Chapter 5.19
Consumer Information Sharing

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INTRODUCTION

One area of e-business that has visibly changed in the last few years is the capacity of the Internet for supporting consumer-to-consumer information sharing. By using a variety of social media software applications such as online reviews, blogs, social tagging, and wikis, consumers are increasingly able to generate and share content about the products and services that are available in the marketplace. Collectively the labor expended by consumers in generating such content is considerable, influencing other consumers' perceptions of these products and services and informing their purchasing decisions. It has been estimated for example that more than 5 million customers have reviewed products on the *Amazon.com* site, with many more making purchasing decisions informed by reading such reviews (Amazon, 2008). According to the findings of a recent *Pew Internet & American Life Project* survey, consumer generated information sources such as product reviews and blogs are also considered equally as important as commercial information, e.g. manufacturers' specifications, when making a purchasing decision (Horrigan, 2008). This article aims to provide an up-to-date review of the practice of consumer information sharing. First the different kinds of

information sought by consumers are identified; second the social media software applications that consumers use to create, organize and share information with other consumers are discussed; and finally consideration is given to the marketing implications of consumer information sharing and how e-businesses can utilize social media for developing and managing relations with their customers.

CONSUMER INFORMATION

Consumers seek information in order to reduce any uncertainties or risks associated with an intended purchase (Conchar, Zinkhan, Peters, and Olavarrieta, 2004). Consumers also seek information in order to make sense of a product or group of products. The kinds of information sought by consumers typically relate to product attributes (e.g. specification, price, quality standards), expert and consumer opinions, and vendor reputation. Identifying relevant information sources involves the consumer either in an internal search of their prior knowledge of the same or similar products, and/or an external search of new information sources. An internal search is said to occur when consumers rely on their personal knowledge and experience of a product, while an external search occurs when consumers look for information beyond their own personal knowledge and experience. The range of external consumer information sources includes: store representatives, salespersons, and company websites; commercial media (e.g. magazines, advertisements), expert reviews; social sources (e.g. word of mouth, family and friends) and recommendations; and an increasing range of social media (e.g. blogs, social bookmarking tools, social shopping sites, and wikis) that consumers use to generate, organize, and communicate information about products and services. In sum, consumers seek a range of different kinds of information in order to reduce the uncertainties and risks associated with making a purchasing decision

and to make sense of the products. Information sources can be both internal and external to the consumer and span a spectrum that includes ratings, reviews and recommendations on the one hand, more interactive resources e.g. blogs, and opportunities for fuller participation in consumer wikis and customer communities.

CONSUMER INFORMATION AND SOCIAL MEDIA

Socially-owned media applications such as blogs, social tagging, and opinion sites have been enthusiastically adopted by consumers; with the resulting consumer generated content being widely used by consumers in the course of their purchasing activities. Reasons for this adoption include the relatively low costs associated with their implementation, and the dynamic and recent nature of the content. In contrast to traditional commercially-produced sources the use of social media enables consumers to access, produce, and share content generated by their peers. Rather than describe the different types of social media applications that have been developed, the review is organized in terms of the uses that such media have for consumers and for generating consumer content. Consumer uses of social media include reviewing and rating products and services, organizing content for subsequent access by other consumers, communicating with other consumers through weblogs, and collaborating and participating in the development of more substantive resources such as consumer wikis and customer communities. A description of each of these uses is provided here, along with illustrative examples. The review concludes with a short summary of some of the problems that can arise from consumers' use of social media.

Perhaps the most evident use of social media in the consumer domain is in enabling the publishing and reading of consumer reviews. Reviews written by consumers are perceived to be less

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