 1974 (Chen & Yao, 2018). Currently, a number of theoretical models have been utilized to describe consumer behavior, including the S-O-R theory (Arora, Parida & Sahney, 2020; Laato et al., 2020; Lin et al., 2020; Zhu et al., 2020). According to the S-O-R theory, consumer behavior is a continuous process that starts when they are exposed to an environmental stimulus (S) that modifies their emotional and cognitive assessments (O). In the end, it influences customer reactions (R), which may be either good or bad behavior (Bigne, Chatzipanagiotou & Ruiz, 2020).

According to Kamboji et al. (2018), the "stimulus" component of the S-O-R theory refers to everything that originates from the external world and causes consumers to evaluate themselves internally. One feature of the external environment that might operate as a stimulant in changing the internal state of customers in the context of online buying behavior is the quality of information (Islam & Rahman, 2017). In the second component, the term "organism" refers to the cognitive and emotive state of the consumers, reflecting their views that are shaped by their internal assessments (Pal et al., 2020). Additionally, the organism in issue may take the shape of perceived risk and trust, which are products of the consumer's internal assessment of the outside world (Friedrich et al., 2019; Xue et al., 2020). The last process that results from the two starting processes (the "stimulus" and the "organism") is the third component, or

"response" (Islam & Rahman, 2017). The behavioral intention of the customers is one of the behavioral outcomes during the response stage (Li et al., 2020). According to the S-O-R theory's logic, this study employs trust and perceived risk as an organism variable (O), eWOM credibility as a stimulus variable (S), and purchase intention as a response variable (R).

The theory of reasoned action (TRA) in the hypothesis development part is going to be used as a theoretical basic to investigate and analyze the relationship between e-WOM and Purchase intention, as well as the relationship between Trust and Purchase intention. Also, the theory of Stimulus-Organism-Response (S-O-R) is selected to be used as a second theoretical basic to analyze the relationship between e-WOM and Purchase Intention.

1.3 The Goals and Purpose of this Study

The major goal of this study is comprehensively examine the impact of e-WOM and Trust on consumers' Purchase Intentions within the ever-changing environment of Online Shopping Platforms. The primary aim is to investigate the intricate relationships among e-WOM, trust, and their influence on consumers' propensity to participate in online purchasing behaviors.

Furthermore, the effect of Perceived Risk factor is being studied as a moderator to find out how it has an influence on the relationship between e-WOM and Purchase Intention, as well as on the relationship between Trust and Purchase Intention.

1.4 Data Collection and Sampling Procedure

The researchers employed the snowball sampling technique for this study. The survey included 214 participants from Northern Cyprus. The online questionnaire was administered to collect data from participants.

The research utilized a poll comprising five sections. The initial four sections focused on inquiries pertaining to the constructs outlined in the proposed conceptual framework. The final section was dedicated to gathering demographic information from the respondents. A seven-point Likert Scale was utilized to respond to each question. The components employed in the questionnaire consist of the following:

1. Questions pertaining to electronic word of mouth
2. Questions pertaining to purchase intention
3. Questions pertaining to trust
4. Questions pertaining to perceived risk
5. Demographic questions

To assess the validity of the questions, a pretest of 20 individuals was carried out on a sample. The procedure was implemented to ensure the absence of errors in the questions and make necessary adjustments. The survey respondents' personal information was kept confidential to maintain their anonymity. The participation of the respondents in the data gathering process was entirely voluntary.

1.5 Thesis Structure

This thesis's opening chapter offers a beginning analysis of the evolution of technology and the internet, together with a discussion of the fundamental ideas that support the suggested assumptions. Moreover, this chapter outlines the objectives and aims of the

study, along with an elaborate explanation of the methodology used for data collection and the approach followed for selecting the sample. The research framework has been outlined at the culmination of this chapter.

Chapter Two presents a thorough analysis of previous academic studies, specifically addressing the subject of electronic word of mouth and the essential elements of our suggested conceptual framework. The components included in this context are trust, purchase intention, and perceived risk.

Chapter Three of the publication provides a thorough summary of the research methodology used in the study. This includes the study design, the many phases in questionnaire design, the technique used for data collecting, the process of selecting the sample, determining the sample size, the analytic methodologies used, and the ethical considerations taken into account.

Chapter Four introduces the study hypotheses and explores the anticipated ties among the aspects of the suggested theoretical framework.

Chapter Five of this research presents a thorough examination of the acquired data. The research utilizes a range of statistical approaches that will be explained in the mentioned chapter. Furthermore, this part provides a comprehensive elucidation of the content that was released.

The sixth portion relates to the study results and their corresponding conclusion. Moreover, the study recognizes the limitations inherent in the research and offers suggestions for future studies pertaining to the relevant topic.

Chapter 2

LITERATURE REVIEW

2.1 Introduction

In this chapter, we will undertake a comprehensive examination of the relevant research pertaining to the subject matter of our study. The aim is to establish a thorough foundation of the fundamental concepts utilized within this research. The current chapter serves as an indispensable resource, furnishing vital insights into the realm of Electronic Word of Mouth (e-WOM), which has acquired immense significance within the realm of marketing due to the advancement of online platforms. It equips consumers with ample knowledge to navigate their purchasing decisions. Furthermore, we delve into the crucial role of Trust as a potent influencer in shaping Purchase Intentions. The chapter expounds upon the concept of Purchase Intention, a pivotal term central to our study. Additionally, we explore the role of Perceived Risk as a moderating factor in the interplay between e-WOM and Purchase Intention, as well as between Trust and Purchase Intention. Within this chapter, we devote attention to the realm of online shopping platforms, as the research at hand pertains to the examination of pertinent terms within this context. Consequently, a succinct overview of this domain is presented to provide readers with a foundational understanding.

2.2 Electronic Word Of Mouth (e-WOM)

Word-of-Mouth (WOM) marketing as an alternative evaluation can be significantly helpful for consumers while making purchase decisions as stated by Silverman (2011). By giving important information about the products, which are directly experienced

by consumers, family members, friends, or experts, e-WOM plays a crucial role. Both WOM and e-WOM have a substantial effect on purchasing decision and there are several factors that increase their effectiveness (Sweeney et al., 2008; Lin et al., 2013).

Academics and practitioners have long acknowledged the concept of WOM (Lee and Youn, 2009). They have recognized WOM as a highly influential tool for shaping customers' perceptions of marketplace information (Alreck and Settle, 1995).

WOM as defined by Kotler & Keller (2012), refers to the communication process whereby individuals or groups offer recommendations pertaining to a specific product or service, with the intention of sharing personal information. Similarly, WOM is defined in Hasan's (2010) research as customers expressing their thoughts, compliments, and recommendations about the quality of a product or service directly to their relatives or friends. These customer testimonials have a notable influence on shaping customer decisions and purchasing behavior. WOM can be mentioned as one of the oldest forms of marketing skills, and it was also used before Gutenberg's invention of the printing press and the radio by Marconi.

The effectiveness of WOM stems from the inherent trust consumers place in messages conveyed by their peers, surpassing the trust they have in messages delivered by advertisers (Sen and Lerman, 2007).

This power of WOM has become even more pronounced with the advent of the internet (Sun et al., 2006). The global business and marketing landscape has experienced a substantial transformation in recent years due to the rapid expansion of the Internet. This digital revolution has provided marketers with fresh avenues to promote their

products and services, as well as novel means of engaging with consumers (Osenton, 2002; Plummer, 2007). The rapid technological changes have sparked a renewed interest in WOM within academic circles and have made it a buzzword in the business world, primarily due to the emergence of e-WOM facilitated by the Internet and online social networks (Chen and Xie, 2008; Goldsmith, 2006; Trusov et al., 2009). Keller (2007) further supports this notion. The advent of technological advancements, particularly the emergence of social media platforms and networks, has embraced the concept of WOM in its electronic form, commonly known as e-WOM. E-WOM can be viewed as an expansion of WOM into the realm of the online medium.

In today's landscape, consumers are increasingly relying on unfiltered e-WOM directly from other customers, bypassing signals generated by marketers (Kim et al., 2019). This shift is a result of the rapid growth of online communication, the formation of social groups and communities, and has sparked heightened research interest in e-WOM within academic circles (Cheung and Thadani, 2012).

According to Hennig-Thurau et al. (2004), e-WOM can be defined as "any positive or negative statement expressed by potential, current, or past customers about a product or company, which is accessible to a wide range of individuals and institutions through the Internet." Chaffey and Chadwick (2016) describe e-WOM as a form of consumer-to-consumer communication focused on discussing purchase experiences. This information is easily accessible due to its availability on the internet.

e-WOM is generated and spread by online users through various means, such as online ratings, reviews, blog posts, complaints, and sharing experiences online. It can be found across multiple platforms, including online discussion forums, consumer review

sites, company websites, blogs, social networking sites, and online retail/shopping sites (Cheung and Thadani, 2012).

(Chen et al., 2014) said that e-WOM is the transmission of communication through online platforms, which can affect how consumers receive information, as WOM messages through internet media from consumers related to a brand, product, organization, or service. According to Rani and Shivaprasad (2016), e-WOM is a significant channel for acquiring customers in a number of ways, and it is also important in terms of customer retention, and post-purchase assessment.

Yap et al., 2013 argued that positive or negative data can be provided by e-WOM when consumers suggest or warn others about any good or service in this way. Customers typically express their ideas to those around them after experiencing some kind of consumer experience. This trend of sharing experiences today has moved to internet platforms. So these online communications influence the tendency of potential consumers of a good or service (Gruen et al., 2006; Roy et al., 2020; Tsao et al., 2015).

Today, marketers are adopting e-WOM strategies to maximize the profitability of their businesses due to its flexibility, the multidimensional nature of online users, and e-WOM's relatively lower costs (Babic Rosario et al., 2020; Liosas, 2018; Seo et al., 2020). Because of the accessibility of e-WOM and also, its availability for anyone who can use the internet, it is being considered gainful (Evans & Erkan in Nuseir, 2019). Reham & Dina (2016) stated that positive e-WOM by increasing the consumer's perception of goods and services can boost the sale, on the other hand, negative e-WOM can lead to considerable losses for businesses.

The impact of e-WOM can be influenced by various factors such as quality, sentiment, perspective, and other related elements. The quality of WOM plays a significant role in how people evaluate incoming communications. Research has consistently shown that the quality of WOM directly influences the recipient's attitude, especially in online environments. High-quality e-WOM is informative, detailed, and provides valuable insights. Users are more likely to trust and act upon recommendations that are well-articulated and credible. The emotional tone of e-WOM can significantly influence its impact. The sentiment of e-WOM can vary between positive, neutral, or negative. Several prior research endeavors have revealed that negative e-WOM carries a considerably greater impact compared to positive e-WOM communication. Positive e-WOM can boost brand perception and attract potential customers, while negative e-WOM can deter prospects and harm a brand's reputation. This phenomenon might arise due to the fact that a negative message limits the likelihood of it being disseminated by marketers.

Having multiple viewpoints on a product or service can expand the scope of e-WOM. Hearing from a diverse range of individuals with varying experiences enables potential customers to make better-informed choices. According to Bone (1995), it was proposed that the collective agreement of multiple pieces of information expressing the same viewpoint amplifies the effect of e-WOM, surpassing the influence of a single statement alone. Additionally, when diverse individuals respond to a shared opinion, it contributes to bolstering the credibility of the statement. A one-sided message focuses exclusively on either the positive or negative aspects of a product, whereas a two-sided message highlights both the positive and negative aspects.

Factors like the authority of the person sharing e-WOM, the relevance of the content to the audience, and the overall timing of the message also play crucial roles in determining its impact.

Consumer judgment can be influenced by both WOM and e-WOM as mentioned in studies conducted by Sweeney et al. (2008) and Brown et al. (2007). However, it is important to recognize that there are notable distinctions between these two mediums. To begin with, WOM originates from individuals known and trusted by the receiver. However, in the case of e-WOM, the sender of information is typically anonymous to the receiver. Secondly, e-WOM offers a significantly larger volume of reviews compared to WOM. With this increased volume, the recipient is more likely to encounter repeated endorsements, which can reinforce the initial recommendation and lead to a greater change in their attitude through subsequent messages (Kim et al., 2016). While WOM conversations occur between individuals in a one-to-one manner and are limited to a specific moment, e-WOM has a broader reach due to its ability to reach multiple recipients simultaneously and its permanent presence on the internet. The lasting nature of e-WOM means that existing e-WOM content has the capacity to influence future e-WOM interactions (Dellarocas and Narayan, 2007). Moreover, considering the anonymous aspect of reviews, customers have the freedom to express their opinions about any product or service without worrying about facing any consequences (King et al., 2014). As a result, a greater number of customers engage in providing feedback. Due to the varying levels of credibility and quantity between WOM and e-WOM, they are likely to have distinct effects on consumer decision-making.

2.3 Trust

Trust, one of the significant influential factors for purchase intention, is something that customers experience personally, and it is the nature of interaction and the kind of information that they will transfer to others stated by Alhidari & Almeshal (2017). In the digital realm, the foundation of trust is built upon people's beliefs and reliance on one another. The absence of trust can have a detrimental impact, particularly when it pertains to the buyer-seller relationship.

As defined by Ballester (2014), trust is an individual's belief or expectation toward to what extent a brand or product is reliable and intentions that pose a risk to customers. Trust can manifest when a product or service embodies both reliability and integrity in the realm of exchange.

Trust is an attitude of a consumer who has trusted a service provider or a company, with the expectation that he or she will get the quality and service which is promised by the provider defined by (Seo et al., 2020). Due to this fact, it is vital for businesses as it fosters customer loyalty, repeat purchases, and advocacy, and it creates a sense of security and confidence, allowing customers to make informed decisions and engage in long-term relationships with brands. According to Pratiwi et al. (2015), trust can be defined as a feeling of security when consumers experience a connection with a product or brand.

Cognition-based and emotion-based trust can be mentioned as two divisions of trust (Cheung et al., 2009). These two variants come together to form the basis of and motivation for consumer's purchase intention (Reck & Childers, 2006). The enigmatic concept of cognition-based trust, as expounded by Cheung et al. in their seminal 2009

study, represents a unique form of trust that emerges from the intricate labyrinth of rational evaluations and cognitive assessments bestowed upon a brand or product. This ethereal trust is nurtured through the discerning analysis of multifarious information, past encounters, and objective data, culminating in the formation of an astute and enlightened perception of a brand's reliability and credibility. In the realm of practicality, the foundation of cognition-based trust is intricately woven with the threads of the following factors:

1. **Transparency:** Brands that daringly unveil the veils shrouding their products, processes, and policies manifest a remarkable sense of transparency, thereby sowing the seeds of trust among discerning consumers.
2. **Consistency:** The unfaltering adherence to delivering on promises and upholding uncompromising product quality constitutes the bedrock upon which trust is fortified, flourishing, and enduring through the unforgiving tides of time.
3. **Expertise:** The splendid showcase of unyielding expertise in the annals of a particular industry or field confers an air of profound credibility, nurturing the trust that blossoms in the cradle of the brand's formidable capabilities. Thus, the ethereal realm of cognition-based trust beckons, offering both brands and consumers an intellectually charged symbiosis, bound together by the threads of meticulous analysis and sagacious evaluation.

On the other hand, emotion-based trust is driven by subjective feelings and emotional connections with a brand. Consumers often form emotional bonds with certain brands due to positive experiences, shared values, and emotional resonance.

Emotion-based trust is influenced by various factors, including:

1. **Brand Identity:** Establishing a unique brand identity that resonates with the target audience creates an emotional attachment and sense of belonging.

2. Brand Storytelling: Crafting compelling stories that evoke emotions and reflect the brand's values can deepen the emotional connection with consumers.

3. Customer Experience: Delivering exceptional customer experiences can evoke positive emotions and foster trust.

Trust plays a significant role in the buyer-seller relationship, and it is the feeling of honesty and trust which must be passed from seller to buyer and vice versa. As stated by (Jibril et al., 2019), trust reduces the time for the decision-making process and makes the brand or product selection simple for customers. Trust has a strong relationship with brands because the desired experience that customers have with a brand could lead to long-term loyalty (Ngoc Phan & Ghantous, 2013). It has been mentioned in several pieces of research that, when a consumer's trust in a product or brand increases, repurchasing as a consequence leads to brand preferences (Chinomona et al., 2013; Sheth & Parvatijiar, 1995).

Trust is a pivotal factor that significantly influences consumers' purchasing intention and e-WOM intention, as highlighted by Zainudin et al. (2020). Moreover, trust plays a crucial role in mitigating risks and uncertainties for customers, thus establishing its significance in the realm of online shopping by impacting customer loyalty and purchasing intention. Trust plays a pivotal role in shaping the success of retailers, as indicated by compelling evidence from various sources (Menidjel et al., 2021). The establishment of trust significantly influences the outcomes for retailers, not only in the immediate future but also in the long run.

2.4 Purchase Intention

According to Kotler & Armstrong (2018), purchase intention is the possibility of a consumer purchasing a product or preferring a specific brand, or also switching from one brand to another. Among the most important factors in marketing is purchase intention, since an increase in intent results in a greater likelihood for a consumer to make a purchase (Gorji & Siami, 2020). It means that the more a consumer's desire to buy a product, the higher the purchase intention, and vice versa (Dodds et al., 1991; Schiffman & Kanuk, 2000).

Other studies have defined the purchase intention as forecasting a consumer's buying behavior, thus companies can employ this branch of study as a useful tool to predict the actual customers buying behavior (Abdul Muhmin 2010; Thangpapanl & Ashraf, 2011; Yin-Fah et al., 2011). In response to Chakraborty (2019), it is imperative for retailers to understand consumers' purchase intentions, since consumer actions are often influenced by these intentions. Consequently, by understanding consumer purchase intentions, the company is able to devise the right marketing strategy. According to research conducted by Molla and Licker in 2001, it has been demonstrated that when customers make repeated purchases as a result of their long-standing loyalty, it positively impacts a company's profitability and facilitates its growth.

As a different definition, Durianto (2011) claimed that buying intention is the tendency of an individual to buy any product which can be aroused by the appealing quality or the price of the product. In essence, purchase intention pertains to the inclination and willingness of consumers to make a purchase of a particular product or service. It is

influenced by their perceptions, attitudes, and overall behavior toward a brand or offering. Understanding consumer behavior involves the intricate fusion of diverse internal and external elements that impact how individuals make decisions. This encompasses the behaviors, patterns, and preferences people display when contemplating a purchase. Perceptions as another effective factor can be considered as a filter through which consumers observe products and brands. Favorable perceptions, such as considering a product reliable, high-quality, or innovative. Conversely, unfavorable perceptions, like doubts about product effectiveness or concerns about the brand's trustworthiness, can dissuade consumers from buying. As a result, marketers must create persuasive stories that cultivate positive perceptions and set their offerings apart from competitors. Attitudes emerge from the beliefs, emotions, and assessments that consumers hold about a product or brand. Positive attitudes foster a greater inclination to purchase, as they establish a sense of connection and preference.

Some previous research has stated that purchase intention is strongly related to the attitude and preferences of a consumer toward any brand or product (Kim & Ko, 2012; Martin-Consacgra et al., 2018). As claimed by (Adolph et al., 2003) need or desire can be mentioned as the other two factors that are effective in generating intention, which can be derived from the information which consumers get from e-WOM.

There are various factors that affect purchase intention like feelings and emotions. When a consumer experiences satisfaction in terms of quality or service provided by the brand, it leads to a repurchase process by the consumer, but facing disappointment by not meeting the expectations related to the product results in not purchasing or bad words (Swastha & Irawan, 2005). Other factors that can be mentioned as effective factors on the purchase intention are product quality, brand name, price, advertising,

and packaging stated by (Akbariyeh et al., 2015). In 2013, Gogoi highlighted that customers often perceive purchasing low-cost, minimally packaged, and relatively unfamiliar products as a considerable risk due to doubts about the trustworthiness of their quality. According to Kotler (2003), an individual's perception and unforeseeable situations can be considered as affective factors for purchase intention.

According to Kotler & Keller (2016), through purchasing decision process there are five steps being followed by the customers, Problem recognition, and Information search, Evaluation of alternatives, Purchase decisions, and Post-purchase behavior.

The initial stage in the purchasing decision process occurs when consumers recognize a problem or requirement that demands fulfillment. This can be prompted by various factors, such as the wish for a new product, the necessity for a replacement, or the quest for a solution to a specific concern. After identifying the issue, customers initiate an information search to acquire pertinent data regarding potential solutions or products. This process may entail seeking advice from friends and family, perusing online reviews, consulting experts, or visiting brick-and-mortar stores to compare available options. Having multiple choices available, consumers proceed to the evaluation stage. Here, they scrutinize the various alternatives they have come across during the information search process. After thoughtful deliberation, consumers reach the point of making a purchase decision. At this stage, they have chosen the product or service they believe provides the utmost value. The journey doesn't conclude with the purchase. Post-purchase behavior is a crucial phase that holds significant influence over a company's success. After making a purchase, customers assess their overall satisfaction and experience with the product. If the product meets or surpasses their expectations, it cultivates customer contentment, brand loyalty, and positive word-of-

mouth. Conversely, if the product disappoints, it can lead to buyer's remorse, dissatisfaction, and possibly even negative reviews.

In their study conducted in 2016, Basri and colleagues found that the behavior of consumers when making purchases online is a complex process. This complexity stems from the extensive gathering of information, evaluating a considerable volume of data, utilizing decision support systems, and completing transactions within a self-service environment.

2.5 Perceived Risk

The utilization of social media is widespread, and information in the form of online comments can be rapidly generated on these platforms. However, when users evaluate and judge the reliability of such online comment information, they become consciously aware of potential risks. Perceived risk is known as the degree to which customers perceive the probability of negative outcomes while making purchases in e-commerce (Suh et al., 2015). The idea of perceived risk, according to Bauer (1967), may be characterized as the combination of uncertainty and the seriousness of prospective outcomes. Therefore, the seller and buyer may experience unintended effects of which he or she was unaware and which may also produce unwanted outcomes (Liljander, Polsa, & van Riel, 2009).

As per (Firdayanti, 2012), perception of risk is perceived by consumers as a way of assessing the likelihood that they will suffer a loss if they make a certain decision in accordance with the uncertainty involved with the matter at hand. Considering this, customers prefer to purchase products that they used to use rather than unknown

products, because of a high level of risk involved. Therefore, when there can be risk involved, customers will likely choose what is most suitable for them.

When it comes to online payments, Featherman and Pavlou (2003) identify perceived risk as the possibility of incurring losses in exchange for a desired outcome. They define it as the potential for encountering loss while pursuing a desired outcome through the utilization of an e-service.

In the realm of online purchases, every transaction hinges upon the perception of risks shouldered by consumers and the prevailing constraints. These constraints encompass the security risk associated with personal consumer information, disparities between product information presented by marketers and the actual state of the product, and the delivery process of goods that fail to align with consumer expectations (Liu et al., 2013). Hong and Yi (2012) discovered that while buying online, risks and risk reduction play crucial roles in purchasing decisions since there are always certain hazards associated with the act of shopping, and buyers will search for various techniques to lower them.

Facets of perceived risk are traceable to Cunningham (1967), who distinguished performance and psychosocial risk into two categories and further described the latter as having six dimensions: functional/performance, financial/economic, opportunity/time, safety/physical, social, and psychological loss. Stone and Gronhaug (2007) state that the first five to six criteria can account for over 88.8% of all perceived risks.

According to Steffes and Burgee (2008), functional risk refers to the apprehension of consumers regarding the product's failure to fulfill its promised reputation and underwhelming performance. Zielke and Dobbelstein (2007) defined social risk as a potential for image or status loss following the purchase of a certain product. Customers would believe and purchase more well-known items since they looked to be safer, according to Rimé et al. (2020). The financial risk was described by Zielke and Dobbelstein (2007) as the potential for financial loss due to a poor buying selection. According to Shapiro et al. (2019), acquiring a good or service at an unfair price entails taking a financial risk.

Chapter 3

RESEARCH METHODOLOGY

3.1 Research Design

To adequately tackle a marketing study challenge, it's crucial to create a systematic method that can produce the necessary data or insights for finding a solution. A research design is the name given to this methodical strategy. This document contains all the essential information required to conduct a particular investigation in order to solve a specific issue, even if a similar approach has been used for the same issue. Attaining effective marketing research usually necessitates a meticulously crafted research strategy. This design has the ability to efficiently guide a marketing endeavor along a predetermined course.

In general, a research design includes the upcoming stages: (Malhotra, 2007)

- Clarifying the information that is required.
- The research phase is categorized into exploratory, descriptive, or causal.
- The process of determining the scaling and measurement.
- Conducting a pretest of the questionnaire.
- Give specifics on the sample size and the sampling technique.
- Creating a detailed plan for carrying out data analysis.

A research design is often classified into two main types: exploratory and conclusive, as illustrated in the accompanying graphic:

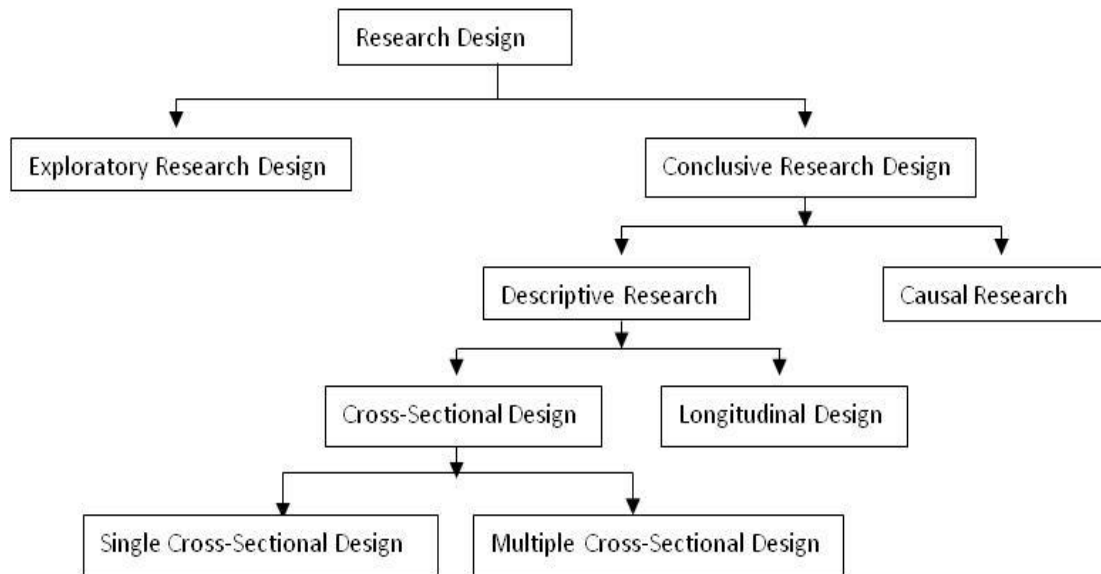


Figure1 : Marketing Research Design Classification; Source: Malhotra (2007)

The critical aim of exploratory research is to enhance understanding of a particular matter. This type of research is employed when there's a need to establish a well-defined problem statement or gather extra information prior to devising an approach. Research designs that yield definitive outcomes are grouped into two categories: descriptive and causal. Conclusive research is marked by greater formalization and organization in contrast to exploratory research. In this form of research, samples act as population representatives and constitute the foundation for data gathering through quantitative analysis.

Descriptive research is frequently employed to elucidate existing phenomena. Within this research type, the central emphasis is on the lack of manipulation of variables by the researchers. To put it simply, the researcher takes on the role of a reporter, merely recording present or historical occurrences. Descriptive research entails the recognition and examination of facts and surveys. The concept can be categorized into two primary designs: cross-sectional and longitudinal.

One method that is commonly used in marketing research is the cross-sectional design. Data from every factor in the sample population is only collected once in this approach. The cross-sectional design can be categorized as either a single or multiple cross-sectional design. A single cross-sectional design is utilized to gather data from a sample within the target population at one point in time. The multiple cross-sectional design involves a single data collection event with two or more samples from the population.

Longitudinal research designs encompass the repetitive evaluation of one or more samples over a period, in contrast to cross-sectional designs. Like descriptive research, causal research demands a carefully outlined strategy or organized design. The main goal is to examine the relationship between variables and understand how they influence each other. Often, it is employed to establish the causal element, known as the independent variable, and the resulting impact, known as the dependent variable (Malhotra, 2007). Causal research can be categorized into two types: qualitative and quantitative research.

The aim of quantitative research is to evaluate the correlation between variables within a population and ascertain the influence of one variable on another (Altinay & Paraskevas, 2015). Quantitative research is rooted in the measurement of quantity or magnitude. This approach is relevant in situations where quantity plays a pivotal role (Kothari, 2008).

The central aim of qualitative research is to comprehend the contextual elements that shape behaviors and occurrences. This type of study concentrates on emotions and individual experiences. Its approach involves in-depth exploration, prompting

participants to offer valuable insights based on their distinct viewpoints, rather than being constrained by predetermined guidelines from the researcher (Altinay & Paraskevas, 2015). In contrast, qualitative research pertains to phenomena that possess qualitative attributes within the scope of investigation. This includes phenomena that are connected to or engaged in a certain type of quality (Kothari, 2008).

This study utilizes a descriptive research methodology to explore how e-WOM, trust, and perceived risk influence customers' purchase intentions on online shopping platforms. The aim of this thesis is to elucidate a marketing dilemma and offer discerning observations on current occurrences without exerting control or supervision over the variables. The necessary data was gathered through the utilization of a survey, which is a crucial element of descriptive research. The single-cross-sectional design, a kind of descriptive research, involves gathering data from a single sample of the population at a specified point in time.

The study's results are showcased using numerical data and statistical visuals, indicating the utilization of a quantitative approach. The focal population for this research comprises individuals residing in North Cyprus, from which our sample is drawn. The chosen sampling method for this study is Convenience non-probability sampling. This selection was made due to the unequal likelihood of all members in the intended population being chosen. Moreover, convenience sampling was considered suitable as the sample was picked for its ease of recruitment, without necessarily being a true reflection of the entire population.

3.2 Designing a Questionnaire

A sequence of organized questions designed to formally gather data from respondents is called a questionnaire. It is typically considered a component within a collection of tools for gathering data. A comprehensive data-gathering package might encompass several elements, including (1) fieldwork procedures, which encompass guidelines for selecting, reaching, and questioning participants; (2) incentives for respondents, such as gifts, rewards, or payments; and (3) communication aids, like interview aids, visuals, maps, advertisements, and return envelopes for mail surveys. Regardless of the oversight approach, a survey is fashioned with specific objectives in mind. All questionnaires serve three distinct purposes, outlined as follows:

1. The questionnaire is meant to transform the required information into a set of precise and easily comprehensible questions for respondents to answer.
2. The questionnaire should seek to motivate, engage, and encourage respondents, fostering their cooperation and active involvement throughout the interview process, thereby facilitating successful completion.
3. The questionnaire should strive to minimize response errors.

3.2.1 Define the required information

The very first phase in questionnaire design entails determining the necessary information. This phase is also an essential requirement in the process of designing research. It is crucial to acknowledge that the requisite information becomes more clearly delineated as the research or study progresses. Moreover, it is crucial to possess a comprehensive comprehension of the research population. The attributes of the participants exert a substantial impact on the design of the survey instrument. Questions that are suitable for individuals who are primarily engaged in household duties may not be suited for individuals who are students (Malhotra, 2007).

Prior to developing the questionnaire, a clear outline was created to determine the necessary information for this study. The study's focus is on individuals living in Northern Cyprus, from whom data regarding e-WOM, trust, and perceived risk are collected.

3.2.2 Contact Method

Examining the method utilized to deliver the questionnaire may help you understand how the interviewing methodology affected the design of the questionnaire. In face-to-face interviews, respondents can see the questionnaire and engage in direct, in-person interaction with the interviewer. This enables the inclusion of extended, compound, or diverse questions. In telephone interviews, interaction occurs between respondents and the interviewer without a physical questionnaire, leading to limitations on question length and complexity. Mail-distributed questionnaires are self-administered, necessitating clear instructions and straightforward questions. Computer-assisted interviews (CAPI and CATI) allow for easy incorporation of question randomization and compound omission methods to counteract potential order bias (Malhotra, 2007).

There are two distinct categories of questionnaires: organized and unstructured. Structured questionnaires consist of formal, closed-ended questions that are intentionally developed by the researcher. Unstructured questionnaires comprise of open-ended inquiries designed to elicit comprehensive and unrestricted responses from participants.

3.2.3 Recognizing the Contents

Once the information needed has been identified and the appropriate interviewing method has been chosen, the next step involves standardizing the content of each question, along with its components. Each question in a survey should contribute to

the necessary data or serve a specific purpose. If a question does not provide relevant information for the research, it should be omitted. However, there are cases where questions that are not directly related to the necessary data might still be included.

To enhance engagement and establish rapport, it can be beneficial to start a questionnaire with neutral questions, especially when dealing with a contentious or sensitive topic. Researchers may sometimes incorporate extraneous questions to obscure the funding source or purpose of the research. The remaining stuff is authentic and relevant.

3.2.4 Conquering the Lack of Skill and Reluctance to Respond

At times, survey participants have the capability to respond to a specific question but may feel disinclined to do so. Several reasons contribute to this, such as the requirement for excessive effort, an inappropriate context or setting for answering, lack of perceived necessity or purpose for the requested information, or sensitivity to the content. Many participants hesitate to invest considerable effort in providing information. Hence, researchers are advised to reduce the effort required from respondents. Some questions may be suitable for certain contexts but not for others. Respondents might be unwilling to answer questions they deem unfit for the situation. In some cases, researchers can adjust the question context to make it more appropriate.

Moreover, respondents might hesitate to share information if they perceive a lack of valid purpose. Offering a clear rationale for the requested data can enhance its legitimacy, thereby boosting willingness to respond. When information is sensitive, participants may be reluctant to disclose it accurately due to potential harm to their self-perception, potentially leading to embarrassment. If respondents are compelled to answer, they might exhibit response bias, especially in face-to-face interviews.

To enhance respondents' willingness to provide information, Malhotra (2007) suggests several methods, as outlined below:

1. Position delicate inquiries in the survey's closing section..
2. Use a common introduction for starting the survey.
3. Frame questions in the third person.
4. Embed a question among others that participants might be hesitant to answer.
5. Use categorical responses rather than asking for specific numbers.
6. Employ a randomized technique, placing sensitive questions near the end and requiring respondents to answer two questions – one neutral with a likely "Yes" response, and the other being the sensitive question, thus reducing effort.

The questionnaire for this study is designed to minimize respondent effort while encouraging complete participation. A filter question is placed at the beginning to ensure individuals meeting the study's criteria continue. Sensitive questions are positioned at the end for comfort and privacy. Optional responses are provided for sensitive questions like income to respect respondents' choices.

3.2.5 Establish the Format of the Questions

There are two main types of questions (Malhotra, 2007):

1. Unstructured questions, often referred to as free-answer questions, require open-ended responses to a specific prompt. It's advisable to start inquiries for each topic with open-ended questions, allowing participants to freely express their opinions and perspectives. This enables researchers to establish connections between these responses and structured questions, fostering a comprehensive understanding. Unstructured questions are particularly beneficial for exploratory research.

2. Structured questions employ a specific format to present a set of response alternatives. Examples of structured questions include Likert scale, multiple-choice, and dichotomous formats. This study employs categorical questions and a Likert scale for data collection.

In this study, a structured questionnaire was used to collect relevant information. The questionnaire incorporated a Likert scale, ranging from 1 (Strongly Disagree) to 7 (Strongly Agree), for each question. Categorical questions were employed to gather demographic information in the survey.

3.2.6 Identify the Inquiry Phraseology

Question-wording is the act of converting the intended content and structure of a question into language that is unambiguous and readily comprehensible to survey respondents. When creating a questionnaire, formulating the wording of the questions is a critical and difficult task. Poorly phrased questions can lead to respondents declining to answer or providing inaccurate responses. A question should precisely convey the subject under examination. When developing a questionnaire, it's important to use simple language that matches the participants' vocabulary level. Steer clear of using terms that respondents may not be familiar with or that have several meanings. Even when words have clear definitions, individuals might interpret them differently.

Leading questions suggest or hint at a specific answer and can influence how respondents reply. Some individuals tend to answer affirmatively, regardless of the question's nature. An implicit alternative is an option that isn't explicitly presented among the available choices. To encourage respondents to select an indirect option, it's wise to express it clearly. Question phrasing should steer clear of eliciting responses based on assumptions about a forthcoming outcome. Questions should be specific and

avoid prompting participants to make generalizations or estimates. For many inquiries, especially those assessing attitudes and lifestyles, wording questions as statements allows respondents to express agreement or disagreement. The response often hinges on the statements' directionality: words framed positively or negatively (Malhotra, 2007).

In this study, the questionnaire has been carefully worded, ensuring its content is comprehensible and transparent to participants.

3.2.7 Establish the Sequence of the Questions

Starting the questionnaire with questions about respondents' opinions is advisable, as people enjoy sharing their viewpoints, which can motivate their participation in answering subsequent questions. As per a guideline, it's recommended to begin by gathering basic information, followed by categorization and identification details. Delicate questions should be placed in the final section of the questionnaire. General questions take precedence over specific ones, as responses to earlier questions can influence answers to later ones. Questions should be presented in a sequential and appropriate manner.

In this thesis, the questionnaire's questions are structured logically to enhance engagement. Given that answers to earlier questions can impact later ones, questions closely related to the main topic are posed first. The level of income and demographics are typically placed towards the end of the survey, as they are considered to be more vulnerable topics. This sequence guarantees that the ease and involvement of the participants are prioritized, without disrupting the survey's natural progression.

3.2.8 Form and Layout

The way questions are formatted, arranged, and spaced can have a significant impact on the outcomes, especially for self-administered questionnaires. Dividing a questionnaire into multiple sections can be beneficial, particularly when gathering various data components to address fundamental inquiries. It's advisable to number questions within each section, especially when employing branching questions. Using a numbering system for questions can aid in coding responses for analysis. Ideally, conducting a pre-questionnaire before the main survey is recommended. The codes used for computer input are also printed on the questionnaires used in the survey. These codes typically indicate the specific line and column numbers where a particular response should be recorded (Malhotra, 2007).

In designing and preparing the questionnaire for this study, the provided guidelines for questionnaires in this section were followed. This ensures that the questionnaire's structure aligns with best practices to optimize data collection and analysis.

3.2.9 Duplication of the Questionnaire

The replication process of a questionnaire can indeed influence the outcomes. If a questionnaire is printed on low-quality paper and lacks a professional appearance, participants might perceive the project as unimportant, potentially affecting the quality of their responses. It's therefore recommended to use high-quality paper for reproducing the questionnaire to ensure a professional look (Malhotra, 2007).

For this study, the survey is designed using Google Forms to ensure a polished and visually appealing format. Conducting the survey online helps prevent participants from dismissing the questionnaire as insignificant and encourages them to complete it. To ensure participants can easily read and respond to the questions, appropriate fonts

and formatting have been employed. This approach helps maintain the perceived importance of the survey and enhances participants' engagement and responsiveness.

Pretesting

It's crucial for a questionnaire to be free from errors. To ensure this, a small sample of 10–20 individuals is typically given the questionnaire to identify any mistakes, revisions, or adjustments needed. It is critical that both the pretest sample and the main questionnaire be drawn from the same target population. Although pretesting can improve the quality of the questionnaire, it should be performed subsequent to the completion of the primary questionnaire.

A preliminary evaluation was conducted using a sample of twenty participants from the intended audience to enhance the quality of the questionnaire and address any potential inaccuracies in the questions. Revisions were implemented in response to their input. The pretest sample was chosen from the identical target demographic as the primary survey.

Prior to administering the primary questionnaire, a preliminary test was undertaken with a sample of 20 participants to detect and correct any deficiencies or inaccuracies, so ensuring the efficacy of the main survey. By gathering and analyzing feedback from these 20 participants, it was determined that the questionnaire was error-free, and no modifications were needed. Respondents found the questionnaire easy to complete and didn't encounter any issues with the questions or request further clarification. With this confirmation, the survey proceeded with additional participants.

3.3 Design of Sampling

One of the fundamental stages in preparing a questionnaire is to thoroughly deliberate on the sampling design, aiming to pinpoint the most appropriate and effective approach for the specific research. The process of sampling design involves five clear steps: the first one is Describing the target demographic, the second one is establishing the sampling frame, the third one is choosing a sample technique or techniques, the fourth one is determining the sample size and, the last one is carrying out the sample procedure (Malhotra., 2007).

3.3.1 Describe the Intended Audience

The initial stage in the sampling design entails the identification and definition of the target population. The population being studied is the precise set of elements or things that includes all the data analyzed by the researcher and serves as the foundation for any conclusions drawn. Accurately defining the target population is crucial, as an incorrect definition can result in misleading, unproductive, and ineffective research outcomes. The procedure of delineating the target population involves converting the problem description into a meticulous statement that specifies the individuals to be encompassed in the sample (Malhotra, 2007).

In this study, the target population consists of individuals residing in Iran who have knowledge of online shopping and electronic word of mouth. This well-defined target population ensures that the research focuses on the relevant group for the investigation.

3.3.2 Establishing the Sampling Display

The components that are included in the target population are described in the sample frame. It offers direction for identifying the target demographic of interest. When it's not feasible to gather population characteristics directly, it's advisable to establish

guidelines for identifying the target population. However, using a list to gather population elements might introduce errors into the sampling frame, potentially including irrelevant elements or omitting relevant ones.

In this study, the Snowball sampling technique was employed to select the sample. Snowball sampling is a research approach involving the collection of information through direct contact with informants referred by other participants. This process is iterative, as initial informants act as gatekeepers to additional informants. The researcher contacts these subsequent informants, leading to the identification of more informants and so on. This methodology is commonly known as the snowball sampling technique. It's often used when studying hard-to-reach populations or sensitive topics, where participants are more comfortable being referred by others.

3.3.3 Select a Sampling Technique

In the realm of research, selecting the most suitable sampling technique requires thoughtful decision-making and a comprehensive approach. As mentioned earlier in the preceding section, the Snowball sampling technique has been utilized in this thesis.

3.3.4 Determining the Sample Size

Sample size refers to the number of variables and components that should be included in a study. Determining sample size is a complex process that involves both qualitative and quantitative considerations. Important decisions usually require more information obtained with higher precision. It's advisable to increase the sample size for more robust analysis, even though it leads to increased cost per unit of information gathered (Malhotra, 2007).

In this study, the sample size was established based on the absence of a strict rule for determining it. The aim was to collect data from 250 respondents, a number deemed

sufficient. Before administering the main questionnaire, a pretest was conducted with an assortment of twenty participants from the intended population.

Addressing the common query, "What is the appropriate sample size?" as raised by Sekaran (2003), there's no straightforward answer. Different researchers have proposed varied guidelines for determining sample size:

1. Roscoe (1975) suggests an optimal range of 30 to 500 for most research. When subdividing the sample into groups, like men and women, a minimum of 30 participants per group is recommended.
2. Borg and Gall (1989) indicate a minimum of 100 respondents per subgroup.
3. Desired accuracy and confidence levels can influence sample size determination. Sekaran (2003) notes that greater accuracy necessitates a larger sample size.
4. Following Roscoe's (1975) suggestions, a sample size of around 300 participants could be considered adequate.

In this study, the chosen sample size of 214 respondents aligns with a reasonable range for effective research outcomes.

3.3.5 Execute the Sampling Process

According to Malhotra (2007), a precise specification of the sampling design implementation is crucial for the professional execution of the sampling process. It is crucial to make sampling design decisions based on accurate and dependable information.

3.4 Data Analysis

A range of analyses has been conducted to scrutinize the collected data. Descriptive analysis was performed to examine the demographic information of the respondents, facilitating data analysis. The t-test was utilized to determine statistically significant differences between average scores of distinct groups. The Cronbach's alpha test assessed measurement scale reliability. Correlation analysis identified the magnitude and direction of linear associations between variables. Structural equation modeling (SEM) was employed to simultaneously explore and estimate complex causal relationships among variables, even when hypothetical.

In this study, descriptive analysis was employed to analyze participants' demographic information. The t-test assessed potential statistical differences between genders regarding product purchase decisions influenced by endorsements. Partial Least Squares Structural Equation Modeling (PLS-SEM) was used for data analysis. PLS-SEM is increasingly favored in research due to its ability to estimate complex models with multiple indicators without assuming data distribution. PLS-SEM is a predictive methodology for constructing models offering causal explanations for variables (Wold, 1982; Sarstedt, Hair, & Ringle, 2021), requiring limited technical expertise.

The estimation of partial model structures in PLS-SEM involves the use of ordinary least squares regressions and principal components analysis (Mateos-Aparicio, 2011), providing an alternative to restrictive Covariance-based SEM (CB-SEM) (Hair, Ringle, & Sarstedt, 2011). Unlike CB-SEM, which uses shared variance for parameter estimation, PLS-SEM employs total variance (Hair et al., 2017). PLS-SEM is suitable for:

- Testing theoretical frameworks from a predictive angle.
- Complex models with numerous variables.
- Exploratory research for theory development.
- Models with formative variables.
- Research involving financial ratios or secondary data.
- Small sample sizes due to population size.
- Non-normal distribution cases where distribution matters.
- Generating scores for latent variables for further analysis.

Hair, Ringle, & Sarstedt (2013) suggest PLS-SEM for complex models with multiple relationships, indicators, and constructs. In this study, PLS-SEM was chosen due to the intricate nature of the proposed framework and the intention to evaluate a theoretical framework predictively.

3.5 Ethics in Data Collection

When collecting data, ethical considerations are paramount. Researchers must avoid pressuring participants into joining the study. A clear explanation of the study's goals and objectives should be provided. Additional questions related to the research issue may be necessary for more comprehensive data. Safeguarding participants' identities is crucial. The database shouldn't be used during data transformation to ensure accurate results.

To ensure ethical standards, this study's questionnaire explicitly states that participation in the survey is entirely voluntary. Respondents' data will be kept anonymous, and they are free to discontinue the survey if they find it uncomfortable.

The research's purpose is clearly stated at the outset to help respondents understand the reason behind the questions being asked.

Chapter 4

HYPOTHESIS DEVELOPEMENT

4.1 Introduction

In today's era of digital technology, the way consumers behave is significantly influenced by e-WOM and Trust, both of which have a direct impact on their intentions to make purchases. This research investigates the dynamic interaction between e-WOM, Trust, and Purchase Intention, with a specific focus on how Perceived Risk plays a moderating role.

e-WOM, which is primarily driven by online reviews and social media, has now become a central factor in shaping consumers' decision-making processes. Trust is of paramount importance because it serves as a guiding force for consumers as they navigate through the vast landscape of digital information. However, the online environment, with its anonymity and potential for deception, can pose challenges to the establishment of trust.

Furthermore, the concept of perceived risk holds a pivotal position in the context of online purchases. Consumers often grapple with uncertainties related to various aspects, ranging from product quality to security. It is crucial to comprehend how perceived risk influences the relationship between e-WOM, Trust, and Purchase Intentions.

This chapter lays the foundation for a comprehensive exploration of these elements. We will delve into pertinent literature, and formulate hypotheses. The hypotheses regarding the relationships have been formulated based on the existing literature and the results will be discussed in the analysis chapter (chapter 5).

4.2 The Relationship between e-WOM and Purchase Intention

E-WOM encompasses the digital sharing of consumer opinions, endorsements, and comments via online platforms, social media, forums, and review websites. This influential phenomenon exerts a profound effect on the purchasing intentions of prospective buyers. User-generated content in the form of e-WOM holds the power to substantially influence a consumer's decision-making journey. It offers timely and authentic perspectives on product or service excellence, reliability, and overall contentment. Indeed, e-WOM has emerged as a crucial factor in assisting consumers with their purchasing choices. This assertion is substantiated by the research conducted by Kamil and Albert in 2020, which affirms that e-WOM has a positive influence on purchase decisions.

Several pieces of research could be found that can prove the relationship between e-WOM and purchase intention like the study conducted by Abubakar and Ilkan in 2016 revealed that e-WOM has the potential to influence purchase intentions. Similarly, in the research conducted by Erkan and Evans in 2016, it was found that e-WOM exerts a positive and significant impact on buying interest. Furthermore, Al-Debei, Akroush, & Ashouri's work in 2015 highlights that e-WOM assessments have the potential to impact customer perceptions, attitudes, purchase choices, and post-purchase evaluations.

The Theory of Reasoned Action (TRA), which is discussed in the theoretical background section, shows how people's intentions are determined by their perception of the opinions of those who are closest to them and by their level of trust in external factors. The Theory of Reasoned Action (TRA) was developed by Ajzen and Fishbein in 1980 and Ajzen and Fishbein (1975). It is an idea that centers on expectancy-value and includes attitudes, subjective norms, intents, and behaviors that are meant to achieve a certain goal (Blue, 1995). According to Nisson and Earl (2020), the Theory of Reasoning (TRA) suggests that behavioral intentions are shaped by attitudes and subjective norms, and as such, these intentions are critical in shaping conduct. In line with this theory which has been used as a theoretical basic, it can be concluded that purchasing intention may perception of the individuals after receiving information. Customers that are knowledgeable in a product may show enthusiasm in making future purchases.

The Stimulus-Organism-Response (S-O-R) Theory is the second fundamental theory that we will employ in this section to support our hypothesis, as it was discussed in the theoretical background section. The reason the S-O-R theory is used in this study is that its ability to explain consumer intention has been demonstrated. More specifically, the S-O-R theory helps explain how consumers respond cognitively and affectively to different aspects of their environment and how intention results are produced (Chi, George, Huang & Wang, 2020). The efficiency and reliability of e-WOM material serve as a stimulus that shapes customers' internal workings (organism), which in turn affects their desire to buy (reaction).

In line with Bataineh's 2015 research, it was observed that several e-WOM factors positively and significantly impact purchase intention. These factors encompass the quality of e-WOM, the credibility of e-WOM, and the quantity of e-WOM.

The credibility of e-WOM plays a pivotal role in influencing how many consumers trust and embrace the information shared on review sites. When e-WOM is perceived as credible, consumers are more inclined to use it as a foundation for their evaluations. Conversely, if the information is deemed not credible, consumers tend to disregard it, according to Ismagilova et al.'s findings in 2020. Moreover, as per the research conducted by Yang et al. in 2015, it's a common practice for consumers to peruse reviews from fellow consumers in the realm of e-commerce before making a purchase, and the assessment of e-WOM credibility plays a vital role in this process.

Each customer who uses a product will naturally express their own assessment of the product, which remains genuine and unaltered as it originates from the consumer's own experiences. Whether a customer is pleased or disappointed with their purchased goods, they are likely to convey their feedback through online platforms such as social media or other digital channels. Furthermore, the results of another study conducted by Koubova and Buchko in 2017 underscore the significant correlation between e-WOM and customer purchasing interest. Favorable e-WOM exerts a more significant influence on consumers compared to unfavorable e-WOM, as it enhances the positive perception of brands and products. Additionally, research indicates that supportive e-WOM plays a role in shaping consumers' choices when purchasing products.

Positive feedback or endorsements from other shoppers regarding their shopping experiences wield a substantial influence on the choices people make when deciding

to make a purchase (Yang et al., 2007). According to Candra and Suparna's research in 2019, a higher quantity of positive e-WOM tends to increase the likelihood of product purchase by buyers. On the contrary, a study conducted by Lee et al. in 2017 reported that e-WOM information did not have a discernible impact on purchase intention.

The theory that proves the relationship between e-WOM and purchase intention is the "Information Adoption Model" proposed by Cheung et al. in their 2014 paper titled "Online Social Networks: Why Do Students Use Facebook?" and published in the journal "Computers in Human Behavior" delves into the connection between e-WOM and purchase intention. This model likely provides valuable insights into how individuals adopt and respond to e-WOM information when considering their purchasing decisions. In this theory, the authors posit that e-WOM, encompassing online reviews, comments, and recommendations shared on social media and various online platforms, holds a considerable influence in molding consumers' intentions to make purchases. This theory proposes that e-WOM functions as a potent information source within the decision-making process, exerting an influence on consumers' intentions to make purchases. The effectiveness of e-WOM is heavily contingent on the credibility and trustworthiness of its source.

H1: Based on the evidence above, it has been hypothesized that there is a positive effect of e-WOM on purchase intention.

4.3 The Relationship between Trust and Purchase Intention

Trust, in the context of purchase intention, refers to the confidence and belief a consumer has in a product, service, brand, or seller, which influences their willingness

and inclination to make a purchase. It encompasses the assurance that the chosen option will fulfill their expectations and deliver the promised value, thereby reducing the perceived risk associated with the buying decision. Trust is a crucial factor that can shape a consumer's willingness to commit to a purchase.

Trust is a foundational element crucial for the sustainability of any relationship; without it, a relationship is unlikely to endure over time. Consumer confidence in brands can significantly impact their intention to make a purchase since they tend to be more cautious when considering unfamiliar brands. This is the key factor that underscores the substantial influence of brand trust on the acquisition of products or services.

Mansour et al. (2014) reached a conclusion about the outcomes of online trust, indicating a direct influence of online trust on online purchase intentions. According to Liu and Guo's research in 2017, Trust has a positive impact on purchasing intentions. In contrast, several other studies, such as those by Everard & Galleta (2005), Ling et al. (2011), and Chang & Chen (2008), yielded surprising results by suggesting that online trust did not have a significant impact on purchase intentions.

The findings from the studies conducted by Kaur and Quareshi in 2015, as well as Marriott and Williams in 2018, demonstrate that the confidence factor exerts a positive and statistically significant influence on purchase intention. (Khalifan et al., 2020) discovered that an increased sense of trust in a product or service can influence the level of interest in making a purchase.

Customers tend to maintain sustainable purchasing behavior when they have trust in the seller, as indicated by Zhao et al. (2019). Additionally, trust plays a crucial role in enhancing interest in online shopping, as highlighted by Pappas (2018). Certain scholars have asserted that when consumers develop greater trust in a specific brand, it is more likely to lead to repurchasing and the formation of a brand preference, as noted by Chinomona et al. (2013) and Sheth & Parvatijar (1995).

Moreover, there exists a significant relationship between brand trust and purchase intention. This suggests that when brand trust is established, the likelihood of an increase in purchase intention becomes evident, as supported by Aydin et al. (2014) and Sanny et al. (2020). Previous research has consistently affirmed the positive impact of brand trust on purchase intention (Aydin et al., 2014; Sanny et al., 2020).

A theory known as the "Trust-Commitment Theory" delves into the connection between trust and purchase intention. According to this theory, trust holds a central role in shaping consumer intentions to buy, especially when it comes to repeated purchases and fostering brand loyalty. Within this framework, trust serves as the cornerstone for establishing a strong bond between consumers and brands. When consumers place their trust in a brand, it increases their dedication to it, subsequently boosting their inclination to make future purchases. This theory underscores that trust is not merely a one-off factor but an ongoing component in constructing and upholding a positive consumer-brand relationship that fosters future buying decisions (Morgan, R. M., & Hunt, S. D. 1994).

H2: Based on the evidence above, it has been hypothesized that there is a positive effect of Trust on Purchase Intention.

4.3 The Moderation Effect of Perceived Risk between e-WOM, Purchase Intention, and Trust, Purchase Intention

In his 1999 work, Mitchell presents a description of perceived risk as the condition of uncertainty that consumers encounter when they cannot confidently anticipate the outcomes of their purchasing choices. This uncertainty frequently results in mistakes during the decision-making process as consumers aim to optimize their purchasing results. Perceived risk in the realm of e-WOM and purchase intention pertains to how a consumer subjectively evaluates and feels uneasy about potential unfavorable outcomes or uncertainties linked to a product or service, relying on information and viewpoints exchanged online. This sense of risk may encompass worries related to the product's quality, dependability, appropriateness, or other aspects, and it holds a crucial role in influencing a consumer's inclination to commit to a digital purchase choice.

Consumers often choose to purchase the same brand as a way to minimize the potential for risk or loss, as observed by Chen and Xie in 2008. Bhukya and Singh, in 2015, also argued that perceived risks have a negative influence on consumers' purchase intentions. Similarly, Beneke et al. (2012) found that only specific types of risks could impact the purchase decision, supporting this perspective. Furthermore, Glynn and Chen (2009) concurred that perceived risks have a significant and substantial impact on customer purchase decisions. Chen and Huang (2017) suggested that perceived risk could act as a moderator in the formation of online purchase decisions and their underlying factors.

Moreover, a study by Qalati et al. (2021) observed a notable moderating effect of perceived risk in the relationship between trust in information and information sources and online purchase Intentions. While prior research had already indicated the significant influence of perceived risk on purchase decisions, the specific impact of informational perceived risk remained an area in need of further investigation.

In Wu and Chang's study conducted in Taiwan in 2007, they discovered that perceived risk played a significant moderating role in the relationship between various factors. Specifically, they observed that a positive relationship existed between risk attitude and the intention to repurchase items online.

H3: Based on the evidence above, it has been hypothesized that there is a moderating effect of perceived risk on the relationships between e-WOM and purchase intention.

H4: Based on the evidence above, it has been hypothesized that there is a moderating effect of perceived risk on the relationships between Trust and purchase intention.

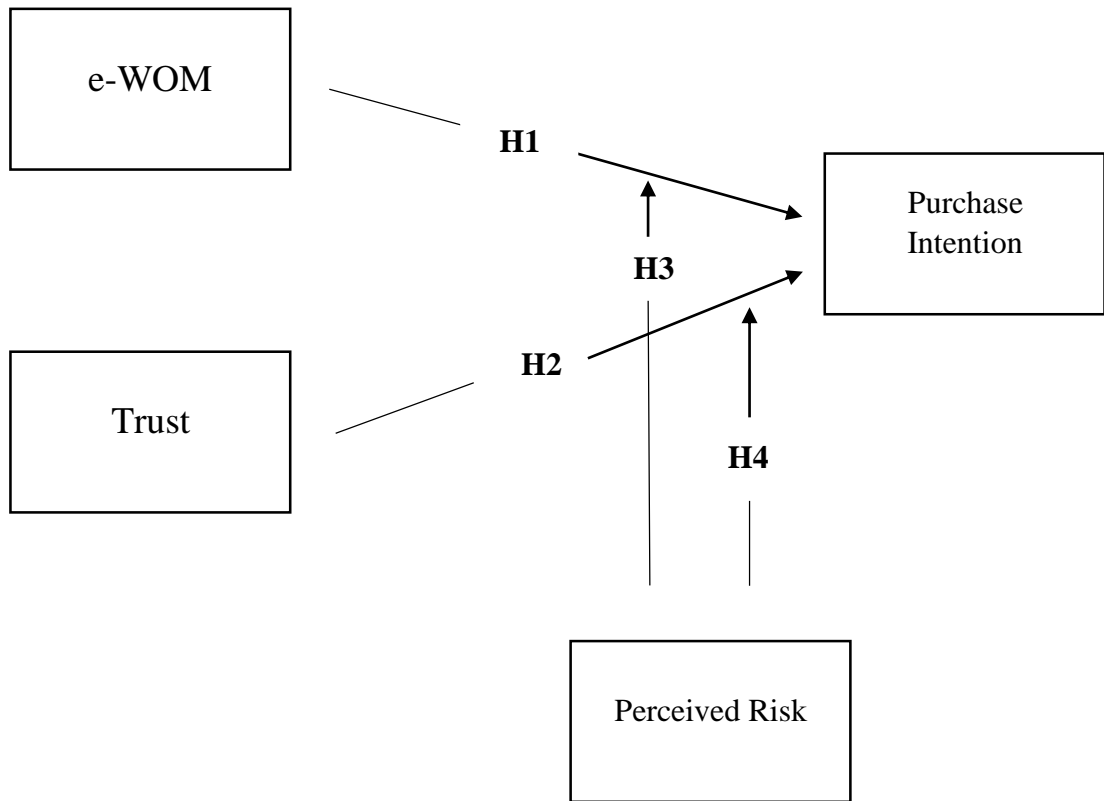


Figure2 : Hypothesis Framework

Chapter 5

ANALYSIS RESULTS AND DISCUSSION OF FINDINGS

5.1 Introduction

The main emphasis of this chapter is the examination of data collected via a questionnaire. Data collection has been conducted to perform targeted experiments with the aim of generating statistical data. The conceptual framework outlined in chapter two of this study demonstrates several interconnections among its variables, therefore presenting difficulties for data analysis. Therefore, the data has undergone a multivariate data analysis approach called partial least squares structural equation modeling (PLS-SEM). Partial Least Squares Structural Equation Modeling (PLS-SEM) allows for the analysis of both observable and latent relationships between variables.

The software used for performing Partial Least Squares Structural Equation Modeling (PLS-SEM) is Smart PLS. The software was developed by Ringle, Wende, and Will in 2005. Since its establishment in 2005, this software has gained acclaim for its notable benefits, including comprehensive reporting functionalities, a user-friendly interface, and extensive accessibility for academics.

5.2 Descriptive Analysis

5.2.1 Gender Spread

The subsequent table exhibits the distribution of genders. The poll has an equal number of male and female participants, with a frequency of 104 and a percentage of 48.60.

Table 1: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	104	48.6	48.6	48.6
	Femlae	104	48.6	48.6	97.2
	Non-binary	3	1.4	1.4	98.6
	Prefer not to say	3	1.4	1.4	100.0
	Total	214	100.0	100.0	

5.2.2 Distribution of Age

The following table presents the distribution of ages among the participants of the survey. According to the data in the chart, it is evident that 145 participants, representing 67.80% of the total respondents, were in the age range of 18 to 26 years. Likewise, 48 participants, accounting for 22.40% of the sample, were aged between 27 and 36 years. In addition, 18 participants, comprising 8.40% of the total, fell between the age ranges of 37 to 46 years. Three more participants (1.40%) were categorized as being 47 years old or above.

Table 2: Age

	Frequency	Percent
18-26 years old	145	67.8
27-36 years old	48	22.4
37-46 years old	18	8.4

47+ years old	3	1.4
Total	214	100.0
Missing	0	0
Total	214	100.0

5.2.3 Distribution of Education Level

The following table displays the educational achievements of the participants. According to the data in the chart, 5 participants with 2.3 percent had primary school certificate, 16 participants, making up 7.5% of the entire sample, had a secondary school certificate. In addition, 33 respondents, or 15.4% of the sample, possessed a High National Diploma. In addition, 112 participants, accounting for 52.3% of the sample, held a First degree. In addition, 39 participants, accounting for 18.2% of the sample, possessed a Master's degree. Finally, 9 participants, comprising 4.2% of the sample, held a Ph.D. degree.

Table 3: Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary school	5	2.3	2.3	2.3
	Secondary school	16	7.5	7.5	9.8
	High National Diploma	33	15.4	15.4	25.2
	Bachelor`s Degree	112	52.3	52.3	77.6
	Master`s Degree	39	18.2	18.2	95.8
	PhD	9	4.2	4.2	100.0
	Total	214	100.0	100.0	

5.2.4 Distribution of Income

The following table illustrates the income levels of the participants. According to the data in the table, it is evident that 57 respondents, or 26.60% of the total, reported earning a salary equal to or below the minimum wage. Similarly, 84 respondents

(39.30%) indicated that their earnings were precisely at the minimum wage level. In addition, 39 participants (18.20%) stated that their earnings were 1.25 times the minimum wage, while 19 participants (8.90%) reported earning twice the minimum pay. Furthermore, among all the participants, 15 persons, constituting 7.00% of the sample, stated that their earnings surpassed twice the minimum wage.

Table 4: Income

	Frequency	Percent
Up to minimum wage	57	26.6
Minimum wage	84	39.3
1.25*minimum wage	39	18.2
2*minimum wage	19	8.9
More than 2*minimum wage	15	7.0
Total	214	100.0
Missing	0	0
Total	214	100.0

5.2.5 Distribution of Occupation

The table provided below illustrates that among the individuals surveyed, there were a total of 139 (62.10%) who self-identified as students, and 16 (7.10%) who identified themselves as Research and Teaching Assistants. Additionally, the survey revealed that out of the total respondents, 3 individuals (1.3%) identified themselves as Engineers, while 6 respondents (2.7%) indicated they were Doctors. Furthermore, there were 11 participants (4.9%) who identified as Business professionals. In addition, the data reveals that there were two individuals classified as Lawyers, accounting for 0.9% of the total. Furthermore, there were 14 individuals identified as Managers, representing 6.30% of the total population. Additionally, the data indicates that there were 27 individuals categorized as Employees, making up 12.1% of the total. Lastly, there were six individuals classified as Academicians, accounting for 2.7% of the total population.

Table 5: Occupation

	Frequency	Percent
Student	98	45.8
Academic	9	4.2
Engineer	12	5.6
Employee	29	13.6
Unemployed	5	2.3
Other	61	28.5
Total	214	100.0

5.2.6 Working Years

The table provides a comprehensive breakdown of the number of years worked by a group of 214 individuals. The survey results indicate that a significant majority of respondents, accounting for 65.4%, possess work experience ranging from 1 to 3 years. A smaller proportion of participants, specifically 15.9%, reported having work experience spanning from 4 to 6 years. The group consists of individuals who possess over six years of professional experience, accounting for 18.2% of the total. Furthermore, there is a single case in which the value is unspecified, accounting for 0.5% of the overall total. In general, the data suggests that there is a significant presence of professionals who are in the early stages of their careers. Additionally, there is a smaller but noticeable portion of individuals with moderate levels of experience, and a considerable number of individuals who have accumulated extensive work experience.

Table 6: Working Years

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 to 3 years	140	65.4	65.4	65.4
	4 to 6 years	34	15.9	15.9	81.3
	More than 6 years	39	18.2	18.2	99.5
	4	1	.5	.5	100.0

Total	214	100.0	100.0
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5.2.7 Martial Status

The table displays information regarding the marital status of a sample comprising 214 individuals. A significant proportion of the participants, accounting for 75.7%, indicated that they were not currently in a romantic relationship. The data indicates that 18.7% of the sample consists of married individuals, implying that there is a noteworthy yet relatively smaller proportion of individuals in committed relationships. A small proportion of 5.6% is categorized as "Other," encompassing individuals with various marital statuses such as divorced, widowed, or non-traditional arrangements. The provided distribution provides valuable insights into the relationship statuses observed within the sample. It reveals a predominant presence of individuals who are single, a notable percentage of participants who are married, and a smaller yet discernible group with alternative marital status classifications.

Table 7: Martial Status

		Frequency	Percent
Valid	Single	162	75.7
	Married	40	18.7
	Other	12	5.6
	Total	214	100.0

5.3 Measurement Model

Composite reliability (CR) and Cronbach's alpha (CA) are used to determine internal consistency reliability. Composite reliability (CR) often ranges from 0 to 1, with a value of 1 representing the highest level of reliability. Henseler, Ringle, & Sarstedt

(2012) contend that achieving a composite reliability of 0.7 or more is imperative to guarantee confirmatory validity. Furthermore, according to Garson (2016), it is imperative for Cronbach's alpha (CA) to be at least 0.7 or higher.

Table 8: Measurement Model

Constructs	Items	Outer Loading	Cronbach's Alpha	Composite Reliability	AVE
PR	PR2	0.853	0.879	0.917	0.734
	PR3	0.899			
	PR4	0.858			
	PR5	0.815			
PI	PI1	0.770	0.768	0.851	0.588
	PI2	0.787			
	PI3	0.749			
	PI4	0.762			
Trust	T2	0.773	0.871	0.903	0.608
	T3	0.808			
	T5	0.741			
	T7	0.780			
	T8	0.784			
EWOM	T9	0.789			
	EWOM1	0.773	0.841	0.887	0.612
	EWOM2	0.709			
	EWOM5	0.829			
	EWOM6	0.795			
	EWOM7	0.802			

To ensure the establishment of convergent validity, it is essential that all outer loadings exhibit a value exceeding 0.708. Based on the findings of Hair et al. (2017), it is imperative for the average variance extracted (AVE) to surpass a threshold of 0.5. The confirmation of convergent validity is apparent in Table 8, as all the outer loading values exceed the threshold of 0.708. Furthermore, it has been observed that all the values associated with AVE surpass the threshold of 0.5. The constructs' internal consistency is confirmed by the findings shown in Table 8. These findings indicate that the values of CA and CR surpass the suggested threshold of 0.7.

Table 9: Discriminatory Validity (Fornell-Larcker criteria)

	PR	PI	Trust	EWOM
PR	0.857			
PI	-0.318	0.767		
Trust	-0.299	0.734	0.779	
EWOM	-0.210	0.688	0.689	0.783

Table 10: Heterotrait-Monotrait Ratio (HTMT)

	PR	PI	Trust	EWOM
PR				
PI	0.374			
Trust	0.342	0.881		
EWOM	0.252	0.857	0.805	

The evaluation of discriminant validity entailed the assessment of two criteria: the Fornell-Larcker criterion and the Heterotrait-Monotrait ratio of correlations (HTMT) criterion. Discriminant validity is considered to be established when the square root of the average variance extracted (AVE) for each latent variable is greater than the correlation values with the other constructs, as proposed by Fornell and Larcker (1981). The research conducted by Fornell-Larcker demonstrates that the confirmation of discriminant validity is supported by the observation that the square root of the average variance extracted (AVE) for each variable exceeds the correlation values with other variables, as shown in Table 9. To ensure discriminant validity, it is essential for the HTMT value to be less than 0.9. Henseler et al. (2015) conducted a research study. The research findings indicate the existence of discriminant validity, as supported by the values shown in Tables 9 and 10, all of which are less than 0.9.

5.3.1 Common Method Bias

The presence of a common method bias can be attributed to the measurement model utilized in the structural equation modeling (SEM) study. Participants may potentially be influenced by the initial directions provided in the survey while formulating their responses. Furthermore, it is important to consider the influence of social desirability bias, which can potentially impact participants' responses by causing them to answer queries in a manner that conforms to societal norms and expectations. In both cases, these factors collectively contribute to a common variation observed among the measured indicators (Kock, 2015).

5.4 Structural Model

According to Hair et al. (2019), it is imperative to evaluate collinearity before analyzing the structural model. Hence, a comprehensive examination was undertaken to evaluate the variance inflation factor (VIF) values in order to test for collinearity.

Based on the research conducted by Hair et al. (2019), it is advised that the variance inflation factor (VIF) should ideally be less than or equal to 3. Based on the data presented in Table 11, it is apparent that all of the Variance Inflation Factor (VIF) values are lower the threshold of 3, showing the absence of any collinearity issues.

Table 11: Collinearity Statistics

	PR	PI	Trust	EWOM
PR		1.098		
PI				
Trust		2.000		
EWOM		1.905		

5.4.1 Results of the Proposed Relationships

The statistical significance of the correlations between variables was evaluated using a bootstrapping technique. Based on the data provided in Table 12, all of the suggested connections in the model exhibit statistical significance.

Table 12: Results of the Proposed Relationships

Path	Path Coefficient	P value
Trust → PI	0.479	0.000
EWOM → PI	0.365	0.000

5.4.2 The Model's Explanatory Power

The R² value, which indicates the extent to which the independent variables or the model can account for the variation in the dependent variable, is also examined in this

study. According to Shmueli and Koppius (2011), the explanatory power of the model under examination can be gauged by looking at its R² value. Ridgdon (2012) states that the capacity of the R² value to predict outcomes within the sample can be used to define it.

The range of the R² value is from 0 to 1. Higher R² values show that the model has a better ability to explain phenomena. In their studies, Henseler et al. (2009) and Hair et al. (2011) suggest that values of 0.25 should be considered fragile, 0.50 as mild, and 0.75 to be high. Nevertheless, Raithel et al. (2012) contend that in certain instances, a low R² value, such as 0.10, is deemed suitable. The R² score suggests that 61.3% of the variability in GPI can be accounted for by the model proposed in this study.

5.5 The Moderating Effect of Perceived Risk on the Relationship between e-WOM and Purchase Intention

The assessment of the moderating effect of Perceived Risk was conducted using the product indicator approach. Based on the findings presented in Table 13, it can be observed that the moderation effect of Perceived Risk yielded significant ($\beta = -0.182$ P-value < 0.05). It has be mention that since perceived risk has a negative impact, as far as the value for beta is negative we can see a positive effect of perceived risk as a moderator on this relationship. Consequently, H3 is supported, leading to the conclusion that Perceived Risk serves as a moderator in the relationship between e-WOM and Purchase Intention.

Table 13: Moderation Test Results

Hypothesis	Moderator	β	P-value	Decision
H3	EWOM ×PR→PI	-0.182	0.000	Supported

Notes - PR: Perceived Risk; PI: Purchase Intention

5.6 The Moderating Effect of Perceived Risk on the Relationship between Trust and Purchase Intention

The impact of Perceived Risk was evaluated through the utilization of the product indicator approach. Based on the findings presented in Table 7, the moderating impact of Perceived Risk was found to be statistically insignificant and negative ($\beta = -0.082$ P-value > 0.05). Consequently, H4 is not supported, leading us to conclude that Perceived Risk does not play a moderating role in the relationship between Trust and Purchase Intention.

Table 14: Moderation Test Results

Hypothesis	Moderator	β	P-value	Decision
H4	Trust \times PR \rightarrow PI	-0.082	0.06	Not Supported

Notes - PR: Perceived Risk; PI: Purchase Intention

5.7 Hypotheses Testing

The table given offers a comprehensive overview of the relationships that are supported within this research. Based on the data presented in the table, it is clear that all relationships, except for H4, got support.

Table 15: Hypothesis Testing

H1	e-WOM has a significant and positive effect on Purchase Intention.	supported
H2	Trust has a significant and positive effect on Purchase Intention.	supported
H3	Perceived Risk moderates the relationship between e-WOM and Purchase Intention	supported
H4	Perceived Risk moderates the relationship between Trust and Purchase intention.	Not supported

5.8 Discussion of Findings

The effect of e-WOM, and Trust on Online Purchase Intention with the moderating effect of perceived risk in this study has been investigated. Based on the results, it has been resulted that, e-WOM has a direct and positive effect on Online Purchase Intention. The result of this study can be strengthened by previous research conducted by Mehryar et al. (2020) provide evidence that e-WOM influences customer purchase decisions in a favorable and noteworthy way. According to study by Perkasa et al. (2020), e-WOM has a favorable and substantial impact on purchase decisions since a lot of people utilize social media these days to find out different types of information, including information on products being sold. Moreover, Handoko and Melinda (2021) research is also can be mentioned as a confirmation on our claim asserting that e-WOM, particularly in the form of online ratings and reviews, significantly impacts consumer perceptions across various indicators. Both positive and negative sentiments expressed through this medium play a pivotal role in shaping consumer purchasing decisions, especially when the communicated information portrays a product favorably.

On the other hand result of the study conducted by Bahi (2020) contradict our result saying that, that decisions about what to buy are not significantly and favorably impacted by electronic word of mouth. As e-WOM is regarded as ineffectual in this study. (H1 is supported).

Our study results in that there is a positive and significant effect between trust and online purchase intention. Customers are more likely to make a purchase when they have considerable trust in the products and the information that is shared on the online

platforms. This increased level of trust has a substantial impact on their purchasing decisions, demonstrating a relationship between customer trust in products and the reliability of information obtained from digital sources. This result is empowered by confidence established by the Garuda Indonesia airline, which sees a 40,000 daily rise in passengers at the end of the year during the Covid-19 epidemic. According to passengers, Garuda Indonesia has put in place physical distance and health procedures to make passengers feel safe and at ease. This indicates that even if Garuda Indonesia airline saw a drop in passengers during the start of the COVID-19 epidemic and prior to that, consumer trust in the airline's brand generates repurchase intention (cnbcindonesia.com, 2020).

Also the result of the study is in line with the study of Ningrum (2017), who found that Trust significantly and favorably influences customer purchase decisions. According to Wijaya & Annisa (2020), a consumer's decision to purchase a product may be influenced by their level of trust. Customers will choose to purchase the product if they already think it's the best option. Our results are in accordance with research by Liu & Guo (2017), trust has a favorable impact on purchase intention. Afterwards, Mosunmola et al. (2019) discovered a relationship between trust and purchase interest. Along with the study's findings (Kaur & Quareshi, 2015; Marriott & Williams, 2018), trust is a key component in boosting interest in online purchasing and has a favorable and substantial impact on buying interest (Pappas, 2018). (H2 is supported).

In this study, we also investigate the moderating role of perceived risk on the relationship between e-WOM and online purchase intention, as well as trust and online purchase intention. The results came up from the analyze report showed that, perceived risk moderate the relationship between e-WOM and Purchase Intention properly.

According to Hu et al. (2011), numerous businesses have attempted to influence their potential and existing customers, potentially without detection, although there have been dissenting opinions on these assertions. Despite instances of manipulation, Martens and Maalej (2019) found that online recommendations retained their credibility among consumers. Additionally, while a competing firm might encounter manipulated information, they could leverage this knowledge to enhance their own product offerings for strategic advantage. As a confirmation to our results we can mention to the study employed by Pektas and Hassan (2020) which confirmed the moderating effect of consumers' suspicion on the relationship of e-WOM communication and intention to purchase. (H3 is supported).

Finally based on the data analysis, we came to the conclusion that there is no moderating influence of perceived risk on trust and purchase intention in this study. This finding contrasts with that of the research, which, in line with Chen and Huang (2017), demonstrated a significant moderating influence of perceived risk between trust in online shopping and purchase intention. (H4 is not supported).

Chapter 6

CONCLUSION

6.1 Introduction

The initial five chapters of this research endeavor have undertaken a thorough analysis and furnished an intricate evaluation of the topic at hand. A thorough examination of scholarly literature has yielded comprehensive elucidations on the concepts of electronic word-of-mouth (e-WOM), Trust, Perceived Risk, and Online Purchase Intention.

After providing an explanation of the model concepts, hypotheses have been formulated regarding the relationships between the constructs. In order to simplify the analysis of these hypotheses, a survey has been developed and has been employed to collect the required data. Chapter 5 contains the results of the data analysis that was done and presented. This chapter will explore the managerial implications related to the implementation of influencer marketing. The research will encompass an analysis of its constraints, along with suggestions for prospective investigations related to this subject matter.

6.2 Managerial Implication

The findings of this study have substantial implications for managers and marketers seeking to promote online purchase intention. The findings of the study have multiple managerial implications:

Improving Trust-Building Initiatives: Prioritize the implementation of strategies that effectively cultivate trust among online consumers. Emphasize the importance of fostering transparent communication, providing reliable customer service, and ensuring the authenticity of reviews and recommendations in order to enhance trust in your brand.

Utilizing Positive e-WOM: Foster and provide incentives for contented customers to actively disseminate their favorable experiences on digital platforms. Develop and nurture connections with influencers or brand advocates to enhance the impact of positive e-WOM, as it plays a crucial role in shaping consumers' purchase intentions.

Mitigating Perceived Risk: Analyzing and Resolving Factors Influencing Perceived Risk in Online Transactions. To address customer concerns and minimize perceived risks, it is advisable to incorporate various measures into the business operations. These measures may include the implementation of secure payment gateways, the establishment of clear return policies, and the provision of product guarantees.

Customizing Marketing Strategies: Personalize marketing messages and campaigns according to the perceived level of risk. When targeting risk-averse consumers, it is important to prioritize providing reassurance and risk-mitigating information. On the other hand, for individuals who perceive lower risk, it is advisable to emphasize the benefits of the product and leverage positive e-WOM to enhance purchase intentions.

Segmenting and Targeting: Gain insights into diverse consumer segments by analyzing their levels of trust, reliance on e-WOM, and perceived risk. Design and implement focused marketing strategies that effectively cater to the distinct

requirements and apprehensions of individual segments, with the ultimate goal of optimizing purchase intention.

Continuous Monitoring and Adaptation: It is important to regularly evaluate and monitor shifts in consumer perceptions regarding trust, the influence e-WOM, and perceived risk. Please adjust your strategies accordingly to ensure they are in line with the changing consumer behaviors and market trends.

Development and Training: Provide customer service delegates and online staff with the necessary skills and knowledge to effectively address customer concerns. Enable individuals to establish trust by effectively communicating and employing problem-solving techniques to address perceived risks.

Investing in Online Reputation Management: It is recommended to allocate resources towards the management and enhancement of your brand's online reputation. Proactively interact with customers, promptly respond to their feedback, and effectively handle negative e-WOM in order to uphold a positive brand image and cultivate trust.

In conclusion, the aforementioned managerial implications highlight the significance of fostering trust, utilizing positive e-WOM, and addressing perceived risk in online settings in order to impact purchase intentions. Businesses can achieve success by placing a high priority on transparent communication, dependable customer service, and authenticity in online interactions in order to establish and sustain trust. Developing marketing strategies that are tailored to different consumer segments' levels of trust, reliance on e-WOM, and perceived risk can be a highly effective

approach to driving purchase intentions. It is imperative to engage in ongoing monitoring of consumer perceptions, allocate resources towards online reputation management, and demonstrate a steadfast dedication to addressing perceived risks through secure transactions and transparent policies. By implementing these strategies, businesses can successfully navigate the complex dynamics of e-WOM, trust, and perceived risk, ultimately cultivating stronger connections and enhancing online purchase intentions.

6.3 Study Restrictions

This study has various limitations that will be discussed. An inherent constraint of the study is the employment of the snowball sampling technique, which limits the incorporation of the complete demographic of individuals who engage with online shopping. Moreover, the study exclusively examines persons who live in North Cyprus.

The data collection for this study employed a cross-sectional strategy, as stated in the methods chapter. This methodology is recognized as the second constraint of the study. Hence, it is probable that participants would alter their responses to the inquiry, which could result in divergent results at a subsequent point in time.

The questionnaire that was utilized for data collection from participants was formulated in English, a language that is not the mother tongue of our intended population. The third restriction of the research may be ascribed to the difficulty faced by respondents in understanding the survey questions.

The fourth limitation that could be taken into account is geographic restriction. The study was conducted just in Northern Cyprus, hence potentially limiting the generalizability of the findings to other locations or cultural situations.

The study is subject to a fifth and final limitation. As a result of its classification as quantitative research, the inclusion of qualitative research would enhance the comprehensiveness and depth of understanding regarding the topic.

6.4 Recommendations for Further Research

This study is based on the findings obtained from a wide range of income levels, genders, and levels of education. In future research, it is recommended to incorporate supplementary demographic and characteristic variables of the participants that could potentially impact consumers' online purchasing intentions.

Conduct a cross-cultural analysis to examine how cultural variations impact the connections between electronic word-of-mouth (e-WOM), trust, perceived risk, and intentions to make online purchases. Comparative studies conducted in various cultural contexts can offer useful insights into the variations of these characteristics across different locations and societies.

The study aims to utilize experimental designs in order to establish causality and determine the direction of influence between e-WOM, trust, perceived risk, and purchase intentions. Conducting controlled experiments would provide clarity regarding the impact of manipulating these variables on consumer behaviors.

6.5 Conclusion

In summary, this study provides valuable insights into the complex intersection of e-WOM, trust, perceived risk, and online purchase intentions. It serves as a crucial guide for understanding this intricate landscape. The findings of this study emphasize the urgent need for businesses to take action. It is crucial for businesses to build trust, leverage the power of positive e-WOM, and proactively address perceived risks in order to encourage favorable consumer behaviors. In the ever-changing digital landscape, these insights are becoming increasingly crucial for businesses aiming not only to survive but also to thrive in the vast and dynamic online marketplace.

The research holds great significance due to its substantial contributions to the expanding field of online consumer behavior. This study aims to reveal the complex nature of the interrelationships between e-WOM, trust, perceived risk, and purchase intentions. By delving into the intricacies of these factors, this research sheds light on previously obscured layers of complexity. These revelations provide valuable insights and pave the way for future investigations and strategic directions. For businesses seeking to navigate the intricate landscape of the digital realm, these findings offer practical guidance, serving as a reliable tool to navigate the intricacies and leverage the subtleties of online consumer decision-making processes.

This study goes beyond the scope of academic inquiry and represents a significant milestone, serving as a catalyst for further exploration and strategic implementation. It serves as a guiding light, shedding light on the journey towards a deeper understanding of the intricate complexities that govern online consumer behaviors. As businesses prepare themselves for the ongoing transformation of the digital landscape,

equipped with these insights, they not only gain comprehension but also a strategic plan to navigate their path towards success in the dynamic digital marketplace.

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APPENDICES

Appendix A: Questionnaire



This academic project is concerned with the effects of electronic word-of-mouth and Trust on online shopping intention of customers in North Cyprus. Taking the time to complete the questionnaire is vitally important and your contribution is highly appreciated. Your responses will remain anonymous and be treated in the strictest of confidence. There are no right or wrong answers; what really matters is your honest opinion. Thank you very much for your help.

Q1: Please read the following paragraph and then indicate the extent to which you agree or disagree with the related statements. (Please tick only one box per line)

	Strongly Disagree	Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Agree	Strongly Agree
1 I think that consumers' recommendations on online shopping websites are believable.							
2 I think that the review information on online shopping websites is trustworthy.							
3 The consumers' reviews have sufficient breadth and depth.							
4 The consumers' reviews include all necessary values.							
5 The consumers' reviews are relevant to my buying decisions.							
6 The consumers' reviews are useful.							
7 The consumer's reviews help me in my buying decisions.							

Q2: Please read the following paragraph and then indicate the extent to which you agree or disagree with the related statements. (Please tick only one box per line)

	Strongly Disagree	Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Agree	Strongly Agree
1 I think that online shopping websites usually fulfill their commitments.							
2 I think that the information offered by online shopping websites is sincere and honest.							
3 I think that I can have confidence in the promises that online shopping websites make.							

4	I think that online shopping websites aim to achieve a situation of mutual benefit with their customers.						
5	I think that online shopping websites are concerned with the present and future interests of their customers.						
6	I think that online shopping websites would not intentionally do anything that would harm their customers.						
7	I think that online shopping websites have the necessary experience to sell their services.						
8	I think that online shopping websites have the necessary resources to successfully carry out their commercial activities.						
9	I think that online shopping websites knows their customers well enough to offer them services that are adapted to their needs.						

Q3: Please read the following paragraph and then indicate the extent to which you agree or disagree with the related statements. (Please tick only one box per line)

	Strongly Disagree	Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Agree	Strongly Agree
1	Overall, I see no real risk to my privacy due to my presence on online shopping websites.						
2	I fear that something unpleasant can happen to me due to my presence on online shopping websites.						
3	It is dangerous to disclose my personal information on online shopping websites.						
4	In general, I feel that using online shopping websites is risky.						
5	I am worried that unknown third parties will access my personal information on online shopping websites.						

Q4: Please read the following paragraph and then indicate the extent to which you agree or disagree with the related statements. (Please tick only one box per line)

		Strongly Disagree	Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Agree	Strongly Agree
1	I think shopping on the internet saves my time.							
2	It is a great advantage for me to buy products at any time of the day.							
3	Online shopping is as secure as traditional shopping.							
4	The information given about the products and services on the internet is sufficient.							

Q5: Please answer the following questions:

Q5.1) Gender

1. Male ☐
2. Female ☐
3. Non-binary/Third gender ☐
4. Prefer not to say ☐

Q5.2) Age

Q5.3) Marital Status

1. Single ☐
2. Married ☐
3. Other ☐

Q5.4) Highest Educational Degree

1. Primary School ☐
2. Secondary School ☐

3. High National Diploma ☐

4. Bachelor's Degree ☐

5. Master's Degree ☐

6. Ph.D.

Q5.5) Monthly Income

1. up to minimum wage ☐

2. minimum wage ☐

3. 1.25*minimum wage ☐

4. 2*minimum wage ☐

5. more than 2*minimum wage ☐

Q5.6) What is your occupation?

Q5.7) Years of Working

1. 1-3 Years ☐

2. 4-6 Years ☐

3. 6+ Years ☐

Appendix B: Software Outputs/ Structural Equation Modeling

Descriptive Analysis

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	104	48.6	48.6	48.6
	Femlae	104	48.6	48.6	97.2
	Non-binary	3	1.4	1.4	98.6
	Prefer not to say	3	1.4	1.4	100.0
	Total	214	100.0	100.0	

Age

	Frequency	Percent
18-26 years old	145	67.8
27-36 years old	48	22.4
37-46 years old	18	8.4
47+ years old	3	1.4
Total	214	100.0
Missing	0	0
Total	214	100.0

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary school	5	2.3	2.3	2.3
	Secondary school	16	7.5	7.5	9.8
	High National	33	15.4	15.4	25.2
	Diploma				
	Bachelor`s Degree	112	52.3	52.3	77.6
	Master`s Degree	39	18.2	18.2	95.8
	PhD	9	4.2	4.2	100.0
	Total	214	100.0	100.0	

Wage

	Frequency	Percent
Up to minimum wage	57	26.6

Minimum wage	84	39.3
1.25*minimum wage	39	18.2
2*minimum wage	19	8.9
More than 2*minimum wage	15	7.0
Total	214	100.0
Missing	0	0
Total	214	100.0

Occupation

	Frequency	Percent
Student	98	45.8
Academic	9	4.2
Engineer	12	5.6
Employee	29	13.6
Unemployed	5	2.3
Other	61	28.5
Total	214	100.0

Years of working

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 to 3 years	140	65.4	65.4	65.4
	4 to 6 years	34	15.9	15.9	81.3
	More than 6 years	39	18.2	18.2	99.5
	4	1	.5	.5	100.0
	Total	214	100.0	100.0	

Marital Status

		Frequency	Percent
Valid	Single	162	75.7

	Married	40	18.7
	Other	12	5.6
	Total	214	100.0

Constructs	Items	Outer Loading	Cronbach's Alpha	Composite Reliability	AVE
PR	PR2	0.853	0.879	0.917	0.734
	PR3	0.899			
	PR4	0.858			
	PR5	0.815			
PI	PI1	0.770	0.768	0.851	0.588
	PI2	0.787			
	PI3	0.749			
	PI4	0.762			
Trust	T2	0.773	0.871	0.903	0.608
	T3	0.808			
	T5	0.741			
	T7	0.780			
	T8	0.784			
EWOM	T9	0.789	0.841	0.887	0.612
	EWOM1	0.773			
	EWOM2	0.709			
	EWOM5	0.829			
	EWOM6	0.795			
	EWOM7	0.802			

Discriminant Validity (Fornell-Larcker criterion)

	PR	PI	Trust	EWOM
PR	0.857			
PI	-0.318	0.767		
Trust	-0.299	0.734	0.779	
EWOM	-0.210	0.688	0.689	0.783

Heterotrait-Monotrait Ratio (HTMT)

	PR	PI	Trust	EWOM
PR				
PI	0.374			
Trust	0.342	0.881		
EWOM	0.252	0.857	0.805	

Collinearity Statistics

	PR	PI	Trust	EWOM
PR		1.098		
PI				
Trust		2.000		
EWOM		1.905		

The Results of the Proposed Relationships

Path	Path Coefficient	P value
Trust → PI	0.479	0.000

EWOM → PI

0.365

0.000

Moderation Test Results

Hypothesis	Moderator	β	P-value	Decision
H3	EWOM ×PR→PI	-0.182	0.000	Supported

Notes - PR: Perceived Risk; PI: Purchase Intention

Moderation Test Results

Hypothesis	Moderator	β	P-value	Decision
H4	Trust ×PR→PI	-0.082	0.06	Not Supported

Notes - PR: Perceived Risk; PI: Purchase Intention

Hypothesis Testing

H1	e-WOM has a significant and positive effect on Purchase Intention.	supported
H2	Trust has a significant and positive effect on Purchase Intention.	supported
H3	Perceived Risk moderates the relationship between e-WOM and Purchase Intention	supported
H4	Perceived Risk moderates the relationship between Trust and Purchase intention.	Not supported