Online information search and utilization of electronic word-of-mouth

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ABSTRACT

Research on online consumer information search behavior has typically concentrated on search-type information instead of experience information. This article focuses on electronic word-of-mouth (eWOM) as a source of experience information, and we study the relationships between the antecedents, amount and utilization of eWOM searched. Using survey data from 1660 customers of two travel agencies, we find that 1) the search for eWOM differs distinctively from the search for marketer-generated online content, and 2) the more eWOM is being searched, the less it is being utilized in the final purchase decision.

Keywords

Online information search, electronic word-of-mouth, experience information

1. INTRODUCTION

Information search is an acknowledged phase in consumer decision making process [31, 37, 47] and the internet has had a significant impact on it [21, 24, 38]. The internet offers a wide range of information from marketers’ own web sites to consumer discussions, and the information varies from standardized and objective to diverse and subjective. The type of information can be classified into search and experience information [14, 15, 23]. The former refers to information that can be viewed as objective and easily comparable, and it regards factual information such as price and product attributes. Experience information, on the other hand, is subjective and personal and concerns consumers’ own preferences, ideas and opinions. Search and experience information differ mainly on their semantic complexity: search information can typically be put in standardized and simple forms while experience information is more varying and complex to convey [15]. The distinction is derived from the search/experience classification paradigm that is traditionally used to categorize products [14, 23].

Research regarding online information search has often concentrated on impersonal marketer-controlled content by investigating consumers’ means of searching for information at companies’ own web sites and online stores [22, 41]. Many researchers argue that consumers go online to look for search information but turn to offline sources (mostly friends and family) for experience information due to the high perceived risk attached to online sources [15, 24, 38, 50]. Especially low trust and credibility towards online sources have been seen to be the main reasons for the weak utility of the internet for experience information [15]. Furthermore, online sources typically fall short in terms of sensory stimulation, which is important in the evaluation of products’ experiential qualities [14, 15].

However, as a large number of consumers use social media as an information source [20], it is worth exploring which factors influence the search for user-generated content—referred here as
Electronic word-of-mouth (eWOM)\(^1\). And, as experience information centrally refers to consumers’ own subjective opinions and evaluation of products, eWOM offers a good platform to study the search of experience information in the online context.

What also makes eWOM especially interesting is that consumers who gather information from eWOM sources have been seen to become more interested in the searched product category than those searching information from marketer-generated sources [3]. Recent literature has addressed the acclaimed problems concerning the credence of eWOM sources. There is evidence that in some circumstances consumers trust eWOM sources even more than their own personal information sources [48] and that from consumers’ perspective eWOM holds greater credibility than content created by marketers [3, 20]. Consumers evaluate the credibility of eWOM messages carefully and the perceived motives behind the articulated comments determine the credibility of the source [43]. Due to these (and many other) reasons, eWOM has been seen to influence consumers’ decision-making [10, 12, 35].

This study draws on the conflicting argument that experience information is acquired from other than online information sources due to the credibility problems attached to them [15, 24, 38, 50] even though recent literature exhibits consumers’ increased trust towards eWOM [3, 12, 48]. Thus, the study focuses on consumers’ search for eWOM. The research discusses specifically the factors affecting the degree of eWOM search and the utilization of the found eWOM in purchasing. The main theoretical contribution is produced to the field of online information search in the eWOM context.

The study is organized as follows. First, there is a brief discussion of the central online information search research. A research model with the hypotheses is presented. Methodology is discussed from the perspectives of the empirical setting, data collection procedures and measurement. The empirical evidence is derived from customers of two travel agencies and the studied information search behavior concerns the purchase of the last trip the customers had bought through the respective agencies. The results of the analysis are discussed with both theoretical and managerial implications as well as with research limitations and future research avenues.

2. THEORETICAL BACKGROUND

The internet has changed the dynamics of information search as a massive amount of information has become available for relatively low cost. Optimally, consumers search until the perceived marginal benefit of the search is equal to the perceived marginal cost [21, 49]. The internet has had an impact on this economic equation as both search costs and benefits can be perceived differently online [24].

In the offline context, time is usually the largest component of the search cost but in the internet cognitive costs of assimilating, integrating and weighting large amounts of information account for a relatively larger share while the time needed for the search diminishes [24, 38]. Especially experience information increases the cognitive costs due to its varying nature [15]. However, many researchers agree that—overall—the internet has lowered consumers’ search costs as the availability of information and the time needed to retrieve it are significantly different compared to other means of searching for information [15, 21, 24].

Benefits from online information search are similar to those in the offline context but it may be argued that the internet produces more new point-of-views than traditional information sources. Thus, the internet enables one to find possibly otherwise hidden information, which benefits the consumer. However, technical requirements of the internet usage make the perceived benefits more dispersed among consumers: some consumers know better where to look for information and how to interpret it and can thus enjoy the benefits of the internet to greater extents than others [24]. Nevertheless, lower costs or increased benefits are not always the main drivers to use the internet as an information source. The degree of previous internet usage might be the most prominent reason to use it for information search [21]. Furthermore, despite the benefits of the internet, offline information sources are important for consumers even in the digitalized world of today [38].

We can find a number of personal factors that influence the amount of online information search conducted by consumers. The determinants can be divided between personal variables (e.g. consumer demographics), behavioral variables (e.g. responses to risk) and experience variables (e.g. search ability) [18]. Additionally, the determinants can be categorized between internal factors (e.g. motivation to search online) and external factors (e.g. cost of search) [15, 41]. Many authors have underlined the importance of previous internet use and intention to use the internet as key antecedents of online information search [21, 45]. Based on the literature, internal factors have been seen to influence the search more than external market-driven factors [41] whereby they form the basis for our research model as well.

3. RESEARCH MODEL AND HYPOTHESES

The study builds mainly on an existing research model of online consumer information search and applies it to the eWOM context. In addition, a new variable is added to model: utilization of eWOM in purchase decision. The information search model is created by Rose and Samouel [41] and it measures the extent of online consumer information search and the factors influencing it. The applied constructs used in this study are usable prior knowledge and memory structure, ability to search online, motivation to search online and amount of eWOM search. The former construct is a combination of original constructs called usable prior knowledge and prior memory structure. The constructs measure items so close to each other that for the analysis purposes they were combined. The utilization of eWOM in purchase decision is derived from two different constructs: Bansal and Voyer’s [2] influence of word-of-mouth on purchase decision construct and Cheung, Lee and Rabjohn’s [10] information adoption construct. Utilization is thus a combination of eWOM influence and adoption. Figure 1 presents the framework of the study.

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\(^1\)Electronic word-of-mouth, eWOM, can be defined as "any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the internet" [17].
It is known that internal cognition affects the need for external information [5, 37, 42]; If a consumer is familiar with a product category, he can complete a search for a respective product merely internally, i.e. retrieving the needed information from his memory. In this kind of situation the need for external information is small. On the other hand, if a consumer does not have previous knowledge regarding a needed product, he has to search for external information from the marketplace [37].

Internal knowledge has been seen to be especially important for experience goods [15]. As information regarding experience product attributes is difficult to attain without testing or using the product first, consumer memorizes previous similar situations to get first-hand information. Thus, if the consumer has a lot of good usable prior knowledge, the marginal benefit of new information is smaller and the marginal cost of acquiring better information than he already has is larger. In fact, findings regarding online information search for travel services reveal that better usable prior knowledge leads to less searching [28] and that the level of prior knowledge has been found to discriminate the appropriateness of the internet as an information source in the case of experience products [39].

In order to use prior knowledge effectively, a person must be able to retrieve it from his memory [37]. There are three influential factors to consider regarding memory structure: memory system (categorical memory hierarchy), attention (cognitive resource allocation) and schemas (experience-based mental models) [46]. These factors are useful while searching for eWOM: a consumer must have enough cognitive resources to process varied eWOM messages and use his schemas to evaluate the relevance of the found information. Memory system will help in fitting the new information into existing memory structure. Thus, the better his prior memory structure is, the less the consumer needs to search for new information. Furthermore, a good memory structure will help the consumer to evaluate new information and the need to search for new information diminishes. Even though the varying nature of eWOM is expected to increase the consumers’ need for cognitive resources, the direction of the effect is expected to remain the same as in other information source contexts. Thus, we state that:

H1: Usable prior knowledge and memory structure are negatively related to amount of eWOM search.

In order to conduct an effective online information search, it is necessary that a consumer has the required skills and capabilities to navigate and manipulate the online environment [15, 41]. Consequently, skillful consumers are able to conduct more extensive and beneficial searches than less skillful internet users [28, 41]. Skill factors can be divided into technology, search and information processing related skills [15], which all come in use while searching for information in internet. As eWOM is typically scattered all around the web with no one responsible for information hierarchy or correctness, we are discussing an even more demanding search environment than regular marketer web sites. Similarly, searching for experience information (“What is the atmosphere like in this hotel?”) requires greater search abilities than searching for plain search information (“What is the price of a double room in this hotel?”). To find an answer to the former question takes also significantly more time than finding out something as straightforward as presented in the latter question. Therefore, we hypothesize the following:

H2: Ability to search online is positively related to amount of eWOM search.

Motivation to seek information is an often mentioned antecedent of information search as consumers are assumed to vary in terms of the pleasure and benefit they receive from information seeking [16, 37, 42], and the degree of motivation has been seen to influence positively the amount of search [37]. In the internet, motivation is an important factor of search as well, and the dominant factors that motivate online shoppers to search include perceived usefulness, perceived personal risk, computer confidence and perceived financial benefit [41]. These factors are relevant to the context of this study. Perceived personal risk, usefulness and financial benefit play a central role when consumers buy travel services as holiday trips are one of the most expensive items purchased regularly by households [8] and prices between different service options vary [6]. Assuming that eWOM can provide more beneficial information to consumers than marketer-generated information but it is more difficult to find, the remaining factor become important as well: those consumers who are more confident with computers are more motivated to search for eWOM and experience information. Therefore we assume the following:

H3: Motivation to search online is positively related to amount of eWOM search.

A general but not often expressed assumption is that the more one searches for information the more he will utilize it in purchasing. Theoretically, the more information is available, the better precondition there is to make a knowledgeable purchase.
decision [49] and, thus, it would be tempting to say that greater amount of information leads to greater utilization of it. However, the relationship is more complex in practice and especially two factors hinder the utilization of large amounts of information: information overload and information discrepancy [15].

A vast amount of information makes the utilization of the information demanding as consumers have limited cognitive capabilities to process large amounts of information. Thus, a consumer can encounter information overload, which results in more confused, less confident and less satisfied consumers [27]. This is especially evident in the eWOM context—there seems to be an endless supply of new content and links to new discussions, which might produce confusion and uncertainty. Furthermore, the more one searches for eWOM, the more he is likely to find mixed reviews on the searched matter. As mixed eWOM evidence is counterproductive [12] and negative eWOM is proportionally more influential on eWOM utilization than positive [35, 43], higher amount of eWOM is argued to make the decision-making more difficult.

Information overload and discrepancy are evident in both online and offline contexts. When either one or both of them occur, the result may be further search or search termination due to the frustration with the search process [15, 33]. Marketers may deliberately organize information in a non-standardized form to make product comparisons difficult but eWOM can create inconsistency that is even more difficult to overcome: people have varying opinions, experiences and ways of speaking, which makes it hard to form a consistent idea of the searched matter [18]. Furthermore, as experience information is by definition non-standardized, inconsistency is almost inherent in eWOM. Based on these considerations, we hypothesize the following:

H4: Amount of eWOM search is negatively related to utilization of eWOM in purchase decision.

4. METHODOLOGY

4.1 Selection of empirical setting

The study investigates the research problem in travel industry context. The particular industry was selected as the subject of research due to a number of reasons. Firstly, the travel industry has been a forerunner in electronic buying and selling since the early 1990s [36, 44]. Due to its early adoption and rapid global diffusion of e-commerce, the travel industry has been a benchmark for many other industries in how industry transformation takes place when particularly consumer behavior is influenced by the shift to digital channels [8, 9]. What happens in the travel industry can be argued to both predict and shape the future of e-commerce in other industries and therefore the investigation of travel agency customers is particularly appealing. Furthermore, eWOM has been very powerful in the travel industry, with both global eWOM-centered companies (e.g. TripAdvisor, Hotels.com) and small local dialogues being common [8].

Information search forms a key variable in travel service buying due to the nature of services: they are intangible, heterogenic, experiential, social and inseparable, and thus difficult to assess and compare, which makes information a major issue [34]. Furthermore, considering the financial and personal risks related to travel services [6, 8], consumers’ need for information is significant. From the perspective of experience information, leisure travel offers a fruitful empirical arena. Traveling is highly experiential and therefore experience information regarding travel services is valuable and often needed [15]. Moreover, prior research regarding online consumer information search has focused mainly on search products (CDs, books, electrical goods) [22, 41], which makes the experience product setting more prosperous.

The empirical material was collected specifically on packaged holiday travel with the motivation that productized service offerings yield clearer information search, decision-making and value-of-purchase findings. Here, it is easier to track down the entire information search process to a single purchase and a single service provider. Furthermore, the packaged leisure travel business is fairly homogenous globally so our results offer good generalizability.

4.2 Data collection

Data were collected from customers of two major travel agencies in a European country. The agencies operate within rather similar markets offering a wide range of travel services to consumers and focus on packaged holiday trips to destinations like the Canary Islands, Egypt, Greece, Thailand, Turkey, and many others. The companies represent the mid-market price range and have slightly different clientele demographics, which can be considered an advantage. One is also a foreign owned subsidiary while the other is a domestic company.

The sample of the study was formed from customers who had bought a holiday trip within one year so that memorization of their purchase process was assured. A survey of the total population of 7951 customers was conducted via email. The survey yielded 1875 sufficiently completed responses, representing a 24% response rate. Due to the nature of the research model, only those who had used the internet for information search (1660 respondents) were accepted for the analysis, resulting in a final response rate of 21%, which can be considered very good for email consumer surveys [19]. The research questionnaire was pretested first with 52 university students and then with 98 travel agency customers to ensure technical functionality. Only very minor changes were made to the wording of the questionnaire based on the pretests. The survey went out in four versions with randomized order of questions.

The respondents’ distribution was 66% and 34% between the two travel agencies (company-specific response rates were 31% and 16% accordingly). 65% of the respondents were women and 35% men. The average age was 44 years and the biggest respondent cohorts were the 46–55-year-olds (27%) and less than 25-year-olds (26%). A clear majority of the respondents (89%) had used the internet for information search for the latest purchase. However, not all of the online information seekers had bought the trip online; 72% had bought the trip online and the rest from other sales channels, mainly physical travel bureaus, phone, and travel fairs. Non-response bias was tested through analysis of mean scores on the survey items for early versus late
respondents [1]. No significant differences were found using t-tests at the .05 level.

### 4.3 Measurement and results

The items for each construct were formulated to fit the online information search and eWOM contexts using multiple-item, Likert-type scales. Items for antecedents and amount of eWOM search were derived from the online consumer information search model’s operational measures [41]. Utilization of eWOM in purchasing is based on two different scales: influence of WOM on purchase decisions [2] and information adaption [10]. Table 1 reports the final items for each construct.

Amos 19.0 was used to test the confirmatory factor model and evaluate the measurement data on a consistent sample of 1660 cases. To assess the measurement model, the item loadings were inspected to evaluate convergent validity. Most items load on the construct they are intended to and exceed the threshold of .60 [13]. Next, the composite reliability (CR) and average variance extracted (AVE) were investigated. Most measures are above the recommended values of .70 and .50, respectively [13] but the deficiencies in some of the values decrease the reliability of the model. To test the discriminant validity of the model, we used the Fornell and Larcker [13] procedure and compared the square root of AVE for a given construct (presented on the diagonal in

<table>
<thead>
<tr>
<th>Construct</th>
<th>CR</th>
<th>AVE</th>
<th>Loadings*</th>
<th>Items**</th>
<th>Based on</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Usable prior knowledge and memory structure</td>
<td>0,273</td>
<td>0,235</td>
<td>0,062</td>
<td>Time since last purchase</td>
<td>Rose &amp; Samouel (2009)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0,712</td>
<td>Previous satisfaction</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0,447</td>
<td>Product knowledge</td>
<td></td>
</tr>
<tr>
<td>2. Ability to search online</td>
<td>0,592</td>
<td>0,398</td>
<td>0,832</td>
<td>Perceived Internet skill</td>
<td>Rose &amp; Samouel (2009)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0,488</td>
<td>Internet usage support</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0,874</td>
<td>Internet frequency of use</td>
<td></td>
</tr>
<tr>
<td>3. Motivation to search online</td>
<td>0,716</td>
<td>0,445</td>
<td>0,837</td>
<td>Perceived usefulness</td>
<td>Rose &amp; Samouel (2009)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0,845</td>
<td>Perceived personal risk</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0,622</td>
<td>Computer confidence</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0,837</td>
<td>Perceived financial benefit</td>
<td></td>
</tr>
<tr>
<td>4. Amount of eWOM search</td>
<td>0,751</td>
<td>0,575</td>
<td>0,755</td>
<td>Total number of occasions went online</td>
<td>Rose &amp; Samouel (2009)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0,750</td>
<td>Total time spent searching</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0,725</td>
<td>Number of websites visited</td>
<td></td>
</tr>
<tr>
<td>5. Utilization of eWOM in purchase decision</td>
<td>0,816</td>
<td>0,470</td>
<td>0,801</td>
<td>Online discussions had significant influence</td>
<td>Bansal &amp; Voyer (2000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0,857</td>
<td>Online discussions really helped</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0,828</td>
<td>Online discussions provided different ideas</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0,849</td>
<td>Online discussions mentioned helpful things</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0,851</td>
<td>I followed the suggestion given in online discussions</td>
<td>Cheung et al. (2008)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0,802</td>
<td>I agreed with the opinion given in online discussions</td>
<td></td>
</tr>
</tbody>
</table>

* All loadings are significant at $p < 0.01$

** All scales were measured on a 7-point scale, ranging from 1 = strongly agree to 7 = strongly disagree

Table 2: Correlation matrix

<table>
<thead>
<tr>
<th>Construct</th>
<th>Mean</th>
<th>SD</th>
<th>1.</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
<th>5.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Usable prior knowledge and memory structure</td>
<td>2,14</td>
<td>0,89</td>
<td>0,485</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Ability to search online</td>
<td>2,12</td>
<td>1,15</td>
<td>0,631</td>
<td>0,485</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Motivation to search online</td>
<td>3,30</td>
<td>1,38</td>
<td>0,378</td>
<td>0,667</td>
<td>0,697</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Amount of eWOM search</td>
<td>3,22</td>
<td>0,92</td>
<td>0,039</td>
<td>-0,165</td>
<td>-0,236</td>
<td>0,758</td>
<td></td>
</tr>
<tr>
<td>5. Utilization of eWOM in purchase decision</td>
<td>3,94</td>
<td>1,50</td>
<td>0,087</td>
<td>0,149</td>
<td>0,667</td>
<td>-0,257</td>
<td>0,686</td>
</tr>
</tbody>
</table>
bold) to the absolute value of the standardized correlation of the
given construct with any other construct in the analysis. The
discriminant validity of the model is good except for the
correlation between usable prior knowledge and memory
structure and ability to search online. This should be taken into
account when interpreting the results. Summary statistics for the
measurement model are presented in Table 2.

The data fit the research model well as reflected by several fit
indicators. The comparative fit index (CFI) shows satisfactory fit
with index of .941. The acceptable level is > .90. Tucker-Lewis
index (TLI) for the model is acceptable, .921. Additionally, the
normed fit index shows good fit with value of .932 (threshold
>.90) [25]. After the initial model assessment for the proposed
model, we conducted structural equation modeling (SEM) to test
the proposed hypotheses by estimating the structural
coefficients. The final model and the standardized path estimates
are presented in Figure 2.

The results suggest that the directions of all the information
search antecedents are converse to the hypothesized directions.
Usable prior knowledge and memory structure exhibits a
positive relationship with the amount of eWOM search (H1: \( \gamma =
.24, p < .001 \)) when we hypothesized a negative relationship.
Contrary to the positive hypotheses, the remaining two
anteceding factors—ability to search online and motivation to
search online—exhibit a negative relationship with the amount
of eWOM search (H2: \( \gamma = -.14, p < .001 \) and H3: \( \gamma = -.16, p <
.001 \) respectively). As hypothesized, amount of eWOM search
relates negatively with the utilization of eWOM in purchase
decision (H4: \( \gamma = -.44, p < .001 \)) indicating that more search
leads to less utilization. The implications of these results are
discussed next.

5. DISCUSSION

5.1 Theoretical implications

There are two main findings. First, when comparing the
relationships between the information search antecedents and the
amount of eWOM search to the equivalent relationships in
general information search settings (online or offline) [37, 41],
we can see that the relationship polarities are inverse. Thus, the
information search for eWOM differs distinctively from general
information search. Secondly, the amount of eWOM search and
the utilization of the found eWOM in purchase decisions exhibit
a significant negative relationship. The theoretical implications
of these findings are discussed next.

To understand why the dynamics of eWOM search operate
differently to other information search situations, we must study
each relationship separately. According to the results, usable
prior knowledge and memory structure is positively related to
the amount of eWOM search even though previous research
concerning other information sources has indicated an opposite
relationship [28, 37, 41]. However, support towards the positive
relation can be found as well [32]. We believe that the cognitive
effort required to interpret eWOM messages offers us an answer:
consumers who have better cognitive abilities regarding the
product category are more inclined towards eWOM as they are
confident in their ability to interpret online discussions. Further,
as eWOM can offer consumers experiential information not
available in other information sources, the knowledgeable
consumers have an incentive to explore eWOM information.

Information search ability and information search motivation
have a weak negative relationship with the amount of eWOM
search. This is contrary to most information search research
findings [15, 41]. However, as the internet has become
commonplace in consumers’ everyday life and knowing how to
use the internet has become a basic part of their skill sets, we
argue that self-reported internet usage ability becomes a trivial
determinant in online information search in the future.
Nevertheless, as we still can report differences in this variable
across consumers, we believe that due to the cognitive effort
required in finding useful eWOM, those who are more skillful
in using the internet will find the needed pieces of information
quicker. A similar reason can be argued to stand behind the
negative motivation to search online—amount of eWOM search-
relationship. The more motivated one is to find useful eWOM
information, the less time he has to spend in the search. There
have been similar findings regarding the ease-of-use of the
internet and adoption of online shopping technologies—
presumably due to consumers’ improved internet usage
confidence [41].

In the consequence of these surprising findings, we believe that
eWOM brings forth new information search dynamics and,
consequently, new kind of consumer behavior emerges. The
self-reported measures may reflect consumer identities as well:
more informed consumers or consumers who have a more
positive attitude towards eWOM might act differently than those
who have doubts about using eWOM as an information source.
It is assumed that those, who see eWOM as an information
source offering new opportunities, acknowledge the availability
of valuable experience information in eWOM messages. This

Figure 2: Online information search and utilization of electronic word-of-mouth

| Usable prior knowledge and memory structure | -24*** |
| Ability to search online | -14*** |
| Motivation to search online | -16*** |
| Amount of eWOM search | -44*** |
| Utilization of eWOM in purchase decision |  |

*** = sig. at \( p < .001 \)
might make the consumers behave differently than in other information search situations that offer mainly standardized and mundane information.

As hypothesized, the more one searches for eWOM, the less he is able to utilize the found information in a purchase decision. The finding gives support to the assumption that in the eWOM context information overload and/or information discrepancy and the following cognitive effort hinders the utilization of the found information [12, 15, 27]. However, we do not think that eWOM is not always usable in consumer decision making, and the substantial degree of online information search among consumers (89% of the respondents) tells another story: eWOM is usable and helpful to some extent but after a certain point every new piece of information makes the overall amount of information less helpful and harder to utilize.

5.2 Managerial implications

Based on the existing knowledge, consumers are increasingly accessing online content created by other consumers and diminishing the use of commercial and marketer-generated content [20]. Even though eWOM may seem like a random collection of content all over the web that cannot be controlled by companies, there are ways to capitalize on it—consider for example Hotels.com and TripAdvisor that are growing online services effectively by combining customer reviews and electronic sales and thereby developing an “eWOM travel agency”. Their early understanding and commitment to eWOM has helped them gain ground on companies that have relied more on traditional travel information and/or been slower to react (e.g. Lonely Planet).

According to the findings, the more consumers search for eWOM, the less they finally utilize the found information in purchasing. In case of an information overload, consumers’ are assumed to act based on their existing knowledge and possibly make a similar purchase to one made in the past. Therefore, marketers have an incentive to influence consumers’ information search patterns by guiding them to search a reasonable amount of information. And, as consumers still use eWOM as an information source, consumers’ search preferences could be satisfied by offering eWOM information directly at the marketers’ own web sites. This could decrease the chance of information overload. Additionally, when the information is placed on a site controlled by the marketer, the risk of information discrepancy could also be avoided. However, contrary to some suggestions [29, 30], we do not encourage the marketers to produce fake eWOM as consumers are to recognize true eWOM [11].

Furthermore, as online consumer information search from eWOM sources is different compared to general marketer-controlled sources, and as previous knowledge regarding consumer information search patterns does not apply in the eWOM context, marketers should pay attention to the influence that eWOM has on consumer behavior. Recommendable is to track consumers’ information search behaviors regarding the company’s own industry and to optimize the information supply in the owned information channels, both offline and online. If the company knows in which phase the consumer turns to the company and what kinds of information needs are relevant in that phase, the simplicity of the provided information might be just what the consumer wants.

6. LIMITATIONS AND FUTURE RESEARCH

Naturally, there are limitations in our study, some of which are inherent to the research method used while some relate to the context. There are also some limitations that relate to the reliability of the measurement model. In our opinion, information search research could benefit from clickstream analysis applied to more diverse areas than it has used to focus. To get more objective data but to also overcome the limitations of the clickstream analysis [7], eWOM search could be studied through clickstream data combined with survey data. This could lessen the problems within self-reported survey data present in this study.

Another limitation to this study is the narrow focus in terms of the consumer information search. Information search is always multi modal as consumers use internal and external, online and offline, personal and impersonal, and marketer-controlled and independent information sources in their search routines, the research should be able to draw conclusions covering all the information source options available to consumers [15]. Thus, we could find new research avenues from studying eWOM search in relation to other information sources considering especially the differing nature of that information source exhibited in this study. Does the differing information search style apply to other information sources in the future as well? Does the “consumer 2.0” start to act differently offline as they seem to do online? Consumers’ information search process and the phase where eWOM is the most needed remains unclear as well. These would be interesting questions to tap into.

The sample, existing customers of two travel agencies in one country omits non-buyer behavior and geographical generalizability. The reasons presented above for choosing the empirical setting make up for some of this. Information search and eWOM are particularly interesting in relation to e-selling - marketers need to understand how consumers end up to their web site and why the purchase processes in online stores are so often cut short. Thus, online consumer behavior should be studied while the purchase is planned and processed and so that non-buyers could also be reached. Additionally, the digital information-behavior-outcome patterns should be studied more thoroughly as e-selling, not just e-marketing or e-retailing, becomes increasingly important to businesses. The generalizability of the results outside the travel industry is unknown but with traveling being a frontrunner in digitalization of commerce [8] the findings are expected to be relevant to many service companies operating in the B2C context.

Most prominent need for future research relates to the rather surprising research results of the relationships between the antecedents and the amount of eWOM search. How is it possible that findings regarding eWOM search differ so remarkably from other information source contexts? What makes eWOM so special that consumers start behaving completely differently than in other information search situations? These questions stay partly unanswered in the limits of this study and the future research should address them as eWOM opens a new door in information search research.
7. REFERENCES


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