THE IMPACT OF ELECTRONIC WORD OF MOUTH, BRAND IMAGE, BRAND AWERENESS ON PURCHASE INTENTION:
A STUDY OF TELECOMMUNICATION INDUSTRY IN MALAYSIA

BY

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ABSTRACT

The telecommunication world has been very competitive in recent years in terms of its growth in the 21st century. It is due to the strong demographic evolution of technology as well as the ease of access to information worldwide, and the majority of users have the possibility to use the means of telecommunication that suit them within the well-established telecommunication environment. Strong technological growth and the spread of information have prompted business leaders and owners to reconsider how they could strategically attract and retain customers. Moreover, the world has witnessed revolution in the information technology through the use of internet, hence, this has affected the flow of information entirely and made it different from the olden days, before the emergence of internet. Today with the emergence of internet everywhere, the world saw the improvement in the marketing communication which has been aided through the use of customized facilities such as the e-mail and Short Messages Service (SMS) as well as marketing by way of direct sales—door to door and telemarketing. This study examined the relationship between brand image, brand awareness and electronic word of mouth with the purchase intention among telecom subscribers in Malaysia. Quantitative research approach was employed to examine this relationship as well as the influence of these variables on purchase intention using a structured questionnaire based on 5-point likert scale. The results show that the gender distribution, according to the socio-economic characteristics of the respondents, indicates that the number of women interviewed is higher than that of men. In terms of the age distribution of respondents, most of them are in the 30-40 age category. Ethnically, the distribution of participants indicates that most of them are Malay, followed by Chinese, Indians and others. The majority of respondents have a Bachelor's or Master's degree, and the majority are students or government employees. Pearson's correlation analysis shows that there is a significant and positive relationship between all independent variables (brand image, brand awareness and electronic word of mouth) and the dependent variable (purchase intention). Therefore, the results of the multiple regression analysis show that the 3 independent variables all have a significant influence on the purchase intention.

خلاصة البحث

لقد كان عالم الاتصالات منافسًا جدًا في السنوات الأخيرة من حيث نموه في القرن الحادي والعشرين. ويرجع ذلك إلى التطور الديموغرافي القوي للتكنولوجيا، وكذلك سهولة الوصول إلى المعلومات في جميع أنحاء العالم. إن أغلبية المستخدمين لديهم إمكانية استخدام وسائل الاتصالات التي تناسبهم في بيئة الاتصالات الراسخة. وكان دفع النمو التكنولوجي القوي وانتشار المعلومات قادة الأعمال وأصحابها إلى إعادة النظر في الكيفية التي يمكنهم بها جذب العملاء والاحتفاظ بهم بشكل استراتيجي. علاوة على ذلك، شهد العالم ثورة في تكنولوجيا المعلومات من خلال استخدام الإنترنت. وبالتالي، فقد أثر ذلك على تدفق المعلومات تمامًا وجعلها مختلفة عن الأيام القديمة، قبل ظهور الإنترنت. واليوم مع ظهور الإنترنت في كل مكان، شهد العالم تحسنًا في الاتصالات التسويقية التي ساعدت من خلال استخدام التسهيلات المخصصة مثل خدمة البريد الإلكتروني وخدمات الرسائل القصيرة (SMS) وكذلك التسويق عن طريق المبيعات المباشرة من الباب إلى الباب والتسويق عبر الهاتف. تناولت هذه الدراسة العلاقة بين صورة العلامة التجارية، والوعي بالعلامة التجارية والكلمة الشفهية الإلكترونية بهدف الشراء بين مشتركي الاتصالات في ماليزيا. تم استخدام نهج البحث الكمي لدراسة هذه العلاقة وكذلك تأثير هذه المتغيرات على نية الشراء باستخدام استبيان منظم يعتمد على مقياس ليكرت من 5 نقاط. تشير النتائج إلى أن التوزيع حسب الجنس، وفقًا للخصائص الاجتماعية والاقتصادية للمستجيبين، يشير إلى أن عدد النساء اللائي تمت مقابلتهن أعلى من عدد الرجال. من حيث التوزيع العمري للمستجيبين، كان معظمهم في الفئة العمرية 30 40. من الناحية العرقية، يشير توزيع المشاركين إلى أن معظمهم من الماليويين، يليهم الصينيون والهنود وغيرهم. وكان غالبية المشاركين حاصلين على درجة البكالوريوس أو الماجستير، وغالبياهم كانوا من الطلاب أو الموظفين الحكوميين. يوضح تحليل ارتباط بيرسون أن هناك علاقة مهمة وإيجابية بين جميع المتغيرات المستقلة (صورة العلامة التجارية، والوعي بالعلامة التجارية وكلمة الفم الإلكترونية) والمتغير التابع (نية الشراء). لذلك، تظهر نتائج تحليل الانحدار المتعدد أن المتغيرات المستقلة الثلاثة جميعها لها تأثير كبير على نية الشراء.

APPROVAL PAGE

I certify that I have supervised and read this study and that in my opinion, it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a thesis for the degree of Master of Science (Marketing).

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DECLARATION

I hereby declare that this dissertation is the result of my own investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at IIUM or other institutions.

Mohamed Dabo

Signature.. Date..

INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA

DECLARATION OF COPYRIGHT AND AFFIRMATION OF FAIR USE OF UNPUBLISHED RESEARCH

THE IMPACT OF ELECTRONIC WORD OF MOUTH ON PURCHASE INTENTION: A STUDY OF TELECOMMUNICATION INDUSTRY IN MALAYSIA

I dedicate this research to my parents Elhadj Mohamed Dabo and Hadja Bintou Sanoh and also my family, my wife Mariam Sanoh, my children Fatoumata Dabo and Mohamed Iya Dabo. It is dedicated as well to all friends especially Balla Moussa Dioubate and Oumar Diaby who supported me in this journey.

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LIST OF ABBREVIATIONS

BLUE   Blue Linear Unbiased Estimator
DV   Dependent variable
e-WOM   electronic word of mouth
IVs   independent variables
MVNOs   Mobile virtual network operators
PhD   Philosophy doctor
SPSS   Software Package for Social Sciences
TM   Telekom Malaysia
VIF   Variance Inflection Factor
WNP   wireless network

CHAPTER ONE
INTRODUCTION

1.1 INTRODUCTION

This chapter of the study is to provide a general introduction to all aspects of the project. It includes the background of study, the problem statement, objectives, research question and the justification of the study. Finally, the chapter ends with the organization of structure of the study.

1.2 BACKGROUND OF THE STUDY

The telecommunication setting has been quite competitive in recent times concerning its growth in the 21st century. Looking at the rapid growth of technology in the world today, the telecommunication options have been the most used by the users in order to establish telecommunication environment. The high growth of technology has facilitated an easy way of managing own businesses and how to maintain and approach customers.

In contrary to the ancient days, in recent times the world has witnessed sweeping revolution in the information technology through the use of internet, hence this has affected the flow of information entirely different from the olden days before the emergence of internet (Fang, 2014). Today, the emergence of internet everywhere in the world saw improvements in the marketing communication which has been aided through the use of customized facilities such as the e-mail and SMS as well as marketing directly (Cantallops & Salvi, 2014).

In order to better understand the function and importance of electronic words, Sharifpour, et al. (2016), mentioned that the term electronic word of mouth is a

combination of electronic and word of mouth. The use of word of mouth refers to the viva voce that involves the transfer of information from one person to another, which is in itself different from the moral study that refers only to thoughts and convictions (Sharifpour, et.al, 2016). Furthermore, the author also stated that word-of-mouth is usually regarded as the most effective medium of transmitting information. The progress in information technology and the evolution of social networking through online websites have transformed the pattern of information transmission (Sharifpour, et.al, 2016).

The new pattern of information technology has given rise to electronic word-of-mouth (eWOM) which provides one of the most effective marketing resources in use nowadays (Sharifpour, Sukati and Azli, 2016). According to the same authors, consumers are able to discuss and share their views about a product via online through the internet and web 2.0. These platform enables consumers to discuss about the information regarding a product online or electronic word of mouth (e-WOM) with friends, classmates, family and the other associates in the social media (Sharifpour, et.al, 2016).

This situation affects the consumers where easy access to information can influence the decision of the consumers. Numerous industries have considered the issues of branding as their major investment. Customers' confidence in purchasing a product or service is influenced by strong brand, this allows the customers to decipher comprehensively other factors which seem to be intangible (Tih and Kean, 2017). Moreover, company's long term cash flow could be affected by brand image. Thus, this increases the consumers' readiness to offer optimum price through merger and acquisitions, stock pricing, sustainable competitive advantage as well as success of marketing (Tih, et.al, 2017).

The effect of branding on customers behavior has been collectively given more attention by researchers and professionals (Sharifpour, Khan, Alizadeh, Akhgarzadeh, & Mahmodi, 2016).

The corporate branding in a successful organization depends on the circumstance in which it is used. Branding, most especially corporate branding needs to be concerned with three important elements: organizational culture, organizational vision and most importantly image organization (Balakrishan, B., Dahnil, I.M, & Wong Jiunn Yi, 2014). The need arises for a proper arrangement amongst stakeholders, managements and workers in an organization to widen the horizon on the intellectual discourse pertaining to corporate branding and image (Balakrishan, et.al, 2014). An excellent corporate brand motivates employees and investors who create relationships with the organization and attach their customers to the brand when they come in contact with it. Fianto, A. Y. A., Hadiwidjojo, D., & Aisjah, S. (2014), investigated the relationships between corporate identity as well as branding marketing and the following were the conclusion: Top management organizations have never been aware of branding power until in recent times. Organizations have integrated branding into their targeted goals and as a result of market competitions, individual organizations use branding to differentiate themselves from other competitors. Therefore, Wijaya, S. B. (2014), mentioned that it was pointed out that Malaysia's main economic activities comprises of mobile telephone, landline telephone and the internet in 2012, telecommunication has been quite impressive and has been able to cover appreciable distance within a short span of time. Often, users, for some reason, are not conscious of what they are encountering in making decisions about certain product selections and when this happens, they come to a country where the user needs a shortcut to finally choose the product, and the shortcuts available to

the consumers is branding. This way, branded products make it easier for any consumer to satisfactorily and happily choose the products they like. Branding sites play a key role in shaping the mind and decision of the consumer as to which product to choose (Wijaya, et al, 2014),

Moreover, the study discovered that the level of customer satisfaction was sufficient to effect the customers' loyalty (Filieri, 2015). Hence, the same author mentioned that the survival of the telecommunication industry economically depends on consumer behavior. The actuality that consumers sustain a long-term relationship with the telecommunication industry in Malaysian is a sign of long-term economic resilience of the industry. In a telecommunication industry survival and fulfillment guided by the industry's long term brand is a motivating issue that may arise. This research revolves around assessing the impact of electronic word of mouth, brand image and brand awareness on purchase intention in Malaysia's telecommunication industry.

1.3 STATEMENT OF THE PROBLEM

In the past, people depend on opinion-based information made available to them by other customers where they make informed decision on what to purchase online. The exact sources of information about products and services are usually acquaintances, friends, and family members, and they have the ability to influence their thinking and opinion (Sharifpour, et al, 2016). However, oral communication of word of mouth (WOM) via offline or conventional way and little coverage geographically makes internet nowadays a formidable tool for inventing means for communicating with consumers (Sharifpour, et al, 2016). As such, mobile phone and internet technology have been widely in use. These latest communication gadgets provide a wider

opportunity for several companies' products and brands to be advertized (Sharifpour, et.al, 2016). Therefore, when compared to conventional advertising, online advertising generates brand awareness that is often used by customers (Filieri, 2015).

In addition, companies have widely been aware that they have to develop many strategies to promote a positive e-WOM among their clients using their products and services, which, in turn, has a preference for their competitors to give it a chance (Lien, Wen, Huang, & Wu, 2015). One of the most important factors that makes online browsing information consumer-friendly is that companies have become one of the most effective tools for enhancing their brand image and awareness (Teng, Khong, Chong, & Lin, 2017). Also, data obtained through e-WOM purchasing goods and services have a tendency to mitigate uncertainty, thus making decision-making and purchase intention easier (Lee, Kim, & Choi, 2015). Brand image (or sometimes brand knowledge or brand description) is defined as any brand-related information in consumer memory, in other words, is the association and the belief that consumers have a particular brand (Lee,et,al 2015). Brand creation and development have grown considerably in investment by companies over the last few decades. "Brand recognition and brand awareness enhancement involves the planning and implementation of many promotional campaigns that help clients create brand identity and branding loyality" (Kim, Lee, & Elias, 2015). The telecommunication industry as a company that provides services ought to deliver services that actually meet the expectations of consumers in ensuring the industry can be sustained economically. To achieve this, there is the need to comprehend consumer buying behavior, that is, to assist them evaluate the services offered (Chen, Teng, Yu, & Yu, 2016), The telecommunication industry is experiencing exceptional innovations; therefore, the sector is undergoing significant changes within the telecommunication industry to

enhance the reputation of the industry. Therefore, it is assumed to make substantial innovations both within the country and beyond (Chen, et,al, 2016).

Majority of telecommunication industries in Malaysia, create certain strategies of brand image to boost the confidence of customers, with these few telecommunications companies that use brand images to meet their customers' expectations (Charo, N., Sharma, P., Shaikh, S., Haseeb, A. and Sufya, M. Z. 2015). A number of studies on brands were centered on creating better comprehension in the area of brand choice, exchanging, reliability and expansion of brand (Charo, et.al, 2015). There is a connection between branding loyalty and constant interest. This is because customers buy more and even longer (Sharifpour, et.al, 2016). This is a disputable statement since long-term relationships between consumers and telecommunication broadcasts are indicative of the long-term economic resilience of the telecommunications industry in the Malaysian industry and therefore seen as a sign to the satisfaction of consumers. Although, many marketing researches and consumer experts are conducting e-WOM-related studies with particular focus on their contributors and their user influence, many past researches provide evidence that e-WOM is an indispensable online marketing component that provides images for the brand and influences the customer's decision to spend online (Sharifpour, et.al, 2016). e-WOM is still a growing topic in marketing research as there is no consistency framework or categorization in the literature of e-WOM (Sharifpour, et.al, 2016). This fact makes it important for a thorough study of e-WOM studies and enhancing organized classifications for relevant research. This is the basis of conducting this research to investigate the impact of Electronic Word Of Mouth, Brand Image and Brand Awareness on Purchase intention in Malaysia Telecommunication Industry.

1.4 GENERAL OBJECTIVE OF THE STUDY

The general objective of the study is to determine the Impact of Electronic Word of Mouth, Brand Image and Brand Awareness on Purchase intention in Malaysia Telecommunication Industry. The following are the specific objectives of the study;

1.4.1 Specific Objectives of the Study

The specific objectives of the study are:

a. To examine the impact of Electronic Word of Mouth on a purchase intention.

b. To investigate the impact of the brand image on a purchase intention.

c. To evaluate the impact of brand awareness on a purchase intention.

1.4.2 Research Questions

a. What is the effect of Electronic word of mouth on purchase intention in Malaysia Telecommunication Industry?

b. What is the impact of brand image on purchase intention in Malaysia Telecommunication Industry?

c. What is the effect of brand awareness on purchase intention in Malaysia Telecommunication Industry?

1.5 SIGNIFICANCE OF THE STUDY

The results of this study are hoped to make significant contributions to the telecommunication industry on the effect of branding on consumer behavior. This is to stimulate and re-awaken the telecommunication industry on the awareness and behaviors of their potential customers regarding their branding strategies. Hence, this will offer a clear perception on products that specifically influence the consumers of

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branded telecommunication products and assist them to cultivate excellent strategy by boosting the confidence of their customers. In addition, the study should contribute to enriching existing knowledge on the brand image and business context of telecommunications in Malaysia and elsewhere. It serves as a source of documents for prospective researchers who could work to repeat and expand this study.

1.6 SCOPE OF THE STUDY

The objective of this study is to determine the effect of the Malaysian telecommunications industry's brand image on consumer purchasing behaviors. The sustainability of this study is since the cross-sectional significance data will be taken only once during the life of the study. It is within the context of this research to examine the influence of electronic word of mouth and branding on the customers purchase intention on telecommunication industries in Malaysia. The research design involves the use of cross- sectional data, which span across the duration of the study.

1.7 LIMITATION OF THE STUDY

This research has a number of limitations, among these are financial and time constraints. In other words, it is limited to the telecommunication industries in Malaysia only, there are also limitations due to the sample size, as well as ethical issues and Statistical analysis. The entire research is self-sponsored by the researcher. That is the reason why it is necessary for the study to be conducted within the narrow area. Moreover, the study analyses consisted of only longitudinal time series. Other more rigorous statistical analysis could have used where the time is not a limiting factor. Additionally, lack of compliance by some respondents generates undue delays.

Most of these limiting factors were overcome through the unwavering support from the supervisor.

1.8 ORGANIZATION OF THE CHAPTERS

This section outlines how the project is structured in this edition. The study was organized into five chapters. The first chapter is the introductory part of the study on which the priority for the rest of the project is based. Chapter two is mainly devoted to the literature review. Chapter three is devoted to the research methodology, chapters four and five to the analyses and discussions on the one hand and the conclusion and recommendations on the other, the next chapter is a summary of the finding.

1.9 CHAPTER SUMMARY

This chapter provides important information about the study. It highlights the issues of the impact of electronic word of mouth, brand image and awareness on purchasing intentions in the Malaysian telecommunications industry as well as other related information that are the main reasons for this research. The scope of the study indicates the benefits that this study will bring to the body of knowledge, policy makers and vital information. The problem has highlighted various problems highlighted by previous research, which this study intends to examine. The list of research questions was developed based on the identified problems and helped to develop the research objectives that would help to answer these questions. Assumptions that will contribute to the achievement of the study objectives and the scope of the study provide us with information on the only aspect that this research work will address. The end of the chapter gives details on the structure of the thesis according to the chapters.

CHAPTER TWO
LITERATURE REVIEW

2.1 INTRODUCTION

This chapter is divided into sections; section 2.1 forms the introduction, section 2.2 gives a basic overview of electronic word of mouth. Section 2.3 deals with a brief description of face to face word of mouth and then the differences between face to face word of mouth and electronic word of mouth; 2.4 is a brief account of the awareness of electronic word-of - mouth, 2.5 discusses the Brand image. Section 2.6 deals with the brand awareness Section 2.7 highlights on the purchase intentions Section 2.8 previous relevant empirical studies on the effect of electronic word of mouth, brand image and brand awareness on the purchase intentions and section 2.9 provides a summary of the entire chapter.

2.2 AN OVERVIEW OF TELECOMMUNICATION INDUSTRY IN MALAYSIA

The wireless telecommunication industry in Malaysia showcases the clear changes in paradigm and market phenomena in a gradual transition. Supported by the rapid evolution of wireless technology and growing customer demand for progressively wireless services, the paradigm of wireless telecommunication services is now ever-changing from voice-based communications to a combination of high-speed and multimedia data communications. (Chuah, Marimuthu, & Ramayah, 2015).

In addition, factors such as high wireless penetration rates, mobile wireless network (WNP) introduction, and non-traditional player gateways, such as mobile virtual