

## EFFECTS OF EWOM (ELECTRONIC WORD-OF-MOUTH) ON BEHAVIORAL INTENTIONS AMONG ZAKAT PAYERS IN MALAYSIA

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### Abstract

Interaction is regarded as one of the most important advantages of the Internet. It is believed that a large portion of internet users, either directly or indirectly participates in at least one online community. With the advent of internet technologies, traditional word of mouth communication has revolutionized and extended to electronic media, such as online discussion forums, electronic bulletin board systems, newsgroups, blogs, review sites, and social networking sites to gather and disseminate product information. As such, the internet has brought forth a relatively new and increasingly crucial form of a globally networked electronic word-of-mouth (eWOM). In light of the growth of internet, the eWOM phenomenon has been changing people's behavior and informed decision making. As people count on other users' opinions and information, they sometimes even make offline decisions based on information acquired online. Zakat, one of the five basic pillars in Islam, is the practice of giving a portion of income for charitable use by appointed collection and distribution institutions. Collecting and distributing zakat is one of the essential elements in accelerating the distribution of income and wealth in a Muslim society. Even though media plays important roles for the better understanding of religious teachings, at present, we do not yet have a good sense of how organizations are using social media as an organizational communication and stakeholder tool. Therefore, the objective of this study is to determine how eWOM influences the behavioral intentions of zakat payers to perform their duties of paying zakat accordingly and at a timely manner. For that purpose, this survey based study was carried out by self-administered questionnaires via email on a sample of experienced eWOM zakat payers. Findings from this study confirm that eWOM can significantly influence behavioral intentions of the zakat payers to perform their duties.

**Keywords:** eWOM, Behavioral Intentions, Zakat Payers

### 1 INTRODUCTION

Interaction is viewed as amongst the most critical focal points of the Internet. The rapid growth in the usage of Internet has changed the picture of word-of-mouth (WOM) today. With the advent of information

technology, the range and outline of WOM has been expanded exponentially and is now known as Electronic Word of Mouth (eWOM). The eWOM has significant, potential and, both direct and indirect impact on purchase intentions of recipients. In a study done by Charo, Sharma, Shaikh, Haseeb, & Sufya, (2015), it was found that the impact of eWOM on Brand Image is also a potential as it can influence the recipients' perception of the respective product/service.

As indicated by Eveleth & Stone, (2008) rapid technological developments have increased society's dependence on information technology. In addition to this, Marcos, Mesquita, Farias, Beatriz, & Dornas, (2014) say that verbal exchanges in social networks play an important role in spreading the word of mouth communication among consumers. Word of mouth is considered a strong recommendation from the one promoting to friends because his experience with respect to a particular purchase of a product or usage of a service is effectively passed on. This information has a more prominent receptivity with respect to the people who receive it.

Despite the broad utilization of online reputational components, there has been little empirical evidence to support the notion that positive eWOM plays a role in impacting trust and behavioral intentions. In spite of the significant literatures on online reviews, none have endeavored to explicitly measure the impacts of that review valence on zakat payers' attitudes and behaviors. It is along these lines that this study seeks to improve the online reviews by examining specifically how online review valence influences attitudes and behaviors of zakat payers. The rest of this paper is organized as below. First, we provide a review on the literature related to e-WOM and behavioral intentions. Second, we introduce the research model. Third, is the description of the research methodology adopted in this study followed by the descriptions on the data analysis and results? Finally, we summarize the findings and discuss the implications for this study.

## 2 LITERATURE REVIEW

### 2.1 eWOM

Hennig-Thurau, Gwinner, Walsh, & Gremler, (2004); Bataineh, (2015) define Electronic word-of-mouth (eWOM) as the exchange of provider information between consumers via internet. They also emphasize that though similar to traditional word-of-mouth (WOM), eWOM may have higher credibility, empathy and relevance to customers than market created sources of information on the Web. Prior to this, Sussman & Siegel, (2003) indicate that a consumer, who perceives a review to be credible, has more confidence in adopting eWOM and using it to make purchase decisions. When a consumer searches for online reviews, the quantity of eWOM makes the reviews more observable (Cheung & Thadani, 2012): that is, the volume of eWOM represents the popularity of a product. Some empirical studies by Park & Lee, (2008); Lee, Noh, & Kim, (2013) provide evidence that eWOM positively influences the consumer-perceived credibility of certain product.

eWOM is characterised by indirect and mostly public communication with typically no social association between the sender of a message and the recipient. An eWOM suggestion is described by a positive, unbiased, or negative provider-relevant piece of information published in the web by a consumer (Hennig-Thurau et al., 2004). eWOM frameworks provide a channel through which customers experience a high level of interactivity on online shopping websites. eWOM frameworks are technological medias through which eWOM data is conveyed and placed where interpersonal administrations are given by sellers or site managers (Yoo, Kim, & Sanders, 2015). They add that an eWOM framework is an imperative channel through which customers communicate with each other and the seller. Interactive eWOM frameworks make data more relevant and credible by expanding the participation of past customers. Besides, customers are certain to be satisfied by smart internet shopping destinations in light of the fact that they can experience stream status intellectually and affectively. Subsequently, it can be accepted that the interactivity of the website emphatically impacts customers' overall satisfaction through customer involvement and likewise, it also helps customers' in making choices by providing data through quality correspondences.

Prior studies demonstrate that credibility is particularly vital for the final valuation of electronic consumer suggestions: the higher the validity of an online proposal, the more probable it is that the receiver takes after the sender's item recommendation (Wathen & Burkell, 2003). Moreover, online customer surveys including encounters, assessments and suppositions on items from previous consumers play two roles, i.e as an informant and a recommender. These two roles adequately influence a customer's intention. In any case, there is a contention between the two roles when an extensive number of reviews are offered. From the viewpoint of the recommender role, consumers have more ideal state of mind towards a product as a more noteworthy number of positive reviews are offered in spite of the fact that consumers may be confronted

with an excessive amount of reviews, which bring about data overload (Park & Lee, 2008). Nevertheless, relevance and comprehensiveness are the most important dimensions of information quality in online customer support settings as they favour consumers' motivation to share information, be it positive or negative (Dancer, Filieri, & Grundy, 2014).

## 2.2 Behavioral Intentions

Behavioral intention to utilize a given technology has critical impact on usage behavior (Venkatesh, Morris, Hall, Davis, & Walton, 2003). The same view has been shared later by (Zarco, 2015), saying that online reviews do produce disposition change by expanding the salience nature of product applicable insights that impact the way a consumer sees a product. Whether consumers view products favourably or unfavorably it all has a bearing on their behavioral intentions towards a product. Online reviews in the present study have appeared to significantly impact consumer dispositions and behavioral intentions.

Kamtarin, (2012) concurs with the finding and asserts that perceived value, trust and e-WOM in his research model confirmed to forming behavioral intention. Consistent with the findings, Jalilvand, Ebrahimi, & Samiei, (2013) agree that e-WOM has a solid direct impact on purchase intention. Customers' purchasing choices may be affected by the online reviews that they read through mobile internet for the product they are keen on. Nevertheless, companies should be aware of the risks of negative eWOM communication, because even high brand equity can be fundamentally weakened by negative online reviews. In this regard, it is safe to say that a positive e-WOM plays an important role in increasing customers' purchase intentions, creating a favorable image of the company and its brand.

Another study, done by Mtebe & Raisamo, (2014) notice that colleagues and friends are among the factors that can significantly influence behavioral intentions of students to accept mobile learning. In lieu to this, findings of Bataineh, (2015) in his study, reveal that trust in the people that we know, together with the quality as well as the quantity of reviews available from social media can attract and have a significant influence on the behavioral intentions of prospective customers to purchase. Hence, it has been interpreted from the previous studies that eWOM does play a significant role in influencing the behavioral intentions of today's modern society.

## 3 RESEARCH MODEL

The research model used to guide this study is shown in Figure 1. This model is adapted from combination models of Jalilvand & Samiei, (2012) and Kamtarin, (2012) with some modifications to suit the purpose of this study. The model has two interrelated parts. The first part consists of perceived eWOM among zakat payers where this eWOM basically includes perceived usefulness and perceived ease of use of the social media. The second part is the behavioral intentions to pay zakat to Zakat Institutions.

Figure 1: Theoretical Model



## 4 RESEARCH METHODOLOGY

The instrument used for data collection for this study is a self-administered questionnaire. The sample for the research has been any person by personal and professional contacts of the authors, who accessed the link to the Google docs on social networks. In total 300 questionnaires were answered.

### 4.1 Questionnaire Design

This questionnaire comprised 8 questions related to eWOM and behavioral intentions on the zakat payers. The questionnaire is divided into three sections, demographic, eWOM and behavioral intention respectively. The respondents were given two options to choose in answering the questions. In the first option respondents have to choose from the given items and in the second option they have to choose between 1 to 4 on a Likert scale rating band where, 1 stands for strongly disagree, 2 for disagree, 3 for agree, and 4 for strongly agree.

## 5 DATA ANALYSIS

### 5.1 Demographic

Out of 300 respondents, 96 (32.0%) were males and 204 (68.0%) were females. In terms of age only 1 (0.3%) respondent was below 20 years while 68 (22.7%) were from 20 to 29 years category. Meanwhile, 135 (45%) of respondents were in the third category ranging from 30 to 39 years old where this was the largest age group of the respondents. On the other hand, 48 (16%) respondents were from the last two categories i.e. from 40 to 49 years category and 50 years and above category. In terms of monthly income, 64 (21.3%) respondents received less than RM3000. The biggest group was from the RM3001 to RM6000 category represented by 155 (51.7%) respondents while 59 (19.7%) respondents received an income of between RM6001 and RM9000, 19 (6.3%) respondents earned an income between RM9001 and RM12000 and only 3 (1.0%) respondents earned more than RM12000 monthly. However, in terms of having experience in paying zakat, we find that only 14 (4.7%) respondents never had such experience while 18 (6.9%) respondents had less than a year's experience. Most of the respondents (116, 38.7%) had between 1 and 5 years' experience while 69 (23.0) respondents had between 6 and 10 experience while 83 (27.6%) respondents more than 10 years of experience as shown in the Table 1 below.

Table 1: Respondents' Profiles

Demographic	Frequency	Percentage
<b>Gender:</b>		
Male	96	32.0
Female	204	68.0
Total	300	100.0
<b>Age:</b>		
Below 20 years	1	0.3
20 – 29 years	68	22.7
30 – 39 years	135	45.0
40 – 49 years	48	16.0
50 years and above	48	16.0
Total	300	100.0
<b>Monthly Income:</b>		
Less than RM3000	64	21.3
RM3001 – RM6000	155	51.7
RM6001 – RM9000	59	19.7
RM9001 – RM12000	19	6.3
More than RM12000	3	1.0
Total	300	100.0
<b>Experience in Paying Zakat:</b>		
Never	14	4.7
Less than 1 year	18	6.0
1 – 5 years	116	38.7
6 – 10 years	69	23.0
More than 10 years	83	27.6
Total	300	100.0

### 5.2 Reliability and Validity

The result of the reliability test is shown in Table 2. Cronbach's Alpha reliability for all variables indicated the range of good and very good internal consistency with reading ranged from 0.725 - 0.807. The widely-accepted cut-off is that alpha should be 0.60 or higher (Hair, Black, Babin, & Anderson, 2010). Thus, this indicates that the data and the measuring instruments are excellent and therefore, the data obtained for this study are reliable.

Table2: Result Of Cronbach's Alpha of The Study

Scale	No. of Items	Cronbach Alpha
Electronic Word of Mouth (eWOM)	5	0.807
Behavioral Intention (BI)	3	0.725
Overall Reliability	8	0.854

### 5.3 Data Analysis and Findings

Based on several literatures, the study identifies five items pertaining to eWOM and three items for behavioral intentions among zakat payers in paying zakat. As illustrated in Table 3 below, for eWOM, 30(10%) respondents strongly agreed and 256(85.3%) respondents agreed to share their experiences pertaining to zakat through social media (E1). Only 40(7%) respondents disagreed to do so. Meanwhile, 40(13.3%) respondents strongly agreed and 242(80.7%) agreed to the statement that they read reviews pertaining to zakat in social media (E2). 15(5.0%) respondents disagreed and 3(1.0%) strongly disagreed with the statement. In addition, 128(42.7%) respondents strongly agreed and 170(56.7%) agreed with the statement that reading reviews regarding zakat on social media (E3) can nurture their awareness to pay zakat. Only 2(0.7%) disagreed with the statement. 61(20.3%) and 227(75.7%) respondents strongly agreed and agreed respectively to use social media in sharing their opinions and information that they have pertaining to zakat (E4). Only 11(3.7%) respondents disagreed and 1(0.3%) strongly disagreed to do so. For the last item in eWOM, 56(18.7%) respondents strongly agreed and 232(77.3%) agreed that reviews they read through social media regarding zakat assist them in deciding to pay zakat to zakat institutions (E5), while 11(3.7%) respondents disagreed and 1(0.3%) strongly disagreed to the statement.

On the other hand, there are three items that have been used in this study to measure the behavioral intentions of zakat payers to pay zakat to the zakat institutions. For the first item (BI1), 100(33.3%) respondents strongly agreed and 194(64.7%) agreed with the statement that management performance of zakat institutions is important to them in order to choose the most ideal institution to perform their duties to pay zakat. Only 5(1.7%) respondents disagreed and 1(0.3%) strongly disagreed. In this regards, 44(14.7%) respondents strongly agreed and 237(79.0%) agreed to always refer to all reviews that they can get through social media regarding zakat institutions before continuing payment of zakat at the same institution (BI2). Meanwhile, 16(5.3%) respondents disagreed and 3(1.0%) strongly disagreed with the statement. In addition, 27(9.0%) respondents strongly agreed and 252(84.0%) agreed with the statement that they are satisfied with the performance of zakat institutions from reviews downloaded from social media (BI3). However, 18(6.0%) respondents disagreed and 3(1, 0%) respondents strongly disagreed.

Table 3: Distributions of Respondents by Their Opinions Regarding eWOM and how it affects their Behavioral Intentions to Pay Zakat

	Scale	Strongly Disagree	Disagree	Agree	Strongly Agree
	<i><u>eWOM:</u></i>				
(E1)	Share experience in social media	-	14(4.7%)	256(85.3%)	30(10%)
(E2)	Read review in social media	3(1.0%)	15(5.0%)	242(80.7%)	40(13.3%)
(E3)	Reviews in social media can create awareness to pay zakat	-	2(0.7%)	170(56.7%)	128(42.7%)
(E4)	Use social media to share opinion and information	1(0.3%)	11(3.7%)	227(75.7%)	61(20.3%)
(E5)	Assist to decide payment of zakat to zakat institutions	1(0.3%)	11(3.7%)	232(77.3%)	56(18.7%)
	<i><u>Behavioral Intention:</u></i>				
(BI1)	Zakat institutions management performance is important when want to choose which zakat institutions to pay zakat	1(0.3%)	5(1.7%)	194(64.7%)	100(33.3%)
(BI2)	Always refer reviews regarding zakat institutions before continue paying zakat to the institutions	3(1.0%)	16(5.3%)	237(79.0%)	44(14.7%)
(BI3)	Satisfied with zakat institutions performance from reviews downloaded from social media	3(1.0%)	18(6.0%)	252(84.0)	27(9.0%)

Linear Regression Analysis was used to examine the effects of eWOM on behavioral intentions on zakat payers. Table 4 below presents the results of this analysis. As shown in the table, ( $R^2=0.130$ ) is significant at 0.000, and ( $\beta=0.360$ ) is significant at 0.000. Hence, eWOM was found to have statistically highly significant effects on behavioral intentions of the zakat payers

Table 4: Regression Summary for Effects of eWOM on Behavioral Intentions of Zakat Payers

R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate	F	Sig.	BI Result
.360 <sup>a</sup>	.130	.115	.48718	8.756	.000 <sup>b</sup>	Accepted
<b>Coefficient</b>						
Unstandardized Coefficients		Standardized Coefficients				
B	Std. Error	B	T	Sig.		
1.660	.273		6.072	.000		
.232	.085	.209	2.726	.000		

## 6 CONCLUSION AND IMPLICATION

The objective of this study is to verify that eWOM which contains information posted and shared on social media is an important referential source for zakat payers to determine whether or not to pay zakat at a particular zakat institution. The findings show that information usefulness and satisfaction exert a significant influence on continuance behavioral intention among zakat payers. This research has demonstrated that information usefulness could be used as a driver to encourage zakat payers to continually pay zakat to the selected institutions. Hence, zakat institutions are encouraged to continually update information on their websites and make use of social medias as a channel to promote their services because eWOM has great potential in influencing behavioral intentions of zakat payers in fulfilling their duties.

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