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Influence of culture on electronic word-of-mouth and consumer purchase intention

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TIIVISTELMÄ:

Digitaalisella aikakaudella elektronisesta suusanallisesta viestinnästä (eWOM) on tullut merkittävä ja kriittinen kuluttajien ostokäyttäytymiseen vaikuttava tekijä ympäri maailmaa. Tutkielman aihe on tärkeä ja ajankohtainen, koska elektronisen suusanallisen viestinnän merkitys on kasvanut suuresti viimeisen 20 vuoden aikana. Verkkokauppojen arvosteluista, sosiaalisen median vaikuttajista ja muista digitaalisista kanavista ovat nykyään ratkaisevia tekijöitä kuluttajien päätöksenteossa. Ihmisten toimintatapa vastaanottaa ja jakaa suusanallista viestintää Internetissä kuitenkin poikkeaa toisistaan eri kulttuureissa. Tämän tutkielman tarkoituksena on selvittää, miten elektroninen suusanallinen viestintä vaikuttaa kuluttajien ostoaikomukseen, ja mitkä kulttuurilliset aspektit vaikuttavat niihin. Tutkimuksessa on käytetty apuna alankomaalaisen kulttuurintutkijan Geert Hofsteden teoriaa kulttuurillisista ulottuvuuksista. Tämä kirjallisuuskatsaus pohjautuu 39 vertaisarvioituun artikkeliin, jotka käsittelevät elektronista suusanallista viestintää ja kulttuurillisia tekijöitä. Tutkimusta tehdessä on käynyt ilmi, että tieteellisiä artikkeleita, joissa on tutkittu näiden kahden aspektin suhdetta toisiinsa, on verrattain vähän.

Tämän tutkimuksen tuloksilla voidaan osoittaa, että elektronisella suusanallisella viestinnällä on tyypillisesti ostoaikomusta kasvattava vaikutus, etenkin silloin, kun tuotteista jaetut kokemukset ovat olleet positiivisia. Negatiivisista kokemuksista jaetuilla arvosteluilla sen sijaan on havaittu olevan ostoaikomusta vähentävä vaikutus. Ostoaikomukseen vaikuttaa merkittävästi myös jaetun arvostelun uskottavuus, jota voi vähentää Internetissä usein ilmenevä anonyymiys. Eri maiden kulttuurien piirteistä voidaan myös löytää eroavaisuuksia asenteessa elektronista suusanallista viestintää kohtaan. Kaikista Hofsteden kuudesta ulottuvuudesta voidaan löytää ostoaikomukseen liittyviä piirteitä, mutta eniten selittäviä tekijöitä on löydetty individualismi vs. kollektivismi ulottuvuudesta, sekä epävarmuuden välttäminen ulottuvuudesta. Näillä ulottuvuuksilla voidaan selittää muun muassa, kuinka paljon tietoa jaetaan, kuinka rehellistä tai autenttista jaettu tieto on, sekä mihin tarkoitukseen elektronista suusanallista viestintää luetaan. Hofsteden kulttuuriulottuvuuksien lisäksi on löydetty muita merkittäviä kulttuurillisia havaintoja, kuten julkaisujen ja niiden lukijoiden äidinkieli, sekä elektronisen suusanallisen viestinnän koettu hyödyllisyys eri kulttuureissa.

Tämä tutkielma osoittaa, että kulttuureja ja niiden eroja tutkimalla voidaan löytää paljon arvokasta dataa, jota hyödyntämällä yritykset voivat tehokkaammin kohdentaa markkinointiaan halutulle kohdeyleisölle. Kansainvälisessä markkinoinnissa on tärkeää ymmärtää kulttuurieroja ja välttää väärinymmärryksiä, joten tutkimalla aihetta lisää, yritykset voivat tietoisesti parantaa kuluttajien ostoaikomusta tuotteitansa kohtaan.

AVAINSANAT: elektroninen suusanallinen viestintä, Hofsteden kulttuuriulottuvuudet, nettiarvostelut, kulttuurierot, kuluttajien ostoaikomus, kirjallisuuskatsaus

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ABSTRACT:

In the digital age, electronic word-of-mouth (eWOM) has become a significant and critical factor influencing consumer purchasing behavior around the world. The topic of this thesis is important and relevant, because the importance of electronic word-of-mouth communication has grown greatly in the last 20 years. Online reviews, social media influencers and other digital channels are today crucial factors in consumer decision-making. However, people's way of receiving and sharing information on the Internet differs in different cultures. The purpose of this thesis is to find out how eWOM affects consumers' purchase intention, and which cultural aspects affect them. The Dutch cultural researcher Geert Hofstede's theory of cultural dimensions has been used in the research. This literature review is based on 39 peer-reviewed articles that are related to eWOM and cultural factors. While doing the research, it has become clear that there are relatively few scientific articles that have studied the relationship between these two aspects.

The results of this thesis show that eWOM typically has the effect of increasing purchase intention, especially when the experiences shared about the products have been positive. Reviews shared about negative experiences, on the other hand, have been found to have a decreasing effect on purchase intention. The purchase intention is also significantly affected by the credibility of the shared review, which can be reduced by the anonymity that often appears on the Internet. Differences in the attitude towards eWOM can also be found in the characteristics of the cultures of different countries. Characteristics related to purchase intention can be found in all of Hofstede's six dimensions, but the most explanatory factors have been found in individualism vs. collectivism dimension, and uncertainty avoidance dimension. These dimensions can be used to explain, among other things, how much information is shared, how honest or authentic the shared information is, and for what purpose eWOM is read and used. In addition to Hofstede's cultural dimensions, other significant cultural observations have been found, such as the native language of online reviews and their readers, as well as the perceived usefulness of eWOM in different cultures.

This thesis shows that by studying cultures and their differences, a lot of valuable data can be found, which companies can use to more effectively target their marketing to the desired target audience. In international marketing, it is important to understand cultural differences and avoid misunderstandings, so by researching the subject more, companies can consciously improve consumers' purchase intention towards their products.

KEYWORDS: electronic word-of-mouth, Hofstede's cultural dimensions, online reviews, cultural differences, consumer purchase intention, literature review

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1 Introduction

1.1 Background of the study

Today, consumers have a huge number of different options when buying a product. When making a choice from these options, the consumer's decision is influenced by many things. The selection process is influenced, among other things, by the product's price, quality, and the company's brand. The arrival of the digital age has enabled consumers to access a much larger amount of information about products than before. Today, it is rare to find a product that has no information available online. In their study, Brown, Broderick, and Lee (2007) reported that an estimated 90% of word-of-mouth (WOM) occurred offline. Yet, these conversations were strongly influenced by information already shared online. Now, nearly 20 years later, the role of internet discussions has become even more significant. Roy et al. (2018) state that more than 60 percent of consumers who are tending to shop, online consider the role of eWOM as crucial before making a purchase decision. For this reason, eWOM has become a very essential part of consumer purchase intention and companies should invest in improving it.

eWOM as a subject has been studied roughly from the middle of the 21st century until the present day and there are many different sources for the topic (Barreto, 2014; Hennig-Thurau et al., 2004). However, not much has been written about the connection of culture to the effectiveness of eWOM. While there are many comprehensive literature reviews on eWOM (Huete-Alcoser, 2017), there are relatively few literature reviews that include either an international or a cross-cultural aspect. Of course, there are numerous different articles and studies on the subject, but there could be more summarizing reviews. According to Dang and Raska (2022), they claim that their literature review is the first one to systematically analyse the influence of the cultural context to the eWOM. With the help of already existing literature, they research the different characteristics of cultures and their impact on eWOM. A similar observation has also been made by Kusawat and Teerakapibal (2022), who also strive to bridge the gap between the existing studies on the subject.

In today's globalised markets, the importance of cultural knowledge is emphasized. Marketers nowadays must be conscious about the cultural factors that might be useful in some countries, and harmful in others (Kusawat & Teerakapibal, 2022). The awareness of the challenges between cultures is of great importance, especially for multinational corporations (McDonalds, Apple), for whose business it is essential to personalize the marketing to the audience of the target country (Dang & Raska, 2022).

1.2 Traditional word-of-mouth

Throughout human history, one of the most important and significant sources of information for people has been word-of-mouth (WOM). In a commercial sense and from the point of view of companies, this means that people share their own views and opinions about products with their friends and acquaintances (Barreto, 2014). The effectiveness of WOM is also caused by the fact that people consider each other's views as independent. It is human-to-human communication with no commercial influence from the companies (Huete-Alcocer, 2017). In the eyes of consumers, it is considered more reliable than, for example, commercial advertising. Credibility is also increased by the fact that people often know the person giving the feedback and perceive the experiences of a familiar person as more trust-worthy than traditional media (television, print and radio advertising, etc.) suggests (Huete-Alcocer, 2017).

Companies are very aware of this today and strive to increase their own brand awareness through WOM. This can be done, for example, by creating campaigns that end up being topics of conversation among people. However, WOM has become more controlled in the hands of companies, while before it used to be more "organic" (Barreto, 2014). In this context organic WOM happens in an event, where the information is spontaneously delivered to the receiver without necessarily being an attempt to influence the consumer's attitude towards the product. Instead, the opposite of this can be called "fertilized" WOM (Barreto, 2014). It refers to a phenomenon where, for example, a company

has paid a sender to share information about the marketed product (Barreto, 2014). Social media influencers in today's networks serve as a good example of this phenomenon.

Tourist destinations serve as a good example of the influence WOM has on consumer behaviour (Huete-Alcocer, 2017). When people hear positive feedback from their friends about a certain holiday destination, it is very likely that they also want to experience the same thing and travel to the same destination. The same also applies to the effect of negative feedback. Negative feedback makes the consumer evaluate and compare their own consumption options more precisely (Huete-Alcocer, 2017). On the other hand, if the company's goal is to gain a lot of visibility regardless of whether the feedback is negative or positive, then negative feedback is also more efficient than neutral feedback (Aleksandrov et al., 2022). Although WOM works more effectively than advertising, not all products benefit from it equally. Alexandrov et al. (2022) state that tangible products have a stronger influence from WOM than services.

As a phenomenon, WOM can be studied from two different perspectives: the company's and the consumer's point of view. From the company's point of view, important things are, for example, the value experienced by customers, loyalty and satisfaction. (Aleksandrov et al., 2022). These features in the process motivates the consumer to share his experiences among other. On the other hand, the consumer's driving factors for sharing WOM are more personal. Consumer might feel need to share knowledge about a product or service for several reasons, including a spirit of altruism, a genuine desire to assist others, or the intention to have a bond and connect with each other. (Aleksandrov et al., 2022). People in conversations typically talk about their own recent events, so it is natural that they also want to share experiences about purchased products or services.

1.3 Objective of the study and research questions

The objective of this study is to examine how culture influences the relationship between electronic word-of-mouth and purchase intention. The topic is examined through the following research questions:

1. What is eWOM and how does it affect consumers' purchase intention and attitude towards a product?
2. What are the Hofstede's cultural dimensions and how do they influence eWOM across different cultural contexts?

2 Electronic word-of-mouth (eWOM)

Electronic word-of-mouth (eWOM) as a phenomenon is relatively young, but increasingly relevant for companies and their brands. It is based on traditional word-of-mouth, which has a much longer history among humankind. The importance of the eWOM phenomenon has grown enormously, especially in the last two decades. This chapter discusses the background of eWOM and how it has evolved over time.

2.1 The transformation of WOM into eWOM

The importance of WOM has grown significantly with the rise of the internet. At the same time, the importance of offline WOM has been decreased. Previously, WOM was limited to conversations within close reference groups. However, with the internet, WOM has become a much more influential force, enabling people to reach a larger amount of information (Chu & Kim, 2011). The spread of the Internet rapidly expanded the possibility for consumers to get information about products and to share it themselves in an unbiased manner (Hennig-Thurau et al., 2004). This phenomenon can be called as eWOM. The number of Internet users is constantly growing and because of that, eWOM is getting more participants continually. In 2021 there were more than 4.7 billion internet users, which comprises over 60 percent of the world's population (Kusawat & Teerakapibal, 2022).

This shift from traditional to electronic WOM has transformed consumers into independent sources of information sharing online (Verma & Yadav, 2021). According Hennig-Thurau et al. (2004) eWOM can be described as any positive or negative opinion expressed by a current or former customer about a product or company that is shared online to a wide audience. Consumers can effectively use eWOM as a tool that can be used to evaluate the products to be purchased and to think more carefully about purchasing decisions (Roy et al., 2018). EWOM also allows marketers to reach customer's more successfully than before.

2.2 Main differences between WOM and eWOM

Even though eWOM and WOM share the same purpose and similar characteristics, they also have some features that differ from each other. Sharing opinions on the Internet typically demands more effort than in traditional WOM, that often occurs via casual conversations face-to-face (King et al., 2014). Huete-Alcoser (2017) summarized the main differences into four dimensions: credibility, privacy, diffusion speed and accessibility.

A significant difference between traditional WOM and eWOM is that on the Internet, sharing of the information often happens anonymously or by a username. Therefore, the receiver of the information cannot always fully trust the message coming from the communicator (Cheung & Thadani, 2012), which has a negative effect for the credibility. In traditional WOM, the communicator is typically already familiar to the receiver. Due to that, credibility in WOM has a stronger influence on consumer's attitude towards a product or a service (Huete-Alcoser, 2017). Credibility is an essential part of the connection between the communicator and the receiver of the information. Anonymous communicators tend to have weaker ties between the receivers, so the effect of their interaction has a lesser impact on the attitude towards the product (Lee & Youn, 2009).

The information shared in eWOM is usually not private and can be seen by anyone. Also, because the reviews are written down, they can be read at any time possible (Cheung & Thadani, 2012). This lack of privacy means that the information can be seen by anonymous people, who have no connection between each other (Huete-Alcoser, 2017). In traditional WOM the conversations are happening at a real place in real-time. These face-to-face conversations are not stored in any kind of database, which means that the information disappears after the dialogue (Aleksandrov et al., 2022).

Diffusion speed refers to how rapidly the information is spreading in different networks. Traditional WOM has a much slower diffusion speed, since the receivers of the information must be present in the events, where the information is being shared (Huete-Alcoser, 2017). In online networks, the conveying of the information is significantly faster

and easier. Online platforms (blogs, social media etc.) that are designed for users to share their opinions and information, are one of the main reasons for the faster diffusion speed of eWOM (Cheung & Thadani, 2012).

The accessibility dimension simply indicates the level of ease or difficulty in obtaining information. To acquire traditional WOM information you must be in a right place at a right time. With Internet and eWOM there are limitless amount of data that a consumer can access to. The only requirement is that the Internet platforms for review are not private and can be seen by everyone (Cheung & Thadani, 2012).

2.3 The effect of eWOM on purchase intention

Aslam et al. (2019) explain that purchase intentions refer to a state of mind in which the consumer has formed a positive image of the product or service. The purchase intention can be increased by consumer's own satisfaction with products previously purchased from the company, or by hearing feedback about the product from others (Aslam et al., 2019). Studies show by common assent that eWOM has beneficial effect on the sales volume of goods. Especially, when the discussion of the product online is positive. However, there are distinguishing factors for the effectiveness of eWOM to purchase intention. Differences in eWOM efficiency depend, for example, on the social media platform and the product. (Rosario et al., 2016). From the point of view of companies' competitiveness, it is critical that the company can identify ways to create positive eWOM (Youngtae et al., 2018). Common forms of eWOM that affect purchase intention are online reviews and contents from social media influencers.

2.3.1 Online reviews

Consumers' purchasing decisions are increasingly influenced by other consumers' reviews of the product or service. They are public opinions shared on the internet about the product, and they can either positive or negative (Pocchiari et al., 2024). They appear on many different online platforms and can take different forms. Online reviews help

consumers evaluate products and services at different stages of the customer journey, build trust and reputation between buyers and sellers, and support the decision-making process of buyers (Pocchiari et al., 2024). Forms of online reviews include written reviews on retailers' pages (Amazon), video reviews (YouTube), and reviews on the consumer's own personal social media accounts (Facebook). Reviews that are made anonymously have a lesser impact for the purchase intention, because the eWOM communicator has a weak tie to the receiver than (Lee & Youn, 2009). According to Cheung and Lee (2012) about 80 percent of online shoppers read product reviews before making a purchase decision. In addition, many customers would even be willing to pay 20% extra for a product that has received a full five stars rating in a review. However, it is interesting that Sen and Lerman (2007) state that negative feedback on a product has a stronger influence on the consumers' purchase intention than positive feedback. A negative review will make the consumer classify the product as low quality, which naturally weakens the desire to purchase it (Lee & Youn, 2009).

2.3.2 Social media influencers

Influencers have been beneficial in marketing strategies for a long time. It's one form of the traditional WOM, where people trust the word of famous celebrities more than ordinary salespeople (Masuda et al., 2022). With the spread of the Internet, influencers have established their place in social media. Social media influencers are content creators who have many followers on different social media platforms. Typically, companies negotiate a contract with the influencer, where the influencer is paid a certain amount of money per social media post (Leung et al., 2022). Although Followers may not know the influencer on a personal level, they can be considered as key opinion leaders. According to Sarathy and Patro (2023) the views from a key opinion leaders are viewed as credible and trustworthy. These features allow them to influence followers' attitude towards the product and purchase intention.

Broadly speaking, social media influencers can be divided into two categories based on the number of followers: macro and micro influencers (Phan & Nguyen, 2024). Macro-

influencers typically have a massive number of followers and by collaborating with them, a company can gain a significant amount of visibility. On the other hand, the purchase power and purchase intention among their followers may not be very high. Instead, micro-influencers usually have a smaller audience in general, but the followers have a stronger connection with the influencer. Due to the strong connection, the micro-influencer has the effect of increasing the purchase intention on the potential consumer. A micro-influencer is more likely to have common attractions with a follower, which has a crucial role in creating purchase intention. (Rosario et al., 2016).

3 The impact of culture in eWOM

Culture always has a remarkable effect on people's behaviour and attitudes. Studies have shown that consumers from diverse countries and cultures have different attitudes towards eWOM (Dang & Raska, 2022). This chapter identifies Hofstede's cultural dimensions and explores their impact on customer behaviour online cross culturally. In addition to Hofstede's dimensions, other observations have been reported.

3.1 Hofstede's cultural dimensions

Geert Hofstede was a Dutch social psychologist who is famous for his framework of the cultural dimensions, which is used to analyse cultural differences' influence on societal and organisational behaviour (Migliore, 2011). Originally, the framework had four dimensions, including: power distance (PDI), individualism/collectivism (IDV), masculinity/femininity (MAS) and uncertainty avoidance (UAI). Later, the theory has been supplemented by the following two indexes: long term orientation (LTO) and indulgence/restraint (IDR) (Hofstede Insights, 2024). In the framework, the indexes work as a scale from 0-100. Every country under a study has an own position in the index, depending on the scale (De Mooij & Hofstede, 2010).

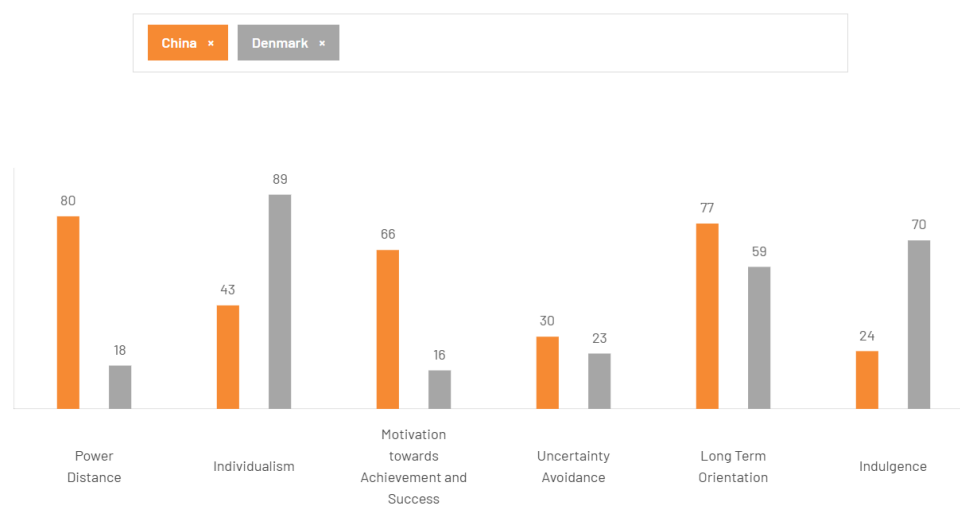


Figure 1. Hofstede's cultural dimension framework. In comparison are China's and Denmark's indexes (Hofstede Insights, 2024).

3.2 Identifying the cultural dimensions

The power distance dimension defines how inequality is distributed inside a society and how the least influential citizens accept this social hierarchy (De Mooij & Hofstede, 2011). In a high PDI culture, everyone has their own position in the society, and it might be difficult to reach a better position in the system. Respect among citizens is based on rank or status, instead of actions. A supervisor-subordinate relationships in these cultures are typically very polarized. The power-abuse in these relationships is common and the subordinates can't defend themselves properly (Hofstede Insights, 2024). Instead, in lower PDI nations believe more in the autonomy of individuals and more equal society. Leadership styles are more mentoring than commanding and economic inequality is more even (Hofstede Insights, 2024). China serves as an example of a high PDI culture and Denmark as a low. China has 80 points in the PDI scale and Denmark has 18 points, so their cultures in this spectrum are opposites of each other (Hofstede Insights, 2024).

Individualism versus collectivism dimension describes about the interdependence of people in a society. It is determined by whether people see themselves as "I" or "We" (Hofstede Insights, 2024). In individual cultures people take more care of themselves and prioritize their own personal property. Individualistic people define themselves more through their own identity than their own communities (De Mooij & Hofstede, 2011). In collectivistic cultures people emphasise the mutual interests of a group more than their own personal benefits. People's loyalty is highly valued and taking care of others is important. In such cultures maintaining a harmony in a society and preventing "loss of face" is crucial (De Mooij & Hofstede, 2011). The highest rank on the individualism spectrum belongs to the USA (91pts), and the lowest to Guatemala (6pts) (Hofstede Insights, 2024).

De Mooij and Hofstede (2011) describe the masculinity/femininity as follows: "The dominant values in a masculine society are achievement and success; the dominant values in a feminine society are caring for others and quality of life". An alternative name for the dimension is motivation towards achievement and success. In strongly masculine

cultures it is common that traditional values reflect in a society. In these cultures, gender roles are very divided. In feministic societies, the gender roles are more mixed together. The expectations from both men and women are not much different from each other (Migliore, 2011).

The uncertainty avoidance can be described as a measure of how much people perceive uncertainty and ambiguity as a threat, and how much they want to avoid it (De Mooij & Hofstede, 2010). In countries where UAI is high, there is a need for strict rules and order. However, in low UAI cultures, people want to avoid extra regulation and want to get rid of ambiguous rules (Hofstede Insights, 2024). Low UAI usually creates more innovation and new ideas due to people not being too scared to take risks.

Long-term orientation dimension defines whether a society is leaning on future planning and pragmatism or prioritizes immediate rewards and tradition (Hofstede Insights, 2024). De Mooij & Hofstede (2010) stated that in long-term orientation culture is common to pursue peace of mind, and in a short-term orientation society people are pursuing happiness. Normative cultures lean usually more towards short-term orientation. For example, Argentina is one of the most long-term oriented countries in the world. It has only 29 points in the spectrum, and the Argentinians have a strong concern to establish the absolute truth in their society (Hofstede Insights, 2024).

3.3 Consumers' willingness to share eWOM in different cultures

Consumers vary widely in how much they want to share their own experiences online. Cultural differences are a valid factor to explain the willingness to share information. From Hofstede's framework, the individualism versus collectivism dimension has been found to be by far the most explanatory dimension in this context (Dang & Raska, 2022). This dimension helps explaining differences in how online reviews are shared in individualistic versus collectivistic cultures. In individualistic cultures, eWOM is often driven by self-serving motives, as individuals seek and share information primarily to

maximize their personal benefit. In contrast, in collectivistic cultures, sharing opinions and ideas holds greater importance, and the focus on personal utility is less pronounced (Goodrich & De Mooij, 2014). However, there are conflicting findings on the topic. For example, Dang and Raska (2022) argue that individualists are more likely to share information rather than seek it. Instead, according to Madupu and Cooley (2010) in some collectivistic cultures the sharing of information is quantitatively larger than in some individualistic cultures. India (collectivism) and USA (Individualistic) were the example countries in the argument. The contradiction can be explained by the fact that the decision to share knowledge with eWOM depends a lot in the consumer's community. The information shared by the collectivistics is often directed to their own social circles, so the knowledge is not passed on to outsiders (Dang & Raska, 2022).

3.4 The effects of cultures on eWOM characteristics

Through the internet, people can make purchases from the websites of other countries, but it has been observed that consumer behaviour is not similar everywhere (Christodoulides et al., 2012). Consumers' online reviews from different countries might differ significantly. With Hofstede's cultural dimensions it is also possible to find things that describe the nature of eWOM is shared online. Cultural differences are reflected in the way consumers communicate and express themselves in the reviews (Dang & Raska, 2022). In addition to Hofstede's dimensions, there are also other factors that are also important, such as the language used.

3.4.1 Individualistic versus collectivism in eWOM

The nature of the shared information differs within the IVC dimension. Individualists often act for selfish reasons, such as financial gain, entertainment, or self-promotion. When individualists post public online reviews, they are more likely to share their opinions honestly, even if it wouldn't please everyone (Dang & Raska, 2022). Honestly shared feedback is found to be more useful and is usually being re-shared a lot (Hong et al.,

2016). Such emotionally written reviews often include low ratings, real expressions of dissatisfaction and opinions that might deviate from the general consensus (Dang & Raska, 2022).

Consumers from collectivistic countries typically share information for a common good, such as supporting a brand or community (Goodrich & De Mooij, 2014). In collectivistic cultures, negative feedback is more easily given to the members of their own personal circles, while positive reviews are shared more publicly (Goodrich & De Mooij, 2014). This causes the negative feedback about products to be left unpublished, even if there is a dissatisfaction with a product. This occurs in a lot of cultures where loss of face is avoided, such as China (Goodrich, & De Mooij, 2022). The lack of honest reviews reduces the credibility of the product's rating. What makes it problematic in collective culture is that consumers tend to evaluate the product with the same grades as the previous reviewer (Tang, 2017). Thus, the product rating does not correlate with the actual customer satisfaction.

3.4.2 Uncertainty avoidance's influence on eWOM

As with the IVC dimension, also with the UAI dimension it is possible to find cultural differences among eWOM usage. Typically, consumer from high UAI cultures tend to avoid taking unnecessary risks, and therefore they use eWOM as a tool for reducing ambiguity by reading experiences of previous customers (Chiu et al., 2019). Their online reviews are expected to have more accuracy regarding of the true nature of the product. Dang & Raska (2022) state that reviews from high IVC and high UAI cultures share the same characteristics, as in both cultures it is common to give lower ratings for products that have caused unsatisfaction. In high UAI cultures, the eWOM receivers are more likely to seek information, that has a helpful effect on purchase decision making (Chiu et al., 2019).

For comparison, consumers from low UAI nations have tendencies to pay less attention for online reviews. They are expected to take more risks while shopping online and

sometimes even ignore totally the previous reviews (Chiu et al., 2019). Mariani and Predvoditeleva (2019) had found that consumers from low UAI cultures give higher ratings in their hotel reviews than their counterparts. The beliefs from these cultures indicate that people have more influence on their own decisions than others, which leads them to be less critical towards external sources on their consumer behaviour, such as eWOM (Schumann et al., 2010). Therefore, can be observed, that the impact of eWOM to purchase intention in cultures from different UAI scale is not consistent. The consumers from higher UAI countries have a greater influence from eWOM in their purchase intention processes.

3.4.3 The significance of the written language

Language differences are also one of the factors that shape the effect eWOM across nations. Hodeghatta and Sahney (2016) implicate that consumers from UK and U.S. have different styles of sharing eWOM related to their way to write English. In UK, the written language is more formal and has fewer grammatical errors, whereas the consumers from U.S. use more slang and colloquial words in their reviews (Hodeghatta & Sahney, 2016). When comparing the reviews written in UK or U.S., their impact on purchase intention depends on a lot of the home country of the eWOM receiver (Hodeghatta & Sahney, 2016). According to Mariani et al. (2019) eWOM written in domestic style or language has a greater impact on consumer behaviour than those that are written in foreign language. Language differences can also be a factor that lower the ratings of products in the reviews (Dang & Raska, 2022). While consumers have more confidence in reviews written in their own first language, the nationality of the eWOM sender also matters (Kim et al., 2018). Dang and Raska (2022) also state that this kind of harmful influence can be reduced, if consumers from different countries are able to speak the same language which the reviews are written. Companies can therefore invest in their websites having an option to translate the information and previous written reviews into the native language of the eWOM receiver.

3.5 Usefulness of eWOM across nations

Although eWOM is increasingly being used by consumers, its impact on purchase intention is not the same across countries, and some cultures find it more useful than others (Dang & Raska, 2022). For example, Park and Lee (2009) found in their analysis that South Korean consumers used online reviews more frequently than Americans, but the consumers from U.S. had more online shopping experience. This results in Koreans tending to use eWOM for browsing online, while Americans use eWOM more in gaining valuable information to support their purchase intention (Park & Lee, 2009). Although the study shows that Koreans tend to read reviews for browsing online, the perceived usefulness of the reviews had a bigger impact in the purchase intention for Korean consumers, than it did for Americans (Park & Lee, 2009). This difference can be explained by the fact that the two countries under comparison have different communication styles. American communication style in reviews is typically analytic and factual, while Korean style is subjective and intuitive, which causes evaluative reviews to have a greater impact in purchase intention for Korean consumers (Park & Lee, 2009). Also, Hofstede's uncertainty avoidance dimension's score in Korea is high (86), which implicates that they are not willing to take unnecessary risks and therefore use online reviews to prevent uncertainty (Hofstede Insights, 2024). These cultural differences in the usage of eWOM are crucial for firms to understand, because by knowing the cultural backgrounds of the consumers, companies can build stronger relationships with them. Knowledge of the customs and consumer behaviour of different cultures is very useful, in case firms desire to personalize their marketing for consumers of a targeted country (Dang & Raska, 2022).

4 Conclusion

The last chapter of this study is explaining the conclusion from the findings. All conclusions are formed from the literature used in the thesis. Objective of the study was to examine how culture influences the relationship between electronic word-of-mouth and purchase intention. This chapter summarizes the cultural factors that affect purchase intention via eWOM. Firstly, this chapter deals with the main findings observed in the study. Lastly, the managerial implications and future research suggestions are presented.

4.1 Main findings

4.1.1 EWOM's influence on purchase intention

With the spread of Internet, the significance of WOM has grown, moving from offline conversations within small social circles to eWOM, where consumers can freely share and study product-related information (Hennig-Thurau et al., 2004). Purchase intention is influenced by consumer satisfaction and external feedback, with eWOM playing a significant part in creating purchase decisions. Online reviews, especially positive and trustworthy ones are helping to build credibility, guiding decision-making, and can be a factor for products to have higher prices. In the other hand, negative reviews often have also a stronger impact in preventing purchases. Social media influencers, as modern key opinion leaders, also significantly affect purchase intentions. While macro-influencers create broad visibility, micro-influencers encourage stronger personal connections with their audiences (Rosario et al., 2016), leading to higher purchase intention (Phan & Nguyen, 2024). For firms, utilizing both eWOM and influencer marketing effectively is crucial for increasing competitiveness and promoting sales.

4.1.2 Cultural dimensions on eWOM behaviour across nations

Not all cultural dimensions have the same effect on eWOM. All six of the Hofstede's dimensions have an impact on purchase intention but by far, the IVC and the UAI

dimensions are the most significant. Consumers have different experiences in their willingness to share eWOM online, with cultural aspects playing a major role. According to Hofstede's IVC dimension, consumers from individualistic cultures usually tend to share information for self-serving motives, prioritizing personal benefit. In contrast, collectivistic cultures emphasize sharing opinions within their own social circles, focusing less on personal utility. However, findings are conflicting. Dang and Raska (2022) suggest that individualists share more information, while Madupu and Cooley (2010) argue that collectivists, such as consumers in India, share more information than individualists, like consumers in the USA. These differences typically depend on the consumer's community and also whether shared knowledge remains within social circles.

In individualistic cultures, people typically share honest and emotional reviews, including negative feedback, driven by personal motives such as self-expression or financial gain (Dang & Raska, 2022). These reviews, though sometimes being controversial, are considered more useful and credible, thus increasing purchase intention. In contrast, collectivistic cultures prioritize communality, leading to a public sharing of positive feedback while holding back negative opinions to avoid conflict or losing face (Goodrich & De Mooij, 2014). These actions can reduce the credibility of product ratings, as consumers in collectivistic cultures often agree in their opinions with previous reviews, creating a disconnect between ratings and actual customer satisfaction (Tang, 2017).

Cultural differences in eWOM usage are also relevant in the UAI dimension. Consumers from high UAI cultures use eWOM to reduce ambiguity, seeking accurate reviews to aid in decision-making (Chiu et al., 2019), with a tendency to give lower ratings for unsatisfying products (Dang & Raska, 2022). These reviews significantly influence purchase intentions in high UAI cultures. In contrast, consumers from low UAI cultures pay less attention to eWOM, take more risks in their purchases (Chiu et al., 2019), and often give higher ratings (Mariani & Predvoditeleva, 2019), reflecting a belief in personal independency over external influences. Therefore, eWOM has a stronger impact on purchase intentions in high UAI cultures compared to low UAI cultures.

4.1.3 The influence of language in the effectiveness of eWOM

Language differences significantly shape the impact of eWOM across nations. Reviews written in a consumer's native language or domestic style are more effective and trusted, while foreign language reviews or those with linguistic differences may lower product ratings. Consumers from the UK write more formal reviews, whereas U.S. reviews tend to include slang and informal expressions, therefore emphasizing regional variations (Hodeghatta & Sahney, 2016). The nationality of the reviewer also influences the perceived credibility of eWOM (Dang & Raska, 2022). To reduce these challenges, companies can enhance the effectiveness of eWOM by offering translation options on their websites, enabling consumers to access reviews in their native language. In addition, the effect on eWOM would also be strengthened by showing the nationality of the review's author.

4.1.4 Perceived usefulness of eWOM in different cultures

The influence of eWOM on purchase intention differs significantly across cultures. Park and Lee (2009) found that South Koreans use online reviews more frequently for browsing, whereas Americans use them to confirm purchase intention. However, Korean reviews have a greater impact on the purchase intention for the nation's consumers. This can be based on the style of subjective and intuitive written communication in Korean reviews, which differs from the analytical and factual style used by consumers from the USA. In addition, Korea's high uncertainty avoidance score of 86 (Hofstede Insights, 2024) indicates a cultural tendency to minimize risks, leading consumers to rely heavily on eWOM to prevent ambiguity. These cultural differences highlight the importance for companies to understand the characteristic consumer behaviours of different markets. By utilizing marketing strategies and personalizing approaches based on cultural contexts, firms can build stronger relationships with consumers and enhance their effectiveness in targeted markets (Dang & Raska, 2022).

4.2 Managerial implications, limitations and suggestions for future studies

This study is providing valuable information for companies that want to effectively utilize eWOM across global markets. Companies should allow consumers to have conversations about the products on their websites, if such a platform does not yet exist. It would also be a great benefit for consumers if it were possible to translate the conversations into their native language and the nationality of the review's author is revealed. By utilizing the findings of this thesis, companies can tailor marketing to consumers using the characteristics of different cultures. In this way, it is possible to distinguish what kind of content works for a specific target audience, and harmful confusions can be avoided.

Cultural factors play a significant role in international marketing, and in this thesis, the Hofstede's cultural dimension theory has been used to explain the differences in consumer behaviour across nations. However, Hofstede's dimensions might oversimplify the national cultures. The dimensions may be indicative, but it is extremely challenging to summarize the characteristics of population of large nations as China, for example. The topic needs to be researched much more, and probably this will be done in the future as well, considering the relevance of the subject. This thesis is a literature review, therefore an empirical study on the subject would be useful suggestion for future research.

There are a lot of studies on eWOM, but like said previously, there are too few studies that combine the influence of culture with it. In future studies, more information could be also written about the platforms used, as the current studies mostly concern eWOM and social media in general. I believe that, by researching more about different social media platforms there could be found significant findings, considering that consumer base varies greatly between different platforms. There are also factors to be explored in the content of platforms, as the content created in Instagram differs significantly compared to

the content produced in YouTube. Not all nations even have access to the same platforms, so there would certainly be differences in their consumer behaviour online.

A factor on which there also has relatively little information is fake reviews. The effectiveness of eWOM is largely based on the reliability of the information share online. An ordinary potential customer cannot necessarily be certain when reading reviews whether they are real customer experiences or, for example, reviews produced by artificial intelligence (AI). However, continuously developing AI technology could be used to eliminate fake reviews. AI combined with the subject of this thesis is also a potential suggestion for future research. Personalized marketing, which already uses a lot of AI, could improve more on a global scale, if more research would be done on the purchase behaviour of consumers from different cultures.

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