Chapter 9

Electronic Word-of-Mouth (eWOM) and Its Influence on Book Purchasing Decisions: A Study of the Anobii Digital Bookshelf

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ABSTRACT

Electronic word-of-mouth (eWOM) is playing an increasingly influential role in informing consumers' purchasing decisions. Previously confined to seeking information from a small group of family and friends, consumers are now able via the Internet and social media, to draw on the contributions of a much larger group of other consumers. This chapter presents findings from a content analysis of a selection of book readers' contributions to the Anobii Digital Bookshelf review site. The research questions guiding this analysis are: do online book reviews influence consumers' book purchasing decisions? What conditions affect the influence of online book reviews? What are the consequences of online book reviews for consumers' book purchasing decisions? The evidence from this study suggests that online book reviews play an influential role in the majority of Anobii members' purchasing decisions; and that the opinions of other readers are sought primarily because of their perceived independence. Findings in relation to the informational and social attributes of book reviews, along with their framing are also presented. The chapter concludes with discussing the implications of the study for the implementation and use of eWOM, including the need to differentiate between different consumer types, being cognizant of the issue of source credibility, and the informational and social attributes that contribute to this, and of possible social and technological biases.

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INTRODUCTION

When making a decision to purchase we often draw on the recommendations of others. In the pre-Internet era we would draw on an immediate circle of family and friends, along with more formal mass media information channels such as newspapers and television. In a post-Internet era we are able to draw not only on these resources but also, via the use of different forms of recommender systems (e.g., electronic review systems, reputation systems and the like), a much larger group of people, in this case other consumers (Foster, 2010; Foster & Lin, 2010). So-called electronic word-of-mouth (eWOM) is now playing an increasingly influential role in consumers’ decisions. For a number of reasons, information is now being sought before and after a purchase, with Amazon.com’s customer review system being a widely cited example that is often used to demonstrate the utility of eWOM for consumers and businesses alike. Existing studies of eWOM can be broadly categorized into those that have focused on its usefulness and implications for consumers and business respectively. The consumer implications include the impact of eWOM on consumers’ information seeking habits in general (Jepsen, 2006; Pöyry et al., 2012) and its growing influence on consumers’ decision making (Brown et al., 2007; Cheung et al., 2008; Dwyer, 2007); while the business implications include identifying the factors that impinge on the effectiveness and persuasiveness of eWOM (Dellarocas, 2003; 2006), the utilization of eWOM for marketing communications (Park & Lee, 2009; Sussan et al., 2006) and measuring the impact of eWOM on sales (Chen et al., 2004; Chevalier & Mayzlin, 2006). This chapter presents findings from an analysis of a set of consumer messages, from the book review site Anobii.com, about the influence of online book reviews on their book purchasing decisions. The research questions guiding the analysis are: Do online book reviews influence consumers’ book purchasing decisions? What conditions affect the influence of online book reviews? What are the consequences of online book reviews for consumers’ book purchasing decisions?

The chapter is organised as follows. First, the concept of eWOM is introduced. This is followed by a literature review on eWOM that identifies its main characteristics and impact on consumer behaviour. Second, the research methods used to collect and analyse the data are described. Third, the findings of the study are presented and discussed. Finally, the chapter concludes with a discussion of the practical implications of the study for implementing consumer information systems, specifically eWOM.

WHAT IS E-WOM?

The recommendations of others are an important source of information that consumers use to inform their purchasing decisions. These recommendations can be either commercially or socially motivated or relatively disinterested, neutral, and independent. While commercial recommendations are generated by organizations in order to raise awareness of a product and to stimulate purchase on the part of consumers, social recommendations or word-of-mouth (WOM) originate from within one’s own immediate social circle. In general, social recommendations are perceived to be more credible and trustworthy than commercial recommendations, and as such it is widely accepted that WOM plays an important role in shaping consumers’ attitudes towards a product. A final source of recommendations (e.g., consumer reports) can be categorized as neutral in the sense of their being generated by independent third parties who have neither a vested interest in product sales nor ties into a consumer’s social circle.

At its core, WOM is a process of social influence where people influence others through the exchange of information (Sweeney et al., 2008). WOM can be categorized according to the relative familiarity and strength of the ties linking
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