

Can Opinion Leader Influences the Purchase Intension of Online Consumer

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Abstract

With the role which opinion leader plays in e-WOM(word of mouth) generation and communication comes more and more important, its influence on online consumer purchase intension become a hot issue for industry and academics. Based on the concept model constructed and scale designed in our previous studies, a questionnaire is used in this paper for data collection. Then, structural equation model is adopted for fitting and path analysis, and found that: In all 14 hypotheses, 9 of them have significant positive correlation, which verified that variants including professional knowledge, product involvement, interactive, functional value, emotional value influence purchase intension virtually via trust. And at the same time, professional, product involvement and visual clue impact purchase intension directly. Moreover, homophily has positive moderating effect on correlation between professional knowledge and purchase intension, as well as in the relationship of product involvement and purchase intension.

Keywords: *Opinion leader, Purchase intension, Structural equation model, Empirical analysis*

1. Introduction

With the further development of Internet technology and applications, online shopping has become a more popular phenomenon. According to statistics of iResearch, Chinese e-commerce turnover in 2014 has reached 13.4 trillion Yuan, and shows a rapid development tendency. For online consumers, product quality and service are undoubtedly the focus of their attention, but the anonymity and virtual features of Internet make consumers cannot easily obtain authentic information. It also makes the importance of (WOM)word-of-mouth as an experience in network environment more prominent, and opinion leaders, as a more credible and high quality WOM generator can effectively reduce purchase risk and uncertainty, the information they released are more emphasized in consumer purchase decision-making. Along with the development trend of network socialization, researches on opinion leaders also attracted wide attention from industry and academics.

Opinion leaders, referring to those people who generally accepted, familiar and recognized by the public, those who have high fame, professional degree in their field, and those who often provide product information and opinions. In existing literatures, researchers are mainly focus on the influence of WOM on consumer decisions, and a few studies involving opinion leaders, but rarely researchers emphasizes the relationship between opinion leaders and purchase intention. This study attempts to make an empirical analysis on the influence of opinion leaders on online consumer purchase intention, and discusses its specific propagation path and mechanism, exploring key impact factors, in

well as large sample test, the author found that "trust" and "willingness to buy" failed the validity test. In view of this, the author analyzes the correlation coefficient, the exclusion of "trust" and "willingness to buy" variable coefficient lower part of the question items, and then get the final questionnaire which has reached the standard reliability and validity. Data of the main part of the study is acquired based on the scale.

3. Data Collection and Preliminary Analysis

3.1. Data Collection

The final questionnaire is distributed to participants of website forums or exchange area, such as Taojianghu, Tianya Community, VANCL, Onlylady, YOKA, Douban, where user participate in the online activities related to product information dissemination probably. Also, concerning that college students are the main participations of network, therefore students in numbers of universities in Hangzhou and Nanjing have been chosen. Two formal questionnaires, hardcopy questionnaire and network questionnaire, were distributed and recovered during August to December in 2011. A total of 200 paper questionnaires pointing to college students who contact with opinion leaders and their recommended products had been gave out and 175 valid questionnaires were reclaimed.

E-mail questionnaires were distributed and recovered though email. A total of 900 questionnaires had been sent and finally we got 343 back. Excluding invalid ones and questionnaires filled by those who have no apparent concern about opinion leaders, we finally got 312 valid questionnaires. The mainly reason why network response rate is low is that online respondents were completely strangers with the investigator, most respondents would not respond the mail, but the respondents are highly targeted and the survey question items are consistent with their situations, so the questionnaire has high efficiency, reaching 90.96%. Ultimately, this study received a total of 487 valid questionnaires.

3.2. Descriptive Statistical Analysis

(1) Sample Demographics

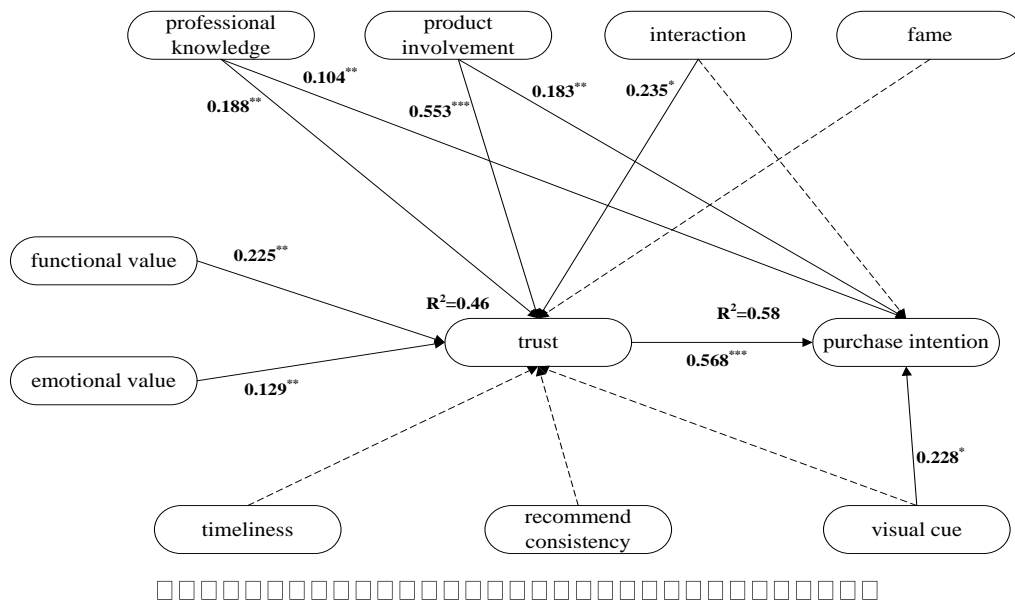
Sex ratio of the samples in this study was 47.2: 52.8, mostly aged between 20-29 accounting for 43.3% of all samples, and respondents aged below 40 account for 94%. Main part of the samples has academic credentials above undergraduate, in which undergraduate (44.9%) and master's degree (23.8%), there is a obvious characteristic of higher education. As for the income, people who earn less than 1,000 Yuan are the most important group, accounting for 40.7%, followed by the groups whose income is 1001-2000 Yuan, 2001-3000 Yuan and 3001-5000 Yuan. In the occupational distribution, students share the highest ratio of 47%, business / corporate general staff account for 29% and self-employed and freelancers account for 6.6%.

(2) Statistical Analysis of Online Activities

Most respondents have contacted with network for over two years, in which between 3 to 5 years account for 40.7% and more than 5 years account for 38.6%. As for the time of online shopping, respondents spent 1-2 years, 2-3 years and 3-5 years account for 21.2%, 28.5% and 22% respectively. On average monthly online shopping purchase expenses, the amount of monthly consumption is more than 300 Yuan accounting for 37.2%, 101-200 Yuan for 25.2% and 201-300 Yuan for 19.3%. On the number of online shopping, 53.2% of the respondents have on average 2-3 times per month, 23.8% more than 4 times a month.

As for the information search, most respondents often search for product information on the Internet before shopping; only 7.6 % search occasionally. The largest source of information is the public reputation, accounting for 42.7%, and expert recommendation account for 32.2%. This explains, to some extent, that word of mouth has become an important source required in online shopping. Further, 71% of respondents often or sometimes find product information by recommendation of opinion leaders.

assumptions belongs to non-linear relationship. 5 assumptions performance significantly at the 0.01 significance level and 2 assumptions is significant at 0.001 significant levels, indicating that the conceptual model gets better data support.



Note: *, ** and *** means significant in level of 0.05, 0.01 and 0.001 respectively

4.2.1. Feature Constructs of Opinion Leaders: The feature constructs of opinion leaders involve seven assumptions, in which 5 assumptions get various degrees of support, the path coefficients is shown in Table 2. Specifically:

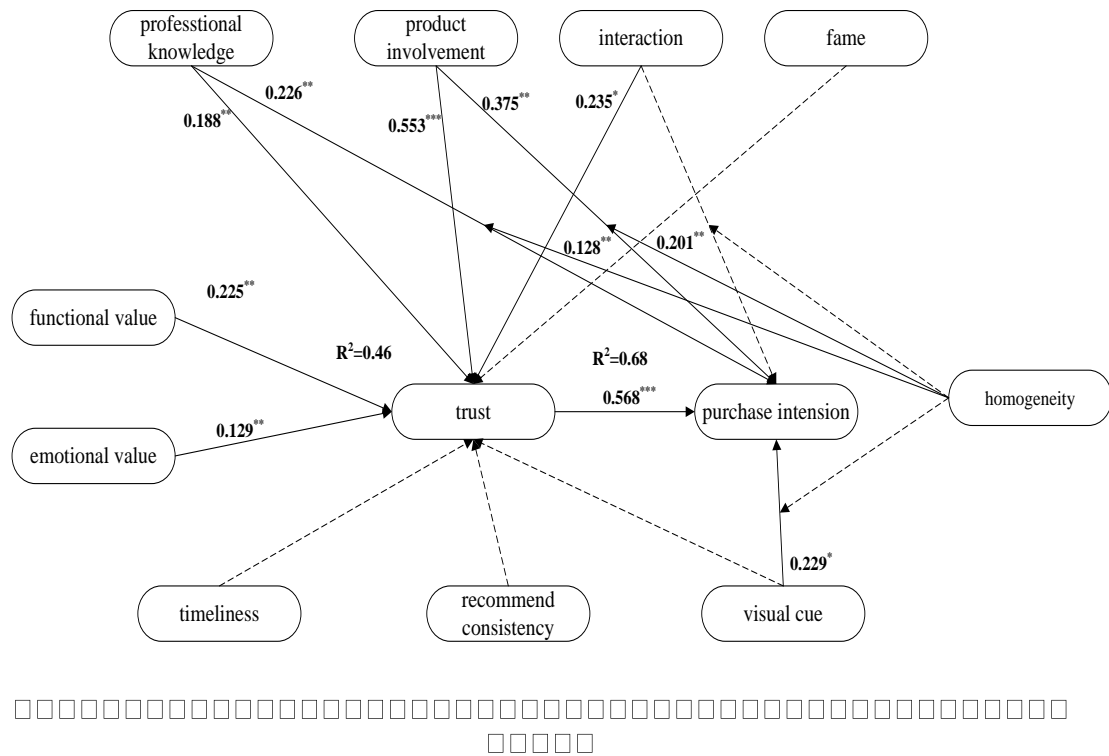
(1) Professional knowledge. The professional knowledge of opinion leaders has significant positive impact on consumer confidence. The stronger professional knowledge opinion leaders have, the more trust consumers have in the recommendations of leaders. Meanwhile, the professional knowledge of opinion leaders has significant positive impact on consumer purchase intention. The stronger professional knowledge opinion leaders have, the more likely consumers are willing to purchase.

(2) Product involvement. Product involvement has highly significant positive impact on consumer confidence. The deeper Opinion leaders involve in the products, the more trust consumers have in the recommendations of leaders. Meanwhile, product involvement also has highly significant positive impact on consumer purchase intention. The deeper Opinion leaders involve in the products, the more likely consumers are willing to purchase.

(3) Interaction. Interaction of opinion leaders has highly significant positive impact on consumer confidence. The deeper opinion leaders interact with consumers, the more trust consumers have in the recommendations of leaders. While the path coefficient of influence of interaction on consumers’ purchase intention is only 0.001, did not pass the significance test. That means interaction has no significant positive impact on consumer confidence.

(4) Fame. The influence of fame on consumer confidence did not pass the significance test. That means fame has no significant positive impact on consumer confidence.

Hypothesis	Hypothesis path	Path coefficient	Result
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Note: *, ** and *** means significant in level of 0.05, 0.01 and 0.001 respectively. Dotted line stands for not significant.

5. Results and Discussions

5.1. Model Explanation

Analysis of Structural equation modeling showed that 9 of 14 assumes of the conceptual model in this study have been supported by testing, endogenous latent variables explain 46% of trust and The interpretation degree of the purchase intention is 58.0%. The model explains the trust and purchase intention well, and most of the path coefficients are $p < 0.05$ and $p < 0.01$ significant. Among the path affecting the purchase intention directly, except the hypothesis of interaction is not supported, the remaining hypothesis--professional, product involvement, visual cues and trust--have a positive impact on the purchase intention and the path structure is reasonable. Among the path affecting the purchase intention indirectly, hypothesis like professionalism, product involvement, interaction, functional value and emotional value have a positive impact on the trust, but the relationship between trust and fame, visual cues, recommended consistency, timeliness and other variables is not supported by testing.

5.2. Influence of Opinion Leaders Feature

The feature constructs of opinion leaders involve 4 assumptions, including professionalism, product involvement, interaction and fame. Empirical results showed that: the influence of fame on trust was not significant, and the remaining three variables have significantly affect on consumer confidence, meanwhile professional and product involvement have a direct impact on consumers' purchase intention. Among the assumptions, the influence of product involvement on trust is the greatest, followed by the professionalism and interactivity. In addition, product involvement has greatest impact on purchase intention.

(1) Profession. Professionalism of opinion leaders has significantly correlated relationship with trust and purchase intention (the correlation coefficients were 0.529 and 0.530). The stronger professional knowledge opinion leaders have, the more trust consumers have in the recommendations of leaders. As for the correlation of specific items, item 1, 4 and 5 have a higher correlation, the question of Item 1 "the opinion leaders have relevant knowledge of this product field" and asked item a measure of trust, 2 (professional competence ask term) of the most relevant. That Described opinion leaders' knowledge on the products, brands, related terms, product attributes and price is the main measure of its professional standards.

(2) Product involvement. Product involvement of opinion leaders has significantly correlated relationship with trust and purchase intention (the correlation coefficients were 0.671 and 0.694). As for the correlation of specific items, Ask specific items from the correlation point of view, except to ask item 3 (I can feel the kind of product the opinion leaders is very important) the correlation slightly, the other five items were asked a high correlation with the confidence to ask term. This result suggests that opinion leaders' love and attention for the product is an important factor affecting its recommendation effect.

(3) Interaction. Interaction of opinion leaders has relatively weak correlated relationship with trust and purchase intention. But the model test results show that Interaction of opinion leaders has significant correlated relationship with trust (the path coefficient is 0.235). From the point view of survey analysis, the information exchange between respondents and opinion leaders varies widely, many respondents tend to be in a state of unilateral concern, they almost do not actively communicate with opinion leaders, but pay attention to the communication between opinion leaders and others. While the active respondents would ask or respond to opinion leaders positively, the difference of interactive is various. But regardless of the changes with opinion leaders, they believe the response of opinion leaders can help them solve practical problems and increase the sense of trust. Meanwhile, the mean of items 1,2 and 3 is low, both items 1 and 2 reflect the interaction between opinion leaders and the respondents, while the mean of item 3 (the opinion leaders communicate with general public on the product regularly on the internet) is higher, that, to some extent ,consistent with the above analysis. In conclusion, consumers often do not actively participate in the exchange of opinion leaders, but they think the exchange is important and opinion leaders who have strong interaction with public often able to increase the sense of trust.

(4) Fame. In the field of marketing, celebrity endorsements or celebrity is often an important distribution channel, so that an opinion leader with high fame should be able to generate a positive impact on consumers' purchase intention. But the empirical results of this study have shown that the influence of fame on consumers' purchase intention was not significant. This is not consistent with other studies such as Surana (2008) and Brian (1998) [4][5]. That is because consumers' access to information is no longer through the traditional means of communication. In the network environment, everyone has a say and the sources of information is various, more and more opinion leaders are grassroots. Compared with the traditional propagation environment, fame of communicators has become less important. Consumers are willing to accept high-quality information more than celebrity recommendation, and they may wonder if the recommendation of celebrity is a non-commercial purpose.

5.3. Influence of Recommended Information

According to process of communication theory, the characteristics of the information itself will affect the reception of information. In this study, we chose three variables-- timeliness of opinion leaders' recommendation, recommended consistency, and visual cues--to analyze their impact on purchase intention. The empirical results show that, timeliness, consistency and visual cues have insignificant impact on trust, but the visual cues will directly affect consumers' purchase intention and is positively correlated with purchase intention.

(1) Timeliness. Many previous studies have confirmed the role of opinion leaders in the diffusion of new products, because the opinion leaders tend to adopt the latest products, therefore, the product recommendation of opinion leaders often has a strong timeliness, they can recommend and introduce new products to consumers in the early days of product diffusion and ultimately affect people's choices. **Error! Reference source not found. Error! Reference source not found.** But the empirical analysis of this study is not consistent with the existing research. The reason may be the emphasis on the timeliness of consumers is quite different: consumers who are familiar with the product care more about whether opinion leaders can recommend the latest and most cutting-edge products to; while consumers have lower product familiarity are more concerned about whether opinion leaders update the recommendation timely.

(2) Recommended consistency. Recommended consistency shows the degree of consistency between individuals of the experience of the same product or service evaluation, reflecting the concentration of different personal opinions. In general, Recommended consistency has a positively affect on the trust, thereby affects consumers' purchase intention. But the empirical results of this study show that the impact of opinion leaders' popularity on trust of consumers was not significant. This is not consistent with previous studies of Cheung (2007), Zhang & Watts (2003), etc. **Error! Reference source not found. Error! Reference source not found.** The reason may be some consumers' conflict with the herd mentality; their real concern is often the exclusive products that opinion leaders recommended who have higher professional level or deeper involvement. Meanwhile, for those consumers who are higher involved in the products, they usually want to know about products they haven't contacted and used.

(3) Visual cues. Visual cues directly display the product information, previous studies have shown that the number of online word of mouth and visual cues can influence the awareness of consumers and ultimately affect sales [10, **Error! Reference source not found.**]. According to this, this study designed two paths: one is between visual cues and trust and the other is between visual cues and purchase intention. But the empirical results only support the relationship between visual cues and purchase intention. The reason may lies in that the role of visual cues of recommendation changes with the improvement of network environment. In the early development of online shopping, the clear pictures containing in the product introduction primarily tend to enable consumers to reduce perceived risk and improve the credibility of the product. And in today's more and more mature network environment, opinion leaders' display products through a variety of pictures, videos and others is not to reduce the risk, but to show the image of the product details, product use and effects in a more direct way, thereby the relationship between visual cues and trust is not significant.

As for the impact on purchase intention, the correlation between visual cues of recommendation and purchase intention is higher (the correlation coefficient is 0.386), that means specific forms and visual effects of recommendation have certain correlation with the purchase intention. As for the correlation of specific items, item 2 and item 3 have a high correlation with trust and purchase intention, there into the question of item 2 is recommendation of that opinion leaders has a clear and vivid picture, and the question of item 3 is recommendation of that opinion leaders has intuitive and real video explanations. That indicates compared to the text, the recommendation with the form of pictures and videos are more relevant to purchase intention.

5.4. Impact of Perceived Value

According to process of communication theory, the receiving party is the main part of information dissemination and the receiver itself will affect the reception of information. In this study, we chose two variables -- consumers' functional value and emotional value to analyze their impact on purchase intention. The empirical results show that the functional value and emotional value have significantly positive effect on trust, thus affect consumers' purchase intention.

(1) Functional value. Functional value and trust or purchase intention is high correlation (the correlation coefficients are 0.462 and 0.460). As for the correlation of

specific items, item 2 and item 3 have a high correlation with trust, shown that perceived value of product quality has strong correlation with trust.

(2) Emotional value. Emotional value of consumers sentimental value has lower correlation with trust or purchase intention (the correlation coefficients are 0.250 and 0.362), indicating that consumers are opinion leaders recommended products sentimental value and trust correlation is relatively low, that associates with many manifestations of emotional value. Some consumers believe that a product recommended by opinion leaders can give them a sense of happiness, while some think it is just pure pleasure. In terms of the measurement itself, it is difficult to clearly define emotions like happiness, joy, excitement and others, many emotions are included with each other. But the division of each consumer in these emotions is not the same, thus it will show more differences on select items.

5.5. Effect of Homogeneity

The empirical results show that homogeneity on the relationship between purchase intention and profession or product involvement has a positive regulatory role, while homogeneity on the relationship between purchase intention and interaction has no significant regulatory role, so as to the relationship between purchase intention and visual cues. Because individuals with homogeneity have more similar hobbies, interests and ideas in the product, they are more likely to communicate and understand with each other, so that they are more likely to be accepted. Therefore, between consumers and opinion leaders with homogeneity, they often have similar professional knowledge structure and the degree of product involvement, or the consumers recognize the professional knowledge and product involvement of opinion leaders. Therefore, the regulation of homogeneity in these two variables has more significant affect on the purchase intention. Instead, from the view of homogeneity, the visual cues and interactive are difficult to reach consensus, consumers have different product preferences with opinion leaders, but if recommendation of opinion leaders has rich and attractive visual cues, or opinion leaders interact with consumers well, it can also influence the purchase intention. That makes the regulation of homogeneity in visual cues and interactivity has insignificant affect on the purchase intention. As for the correlation of specific items, item 3(I think the opinion leaders have similar interest in product with me) have a high correlation with trust, showing that consumers care more about the homogeneity of product preferences.

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