Online Consumer Psychology: Understanding and Influencing Consumer Behavior in the Virtual World

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Published "Word of Mouth:" Referable, Consumer-

Generated Information on the Internet

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Abstract

Consumer-to-consumer communication about products and services, often known as "word of mouth" (WOM), is an important source of marketplace information. The Internet is becoming an increasingly active medium for this type of communication. We describe the ways in which word-of-mouth information is communicated on the Internet and argue that those forms of WOM that are *published* on the Internet, and are thus "referable," have a considerable potential for expanding the scope and benefits of WOM. We then review the relevant literature and develop a framework to guide the analysis of a series of qualitative depth interviews with users of Internet WOM. We report the insights and findings that have resulted from this research and discuss their theoretical and managerial implications.

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Verbal consumer-to-consumer communication, often referred to as simply "word of mouth" (WOM), has long been recognized as an important factor in consumer behavior (e.g., Whyte, 1954). The development of the Internet has led to the appearance of new forms of word-of-mouth communication (Granitz and Ward, 1996). Using the Internet, consumers can now easily "publish" their opinions, providing their thoughts, feelings, and viewpoints on products and services to the public at large. For example, on a message board at www.oxygen.com, consumers exchange opinions about good (and bad) shopping sites on the Web. Likewise, "Style Chat" at www.leftgear.com provides users with an opportunity to discuss fashion and design. Sites such as www.consumerreviews.com and www.epinions.com allow consumers to post their reviews of products and services in a number of different categories, as do many major online retailers. This type of information is already playing a role in marketing, and promises to do so much more in the future.

The importance of online WOM increases as access to and usage of the Internet continues to grow. For the last week of March 2002, Nielsen/NetRatings estimated that the average user in the United States logged onto the Internet seven times, spending an average of 32 minutes per surfing session and visiting 19 unique sites. Nielsen estimates that the active Internet universe in the United States during this period was over 79 million (Nielsen/NetRatings, 2002).

This large number of users gives Internet WOM significant potential power for marketers. Anecdotal evidence of the power of Internet WOM abounds. For example, after the success of the use of Internet "buzz" in promoting the movie "The Blair Witch Project," studios are increasingly relying on online WOM to develop interest in new films. In promoting the trilogy of

films based on "The Lord of the Rings," New Line Cinemas is encouraging the development of "unofficial" Web sites about the movies, providing these sites with interviews with the film's director in order to generate discussion and excitement about the movies (Brinsley, 2000). Likewise, students hired to post questions and comments on teen-oriented chat rooms and bulletin boards generated discussion and interest in pop singer Christina Aguilera (White, 1999). Epinions.com estimates that it gets one million unique visitors per month (Schoenberger, 2000). And consumer stories posted on Oxygen Media boost traffic to the site by 14 percent (Stepanek, 2000).

Our earlier research (Bickart and Schindler, 2001) provides some empirical evidence regarding the power of one form of Internet WOM – the online forum. As part of a weekly class assignment, we randomly assigned students to look at either corporate web pages or consumer forums for information about specific product categories such as nutritional supplements or biking. At the end of the semester, students' interest in the assigned product categories was measured. We found that interest in the product category was higher for students assigned to view forum information on the topic than for those assigned to look at marketer-generated information. We suggest that the discussion forums are more successful in generating product interest because the content posted on such sites is thought to be more relevant and credible and is able to generate greater empathy among readers.

Our primary goal in this paper is to explore in more depth the potential power of online WOM. Under what circumstances do consumers find such information to be most useful? What are consumers' motives for searching for online consumer information? What kinds of online WOM do consumers look for and how do they evaluate it? How does it affect their buying decision processes? In addressing these issues, we first describe what is unique about Internet

WOM. Then, we briefly review the relevant literature. Together with qualitative depth interviews, we use this literature to gain insights into the questions described above. Finally, we discuss the key findings and some directions for future research.

WOM Communication on the Internet

Studies of consumer information search have consistently found WOM to be particularly powerful in affecting the consumer. Katz and Lazarsfeld (1955) found WOM influence to be far more important than advertising or personal selling. Alreck and Settle (1995) found that, for a service product, advice from other consumers had a greater influence on consumers than the effects of all marketer-generated sources of information combined. WOM has been shown to be important in the diffusion of new products (Rogers, 1983) and to influence consumer decisions in a wide range of product categories (e.g., Arndt, 1967; Feldman and Spencer, 1965; Gitelson and Crompton, 1983; Swan and Oliver, 1989). WOM is a major influence on consumer behavior and affects a substantial proportion of the U.S. economy (Dye, 2000).

Consumer researchers are beginning to address the issue of WOM on the Internet (e.g., Bussiere, 2000; Chatterjee, 2000; Granitz and Ward, 1996; Lewis, Phelps, Mobilio, and Raman, 2002; Okleshen and Grossbart, 1998). In particular, Granitz and Ward (1996) propose a typology of comments based on Usenet discussion groups. A content analysis of a specific Usenet group suggested that the majority of comments were related to recommendations, how-to advice, and explanations. Granitz and Ward note that Internet WOM differs from traditional WOM in that the participant's identity is not "constrained by circumstances of their background, appearance, status, neighborhood, and workplace" (p. 165; see also Fisher, Bristor and Gainer, 1996). In other words, the Internet provides consumers with a large and diverse set of opinions about products and services from individuals with whom they have little (or no) prior relationship.

Thus a key difference between traditional WOM and online WOM is the strength of the ties between the consumers who are exchanging information. Granovetter (1973) suggests that the strength of a tie between two individuals is a function of the amount of time spent together, the emotional intensity and degree of intimacy in the relationship, and the extent to which reciprocal services are provided by the dyad members. He further suggests that weak ties are particularly important in serving as "bridges" across cliques of strong ties, and thus are central to diffusion processes (see also Brown and Reingen, 1987). In the context of online WOM, weak ties provide three possible benefits to consumers. First, the presence of weak ties provides more potential input to a decision (Friedkin, 1982). Second, consumer information provided over the Internet should be more diverse than that which would be obtained via strong ties (Constant, Sproull, and Kiesler, 1997). Finally, using online WOM can enable consumers to obtain higher quality input into a decision – that is, it can provide access to people with greater expertise on a topic (Constant et al., 1997). In fact, in an organizational context, Constant et al. (1997) found that employees were able to receive useful technical advice from relative strangers via a firm's computer network. In this context, the primary benefit seemed to come from the superior resources of the information providers (i.e., technical knowledge), rather than the amount of information received. Along with these benefits of potentially providing more and better information to consumers, relying on weak ties may present difficulties. In particular, weak-tie sources may make it harder for consumers to assess the quality of the WOM information they are receiving (Constant et al., 1997). Consumers do not know the motives of the informant for providing information, and it may be difficult to assess this person's background and expertise on the topic.

Of course, the relative strength of these ties varies between and within the different forms of Internet WOM. For example, one might expect to find both strong ties (e.g., old friends) and weak ties (e.g., e-mail acquaintances) among e-mail WOM exchanges. This brings up the important point that there are a number of ways in which WOM messages are communicated on the Internet. They can be divided into the following seven categories (see Table 1):

1. Posted reviews. Includes consumer opinions published on the Internet by online merchants, by commercial web sites that specialize in posting consumer opinions, and by consumers who publish their product opinions on their own web sites, including "revenge" sites.

2. Mailbags. Includes customer and reader comments and feedback posted on the web sites of such organizations as consumer products manufacturers, service providers, magazines, and news organizations.

3. Discussion forums. Includes bulletin boards, Usenet groups, and published ongoing discussions on specific topics.

4. Listservs. Includes consumer opinions sent by e-mail to the members of an e-mail list.

5. Personal e-mail. Includes messages sent by one person directly to another (or a group of people).

6. Chat rooms. Includes real-time conversations over the Internet between groups of people, often based on a particular topic.

7. Instant messaging. Includes one-on-one real-time conversations over the Internet.

One dimension on which these forms of Internet WOM differ is the degree to which their information can be easily accessed by a large number of people. This will be termed the *referability* of the WOM information (see also Boush and Kahle, 2001). Posted reviews are often maintained on web sites for a year or more. Each message is available to the general public for a relatively long period of time. Thus, the WOM information in posted reviews would be considered highly referable. Similarly, consumer opinions in mailbags and discussion forums are usually publicly available for a considerable period of time. Because they are published on the Internet, these three types of Internet WOM – posted reviews, mailbags, and discussion forums –

are accessible to a large number of people for a relatively long time. This makes them highly referable forms of WOM.

By contrast, the other four forms of Internet WOM are not published on the Internet and thus are less referable. Although managers of listservs usually archive the distributed messages, these archives are not usually easily available to the general public. The WOM messages communicated by listservs and personal e-mail are accessible to only a relatively small number of people and only for a limited time. Unless recipients habitually store their e-mail, receiving an e-mail message (either directly from another consumer or via a listserv) will not result in their having a bank of WOM information to which they can refer. WOM messages exchanged in chat rooms are publicly available, but only for the time they are being transmitted; chat room conversations are only rarely archived. Messages communicated by instant messaging are neither publicly available nor are they archived. Thus, instant messaging is the least referable form of WOM transmitted over the Internet.

The referability dimension is important because it affects the degree to which consumer product communication over the Internet increases the possibility of weak-tie WOM. Less referable forms of Internet WOM, being available to only a limited number of people and/or for only a limited time, offer few opportunities for a consumer to make contact with unfamiliar others who might have particularly powerful or useful information. More referable forms – those forms of WOM communication that are *published* on the Internet – offer many opportunities for consumers to gain beneficial information from weak-tie sources. For this reason, we focus our investigation primarily on these referable forms of consumer-generated Internet information: WOM published as posted reviews, in mailbags, or in discussion forums. (See the Lewis, et al. chapter for a discussion of the motives and behaviors associated with e-mail WOM.)

Framework of Investigation

As a starting point in understanding the role played by Internet WOM, we have carried out an investigation of the consumer's usage of this information. This investigation is guided by a framework based on the research literature on WOM effects. The framework leads us to first consider the consumer's motives for using published WOM information. Then we examine how the consumer evaluates the information obtained in this manner. Finally, we look at the ways in which published WOM information can influence the consumer decision process.

Motives for using published WOM. Perhaps the most basic motive for a consumer's attention to WOM messages is the expectation of receiving information that may decrease decision time and effort and/or contribute to the achievement of a more satisfying decision outcome (Schiffman and Kanuk 2000, p. 398). Information motives may be particularly important for the use of WOM published on the Internet, because such weak-tie sources seem favored by consumers who are interested in specific product information as opposed to affective product evaluations (Duhan, Johnson, Wilcox and Harrell, 1997).

A second motive for using WOM concerns the consumer's desire to decrease dissonant cognitions and increase cognitive consistency (Festinger, 1957; Cummings and Venkatesan, 1976). It has been found that consumers' receptivity to WOM depends on the fit of this information with their prior beliefs (Wilson and Peterson, 1989). This suggests that consumers may use WOM to reinforce their decisions or to increase their confidence in the views that they already have.

Consumer evaluation of published WOM. Consumers may evaluate a published WOM message on the basis of the content itself. For example, the presence of negative information along with positive information has been found to increase message credibility (Crowley and

Hoyer, 1994; Pechmann, 1992). The presence of negative comments in the content of an Internet

WOM message could give it an enhanced believability. Also, it has been observed that WOM

information is likely to be based on memories of salient product experiences (Dichter, 1966). It

is possible that published Internet WOM content that is perceived by readers as being based on

first-person consumer experience might further contribute to the believability of the message.

In addition to using the content of a published WOM message to evaluate the message,

consumers are also likely to use information about the source, or writer, of the message. The

perception that the source of a message is similar to the reader can lead to a greater persuasive

effect (Hass, 1981; McGuire, 1969; Price, Feick, and Higie, 1989). If the writer of a WOM

message is more well-known to a reader, then that message is likely to have more influence

(Brown and Reingen, 1987). Cues that give a source the appearance of expertise, such as

credentials and past achievements, are also capable of increasing a message's persuasive effect

(Ratneshwar and Chaiken, 1991). Finally, information from a source that is perceived to be more

trustworthy can lead to a greater persuasiveness of that information (Hovland and Weiss, 1951;

Wilson and Sherrell, 1993). The audience's attributions of a source's intentions are a key factor

in the perception of trustworthiness (Eagly, Wood, and Chaiken, 1978).

Effects of published WOM on the consumer decision process. Typically, WOM is

considered as one of the external sources of information that consumers acquire during the

information-search stage of the decision process (e.g., Claxton, Fry, and Portis, 1974; Westbrook

and Fornell, 1979). However, there has been little examination of the processes by which WOM

can have an impact on this decision-process stage (for an exception, see Price and Fieck, 1984).

It has been shown that an important outcome of pre-decision information search is a set of

alternatives that will be further considered, often referred to as the *consideration set* (Nedungadi,

1990; Shocker, Ben-Akiva, Boccara, and Nedungadi, 1991). WOM input may add items to a consumer's consideration set by presenting interesting ideas and may cause the deletion of items from the set by presenting negative information about the items.

The commonly used model of the consumer decision process includes several stages other than information search (see Engel, Blackwell, and Miniard, 1995, p. 154), and each of these stages could be influenced by WOM (Price and Feick, 1984). For example, product awareness created by WOM could create a discrepancy between a consumer's ideal and actual states and thus cause problem recognition. WOM could suggest attributes that should be attended to during the alternative-evaluation stage, could help a consumer decide where an item should be purchased, and could influence post-purchase evaluation either by helping decrease dissonant cognitions (as mentioned above) or by other means.

All of these possible effects of WOM on the consumer decision process could also occur for WOM published on the Internet. Indeed, the referability of published online WOM may enhance the strength of these effects and/or the likelihood that they can be reported because the information can be accessed when most needed and can be absorbed by the consumer at the consumer's own pace.

Method

Data Collection

Given the exploratory nature of the research objectives, we used depth interviews to help provide insight into consumers' motives for using online WOM, how they evaluate this information, and the effects it has on their decision processes. We recruited 19 consumers who "frequently shop online" to participate in the study. For their participation, informants received a $10 gift certificate from Amazon.com. Informants ranged in age from 15 to 56, with eight males

and eleven females. The informants were generally quite experienced with the Internet –

approximately half of the informants spent more than seven hours per week on the Internet. All

of the informants reported that they checked their e-mail daily. Among the informants, the most

common uses of the Internet included obtaining news, information search for school or work,

checking financial information, and shopping. Approximately half of the informants reported

that they never participated in chats/forums or played games online. Younger informants were

more likely to participate in chats and play games online.

Both authors and a trained research assistant conducted interviews that lasted approximately

45 to 60 minutes. Interviews were audio-recorded and transcribed for later analysis. We began

the interviews by asking informants to describe several recent situations in which they had

shopped for a product or service online. We probed to learn about the different sources of online

WOM that were obtained during the shopping experience. If online WOM was obtained, we

explored how participants found the information, what they expected to learn from this

information and how this information was used in their decision process. We also asked if they

provided feedback or interacted with the information provider. We then probed for the use of

sources of online WOM not spontaneously mentioned in the descriptions of the shopping

experiences. Specifically, we probed for the use of posted reviews, mailbags, discussion forums,

listservs, personal e-mail, chat rooms, and instant messaging. If an informant had not used a

particular source of online WOM, we asked why not. We also asked for impressions of the types

of people who would use such information sources.

Data Analysis

The analysis was exploratory and descriptive in nature, with the goal of better understanding

how consumers use Internet WOM. Each of us individually reviewed the transcripts of the

interviews. We looked for statements or comments that were related to (a) motives for using Internet WOM, (b) evaluation of the content of online WOM messages, and (c) the influence of this information on consumer decision-making. Individually, we attempted to identify consistent "themes" that emerged within each of these general areas, along with supporting comments made by the informants. We then compared the themes that we had separately identified, as well as the supporting comments for each theme. We resolved differences through discussion and repeated this process until we felt that (a) we had identified the major issues related to each topic and (b) that these issues were supported by the interviews.

<div align="center">Results</div>

Overview of the Types of Internet WOM Information Used

Of our 19 informants selected for being frequent Internet shoppers, all but one had experiences using online WOM. In general, the informants appreciated the convenience of having consumer input available on the Internet. In particular, they mentioned that online information search was more efficient than other forms of information search and that the referability of the online information was a great convenience. Toward the end of each interview, we asked informants specifically about their use of each of the seven sources of online WOM that we have described above.

Among our informants, the most frequently used source of online WOM was consumer reviews. Informants often spontaneously mentioned that they referred to consumer reviews as one piece of input when making a specific purchase decision. Most of our informants used reviews that were provided by the retail site on which they were shopping. For example, many informants mentioned using reviews when purchasing books or toys on Amazon.com. For these kinds of product categories, checking reviews appears to have become part of the "script" for

online shopping. Unless the purchase was very important or involving, informants were not likely to seek out reviews at other independent sites.

What we defined as mailbags were viewed similarly to posted consumer reviews by our informants. Informants rarely mentioned seeking out mailbags on the Internet. When prompted, however, informants thought that this kind of information might be useful if it was "not controlled" by the company and several could imagine providing information to others via this format. In particular, informants were interested in posting negative stories and experiences with products and services in a mailbag-type setting, but not on the manufacturer's web site.

Online discussion forums and listservs were less likely to be used than consumer reviews, although usage of these sources was quite high among a small number of our informants. (Two or three of our informants were active members of online communities, while several others lurked or participated occasionally.) Discussion forums and listservs were perceived to be similar, but the use of forums was much more extensive than that of listservs. Listservs require an effort to join (the user must send an e-mail to subscribe), which implies a longer-term commitment to the group. In contrast to consumer reviews, informants tended to seek out discussion forums for more general issues or questions (versus to obtain specific product information). For example, informants visited forums when they were looking for community or support related to a product they had already purchased (such as a car) or for an enduring interest (such as a rock band). In these situations, reading and participating in forums helped informants become better consumers of the product. Likewise, important, highly involving decisions or situations, such as a serious medical condition, were a catalyst to seek out information on a forum or listserv (see the chapter by Alon, Brunel, and Siegal, 2005). Informants viewed participants in discussion forums and listservs as knowledgeable and as good resources.

In contrast to the information-seeking motives for visiting online forums, the motives for using chat rooms, e-mail, and instant messaging seemed primarily social. Informants used e-mail and instant messaging as an efficient way to communicate with friends. Only a few of our informants mentioned participating in chat room discussions. Most informants were quite leery of chat rooms, perceived them to be a waste of time, and held negative perceptions of chat participants. The few informants who did participate seemed to enjoy being an information resource to others on a specific topic.

Motives for Using Internet Word of Mouth

Why do people seek out consumer input on the Internet? Previous research has suggested that consumers use WOM to facilitate the decision process (i.e., provide specific input to a decision) and to help reduce dissonance related to a decision (i.e., post-decision support). Among our informants we found evidence for both of these motives, but other reasons for seeking out consumer information also came up frequently. In the discussion that follows, we broadly group motives into three categories: information, support and community, and entertainment.

Information motives. Informants used online WOM as input to a variety of purchase decisions, including both large and small purchases, with both utilitarian and hedonic objectives. When specific information was sought, consumer reviews were the most frequently mentioned source of Internet WOM. Informants with information-seeking motives tended to appreciate seeing direct comparisons between brands or products. Also, they often seemed especially interested in negative information about a specific alternative. For example:

> I would think, based on the ones I had read before on the digital camera, the ones I read the people had used them for a period of time and I would want to know something about glitches or any bugs that were in them or problems, for instance, with scanning or the speed of the scanner or reliability of it. (female, age 56,

retired high school teacher)

>Technical reviews of a technical book. For instance WindowsNT where posted comments a lot of their technical aspect was not … there were a lot of errors in the books and stuff like that. I look for those and how clear the context was in delivering some technical aspects of the book. … If you know the people who actually purchased the books and they read the books so I look for if they said in this book the author makes a lot of technical errors. That would be a good determinant. (male, age 29, systems administrator)

This kind of content is frequently provided in consumer reviews. As would be expected, informants were most likely to mention referring to online WOM as an information source when the decision was risky or important:

>Well, I was planning a special dinner and I wanted it to be a success. I wanted to go to a restaurant that I had never eaten at but I wanted to try to make the most informed choice I could make because it was a one-shot deal. And I knew about the Digitalcity restaurant site because I had looked at it before. (female, age 45, horticulturist)

One particularly interesting idea that emerged from the interviews was that consumers rely on Internet WOM when input from friends and family (or other strong-tie sources) is not available. For example, informants were more likely to mention using online WOM for products or services that were new and/or infrequently purchased. For example:

>I've been searching for a new camera. And I'm trying to decide whether I want to buy a point and shoot 35 mm camera or they have this new format out called APS and I really don't know too much about it so I've been searching the Internet a lot trying to find what people are saying about the APS format versus the 35 mm format. I have found a lot of information on the Internet about that subject. (male, age 42, operating engineer)

Because this is a new product, strong-tie sources of information may be more difficult to locate. The comment reflects the vast amount of weak-tie information made accessible by the Internet. Another similar situation in which online WOM was sought was for travel decisions. In this case, the consumer is seeking information about a faraway place for which it may be difficult to find strong-tie sources of consumer input. In addition, the nature of the service makes consumer

input particularly diagnostic in this context.

> Recently I decided with my husband that we would like to take a vacation to a place that we had never been and I didn't really feel that I was getting information from typical sources. I called the travel agent and they were vague and not very friendly and not very informative. So I thought I would go online and try to research where we might want to go. I had some idea but I wasn't real sure because I'm planning a vacation to a place where we had never been so I went online. I looked at several different travel sites that had links and consumer opinions and stuff like that and I read as much consumer information as I could about these different places. (female, age 45, horticulturist)

Finally, a number of informants used online WOM when purchasing gifts. Gift givers are motivated to give items that are considered appropriate for the relationship but that also reflect an understanding of the recipient's needs and pleasures (Ruth, Otnes, and Brunel, 1999). In this situation, the person likely to be the best source of WOM – the gift recipient – is unavailable. Online WOM can serve as an effective surrogate information source. For example:

> Actually I was buying cooking books for my mother. And I really don't know too much about them. I read the reviews to see what the people who actually used them would think of them. (female, age 26, undergraduate student)

Support and community motives. Another motive for using online WOM was to obtain support for a decision already made and to seek out a community related to the product or service. Informants mentioned seeking out positive information to support or confirm a previously made decision. For example:

> The movie I recently purchased, The Perfect Storm … is a movie that [my wife] really wanted to see and we couldn't get to the movies before it went off. I thought I should get that movie for her. But being my cheapskate self [and needing to think about it] … I went out and I reviewed some customer feedback on the movie. I found some things that were appealing to me. It was action-packed, there was some drama, you didn't really know how it was going to come out during the movie and I love movies where I can't figure them out till the end. (male, age 46, account manager)

Likewise, the following informant sought confirmation of her decision to spend a semester abroad in London by querying (random) London residents using instant messaging:

It helped just reaffirm what I wanted to do. I wanted to go to London, but I wasn't sure if the city was a totally safe city. After talking to a couple of people, I found out it's a safe city….I should definitely go through with it. (female, age 20, undergraduate student)

Informants also mentioned using discussion forums to find a community of consumers with similar concerns and product interests. The following informant participated in a discussion forum for Volvo owners. As reflected in the quote, this group bonded together to help each other solve product-related problems.

Other people talk about the electronic brakes in this thing take some getting used to. People were giving each other tips on that … They are very sensitive brakes. A lot of people were having trouble and saying "what's wrong with my brakes" … One person wrote in. "I think I'm going to have to take this car back. I can't possibly deal with this." So we wrote, "go to the parking lot and practice stopping and get used to exactly where the brakes start to catch." (male, age 41, investment fund manager)

In fact, consumers often seek "stories" recounting the product experiences and usage of fellow consumers. Although these kinds of stories are more likely to be found in discussion forums, they can be also be found in posted reviews. For example, for the following informant, one relevant story seemed to call for another:

One of the [golf] courses one of the people had a fairly negative comment but they said they had played the course another time and had a much better experience so they didn't know if it was just an off day. And I almost wanted to contact them and say was your other experience considerably more pleasant? (female, age 56, retired high school teacher)

Entertainment motives. A number of informants mentioned that they read online WOM for fun. Discussion forums were the most popular source of entertainment. Informants found extreme viewpoints and debates to be particularly interesting, as reflected in the following quote:

I didn't participate [in discussions]; I basically read. They were interesting. One of the ones that was funny. I was also looking at minivans. Although we had already bought our minivan, it was interesting to see what people had to say about my minivan. You either have people who hate the Chryslers or love the Chryslers

so they have the comparisons of the Chrysler minivans and the Honda Odyssey…. You'd have the people talking about what they loved and hated about each. … It was interesting to see what people said about their new cars. (female, age 43, homemaker)

They also enjoyed humorous stories or exchanges on discussion forums.

A very humorous thing that I did post in recently is someone complaining that they were disappointed with the gas mileage in the car. Well it's a six cylinder engine as opposed to a five cylinder in the old one. Someone had written in to say that you can coast up to a red light and this gives you two miles per gallon more. One person answered that you can't do that in Texas—the person behind you is likely to shoot you. You have to drive the speed limit right up to the stop light. Then we had this long humorous discussion about what it must be like to drive in Texas. (male, age 41, investment fund manager)

It is important to note, however, that while informants found these exchanges amusing, they were also learning about the product or service being discussed. Information obtained in this passive manner may affect future decisions or behavior.

I even read people's opinions about different stocks and stuff. Not that I'm really into the stock market or whatever, but I find it interesting to read the opinions of other people although the opinions of other people are not necessarily expert opinions. They do offer some insight into other people's experience that you may not otherwise have access to. (female, age 45, horticulturist)

Evaluation of Internet WOM Content

In evaluating online information from consumers, our informants appeared to be concerned with two types of potential problems. One is that the information may be untrustworthy or biased. Biased information could be due to the writer of the message not being the fellow consumer that he/she appears to be or simply because genuine consumer messages are selectively filtered by the web site's owner. The other potential problem is that the message may contain so little valid or accurate information that it may not be worthy of the reader's attention.

Cues for bias. One cue our informants used for determining bias is simply the owner of the web site on which the consumer comments are posted. For example, when asked about

consumer reviews found on a manufacturer's web site, one informant responded:

> I think that [the site] had testimonials from people but again I think this is just advertising and doesn't really help me become a more informed consumer. Anything that is posted by the manufacturer is pretty much going to be self-promoting so I don't think it helps me become a better consumer. (female, age 45, horticulturist)

It appeared that this informant questioned the credibility of the consumer postings simply because they were found on a manufacturer's web site. Another informant felt similarly about comments found on the web sites of retailers:

> The book reviews on Amazon tend not to have the credibility to me. On the other hand, the voluntary ones on Yahoo—it's independent and it was set up by drivers for themselves. It clearly had that independent kind of feeling. They were talking about, we all hate this feature how do we make Volvo change it? Who do we write to? Who do we call? How many members do we have on this board? Can we all get signatures and send it to them? Tell them we're 200 S80 owners who don't like this: change it next time. It had a different kind of independent feeling than things posted at Amazon at Amazon's discretion. (male, age 41, investment fund manager)

Note that for this latter informant, it was not just the independence of the Yahoo sites that gave them credibility. The belief that these sites really are independent was apparently reinforced by the presence of negative information about the product, such as the features that are disliked by Volvo owners. The use of this second cue for bias – the lack of negative information – was sometimes mentioned explicitly:

> The thing you have to be careful about on the Internet is if you don't know what you're doing, you can be misled very, very quickly by the testimonials of people who are way biased on stuff. For instance, like Amazon.com if I recall you can go look at testimonials about a specific product. It will give it a one to five star rating and then someone will type in a little note about what they thought about this product. I think ninety percent of what you see out there is like four stars plus and every once in a while you get one dissenting opinion on a product. (male, age 46, account manager)

A third reported cue for assessing bias was a sense of whether the posted comment was based on authentic first-person experience. If a comment involves "I" statements or otherwise evokes

real personal experience, then its credibility is enhanced. On the other hand, if a consumer

comment seems forced, stilted, or otherwise lacks verisimilitude, then the credibility of the

comment is questioned. For example:

> [I value] questions and replies from consumers. You are able to get a good feel of
> what the consumer was experiencing with each and every product that they had
> and it wasn't – you know the postings weren't controlled by the manufacturer.
> They didn't censor anything so you were able to get a good feel for what the
> product was. (male, age 42, operating engineer)

> I went out to the Aiwa site … and I saw a lot of testimonials about the various
> surround sound systems and other audio equipment that they had. It just sounded
> like something you would hear on television – a testimonial that you hear on
> television that you know is scripted. Maybe these weren't scripted but again, I
> found that these people – the way they expressed themselves and what they talked
> about – was more hype than substance. I rejected it out of hand. (male, age 46,
> account manager)

   Cues for validity. One of the most commonly mentioned aspects of a consumer posting that

appeared to serve as a cue for its validity, or usefulness, was the presence of specific details in

the posting. For example:

> [I look for] … if they have more specifics – like say if it was on the options book
> they said things like "this book increased my knowledge of cover call options and
> I was able to make 30 percent in a year" or whatever. If they can give some
> definite things of what the book accomplished for them, I think that would help
> more than "this book was a complete waste of time," "the money wasn't spent
> well at all." If it's just their strict opinion it doesn't really help, but if they put up
> some logic and some facts to back it up I think I would definitely take it more
> seriously. (male, age 22, graduate student)

> "This is the best stereo system I've ever owned, you got to buy one." "It even
> looks better on my bookshelf than I thought it would." I don't care about that
> stuff. I want substance. (male, age 46, account manager)

The words of another informant suggests that cues are often used together. She wanted not only

details, but those details to come from the writer's first-person experience:

> A really good review would definitely have obviously some kind of personal
> reference to what you were talking about like "this song on this side" or "I feel the
> reason that this product doesn't work well is because of … the wheels on it don't

rotate right" or something like that. Something that would be very detailed. Something that would be very general I would be like, did you really take the time to use it? (female, age 26, undergraduate student)

A second aspect of consumer comments that served as a cue for validity was the presence of some degree of consensus among reviewers. It appeared that consumer opinions were used to validate other consumer opinions:

> I would trust consumers but I wouldn't trust one consumer. I would want a consensus. I think again if it's only one person's opinion … so I would look for averages. (male, age 29, systems administrator)

> If the majority of the people who have submitted reviews say that it is good or bad or whatever, as long as the majority agrees on it, then I would trust the information. (male, age 15, high school student)

As one might expect, information about the identity of the consumer who posted some information was also used as a cue for the validity of that information. This is a third type of validity cue. Sometimes the informants used the information about the consumer posting the review that is provided by the site explicitly as a means of helping readers evaluate comments. For example, a student looking at software reviews posted by other students used the names of the school that the writers attended as a means of judging the value of the comments:

> For the Dreamweaver and the Front Page [reviews] I just scrolled down to look at the university name so whatever university I know of, I just click on that one. *Interviewer: So you went to schools that you respected?* Yes, respected – NJIT, Lehigh, and some others. *Interviewer: What schools did you avoid?* Some like, I think there's one called something about Bowling Green or something. I avoided that one. I didn't know that much about that one so I just avoided that one. (male, age 23, undergraduate student)

At other times, source identity cues were gleaned from the text of the consumer comment:

> Sometimes they [the reviewer of a golf course] will tell you, for instance, I'm a 9 handicap or I'm a 25 handicap or whatever which gives you at least some comparison in terms of their comments. (female, age 56, retired high school teacher)

> What I would do if I read the reviews and they said this song bla bla bla is really

good. I might start with that first and then they say this song wasn't that great and I might listen to that one and see what I thought about it to judge whether I think the same as their opinion … good enough to judge on. (female, age 26, undergraduate student)

In this latter statement, the informant was saying that in evaluating a reviewer's comment about a new song or album, she would first listen to other songs (via the retailer's web site). She would then use the writer's opinions of these accessible songs to calibrate her assessment of the writer's opinion about the other music by the artist.

A fourth type of validity cue that our informants reported involves the wording used in the posted comment. This is interesting because wording is a factor that may have become more important, or at least more noticeable, because online comments are written rather than spoken and can be examined more carefully. Wording cues could be based on particular kinds of words, such as inexpressive slang or words suggesting a cursory, emotional reaction, or they could involve the use of wording to judge the degree to which the writer is sensible or reasonable. For example:

[I would not trust a comment] if they use an extreme word like this: "don't buy it" or "this product really sucks" or something like that. (male, age 29, systems administrator)

I kind of use my senses of if that person sounds similar to me. I know someone who's different from me can have a valid opinion. I kind of judge like if that sounds like something I would say then I might enjoy the book if they enjoyed it. (female, age 22, undergraduate student)

Effect of Internet WOM on Consumer Decision Processes

Examination of our informants' descriptions of their uses of Internet WOM in the context of the consumer decision process showed that it can exert influence in a number of decision-process stages. For example, one informant learned about the existence of a book that appeared to have the effect of initiating a decision process:

I learned about the prequel to *Divine Secrets* which is called *Little Altars Everywhere*. And I learned about the author of the book and I think I'll probably purchase the prequel just because I'm interested. (female, age 17, high school student)

On the other hand, information from online consumer reviews also appears able to terminate a consumer's decision process:

One of the things that I had looked at was this walking tour of Philadelphia. Was it a fun experience for people? Was it something I wanted to do? I was able to read the opinions of several people and it was just a small little thing—a little walking tour—but did I want to spend the time and money to go on this walking tour or not. After reading the reviews I decided that maybe I don't want to do this because although the consumers seemed to enjoy it, they weren't raving about it that it was the greatest, most fun thing to do. I chose not to do it based on just a couple of reviews by maybe three different people. (female, age 45, horticulturist)

Actually, I was going to buy the new Back Street Boys album but I read a review on it and they were customer reviews of people who had bought this album, and four out of five people said it wasn't as good as the other ones so I decided to hold off and see if I get it for Christmas. (female, age 26, undergraduate student)

Consistent with our expectations, our informants reported that Internet WOM information affected the content of their consideration sets. Online consumer information could lead to additions to a consideration set:

I definitely would look at what other people had recommended and what they felt was a good bike. I'd look through to see if a certain bike keeps popping up again as being a good bike. I'd definitely take a look at that more strongly than if I saw a bike and there were no reviews on it. That would definitely help me out. If they kept saying that this bike is a real good bike, if I kept reading a whole bunch of reviews about a specific bike, like maybe Cannondale, I would be more inclined to take a look into that bike if more people are raving about it. (female, age 20, undergraduate student)

It could also lead to items being removed from the informant's consideration sets:

One of the [golf] courses that I looked at, every review I read said that play was very slow and they didn't marshal play. It took them a considerably longer time to play the course. It was nice, but it was a long day. So I didn't even consider that course. (female, age 56, retired high school teacher)

I was researching palm pilots because I was thinking of getting one of those, and several of the reviews for different brands were horrible. They said "get the other brand, it's much better." I said well I won't even consider getting that one. (male, age 15, high school student)

And it appeared that sometimes the Internet WOM information could have both effects:

They had a whole bunch [of reviews about video games for a child] and they had the most recent ones out and I read through those. And I used certain things to decide ahead of time I'm not going to buy that at all. If the name sounded too violent, like "ninja something" I was not going to get that one. If it was a Bugs Bunny thing – anything cartoony – I read all of that. (female, age 26, actuary and graduate student)

The reports of a number of informants indicated that Internet WOM affected the alternative-evaluation stage of their decision processes by suggesting to them a new attribute that should be considered. For example:

The [online bulletin] boards helped me understand a little bit about what I should look for when I was test driving. If someone says "I hate this feature," well maybe I wouldn't. Maybe I would actually like that. I've got to remember when I get into the new super large Camry I have to check the seat controls and make sure I can actually see all the dials and gauges when I've adjusted the seat. (male, age 41, investment fund manager)

It [reading Internet forums] told me of a recall on the Accord which I didn't know about. The year 2000 Accords that were built at the very beginning of the 2000 model year had a particular problem. … It had something to do with the transmission. It said you want to look at the date the car was manufactured if we decide on a Honda because if it was made before this date … I did learn that. Practically everybody who was talking about the Hondas said that they were noisy, the wind noises, and that was never something we thought about. (female, age 43, homemaker)

In addition, there were also reports of alternative evaluation being affected by useful comparative information on how the various alternatives rated on attributes that the informant had already recognized as important. For example:

They [the commenting consumers] compared it to other games. They had Ninja 1, Ninja 2 and Ninja 3 so they compare it, that kind of thing. They talked about comparisons at different levels. I remember one particular game had more levels

and was more challenging, more exciting and that the scenes were nicer and stuff like that. (female, age 26, actuary and graduate student)

An interesting possible downside of the ability of online consumer information to make a buyer aware of new relevant features is that this information could also have the capacity to impair postpurchase satisfaction. For example, one informant appeared unsure of the value of having learned about a possible problem with a new car that he had recently purchased:

> I finally figured out what they meant by the clunk in the steering wheel and I wrote back "it's such a tiny thing. If you hadn't made me so paranoid I never would have noticed it." (male, age 41, investment fund manager)

Given the large amount of online consumer information available about most products, it is not surprising that many of our informants reported using heuristics to simplify the information and help them absorb it with minimal effort. One interesting example of this is the use of "flash points" – each flash point being a single piece of information that in itself could cause rejection of an alternative. For example, one informant, searching for an authentic Italian cookbook as a gift for her mother, rejected an alternative as soon as she read about the book's suggested source of cheese:

> One of them [books being considered] was about the fresh ingredients you have to get, the most virgin olive oil. The other one was, you can get the mozzarella from the deli department. And I thought I definitely don't want this book! (female, age 26, undergraduate student)

For another informant, the flash point for an alternative was the WOM alert that the new, more expensive game was just like the previous year's version:

> People's reaction to the game in terms of the level of challenge, if they thought it was too easy, if they thought it was too violent, if it was similar to another game that they had put out before and probably was cheaper. One of the games I was about to buy – actually somebody said it was just like something they had out before and that it would be pointless to spend the extra $5 or $10 for this new game because it's exactly like a game that was put out last year. That's the kind of information I wanted to get. (female, age 26, actuary and graduate student)

Discussion

Our empirical work examined consumers' motives for seeking out Internet WOM, the criteria used to evaluate online WOM, and the effect of online WOM on consumer decision processes. Many of our findings are consistent with earlier consumer research on WOM processes. Our depth interviews, however, suggest several new insights and possibilities regarding how WOM operates, both on the Internet and in other settings. We now review our key findings, highlighting emergent issues, integrating our results with the consumer research literature, and discussing possible managerial implications.

Usage Motivation and Internet WOM Content

As summarized in Table 2, we identified three motives for seeking Internet WOM. First, consumers seek out Internet WOM as an *informational input* to specific purchase decisions. Online WOM seems particularly useful for decisions that are risky, important, or infrequent and is a good surrogate when stronger-tie sources of WOM are not available, such as for travel and gift decisions. Consumers with information motives often rely on posted consumer reviews. Such reviews are typically more specific in focus than other types of Internet WOM. When information is the motive, there seems to be particular interest in negative comments. Negative information is given more weight by consumers (Mizerski, 1982; Weinberger and Dillon, 1980). Further, given the relative anonymity of communication on the Internet (Fisher et al., 1996; Granitz and Ward, 1996), people may tend to act in a freer, less constrained manner in this environment. This anonymity might have the effect of increasing the amount of negative WOM information that could be found published on the Internet and may thus make Internet WOM particularly able to satisfy consumer informational motives.

A desire for *support and community* was another motive for seeking out online WOM. For

example, informants appeared to look for positive information to help reduce dissonant thoughts related to a specific purchase decision (Festinger, 1957; Cummings and Venkatesan, 1976). In addition, our informants sought out solutions to specific product problems and guidance on how to consume products or services. Consumers with support and community motives often appear to rely on discussion forums and particularly seem to value dialog. Participants in these forums exchange stories about their product experiences, helping others deal with common problems and building a community among product owners, users, or enthusiasts (Muniz and O'Guinn, 2001). Seeking out this kind of support and community also appears to be related to facing a new, unfamiliar situation with many associated decisions. For example, one popular discussion forum is for pregnant women, with groups organized around due dates. Participants provide each other with feedback, decision input, and personal stories. As a group of women continue to exchange information over the course of their pregnancies and after the birth of their babies, a community, with its associated rituals, will begin to form (see the chapter by Alon, Brunel and Siegal, 2002).

Finally, some consumers read online WOM purely for its *entertainment* value. Consumers with entertainment motives seem to enjoy seeing the views of enthusiasts and comparing their own opinions and experiences with those of others. This is consistent with Holt's (1995) notion of "consuming as play." Because consumers with entertainment motives are often interested in dialogue, discussion forums and chats are common types of Internet WOM used in this situation. Entertainment-seeking consumers appear to particularly value content presenting extreme viewpoints and humorous exchanges. In addition, consumers with entertainment motives may be more interested in "special features" of Internet WOM sites, such as photographs. Previous research has shown that consumers in a recreational shopping mode are more highly involved with the product category, engaging in ongoing search and ultimately spending more money in

the product class (Bloch, Sherrell, and Ridgway, 1986). In addition, these consumers tend to be

opinion leaders (Bloch, Ridgway, and Sherrell, 1989). Thus, marketers may want to develop

Internet WOM sites that are attractive to these entertainment-seeking consumers. For example,

Schlosser and Kanfer (2002) show that for consumers with hedonic browsing motives, Internet

WOM sites that incorporate web features such as product interactivity may be more effective in

influencing attitudes and purchase behavior.

Toward Building Better WOM Web Sites

    Past research has indicated that consumers are likely to evaluate a WOM message based on

the content of the message as well as the message's source. Our results not only provide evidence

for both of these means of message evaluation, but also give us some insights into how they are

accomplished. Our informants used message content for evaluating bias and validity by:

- Looking for the presence of negative information
- Determining whether there is a consensus among reviewers
- Noting the presence of details in reviews
- Using wording cues such as inexpressive slang or extreme emotion words to judge the degree to which the review reflects a careful, thoughtful analysis
- Paying attention to whether the reviews plausibly result from authentic first-person experiences

Our informants used information about the message source to evaluate a message by:

- Noting the owner of the web site on which the message is found
- Examining explicit identity information about the writer

We are currently more systematically investigating these evaluative cues by using a detailed

content analysis to compare online reviews that consumers consider to be very useful with those

that consumers consider not useful. The perceived usefulness as well as the importance of

specific cues is likely to vary by the motive driving the information search.

    The identification of the cues consumers use to evaluate Internet WOM could be used to aid

in the development of web sites that are more effective in providing information that consumers perceive as useful. Consumers considering posting reviews on a web site could be given information on how readers tend to evaluate reviews and could be encouraged, for example, to emphasize detailed description of their personal experience with the product. Web sites that specialize in consumer reviews, such as Epinions.com, often provide an information page containing a reviewer's personal information and often a photograph. These sites could encourage the posters to submit a set of selected personal facts or doing so could even be made a requirement for the posting of a product review. On the downside, these kinds of requirements could limit the number of consumers willing to provide WOM comments due to concerns about privacy.

Our research suggests that manufacturer or retailer web sites that display WOM messages must also deal with consumer concerns that the selling intent of these sites leads to biases in this WOM information. Owners of such sites could meet these concerns by establishing an explicit general policy on the posting of consumer reviews and making it easy for a consumer to test this policy by posting a review. More permissive general policies – such as promising to publish every received comment that avoids obscene language and content offensive to any particular person or social group – would lead to greater perceived credibility than more restrictive general policies. The challenge for management would be to maintain some control of message content while at the same time showing a willingness to publish both positive and negative information.

Our research also suggests that there may be entrepreneurial possibilities regarding Internet WOM. The numerous benefits of online WOM detailed by our informants suggests that there would be consumer interest in making such information easier to obtain. For example, access to consumer reviews, discussion forums, and other forms of published Internet WOM could be

facilitated by the development of search sites that selectively index consumer-to-consumer postings. Further, consumers are looking for venues in which to exchange brand and product-related information. Our research highlights the importance of using the Internet to build brand and product-based communities (McAlexander, Schouten, and Koenig, 2002; Muniz and O'Guinn, 2001). Applying our findings on the motives for using online WOM, such search sites could promote their entertainment value as well as their usefulness in aiding consumer purchase decisions.

WOM Information and the Consumer Decision Process

The results of our interviews indicate that the influence of Internet WOM information may be broadly spread throughout the decision process (see Figure 1). A fellow consumer's mention of a product or a potential product benefit could stimulate problem recognition. Other consumers could provide ideas that would lead an alternative to be included in a consumer's consideration set or information that could lead to an alternative being removed from the consideration set. If after consideration of the WOM information there were no viable alternatives remaining, then the information would have contributed to decision termination. If more than one viable alternative remains, then online WOM suggesting important attributes could influence the criteria by which these alternatives are compared. Information from other consumers concerning how the alternatives rate on important attributes could also affect alternative evaluation. After a purchase has been made, online WOM could increase the consumer's satisfaction with the choice by providing reassuring positive information and by helping to resolve consumption-related problems. Finally, while this figure focuses on a medium and high involvement decision-making situations, it is clear from our research that Internet WOM also affects low-involvement decision-making. In particular, consumers are passively exposed to Internet WOM when browsing or

searching for information with an entertainment motive. This information is likely to affect subsequent low-involvement decisions.

Each of these decision-process influences could be considered separate effects, and each could constitute a productive topic for further research. For example, the observation that a decision alternative can be removed from further consideration by only a single piece of online WOM information may provide an approach to investigating this form of heuristic processing in consumer decision-making. Future research could focus on what types of attributes are likely to serve as such "flash points" and in what decision situations are flash points most likely to be used. This line of investigation could potentially provide insight into the mechanisms by which consumers manage their consideration sets in an increasingly information-rich environment.

Conclusions

The Internet has made it possible for consumers to easily discuss product-related information and experiences with other people. This ease of information exchange greatly enhances the potential impact of WOM on the consumer. Our study examines this increasingly important phenomenon, reinforcing findings from earlier research on WOM effects and identifying new possibilities for WOM effects within the online environment.

Our research provides direction for better managing and facilitating consumer-to-consumer interactions on the Internet. Understanding consumers' motives for seeking out information can aid in the design of sites most likely to attract consumers with specific information needs. Understanding how consumers evaluate WOM content can provide guidance in eliciting posted reviews (forms to use, how much personal information to provide, etc.), as well as disclosure policies to help assure the validity of reviews. Finally, understanding the impact of WOM on decision-making processes can help marketers to better utilize online WOM to encourage

purchase and consumption. For example, marketers may want to target those consumers most likely to post reviews or participate in discussion forums since, through such behaviors, these consumers serve as opinion leaders. In addition, marketers may be able to apply what we have learned about effective WOM messages to help motivate desirable but difficult behaviors, such as weight loss or exercise.

This research program not only has practical implications, but can also help us better understand the mechanisms by which WOM communication exerts its powerful effects on consumer behavior in other (offline) contexts. For example, the criteria used to evaluate online WOM are also likely to be used in other contexts. Earlier research on WOM has had limited access to the actual dialog between the information provider and the seeker. Future research can take advantage of the "frozen chunks" of WOM exchanges saved on the Internet to more effectively study what makes a persuasive message and the effects of such messages on buyer behavior.

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Table 1

Characteristics of Seven Sources of Internet Word of Mouth

	Information flow:	**Timing of interactions:**	**Interacting with:**	**Referability:**
Posted reviews	One-way			Constant
Mailbags	Two-way	Delayed	Sellers	Constant
Discussion forums	Two-way	Delayed	Consumers	Constant
Listservs	Two-way	Delayed	Consumers	Limited
Personal e-mail	Two-way	Delayed	Consumers	Limited
Chat rooms	Two-way	Immediate	Consumers	Limited
Instant messaging	Two-way	Immediate	Consumers	Limited

Table 2

Summary of Motives to Use Internet Word of Mouth

Motive type	Prominent examples	Common types of IWOM used	Types of content favored
Information	Risky purchases Infrequent purchases Distance-related Gifts	Posted reviews (convenience is key)	Negative information, comparisons
Support and community	Relieving dissonance Dealing with problems	Discussion forums	Positive information, stories
Entertainment	Views of enthusiasts How own views compare with those of others	Discussion forums, chats, instant messaging	Extreme viewpoints, humor, photographs, etc.

**Decision Process
Component**   **What Internet
WOM Contributes**

| Problem Recognition | ← Potential benefits of purchase |

↓

| Consideration Set | ← Ideas for attractive new alternatives
Flash points on current alternatives |

| Decision Termination | | Alternative Evaluation | ← Criteria
Ratings |

↓

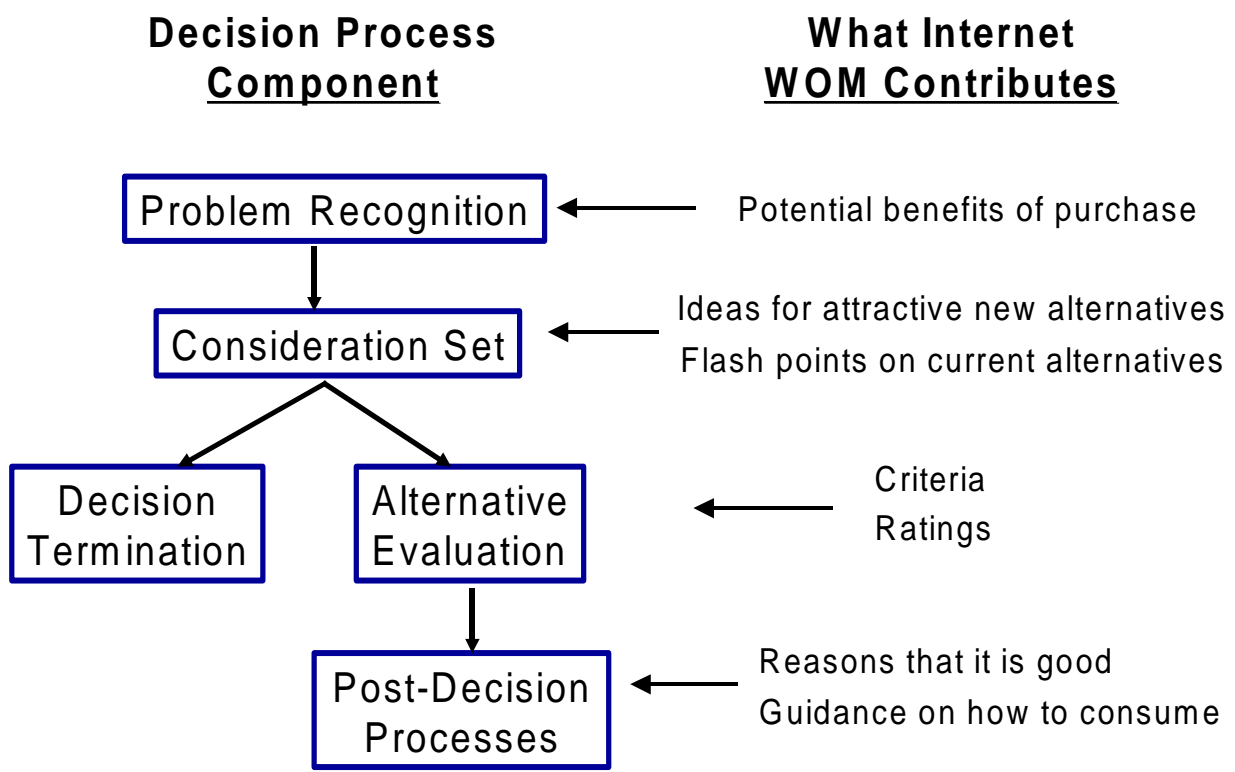| Post-Decision Processes | ← Reasons that it is good
Guidance on how to consume |

Figure 1. The impact of Internet WOM on consumer decision-making processes.