THE IMPACT OF ONLINE REVIEWS ON SOCIAL MEDIA PLATFORM ON CONSUMER'S PURCHASE INTENTION IN CHOOSING FIRST VISITED CAFE

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Abstract. The current changes in people's lifestyles that lead to mobile working have resulted in workers not always having to stay in the office to work, they can work anywhere as long as there is an internet connection. This is one of the reasons why cafes are becoming increasingly popular and making the level of competition become tighter. This is what makes cafe business must be able to maintain customer loyalty, due to the characteristics of consumers tend to try new things or places. The customer's decision making is affected by various factors such as other customer reviews, review platforms, and property characteristics as well as the customers profile itself. In this context, research was conducted to determine the impact of online reviews on social media platform on consumer's purchase intention in choosing first visited cafe. This study referred to the former research model and empirically tested by collecting data from questionnaires that were distributed using online survey. Six features of online reviews content and one source attribute were identified, namely usefulness, reviewer expertise, timeliness, volume, positive online reviews, negative online reviews, and comprehensiveness. Regression analysis was used to examine the impact of these attributes on consumer purchase intention. The results of the regression analysis that showed significant relationships between variables are usefulness, reviewer expertise, volume, negative online reviews, comprehensiveness, along with property characteristics on consumer's purchase intention. The results of this study can be used by cafe entrepreneurs to develop their strategies for engaging potential customers. Cafe entrepreneurs can pay more attention to the most encouraging factors that attract customers to make purchasing decisions.

Keywords: Online review, electronic word-of-mouth, social media platform, cafe, purchase intention

1. INTRODUCTION

The current changes in people's lifestyles that lead to mobile working have resulted in workers not always having to stay in the office to work, they can work anywhere as long as there is an internet connection. Because in the digital age, individuals from all over the world can be connected. This is one of the reasons why cafes are becoming increasingly popular and nowadays, the proliferation of the internet has helped many businesses to attract potential customers from traditional to the online channel.

The development of cafe business in Indonesia has recently increased, make it more competitive. This is supported by people's lifestyles because the middle-class society has significant growth. According to data from the Indonesian Ministry of Industry in 2016, the growth of the middle-class and the lifestyle of the Indonesian people resulted in the coffee processing industry in Indonesia has a significant increase. This is what makes cafe business must be able to engage potential customer, due to lots of choices will make consumers easy to switch.

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In this digital era, allows consumers to share purchasing experiences through electronic word-of-mouth (eWOM) to create a trusted source for other consumers. In addition, online consumer reviews are a form of eWOM in the selection process, and this helps consumers get detailed information. Online reviews as a form of eWOM, offer a large amount of data that includes consumer feedback, overall consumer ratings, food served and tested by consumers, and locations to enhance consumer experience (Jurafsky, Chahuneau, Routledge, & Smith, 2014). So, online reviews now have the power to connect potential consumers directly to places to eat even before they enter the eating place (S. B. Yang, Shin, Joun, & Koo, 2017).

This paper studies the factors influencing the purchase decision making in choosing first visited cafe by measuring the impact of each feature of online reviews. Additionally, it comes to examine the effectiveness of other affecting factors such as property characteristics. And this paper comes to answer these research questions:
RQ1. Do online review factors have a significant influence on consumers in choosing first visited café?
RQ2. Do property characteristics have a significant influence on consumers in choosing first visited café?

2. LITERATURE REVIEW

2.1. Usefulness of online reviews

Usefulness of online reviews occurs when online reviews is believed could facilitate consumers' purchase decision-making process (C. Park & Lee, 2009). Usefulness of online reviews have been suggested as an effective predictor of consumers' intent to comply with a review (Cheung, Lee, & Rabjohn, 2008; C. Park & Lee, 2009). Chen, Dhanasobhon, & Smith (2006) found that the quality of a review positively influences consumer decision-making. 79% of the readers of online reviews of restaurants, reported that the reviews had a significant influence on their purchase decisions (ComScore Inc, 2007). Hence, the current study proposes the following:

H1. The usefulness of reviews will positively influence consumers in choosing first visited cafe.

2.2. Reviewer expertise

Information sharing is not a genuinely random behavior, as there exists market "mavens" who have a particular propensity to post messages about shopping and the marketplace messages (Feick & Price, 1987). Consumers can identify such market mavens and follow them in the process of making purchasing decisions. As such, the characteristics of communicators, both senders and receivers, play a critical role in information persuasiveness (Dholakia & Sternthal, 1977).

In a reduced and altered cues environment, it is difficult for information seekers to evaluate the knowledge and competence of a reviewer because of the limited access to personal attributes and background (Zhao et al., 2015). Su & Sirgy (2000) found that self-image congruency affects purchasing motivations and behaviors when products and brands are consistent with a consumer's self-image. However, a Web site takes the duty to evaluate a reviewer by rating him or her. Based on the aforementioned statement, the following hypothesis is, therefore, proposed:

H2. Reviewer expertise will positively influence consumers in choosing first visited cafe.

2.3. Timeliness of online reviews

When searching for information, consumers find information that is relevant and related to time, which leads to the concept of timeliness. Timeliness refers to "whether the messages are current,

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timely, and up-to-date" and the higher the timeliness of message, the higher the credibility perceived by consumers (Cheung, Lee, & Rabjohn, 2008). As such, another hypothesis is proposed:

H3. The timeliness of online reviews will positively influence consumers in choosing first visited cafe.

2.4. Volume of online reviews

Volume is another important attribute of WOM, and it measures the total amount of interactive messages (Liu, 2001). When consumers only have little information about the product they want to buy, some awareness has to be built (Mahajan, Muller, & Kerin, 2008). Higher volumes of comments, both positive or negative, in online communities could attract information seekers and then increase product awareness (Davis & Khazanchi, 2008). The volume of consumer reviews of a restaurant can significantly increase the interest of consumers in visiting the webpage of the restaurant (Zhang, Ye, Law, & Li, 2010). Hence, the current study proposes:

H4. Volume of online reviews will positively influence consumers in choosing first visited cafe.

2.5. Valence of online reviews

Message valence focuses on either the positive (benefits gained) or negative (benefits lost) product attributes (Maheswaran & Meyers-Levy, 1990). Online views can be either negative or positive within the same location and impacts of each type have been continuously compared for a better marketing mix. Negative messages are more diagnostic, which implies low-quality products, whereas positive information may be connected to high-, average- and even low-quality products (M. Herr, R. Kardes, & Kim, 1991). From the perspective of information recipients, Westbrook (2006) showed that both positive and negative information can influence consumers' loyalty, product evaluation and purchase decision. Therefore, it would be more logical to examine the impacts of negative and positive reviews, respectively. In summary, the following two hypotheses are proposed:

H5a. Positive online reviews will positively influence consumers in choosing first visited cafe.

H5b. Negative online reviews will negatively influence consumers in choosing first visited cafe.

2.6. Comprehensiveness of online reviews

The information on internet could ranging from simple with several evaluative key points to more complex with factual descriptions. This relates to comprehensiveness, which is a measure of how detailed and complete the messages are (Cheung et al., 2008). In unfamiliar situations, consumers need detailed and specific knowledge to make decisions (Anderson, 1996; Money, Gilly, & Graham, 2006). Cheung et al. (2008) showed that the comprehensiveness of online reviews is one of the most effective elements of online postings in terms of the extent to which people are willing to accept and adopt online reviews, as well as the factors encouraging adoption. Review length and food and beverage images are the most important factors affecting both usefulness and enjoyment (S.-B. Yang, Hlee, Lee, & Koo, 2017). Thus, the following hypothesis is proposed:

H6. The comprehensiveness of online reviews will positively influence consumers in choosing first visited cafe.

2.7. Property characteristics

Besides the above discussed independent variables, the researcher have incorporated property characteristics in the proposed conceptual model to include any effect of these variables in customers' decision making (Alabdullatif & Akram, 2018). The characteristics of a property include food quality and atmosphere.

3. RESEARCH METHODOLOGY

This study is empirically tested by collecting data from questionnaires that were distributed using online survey. The survey consisted of three sections including respondents' demographics, online review features, and property characteristics. Each factor is measured using Likert Scale ranging from 1 (one) to 6 (six), where 1 indicates that the factor is very unimportant/strongly disagree and 6 indicates that the factor is very important/strongly agree. The questionnaire was made for online reviews on social media platform such as Zomato, Qraved, TripAdvisor, etc. Regression analysis was used to examine the impact of these attributes on consumer purchase intention.
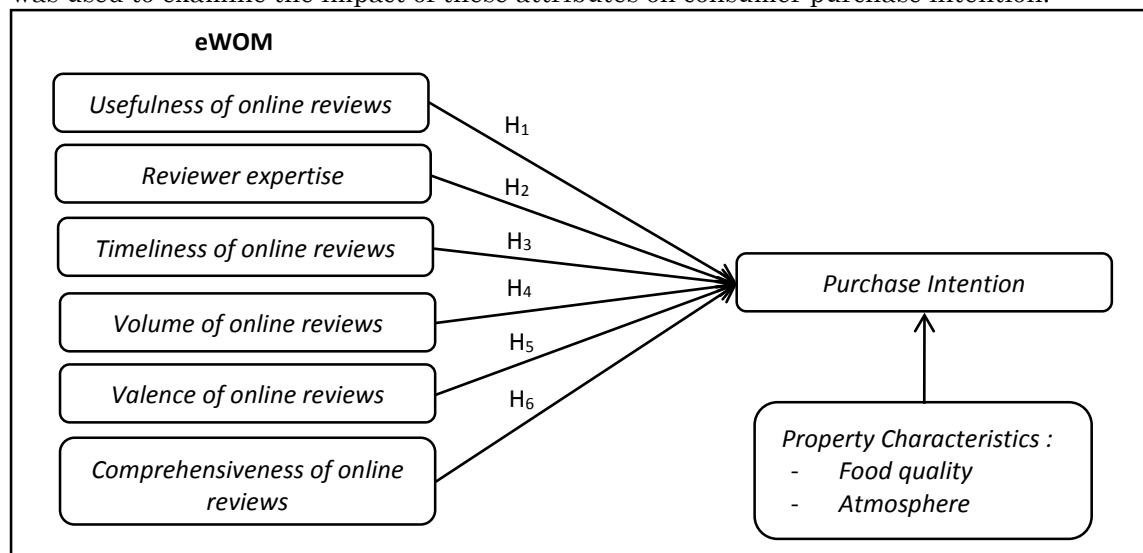

Fig. 1: Conceptual framework

4. RESULTS

4.1. Respondents' Profile

We received 484 collected questionnaires, but only 408 respondents could pass the screening questions. The respondents are dominated by female (78,9%) and fell in the age group of 18-34 years. In terms of educational background, the overwhelming majority held a bachelor degree (50,2%). And the occupation of respondents are dominated by student (37%) and private employee (31,4%). 43,1% of respondents visit cafe 3 – 5 times/month, with monthly expense are majority in range less than Rp 2.000.000,- – Rp 3.000.000,- per month. And it found that the most widely used on social media platform is Instagram (40%), then followed by YouTube (19%).

4.2. Validity and Reliability

Table below. indicates that all the constructs fulfill the required conditions for the validity and reliability of each construct according to Malhotra (2010).

Table 1. Validity and reliability.

Variable	KMO	Cronbach's Alpha

Usefulness	0,848	0,825
Expertise	0,846	0,845
Timeliness	0,709	0,851
Volume	0,823	0,815
Positive	0,686	0,774
Negative	0,724	0,787
Coprehensiveness	0,748	0,938
Purchase Intentions	0,722	0,885

N=408

4.3. Regression Analysis

A regression analysis was conducted to examine the relationship between the seven attributes and respondents' purchase intention. Timeliness of online reviews and positive online reviews are not proven to have significant impact on purchase intention because the Sig. value which is above the level of significance 5% (0,511 and 0,593). Based on the results of the regression analysis, five out of the seven hypotheses are supported and property characteristics variables have a significant influence on purchase intention.

Table 2. The results of regression analysis of purchase intentions.

Variable	Beta	t	Sig.	VIF
Usefulness of online reviews	0,191	4,214	0,000	1,508
Reviewer expertise	0,125	2,946	0,003	1,327
Timeliness of online reviews	0,030	0,657	0,511*	1,514
Volume of online reviews	0,332	7,078	0,000	1,623
Positive online reviews	0,024	0,535	0,593*	1,438
Negative online reviews	0,157	3,694	0,000	1,330
Comprehensiveness of online reviews	0,098	2,329	0,020	1,309
Food quality (PC)	0,145	2,437	0,015	1,566
Atmosphere (PC)	0,174	2,922	0,004	1,566

5. DISCUSSION

This study found a positive relation between usefulness of online reviews and online purchase intentions. This finding is same with previous study as mentioned that consumers are currently in an information overloading situation, and the quality of a review, as measured by the number of helpfulness votes, positively influences consumer decision-making (Chen, Dhanasobhon, & Smith, 2006).

In the other hand, timeliness of online reviews doesn't have a positive impact to purchase intention. Because on social media platforms, it is more difficult to compare whether the review is an old or new reviews, so consumers tend not to pay too much attention to when the review was made. While the review website platform (such as Zomato, Qraved, etc) accommodates the appearance by displaying the latest reviews rather than the old reviews, making it easier for consumers to filter reviews based on time.

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Positive online reviews also doesn't have a positive impact to purchase intention. This may be based on the increasing number of endorsements carried out by the Instagram celebrities (considering that 40% of respondents use Instagram social media in viewing online reviews). Many Instagram users understand that the positive reviews given by the celebrities are not entirely neutral, but can be endorsed or paid by the company.

Reviewer expertise have a positive impact to purchase intention. One possible explanation for this finding may be that eWOM that occurs among people who know each other is more effective (Erkan & Evans, 2018). On social media someone tends to interact or connect with people they know or know, so they know enough about the credibility of the people in their social media friendship circle. And credible sources are very persuasive when consumers have not learned much about a product or formed an opinion about it (Solomon, 2017), so it also applies to consumers who want to visit the cafe for the first time.

Volume of online reviews also has a positive impact to purchase intention, some studies argue that the inclusion of a considerable volume of information on a website generates more favorable attitudes and behaviors among consumers (Wang, Chou, Su, & Tsai, 2007). The higher the number of reviews the more messages will be processed by users, which will result in a more positive inclination for future purchases (Matute, Polo-Redondo, & Utrillas, 2016).

Furthermore, there's a significant impact between negative online reviews and purchase intentions. The current results are consistent with previous findings that consumers conform to online consumer reviews and their attitudes become unfavorable as the proportion of negative online consumer reviews increases (Lee, Park, & Han, 2008). Lee et al. (2008) also find that negative online review can influence the attitude of consumers and high-quality negative online consumer reviews influence consumer attitude more than low-quality negative online consumer reviews.

Also, comprehensiveness significantly influences people's purchase intentions. Cheung et al. (2008) showed that the comprehensiveness of online reviews is one of the most effective elements of online postings in terms of the extent to which people are willing to accept and adopt online reviews, and will further encourage confidence in making decisions.

So far as the effect of the property characteristics is concerned, we also find a significant positive effect of various property characteristics such as its food quality and atmosphere can play a considerable role in forming customers' purchase intentions.

6. CONCLUSION

This paper studies the factors influencing the purchase decision making in choosing first visited cafe by measuring the impact of each feature of online reviews. Additionally, it comes to examine the effectiveness of other affecting factors such as property characteristics. Usefulness of online reviews, reviewer expertise, volume of online reviews, negative online reviews, and comprehensiveness of online reviews have a significant impact to purchase intentions in social media platform. This study also find a significant positive effect of property characteristics on the customers' purchase intentions, they are food quality and atmosphere.

7. IMPLICATION

The study provides some important insights for the cafe managers. The results can be used by the managers to develop their strategies for engaging potential customers and decide which is the most suitable factors. Managers might encourage their customers to emphasize the suggested review characteristics so that other potential customer may take advantage of these reviews in finalizing

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their decision. The cafe manager can pay more attention to the most encouraging factors that attract customers to make purchase intentions, and thus, increase the accuracy based on users' behavior towards online reviews.

8. LIMITATION AND FUTURE WORK

The limitation of this study is the segments been surveyed to get the result are not sufficiently varied on gender and age. Consequently, the results may not be generalized to the overall population. This can be enhanced by using a crowdsourcing service to spread the questionnaire among different demography and get more diversified data. Future research also could investigate firms' online and offline marketing strategies and compare their effectiveness. It would be worthwhile for marketers and practitioners to empirically examine different information channels to optimize their promotional efforts and adjust the resources allocation accordingly.

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