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PRODUCT INFORMATION AND ONLINE REVIEW: WHAT IS MORE IMPORTANT TO CONSUMER'S TRUSTING BELIEF AND PURCHASE INTENTION?

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ABSTRACT

In an e-commerce website, product information is usually presented to visitors in forms of text and pictures. Quality of product information is proven to be one of the important factors affecting visitor's decision to convert to consumer. However, in this new era of social network and word of mouth referral, online reviews of products have become more and more important to consumer's decision to shop online.

This study investigated and compared the importance of product information and online review toward consumer's trusting belief in web vendor and purchase intention from web vendor. For product information, factors of our interest were (1) perceived quality of product information, and (2) perceived quality of product pictures. For online review, factors of our interest included (1) perceived quality of online reviews, (2) perceived overall direction of opinion from online reviews, and (3) number of online reviews read.

The data were collected in computer laboratory from 400 undergraduate and graduate students from Chulalongkorn Business School, Chulalongkorn University, Thailand. The participants were 68% female. 80% of them were between 18-25 years old. Four hotels in Thailand, with a total of more than 4,000 online reviews, were selected for the study. Hotel information and online reviews were from two online hotel reservation services, agoda.co.th and booking.com. So, there were 8 different conditions in our study (4 hotels x 2 hotel reservation service websites). One hotel reservation service (agoda.co.th or booking.com) and one of the four hotels were assigned to each volunteer participant. When the participants came to the computer laboratory, they were asked to connect to agoda.co.th or booking.com as assigned. Then, they were asked to search for a specific hotel preselected for them on agoda.co.th or booking.com. After finding the hotel, they were asked to gather hotel information (by reading the text description of the hotel and looking at hotel pictures). Then, they filled in the first questionnaire to evaluate their perceived quality of hotel information and quality of hotel pictures. Also, their trusting belief toward that specific hotel and their intention to reserve a room of that hotel were measured.

Next, participants were asked to read online reviews of that specific hotel (on agoda.co.th or booking.com) until they were satisfied with the information supplied by online reviews. Then, in the second questionnaire, they were asked to evaluate quality of online reviews, perceived overall direction of opinion from online reviews (how positive or negative), and wrote down the number of online reviews they have read. Finally, their trusting belief toward that specific hotel and their intention to reserve a room of that hotel were measured again, this time after reading the hotel online reviews. Steps of data collection for this study are shown in Figure 1.

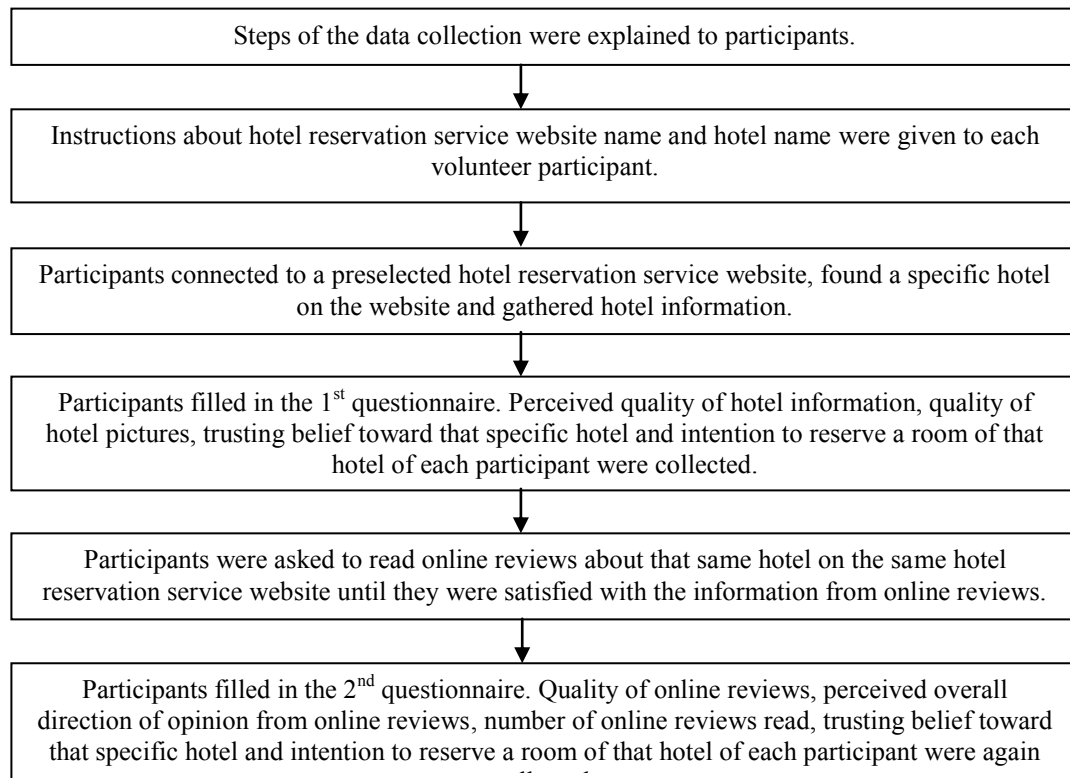


Figure1: Steps of the data collection for the study.

The statistical analysis was conducted on the collected data. Pearson Correlations were calculated for each pair of variables as presented in Figure 2. For hotel information, perceived quality of hotel information had a little higher impact than perceived quality of hotel pictures to consumer's trusting belief toward a specific hotel, while perceived quality of hotel pictures were a little more important than perceived quality of hotel information to consumer's intention to reserve a room (purchase intention). For online review, perceived overall direction of opinion from online reviews was the most important factor toward both consumer's trusting belief and purchase intention.

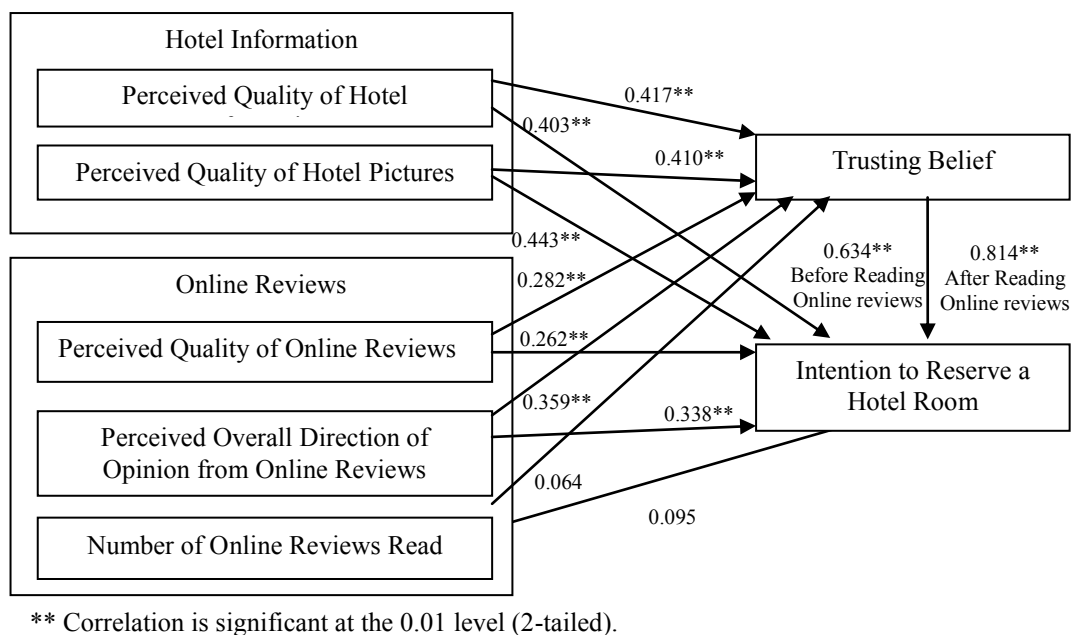


Figure 2: Hypothesis Testing Results.

The result of data analysis, at 0.05 level of confidence, indicated that participants' intention to reserve a room (purchase

intention) after reading online reviews was significantly higher than intention to reserve a room before reading online reviews about the hotel. Moreover, participants' trusting belief toward a specific hotel after reading about hotel online reviews were higher than trusting belief toward the hotel after reading about the hotel and looking at hotel pictures, however, not significantly higher at 0.05 level of confidence.

Keywords: Product information, online reviews, trusting beliefs, purchase intention.