



The Relationship between Word of Mouth and Consumer Buying Behavior Mediating by Religious Orientation in Riyadh, Saudi Arabia

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ABSTRACT

This paper investigated the relationship of word of mouth (WOM), media and consumer buying behavior (CBB) to leapfrog marketing which is strongly related with the issues of psychology and sociology. The prime objective of present research is to analyze the market and the consumer behavior by taking religious orientation (RO) as a mediator which is found to be statistically significant. An extensive literature review related to the RO, WOM, CBB and media has been carried out by the researcher. In addition, present study used survey questionnaire in order to collect quantitative data from the respondents who have been using cars in “Riyadh,” the capital city of Saudi Arabia, for highlighting the factors affecting cars buying behavior of consumers. The data was collected from car agencies in Riyadh indicating that RO play a significant role between WOM and media in the field of CBB. The limitations of this research and direction for future research are also given at the end.

Keywords: Religious Orientation, Word of Mouth, Consumer Buying Behavior

JEL Classifications: M31, Z12

1. INTRODUCTION

Consumer behavior refers to the questions of how individuals buy things, what they buy, where they buy from, and why they buy. As it is known that consumer buying behavior (CBB) is a major area in the field of marketing, but it is also strongly related with the fields of psychology and sociology. The purpose of CBB is to understand the decisions of the consumers regarding their buying behavior and to understand the steps taken to reach that decision. Moreover, any type of purchasing decision starts from the opportunity available for any product or services in the market which comes in studying the market and the consumers at the same time, therefore, this is the start point of any marketing management (Kotler and Armstrong, 2010). Furthermore, many scholars are attempting to explore the CBB, but this area still needs research due to its complexity and especially in third world countries, this area is still under researched (Echtner and Prasad, 2003).

Globalization and increased competition among firms require firms to operate in a multicultural environment, especially new developed countries located in the Middle East or anywhere else (Luna and Gupta, 2001). The capital city of Saudi Arabia, Riyadh, is open for international businesses and firms. Although, official language of people in Riyadh is Arabic, but to some extent, English is commonly spoken in business transaction (MOHE, 2010). The transport sector in Saudi Arabia is an important channel providing a suitable investment environment. Review of available literature has shown that the imports of Saudi Arabia are greater than its exports pushing Saudi government to spend millions of Saudi Riyals (CDSI, 2012).

Prophet Muhammad Peace be upon Him said: “I have not been sent except to perfect the ethical system (makārim al-akhlāq).” To follow good moral and ethical standards is the most important aspects in a Muslim’s life because since the beginning of Islam, Prophet Muhammad was primarily concerned with teaching and

disciplining Muslims to acquire the best personal characteristics and manners. His personal life and behavior was a great reflection of His teachings, which were revealed by Allah to Him. Allah mentioned the saying of Muhammad Peace be upon Him in Holy Quran which mean “And indeed, you are of a great moral character” [Quran, 68:4].

2. PROBLEM STATEMENT

The objective of this research is to examine the relationship between CBB and the word of mouth (WOM) taking religious orientation (RO) as a mediator. A careful review of existing literature on said field revealed that very little or no empirical research has been done in the context of Saudi Arabia on the said issue. Automobile industry offers a diverse range of products which are needed by different customers, regardless to their age, gender, social class and nationality. This research will examine the influence of RO on consumer behavior during the process of making decision regarding buying particular products. In the selection of products and services by the consumers, diverse environmental and cultural backgrounds play crucial roles. Therefore, such differences of background affect the choice of products by the consumers, hence their buying behavior is affected. Differences in the behaviors of the consumers depend on diverse cultural and environmental characteristic of the country. The perceptions, behaviors and attitudes of individuals are greatly affected by the cultural philosophies and norms (Markus and Kitayama, 1991). In general, RO or culture reflected in tendencies of persistent preference for precise states of affairs and for particular social processes over others and general rules for selective attention, interpretation of environmental signals and responses (Tse and Wilton, 1988). This is the reason of investigating the RO as a mediator and CBB mainly in the context of Saudi Arabia.

3. LITERATURE REVIEW

3.1. CBB

Customer buying activities refers to the activities that consumer show in the process of seeking, purchasing, using, analyzing and losing products and services that they expect will fulfill their personal needs. Customer activities includes both physical activities and mental choices that result from those choices (Luo and James, 2013; Bloch et al., 1986). While Rundle and Bennett (2001) defined consumer behavior as “the dynamic interaction of affect and cognition, behavior, and environmental events by which human beings conduct the exchange aspects of their lives.” Blackwell et al. (2001) considered product disposal issues disposal in their own definition of consumer behavior as they defined “activities people undertake when obtaining, consuming and disposing of products and services.” Peter and Olson (1999; 2005) stated that consumer behavior “involves the thoughts and feelings of people experience and the actions they perform in consumption processes.” However, another definition taking a more encompassing interpretation of the consumer behavior by taking the marketing of a product or service into account is “consumer behavior is the study of the processes involved when individuals or groups select, purchase, use, or

dispose of products, services, ideas, or experiences to satisfy needs and desires.” Although the concept of consumer behavior has experienced diverse definitions, but all the definitions share some commonalities. Decision on consumption is a dimension of consumer’s buying behavior, in which consumers buy certain goods. The process of buying decision by the consumers involve six stages. The problem recognition is the first stage among six stages which refers to the awareness of need of the consumer. It is concerned with consumers’ basic need. It addresses the questions of “What consumers need?” “How to identify such needs?.” The second stage involves information searching. This stage addresses the question “how to find a product of consumer’s need” which refers to whether the options of internal or external search, WOM, memory, peers and market dominated sources like public sources. Effective information search offers different options and choices to the consumers. Third stage is concerned with the evaluation of available alternatives identified in second stage of information searching. In this stage, the buyer must have some criteria of evaluation by ranking the identified sources and his/her needs and wants. Fourth stage is related to the purchase decision of consumers via alternative purchases including methods of purchasing, storing and packaging the product. The purchase decision can vary conditional on the product availability in fifth stage. Sixth stage is concerned with the level of satisfaction or dissatisfaction from the purchased product which refers to the post-purchase evaluation outcome (Baca-Motes et al., 2013).

3.2. Media

Nowadays, media holds crucial importance due to the fact that it is a communication channel disseminating different types of information such as news, entertainment, promotional messages, education, etc. All kinds of broadcasting mediums such as newspaper, TV, radio, magazines, internet, billboards, billboards, direct mail and telephone comes under the umbrella of media (Ma et al., 2014). Since the availability of internet for the general public in 1990s, it is used as a great source of information. Recent statistics reveal that internet is used by the majority of population for getting information about different kinds of services and products (Baker et al., 2003). The programs of social media marketing mostly focus on the efforts for creating such content that can attract attention of the people and can motivate reader to share in his/her social network (Trattner and Kappe, 2013).

A number of information sources are available on the internet such as blogs, web pages of the companies, ads on the social media, etc. Nowadays, the concept of blogging and online social networking is a relatively new phenomenon which has not been explored before. The usage of social media as a tool of communication by business community has grown rapidly in recent years. Very little is known about the usage of social media among consumers and its effects on consumer behavior despite this rapid adoption. The emergence of new era of technology has produced power in social media for direct brand customer interaction, and some companies have succeeded in it, while others could not. Now things are different, to rule a marketplace, companies need not to plaster billboards or give ads on the TV, they just have to get embedded in this new era of technology (Stein, 2012).

3.3. WOM

WOM or recommendations refers to the passing of information among people. Actually, it refers to the oral communication among people using email, telephone or any other type of communication channel. Moreover, it is one of the important effects that convince people to behave in a particular manner due to the fact that people are social by nature (Jerram, 2003). The satisfaction of the customers is always related to the recommendation because satisfied customers are more likely to recommend the products they use. Satisfied customers tell each other about the advantages and benefits and of the products they used and recommend others to use. In marketing, the WOM communication is an emerging issue especially these days because the behaviors of the consumers are rapidly changing and becoming more resistant to the traditional and outdated methods of marketing such as advertisements. For adopting appropriate strategies, marketing experts must first get knowledge regarding how WOM plays a critical role when consumers make their purchase decisions and understand the elements which make WOM the most attractive communication form of communication. In addition, WOM is the most important informal way of communication among consumers (Filser, 1996). There are a variety of factors that justify the WOM power as the credibility of WOM is higher than commercial information sources controlled by the companies. Second, WOM is said to be a real communication because the messages flow among two or more people physically. The third important factor making WOM a powerful tool of communication is that it provides the detail of experiences of existing consumers to the potential consumers, therefore, it works as a risk-reliever (Filser, 1996; Wilkie, 1990). WOM can either be positive or negative (Buttle, 1997). As stated by Buttle (1997), “positive WOM occurs when good news testimonials and endorsements desired by the company are uttered” and “negative WOM is its mirror image.”

3.4. RO

RO refers to the individuals who assimilate their religions in their daily life. Generally, their behaviors and attitudes are based on the principles based on their religions (Allport and Ross, 1967). Individuals having RO are inherently inclined towards their religions and have the inclination of integrating religion in their lives fully and they adhere the rules and laws given by their religions because they perceive it as the prime purpose of their lives (Allport and Ross, 1967). For the past few decades, there was a significant development of the Islamic fundamentalism globally. Overman (1994) suggested that Muslims in all continents have observed a revisit to the Islamic way of life, to the traditions of the Islamic faith, as a means of affirming the identity, as a way to combat the political and social unfairness and injustice rooted long ago in their societies, and on top of that as an option to tensions and materialism this century. Islam plays a significant role in the lives and culture of the Muslims like any other religion of the world and it significantly affects the political and social aspects of the peoples' lives (Tayeb, 1997). In recent times, various Muslim countries have initiated an attempt to reinstate their own indigenous traditions in their regions to manage their social, educational and business organizations. The Quran is the words of Allah SWT for Muslims, and an angel revealed this syllable by syllable to the Prophet Mohammad (Peace be upon Him) more

than 1,430 years ago. Therefore, Islam is not a man-made religion and the faith of the Muslim are therefore originated from divine commandments. Although, non-Muslim usually perceive Islam as a pessimist religion, but the Holy Quran mentions explicitly that human beings are free to choose and decide about their destiny. All human beings are responsible for the consequences of their doings, because Allah SWT has equipped human beings with the Holy Quran and the Sunnah of Prophet Muhammad (PBUH) as the most valuable reference and source of guidance for their daily lives.

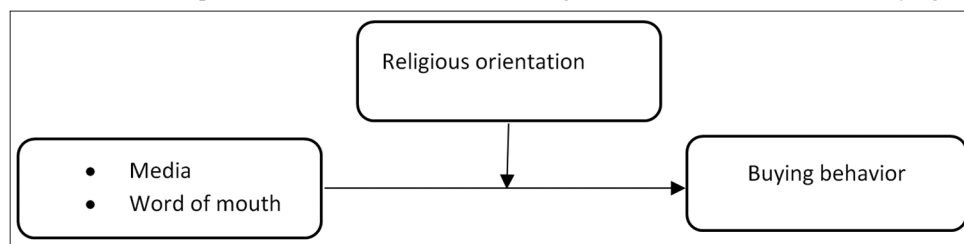
4. THEORETICAL FRAMEWORK

The conceptual framework shows the relationship between the media and the CBB and also shows the relation between WOM and CBB using RO as a mediating variable in Riyadh (Figure 1).

5. METHODOLOGY

This section offers the methods used to test the variables included in the research framework and its hypotheses. The purpose of the research design for the present research is to facilitate the estimation of the direction and magnitude of the relationship between RO as a mediator toward buying behavior of the Saudi consumer in the Kingdom of Saudi Arabia and their behavioral intention. The operationalization of variables is also presented in this research. A variety of methods are available for research with each having its own advantages and disadvantages. Therefore, the selection of the appropriate research methodology is dependent on the research problem under study, research objectives and its hypotheses. Hence, the selection of the suitable approach guarantees the value of the research findings (Sekaran and Bougie, 2010).

Quantitative research design used in present study, because it helps the researcher to examine a large sample of the opinions of the respondent about the phenomenon under research deeply. In addition, the researcher can take an accurate perspective of human behavior (Lakshman et al., 2000). The self-administered survey questionnaire has been used in present research to understand the attitudes and adoption behaviors of the Saudi Consumers towards car purchases. Questionnaire used in this research included on 55 items and these items has been taken from previous researches (Allport and Ross, 1967; Bearden and Etzel, 1982; Bloch et al., 1986; Davis et al., 2001). Some of the items were modified according in the Saudi context which helped the researcher to examine the reliability and validity of the instrument. However, for the sake of consistency, this study measured all the items on a five point Likert scale on which 1 indicates “strongly disagree” and 5 indicates “strongly agree.” The demographic information of the respondents was also recorded. The Likert scale is used to examine the level of the respondents' agreement or disagreement with given statements regarding included variables (Sekaran and Bougie, 2010). Moreover, in order to ensure the face validity, construct validity and internal consistency, a pilot study has been done prior sending the final questionnaire to the respondents. The value of Cronbach alpha, a measure of internal consistency, is found to be 0.831.

Figure 1: The relationship between word of mouth, media, religious orientation, and consumer buying behavior

All the individuals who are using the cars in Riyadh are the potential target population for present research. Total population for this study was 2.5 million, as the number of car consumers in Riyadh is 2.5 million. Previous researchers such as Sekaran and Bougie (2010) and Zikmund et al. (2010) recommended to draw a sample for research instead of collecting data from the whole population. Therefore, following the recommendations given by Sekaran and Bougie (2010), this study used a sample of 384 respondents. The sampling technique used in this research is convenience sampling as it helps the researcher to reach sufficient sample without any difficulty and ensures the vigorous and rapid information (Zikmund, 2003).

The researcher has distributed self-administered survey questionnaires to 600 individuals keeping in view the problem of non-response and a total of 422 questionnaires were received. Out of received 422 questionnaires, 27 questionnaires were incomplete. Therefore, 395 questionnaires were considered to be valid and appropriate for the analysis getting a response rate of 66%.

The collected data has been inserted in the latest version of SPSS and was cleaned and normalized. After that, partial least square-structural equation modeling (PLS-SEM) technique is used in second generation of Smart PLS. As smart PLS has been suggested by many researchers (Hair et al., 2013; Ringle et al., 2015) and it is used for testing the mediation. SEM is more suitable for examining the direct and indirect effects as it offers better and complete structural models. The advantages of SEM include confirmation of a concurrent test of the causal correlations among many variables in a hypothesized model, and it allows examination of both direct and indirect (mediated) causal effects and moderating effects as well.

6. RESULTS AND FINDING

The value of Cronbach's Alpha is found to be 0.879. A total of 25 items measured the media, WOM, RO, and CBB. Cronbach's Alpha has been used to examine the internal consistency, a measure of reliability, of the instruments. Meanwhile, the validity and reliability revealed good internal consistency which in turn can be used to examine the tested model. Moreover, the results revealed that hypothesis are supported as portrayed in the framework as given below.

7. HYPOTHESIS TESTING

Media (advertisement) has posed a significant positive impact on the CBB at the 1% level of significance ($\beta = 0.228$, $t = 4.065$,

$P = 0.000$). Moreover, Media has also shown significant positive influence on religion orientation at 1% level of significance ($\beta = 0.161$, $t = 2.984$, $P = 0.003$). Whereas, media, religion orientation and CBB has no significant relationship at 1% level of significance ($\beta = 0.01232$, $t = 1.55$, $P = 0.061408$).

WOM has shown a significant positive effect on the CBB at 1% level of significance ($\beta = 0.375$, $t = 8.093$, $P = 0.000$). WOM has posed a significant negative effect on the Religion Orientation at the 1% level of significance ($\beta = -0.133$, $t = 2.418$, $P = 0.016$). While WOM, religion orientation and CBB has negative but insignificant effect at 1% level of significance ($\beta = -0.0033$, $t = -0.55$, $P = 0.290938$).

The relationship between RO and CBB is shown in hypothesis. The findings reveal that RO is significantly related to CBB in Riyadh. This type of table exhibits significant effect of RO on CBB at the 1% level of significance ($\beta = 0.123$, $t = 2.719$, $P = 0.007$). These findings are in line with the previous researchers (Al-Hyari et al., 2012; Khan et al., 2005). The justification of these findings is that the RO is very strong in Saudi Arabia which ultimately affect the buying behavior of the consumers. However, we can claim on the basis of these findings that RO is a significant determinant of buying behavior of Saudi consumers. Therefore, it is recommended that car companies must take RO into account to determine the buying behavior of Saudi car consumers.

8. RECOMMENDATION AND CONCLUSION

As the objective of present research was to examine the relationship between WOM, media, and CBB with RO as a mediator. These relationships are intended to offer an empirical evidence on the factors affecting CBB using RO as a mediator. Indeed, it will regulate the buying behavior of consumers in dealing with car agencies to minimize daily rush hour.

9. STUDY LIMITATION

Like any other research, the current study has also some limitations that need to be taken into consideration while reviewing the findings such as the sampling was based on the convenience sampling technique, therefore, the probability of sampling error remains. The sample size was also limited due to the constraints of time and budget. Moreover, this research focused only car consumers in Riyadh, therefore, the generalization of the findings of this research may not hold true for other sectors.

10. FUTURE STUDY

Because of the above stated limitations of present research regarding generalization of the results, future research is recommended if someone is interested to conduct the same research on a larger sample to examine the precision of the findings. Similar research may also be carried out on other sectors of the economy as this research focused on the car consumers only. Likewise, future research may also be carried out in other cities or counties to investigate the reliability of the findings. Therefore, a number of additional settings can be taken to investigate this phenomenon within or outside Saudi Arabia. In addition to that, other variables may also be tested as independent variables, mediator or moderators keeping focus on CBB. Furthermore, qualitative approach of research is highly recommended for future studies to investigate aforementioned phenomenon in above setting or with different variables within or outside Saudi Arabia.

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