



Chapter 1

Consumer–Generated Content as Clues for Brand Trust in the Digital Era


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ABSTRACT

Electronic word of mouth (eWOM) has an effect on trust prior to purchase of similar branding for both highly branded and off-branded products and services. This chapter shows, through a literature review, the impact of eWOM on building trust and then on sales of search and experience goods. Major findings are presented. eWOM has a stronger impact on the sales of experience goods than on search goods. When considering a purchase online, consumers have more resources about the product or service than those that the retailer or manufacturer provides. These newly available resources are consumer-generated; hence, consumers considering a buy find them more trustworthy. Consumers also value differently whether the consumer-generated content is positive or negative about the product or service they are considering buying. The final part of the chapter discusses the different implications for marketing practitioners.

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INTRODUCTION

Nowadays, digital marketing is too important for companies. Since 2017, the penetration of the Internet worldwide was 48,67% (The World Bank, n.d.) (Singh et al., 2020; Singh, Mondal & Das, 2020; Sharma & Das, 2020). It is broadly adopted now, and among the business processes, marketing might be the one that has been disrupted the most by it (Das, 2020; Mondal, 2020; Nadanyiova & Das, 2020). It has the potential of increasing sales and revenues, as well as is important for building brand trust and loyalty (Chaffey & Ellis-Chadwick, 2016). Digital marketing refers to communicating the value of items such as goods, products or services to customers, leveraging online and offline digital channels, mainly on the Internet (Behera, Gunasekaran, Gupta, Kamboj, & Bala, 2019). In a more simplified way, one could say that Digital Marketing is the use of Information and Communication Technologies (ICT) to achieve marketing objectives (Mondal & Sahoo, 2020; Das & Nayyar, 2020; Das, Nayyar & Singh, 2019; Das & Nayyar, 2019). There are three main uses of the Internet on this regard (Sabogal Salamanca, Fajardo-Toro, Renteria, Mayett Moreno, & Sanchez Baltasar, 2020; Busca & Bertrandias, 2020):

- To promote the value proposition, better known as Online Advertising.
- To deliver the value proposition, better known as E-Commerce.
- To build strong relationships with customers, better known as Social Media Marketing

A continuing relationship with the customers is important for E-business. Customers buy items to satisfy their needs and each has a unique buying pattern (Wagner, Schramm-Klein, & Steinmann, 2018). Online shopping offers access to the items of a worldwide market in an e-commerce space increases the value of customers and builds sustainable capabilities. Human nature makes consumers tend to buy items recommended by people they consider trustworthy (Luo, Baker, & Donthu, 2019).

The ways consumer know about the products or services are a special concern for marketing. One of these ways is the Consumer Word of Mouth (WOM), which is a way where the consumers show the preferences and recommendations according to their experiences (Luo et al., 2019; Strandberg, Styvén, & Hultman, 2019). With the rise of online social media platforms and e-commerce websites, online WOM has become a popular and vital source of information for consumers (Chen & Yuan, 2020).

The online WOM is defined as electronic Word of Mouth (eWOM), which by definition is “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

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