

# The Effects of Online Reviews on Purchasing Decision among LGBT

<sup>1</sup>Lim Siau Ping, <sup>2</sup>Nazliwati Mohamad

<sup>1,2</sup>Faculty of Business and Information Science, UCSI University,  
Jalan Menara Gading, 56000 Cheras, Kuala Lumpur, Malaysia

## Article Info

Volume 83

Page Number: 11456 - 11461

Publication Issue:

March - April 2020

## Abstract

Online reviews have become one of the important factors that can affect customers' purchase decision. Despite the fact that this research is mature and many studies related to this issue have been done, none of the studies choose lesbian, gay, bisexual and transgender (LGBT) in Malaysia as the sample of research. Hence, the aim of this paper is to discuss the effects of online reviews, characteristic of online reviews, and characteristic of online reviewers on purchase decision among LGBT. This study applied a survey research method using a 5-point Likert scale questionnaire which is distributed to respondents who are selected using snowball sampling method. In snowball sampling method, a few subjects are identified and, these subjects then nominate another person with the same trait as them. The researcher then observed the nominated subjects and it this process continued until the sufficient numbers of subjects are obtained. Findings of this study showed that existence of online reviews and characteristic of online reviews can affect purchase decision among LGBT. However, characteristic of online reviewers did not affect the purchase decision among LGBT. Even though homosexual has not been legalized in Malaysia, this research bring values to those company who have selected LGBT as their target market, as they can encourage customers to give review after purchase since the importance of online reviews and its characteristic towards purchase decision have been confirmed.

## Article History

Article Received: 24 July 2019

Revised: 12 September 2019

Accepted: 15 February 2020

Publication: 16 April 2020

**Keywords:** Employee readiness, organization, belief, awareness. Online review, LGBT, purchasing decision, Malaysia

## 1. Introduction

Electronic word of mouth is the new form of online word of mouth communication [1], this new means of communication have to change the way consumer behave [2], and has become one of the most influential information sources on the web with the emergence of online platform [3]. Along with the emergence of electronic word of mouth, people are now able to receive opinions from strangers with search engines. This would not have happened in the traditional word of mouth as it requires face-to-face communication. Electronic word of mouth removes this barrier since today, the communication of opinions no longer done interpersonally (person-to-person, face-to-face) [4] Online review is one type of electronic word of mouth. It provides product information and recommendations from

the customer perspective [5]. Today, more than 50 percent of consumers are willing to perform research online before buying a product and barely make an in-store purchase on the spot. The reviewers produce technically accurate text as they seek to help those who do not own the product that they are reviewing, they will not hesitate to share negative review, criticism or suggestion if anything happened during the purchasing process or while using the product. They believe by doing things in this way can encourage their friends or followers in their social media profile to try out better stuff, and to avoid purchasing things that have been overrated by the vendor. According to Laudon and Traver [6], with the ability of customers to read reviews of the desired product on the internet, the power balance has switched from the vendor to the consumer.

Many researchers have proven that the online reviews does impact purchasing decision, according to the study done by Holleschovsky [7], 98 % of the sample population check reviews before they make a purchase decision, this showed that it is popular among consumers who are considering a purchase to read reviews before they make a purchase. A study from Saudi Arabia found out that reviews are important factor that helps Saudi consumer in making purchasing decision [8]. Similarly, a study in China indicated that online consumer-generated reviews can affect online sales of hotel rooms at the firm level [9] and in other industries such as online retailing [10] and movie industry [11].

However, most of the previous research studied discussed how online reviews affect online purchase decisions among heterosexual male and female. There are some researchers in other countries choose LGBT group as their respondent. This included Chen, [12] who investigate gay professional consumer buying behaviour in the fashion industry. Likewise, Dodd, Linaker, and Grigg [13] discovered that homosexual males are significantly showing high levels of clothes shopping dependence than heterosexual males. Other than that, DeLozier and Rodrigue[14] identified that as much as 16% of the US population is thought to be gay, this population has an average income of \$55,000 annually, as well as this market segment has fewer fixed commitments such as raising children, leading them to have more disposable income compared to others. This makes gay market significant to marketers due to its size and purchasing power. This statement has also been supported by Um [15], who disclosed that gay market has become an important market segment yet under-studied and underreported in academics, even though this market hold strong spending power and strong loyalty toward the brands that target them specifically. These factors uncovered that gay market can no longer be neglected by marketers.

Currently, there is no research has been done in Malaysia which used LGBT as respondent. Due to the culture, gender, and sexual orientation differences, Malaysia's LGBT group may react differently compared to LGBT from other countries which would be interesting to study how online reviews affect the purchase decision of the LGBT group. Hence, this study is to determine

whether the existence of online reviews, characteristic of online reviews, and characteristic of reviewers can affect the decision to purchase among LGBT.

## 2. Methodology

### 2.1 Research Design

In this research, there are four independent variables investigated to find out whether it will affect purchase decision of LGBT. This research is a quantitative research to measure the relationship between independent variables and dependent variable. Hypothesis testing is used in the study to measure and explain the relationship between factors of interest in a study [16].

### 2.2 Population and Sample

In this research, the target population is LGBT in Kuala Lumpur. Snowball sampling method is selected due to the reason that the individual sample (LGBT group) is difficult to identify [17]. In snowball sampling, the respondents identify potential respondents who are similar to themselves. This ensured the respondents are the targeted population to answer the questionnaire. The entire sampling process is being carried out in internet. A link to the questionnaire is sent to a sample and the sample forwarded it to his or her social group. This is to target population to test the hypotheses. Due to limited time and cost, this study was unable to absorb all the LGBT in Malaysia as the respondents.

### 2.3 Data Collection

Online questionnaire survey is used to collect necessary data for hypothesis testing due to the survey enable the researcher to gain quantitative opinion and attitude of respondents in form of sample to represent the population. Furthermore, online survey makes it easier to be distributed and shared among respondents. 5-point Likert scale is used in the questionnaire to ask the respondents to rate their answer, enabling researchers to assess the degree of respondents agree or disagree with statement based on 5-point Likert scale ranging from the lowest (1) "strongly disagree" to the highest (5) "strongly agree" [18-22]. The questions for the questionnaire are obtained from the sources as listed in Table 1.

Table 1: Sources of questions for questionnaire

Article	Author	Variables	Numbers of questions
Toward a Theory of Online Buyer Behavior Using Structural Equation Modeling	Lim [23]	Purchase Decision	3
Antecedents of Online Reviews' Usage and Purchase Influence: An Empirical Comparison of U.S. and Korean Consumers	Park and Lee[24]	Existence of online review	3
The impact of Electronic Word of Mouth on Consumers' Purchasing Decision?	Al Mana and Mirza [25]	Existence of online review	2
		Characteristic of review	8
		Characteristic of reviewers	3

Pilot test is done before the actual study and this is able to assist in fine tuning usability studies or correcting it in order to lead to more reliable and accurate results [26]. It also provided a chance to correct the wording or grammar of the questionnaire and understand the time needed for each questionnaire to be answered [27]. In this pilot testing, 3 respondents were given questionnaires and required to give feedback regarding the design of the paper questionnaire.

## 2.4 Data Analysis

Data analysis conducted via IBM SPSS version 25 in this study. In order to safeguard valid results in this study, reliability of the instruments are tested [28,29]. For the hypotheses testing, Pearson correlation analysis is selected to determine the relationship between independent variables (existence of online reviews, characteristic of online reviews, and characteristic of reviewers) and dependent variable (decision to purchase among LGBT group). The level of significance is selected at  $P < 0.05$ .

## 3. Results and Discussion

### 3.1 Relationship between existence of online reviews and decision to purchase among LGBT group

$H_1$ : There is a relationship between the existence of online reviews and the decision to purchase among LGBT group.

$H_0$ : There is no relationship between the existence of online reviews and the decision to purchase among LGBT group.

Table 2 showed that both variables are interval, ( $r=0.671$ ,  $r>0.6$ ). This indicates that  $0.61 < r < 0.80$ , hence there was a significant relationship between the existence of online reviews and decision to purchase, and the relationship is positive relationship. Besides that, the p-value is smaller than 0.01 ( $p < 0.01$ ) which stated that the correlation is significant at 0.01 level. Thus,  $H_1$  is accepted and  $H_0$  is rejected. This result proved that existence of online review is positively related to decision to purchase. In other words, LGBT group have a high tendency to purchase if there is an existence of online review.

Table 2: Pearson Correlation Coefficient for existence of online review

	Existence of online review	Purchase intention
Existence of online review Pearson Correlation Sig. (2-tailed) N	1  105	-0.042 0.671 105
Purchase intention Pearson	-0.042 0.671	1

Correlation Sig. (2-tailed) N	105	105
-------------------------------------	-----	-----

### 3.2 Relationship between characteristics of online reviews and decision to purchase among LGBT group

$H_2$ : There is a relationship between the characteristic of online reviews (such as consistency, frequency, and recency) and the decision to purchase among LGBT group.

$H_0$ : There is no relationship between the characteristic of online reviews (such as consistency, frequency, and recency) and the decision to purchase among LGBT group.

Table 3 showed that both variables are interval,  $0.61 < r < 0.80$ , hence there was a significant relationship between characteristic of online reviews and decision to purchase, and the relationship is positive relationship. In addition, the p-value is smaller than 0.01 ( $p < 0.01$ ). Due to that, the correlation is significant at 0.01 level. Thus,  $H_2$  is accepted and  $H_0$  is rejected. Also, this statistic can be an evidence to suggest that characteristic of online reviews can strongly affect the decision to purchase among LGBT group. In the case of positive relationship can be stated that better characteristic of online reviews, can help consumers to make their purchase decision.

Table 3: Pearson Correlation Coefficient for characteristics of online reviews

	Characteristics of online reviews	Purchase intention
Characteristics of online reviews Pearson Correlation Sig. (2-tailed) N	1  105	-0.038 0.703 105
Purchase intention Pearson Correlation Sig. (2-tailed) N	-0.038 0.703 105	1  105

### 3.3 Relationship between characteristics of reviewers and decision to purchase among LGBT group

$H_3$ : There is a relationship between the characteristic of reviewers (such as identity, age, frequency of participation) and the decision to purchase among LGBT group.

$H_0$ : There is no relationship between the characteristic of reviewers (such as identity, age, frequency of participation) and the decision to purchase among LGBT group.

Table 4 presented the relationship between characteristics of reviewers and decision to purchase

among LGBT group. It is found that  $r=0.243$ . Since  $r$  is in the interval between 0.21 and 0.40, there is a weak relationship between characteristics of reviewers and decision to purchase among LGBT group. As for the  $p$ -value, it is smaller than 0.01 ( $p<0.01$ ), which implied that the correlation is significant at 0.01 level. Thus,  $H_3$  is accepted and  $H_0$  is rejected. This finding provided assistance in determining that characteristic of reviewers did not play a major role in motivating consumer to make purchase decision. Indeed customers do not need put that much on focus on reviewers while making purchase decision.

Table 4: Pearson Correlation Coefficient for characteristics of reviewers

	Characteristics of reviewers	Purchase intention
Characteristics of reviewers		
Pearson Correlation	1	-0.115
Sig. (2-tailed)	105	0.243
N		105
Purchase intention		
Pearson Correlation	-0.115	1
Sig. (2-tailed)	0.243	
N	105	105

### 3.4 Overall Discussion

Table 5 tabulated the comparison of the Pearson Correlation Coefficient for all the three independent variables. It is clearly evident that characteristic of online reviews (such as consistency, recency, frequency) have strongest relationship with the decision to purchase among LGBT group, characteristic of reviewers is the lowest and the existence of online reviews is in the middle.

Table 5: Comparison between independent variables (existence of online reviews, characteristic of online reviews, characteristic of reviewers)

Variables	Pearson Correlation
Existence of online reviews	0.671
Characteristic of online reviews	0.703
Characteristic of reviewers	0.243

From the data and information that have been collected by the online questionnaire, it is obvious that the characteristic of online reviews has the strongest impact on purchase decision among LGBT group. this statement can be proved by the Pearson Correlation result of 0.703. It showed that LGBT does check out reviews characteristic before they decided to purchase. In particular, consistency, number of online reviews, and,

recency of reviews are important factors on purchasing decisions. This result is corresponding to the study done by Yaylc and Bayram [30]. Hence, consistency and recency of reviews should be taken into consideration to encourage the LGBT group to make their purchase.

According to the Pearson Correlation test, the existence of online review also strongly affects the decision to purchase among LGBT group. This indicated that the LGBT group rely on online reviews before making their purchase. The data collected from the LGBT group witnessed that online reviews are considered having high influence power while LGBT is making their purchase decision. They are concerned if there are no reviews presented on the website when they intend buy a product online. This showed a similar result to Park and Lee [31] and Ye et al.[32].

Lastly, the Pearson Correlation test discovered that characteristic of reviewers is having a weak relationship with the purchase decision. This ascertained that reviewers' age, reviewers' frequency of submitting reviews, reviewers' nickname gives the least effect on purchase decision. LGBT does not really care about the characteristic of reviewers while reading review. This result is analogous to the studies by Yaylc[30] which also shown that demographic profile of reviewers gave the least significance impact on the online Saudi consumer's purchase decision process. However, this result is inconsistent with the Sussman and Siegal [34] findings which concluded that personal identifying information can increase the credibility of that information source, leading it to be a useful factor in making purchase decision.

### 4. Conclusion

To summarize, the existence of online reviews and characteristic of online reviews have a strong relationship with purchase decision among LGBT group. However, characteristic of reviewers did not affect purchase decision of LGBT that much compared to the other variables. These results also illustrated that LGBT group react similarly to other customers on online reviews.

### References

- [1] Yang, F. 2016. Effects of Restaurant Satisfaction and Knowledge Sharing Motivation on eWOM Intentions. *Journal of Hospitality & Tourism Research*, 41(1), 93-127.  
<http://dx.doi.org/10.1177/1096348013515918>
- [2] Serra Cantallops, A., & Salvi, F. 2014. New consumer behavior: A review of research on eWOM and hotels. *International Journal of Hospitality Management*, 36, 41-51.  
<http://dx.doi.org/10.1016/j.ijhm.2013.08.007>
- [3] Abubakar, A., & Ilkan, M. 2016. Impact of online WOM on destination trust and intention to travel:A medical tourism perspective. *Journal of Destination Marketing & Management*, 5(3),

- 192-201.  
<http://dx.doi.org/10.1016/j.jdmm.2015.12.005>
- [4] Huete-Alcocer, N. 2017. A Literature Review of Word of Mouth and Electronic Word of Mouth: Implications for Consumer Behavior. *Frontiers In Psychology*, 8.  
<http://dx.doi.org/10.3389/fpsyg.2017.01256>
- [5] Lee, J., Park, D., & Han, I. 2008. The effect of negative online consumer reviews on product attitude: An information processing view. *Electronic Commerce Research And Applications*, 7(3), 341-352.  
<http://dx.doi.org/10.1016/j.eleap.2007.05.004>
- [6] Laudon, K., & Traver, C. 2018. *E-commerce*. Boston [etc.]: Pearson.
- [7] Holleschovsky, N. I., & Constantinides, E. 2016. Impact of online product reviews on purchasing decisions. In *Proceedings WEBIS* (pp. 271-278).
- [8] M.AlMana, A., & A. Mirza, A. 2013. The Impact of Electronic Word of Mouth on Consumers & apos; Purchasing Decisions. *International Journal of Computer Applications*, 82(9), 23-31.  
<http://dx.doi.org/10.5120/14145-2286>
- [9] Ye, Q., Law, R., Gu, B., & Chen, W. 2011. The influence of user-generated content on traveler behavior: An empirical investigation on the effects of e-word-of-mouth to hotel online bookings. *Computers in Human Behavior*, 27(2), 634-639.  
<http://dx.doi.org/10.1016/j.chb.2010.04.014>
- [10] Chevalier, J., & Mayzlin, D. 2006. The Effect of Word of Mouth on Sales: Online Book Reviews. *Journal of Marketing Research*, 43(3), 345-354.  
<http://dx.doi.org/10.1509/jmkr.43.3.345>
- [11] Duan, W., Gu, B., & Whinston, A. 2008. Do online reviews matter? — An empirical investigation of panel data. *Decision Support Systems*, 45(4), 1007-1016.  
<http://dx.doi.org/10.1016/j.dss.2008.04.001>
- [12] Chen, J., Aung, M., Liang, J., & Sha, T. 2004. 'The Dream Market: An Exploratory Study of Gay Professional Consumers' Homosexual Identities and their Fashion Involvement and Buying Behavior'. *7Th Conference on Gender, Marketing, And Consumer Behavior*.
- [13] Dodd, C., Linaker, A., & Grigg, N. 2005. He's gotta have it: shopping dependence and the homosexual male clothing consumer. *Journal of Consumer Behaviour*, 4(5), 374-389.  
<http://dx.doi.org/10.1002/cb.21>
- [14] DeLozier, D., & Rodrigue, J. (2010). Marketing to the Homosexual (Gay) Market:. *Journal of Homosexuality*, 31(1-2), 203-212.  
[http://dx.doi.org/10.1300/j082v31n01\\_12](http://dx.doi.org/10.1300/j082v31n01_12)
- [15] Um, N. 2012. Seeking the holy grail through gay and lesbian consumers: An exploratory content analysis of ads with gay/lesbian-specific content. *Journal of Marketing Communications*, 18(2), 133-149  
<http://dx.doi.org/10.1080/13527266.2010.489696>
- [16] Sekaran, U., & Bougie, J. 2016. *Research methods for business*. Chichester: Wiley.
- [17] Hair, J., Sarstedt, M., Ringle, C., & Mena, J. 2011. An assessment of the use of partial least squares structural equation modeling in marketing research. *Journal of the Academy of Marketing Science*, 40(3), 414-433.  
<http://dx.doi.org/10.1007/s11747-011-0261-6>
- [18] Chong, J. L., Chong, A. Y. L., Ooi, K. B., & Lin, B. 2011. An empirical analysis of the adoption of m-learning in Malaysia. *International Journal of Mobile Communications*, Vol. 9 No.1, 1-18.
- [19] Ooi, K. B., Sim, J. J., Yew, K. T., & Lin, B. 2011. Exploring factors influencing consumers' behavioral intention to adopt broadband in Malaysia. *Computers in Human Behavior*, Vol. 27No.3, 1168-1178.
- [20] Teo, A.C., Tan, G.W.H., Cheah, C.M., Ooi, K.B & Yew, K.T. 2012. Can the Demographic and Subjective Norms Influence the Adoption of Mobile Banking?', *International Journal of Mobile Communications*, Vol. 10 No. 6, 578-597.
- [21] Wong, C.H., Tan, G.W.H., Tan, B.I and Ooi, K.B. 2015. Mobile Advertising: The Changing Landscape of the Advertising Industry', *Teleomatics and Informatics*, Vol. 32 No.4, 720-734.
- [22] Tan, G.W.H., Ooi, K.B., Hew, T.C and Lin, B.S. 2014, 'Predicting the Drivers of Behavioral Intention to use Mobile Learning: A Hybrid SEM-Neural Network Approach', *Computers in Human Behavior*, Vol. 36, pp. 198-213
- [23] Lim, W. M. 2013. Toward a theory of online buyer behavior using structural equation modeling. *Modern Applied Science*, 7(10), 34.
- [24] Park, C., & Lee, T. M. 2009. Antecedents of online reviews' usage and purchase influence: An empirical comparison of US and Korean consumers. *Journal of Interactive Marketing*, 23(4), 332-340.
- [25] Al Mana, A. M., & Mirza, A. A. 2013. The impact of electronic word of mouth on consumers' purchasing decisions. *International Journal of Computer Applications*, 82(9).
- [26] Lee, V. H., Ooi, K. B., Chong, A. Y. L., & Seow, C. 2014. Creating technological innovation via green supply chain management: An empirical analysis. *Expert Systems with Applications*, Vol. 41No.16, 6983-6994.

- [27] Ooi, K. B., & Tan, G. W. H. 2016. Mobile technology acceptance model: An investigation using mobile users to explore smartphone credit card. *Expert Systems with Applications*, Vol.59, 33-46.
- [28] Tan, G.W.H and Ooi, K.B. (2018), 'Gender And Age: Do They Really Moderate Mobile Tourism Shopping Behavior?', *Telematics and Informatics*, Vol. 35 No.6, 1617-1642
- [29] Teo, A.C., Tan, G.W.H., Ooi, K.B, Hew, T.S and Yew, K.T. (2015) 'The Effects of Convenience and Speed in M-Payment Usage', *Industrial Management and Data Systems*, Vol. 115 No. 2, 311-331.
- [30] Yaylç, A., & Bayram, M. (2012). e-WOM: the effects of online consumer reviews on purchasing decisions. *International Journal of Internet Marketing And Advertising*, 7(1), 51. <http://dx.doi.org/10.1504/ijima.2012.044958>
- [31] Park, C., & Lee, T. (2009). Information direction, website reputation and eWOM effect: A moderating role of product type. *Journal of Business Research*, 62(1), 61-67. <http://dx.doi.org/10.1016/j.jbusres.2007.11.017>
- [32] Ye, Q., Law, R., Gu, B., & Chen, W. (2011). The influence of user-generated content on traveler behavior: An empirical investigation on the effects of e-word-of-mouth to hotel online bookings. *Computers In Human Behavior*, 27(2), 634-639. <http://dx.doi.org/10.1016/j.chb.2010.04.014>
- [33] Nabeth, T. (2005). Understanding the Identity Concept in the Context of Digital Social Environments.
- [34] Sussman, S., & Siegal, W. (2003). Informational Influence in Organizations: An Integrated Approach to Knowledge Adoption. *Information Systems Research*, 14(1), 47-65.
- [35] Ahmi, A., Saidin, S. Z., Abdullah, A., Che Ahmad, A., & Ismail, N. A. (2016). State of Information Technology Adoption by Internal Audit Department in Malaysian Public Sector. *International Journal of Economics and Financial Issues*, 6(7s), 103–108.
- [36] Smidt, L., Ahmi, A., Steenkamp, L., van der Nest, D. P., & Lubbe, D. (2019). A Maturity-level Assessment of Generalised Audit Software: Internal Audit Functions in Australia. *Australian Accounting Review*, 29(3), 516–531.