

Chapter 4

E–WOM as a New Paradigm in the Consumer Decision– Making Process

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ABSTRACT

Consumer-to-consumer communications in online environments are of a vital importance to the consumer decision-making process. This process consists of five phases, each affected by eWOM communications deeply from the stimulation to the post-purchase behavior. Among all other factors having an impact on this process, the impact of eWOM has a distinguished role. As the technology grows and the consumers use internet and the reviews via internet, they become more and more attached to these reviews to make a purchase decision. In this chapter, the authors make a comprehensive explanation about the consumer decision-making process and explain the relationship of the decision-making phases with eWOM communications.

INTRODUCTION

Consumers today need to make numerous decisions and therefore deal with information loads increasing day by day. To be able to cope with this mental load, they develop some short cuts or certain habits. The introduction of online and internet platforms into our lives is causing the markets having been controlled by the marketers for

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long years to pass on consumer hands. The consumers being able to reach all the information through online environments have started to dominate in the markets, and this has caused the marketers to go through their strategies they have used persistently. Especially the social media platforms by means of web 2.0 following web 1.0 can be said to have a great impact on this shift. Consumer generated online environments, one of the biggest advantage of emerging social media platforms, not only provide the consumers with reaching the information in a rapid and efficient way but also offer a flexibility in time and evaluation opportunities.

Used as shortcuts by the consumers, internet and information technologies provide the potential buyers with all information and data about the products or services. These technologies are the most basic supporters of the consumers trying to make a good decision about the product or services. Blogs, forums, consumer review websites and other social media platforms offer every kind of information required by the consumers. At that point, what the consumers should do is to be able to give the best purchase decision by means of all these comments and reviews on the websites.

Today, the eWOM messages written by experienced consumers on the websites and social media platforms influence the consumers searching for information about the products or services they want to purchase. The consumers in search of information are greatly interested in these online environments hosting a huge number of unbiased and experienced customers as well as opinions leaders and market mavens.

While defining the consumer decision process, Engel (1991) mentions the activities directly related with buying, consuming and putting them out of use, and the process before and after all these activities. This purchase process makes up of several phases generally known as ‘determining the needs, search for information, evaluating the alternatives, purchase decision and post purchase behaviour (Hutter et al., 2013:343).

Bonebau (2009) mentions collective intelligence and says that this kind of intelligence helps consumers to make a better decision. The eWOM activities in online environments are the very reason of trying to make use of collective intelligence during the consumer decision-making process. eWOM messages are directly related with this whole process and they are of vital importance for the consumers in need of collective intelligence while trying to make the best decision.

This chapter aims at describing consumer-decision making process through an eWOM point of view. The chapter gives a full explanation of the phases in consumer decision-making process and emphasizes the impact of eWOM communications on each of these phases.

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