

**The Effect of Social Media on  
Consumer Buying Decision Process**

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## **Abstract**

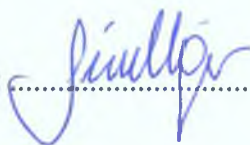
Web 2.0 technologies have recently represent a new way for consumer behaviour by developing a range of user generated content platforms and social interactive tools and created the term of social media (Kaplan and Heinlein, 2010). As the usage of the social media has become more popular, these tools are perceived as a source by consumers to search information about the products during their buying decision process. The aim of this research is to explore how social interactive tools have an influence on buying decision process and how others' product-related opinions collected from social and digital environment are influential on buying decisions.

A case study was designed in this research to study buying decision process of three technological products at different prices. The interviews were made with a buyer and also related people with whom the buyer contacted in his buying processes. Furthermore, social interactive tools which the buyer used to collect information about the products were displayed as a secondary data. This research explored that social interactive tools are effectively used to collect information about products at different prices and other's product-related opinions are perceived as a trustworthy source in the buying decision process. It also suggested that social factors, especially family opinions have a strong influence on the buying decisions while buying an expensive product.

## **Declaration**

I hereby certify that this material, which I now submit for assessment of the programme of study leading to the award of MSc in Management, is entirely my own work and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my dissertation.

Signed: .....



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**Table of Contents**

<b>Chapter 1 Introduction . .</b>	<b>1</b>
<b>Chapter 2 Literature Review .</b>	<b>6</b>
2 1 The Study of Consumer Behaviour	6
2 1 1 Social Groups	7
2 1 2 The Individual Consumer	8
2 1 3 Culture	8
2 2 Consumer Psychology	9
2 2 1 Motivation	9
2 2 2 Perception	10
2 2 3 Learning	10
2 2 4 Memory	10
2 3 The Buying Decision Process	11
2 3 1 Problem Recognition	12
2 3 2 Information Search	13
2 3 3 Evaluation of Alternatives	14
2 3 4 Purchase Decision	15
2 3 5 Post-Purchase Behaviour	16
2 4 Model of Consumer Behaviour	17
2 5 Consumer Digital Interactivity and Electronic Word of Mouth (e-WOM)	23
2 5 1 What is Social Media?	26
2 5 2 The Different Forms of Social Media	27
2 5 3 e-WOM in Social Network Sites	31
2 5 4 Social Dimensions in Social Network Sites and e-WOM	32
2 6 Consumer Digital Buying Behaviour	35
2 6 1 Theory of Reasoned Action (TRA) and Theory of Planned Behaviour (TPB)	35
2 6 2 Technology Acceptance Model (TAM)	37
2 7 The Online Buying Process	42
<b>Chapter 3 Aims and Objectives .. ... ..</b>	<b>44</b>
3 1 Research Question	45

<b>Chapter 4 Methodology</b>	<b>47</b>
4 1 Research Strategy	49
4 2 Case Study Design	51
4 3 Data Collection	54
4 3 1 Semi-structured Interview	54
4 3 2 Secondary Data	56
4 4 Triangulation – Internal Validity	56
<b>Chapter 5 Case Studies</b>	<b>59</b>
<b>Buying Decision Process of Three Technological Products as Narratives</b>	<b>59</b>
5 1 Case Study 1 Downloading a task application (Any Do)	61
5 2 Case Study 2 Buying a smart phone (Nexus One)	63
5 3 Case Study 3 Buying a car (BMW 1 series)	67
<b>Chapter 6 Analysis of Findings and Conclusion</b>	<b>72</b>
6 1 Case Study 1 Downloading a task application (Any Do)	73
6 2 Case Study 2 Buying a smart phone (Nexus One)	76
6 3 Case Study 3 Buying a car (BMW 1 series)	79
6 4 Conclusion	83
6 5 Limitations of the Research	87
<b>Bibliography</b>	<b>88</b>
<b>Appendices</b>	<b>103</b>
Appendix 1 Interview with the buyer in case study 1	103
Appendix 2 Secondary Data in Case Study 1	104
Appendix 3 Interview with the buyer in case study 2	105
Appendix 4 Secondary data in case study 2	106
Appendix 5 Interview with the buyer's friend in case study 2	107
Appendix 6 Interview with the buyer in case study 3	108
Appendix 7 Secondary data in case study 3	109
Appendix 8 Interview with the buyer's friend in case study 3	110
Appendix 9 Interview with the buyer's girlfriend in case study 3	111

## **Chapter 1 Introduction**

In recent years, the development of technology has provided people with a virtual environment which brings them together and increases their interaction and has created many tools which exploit capabilities of the web services. Behind Web 2.0, the range of social interactive tools and communication techniques have been developed to create user-generated content and encourage consumer behaviour with web services such as community or social networks, content ratings, blogs and forums (O'Reilly, 2005). Web 2.0 is defined by Tim O'Reilly (2005) as a new label for web technologies and consumer behaviour to facilitate user participation and interaction on the web. This virtual environment has introduced the term of social media which has become a new component of integrated marketing communications and allows organisations to establish strong relationships with their potential customers (Mangold and Faulds, 2009).

Kaplan and Haenlein (2010) state that the concept of social media is top of the agenda for many business executives today, so firms try to identify ways in which they can make profitable use of applications such as Facebook, YouTube, Twitter and LinkedIn. Each social media application usually attracts a certain group of people and firms should be active wherever their customers are present (Kaplan and Haenlein, 2010). Thus, social media can be an important marketing tool for companies to engage with their customers. In a competitive environment, businesses can use social media as a communications tool to attract their customers and reach their target group with low costs and effective messages.

These benefits encourage more companies and marketers to invest in social media. According to Reuters, Dell has earned roughly \$3 million from its followers on Twitter, who have clicked from posts on the site to Dell's own sites to purchase goods. The PC maker has become one of the first public examples of how companies might profit from Twitter (Baldwin, 2009).

Weinberg (2009) highlights that the geographical walls which divide individuals are crumbling and new online communities are emerging and growing by social media. The social media encompasses a wide range of online word-of-mouth forums and information sharing formats including blogs, micro blogging sites, company sponsored discussion boards, chat rooms, customer-to-customer email, consumer product or service rating emails, creativity works-sharing and social networking sites (Mangold and Faulds, 2009). Hence, it is obvious that with social media platforms people are not only participating in on a social level, they are also interacting, discussing, sharing and exchanging their ideas, opinions and thoughts. Through these social interactive tools, people also share their experiences and opinions about products and brands with large groups. As a result of these, the social media communication technologies have created a new profile of consumer and new consumer behaviour patterns.

There are many researchers suggest that consumers' engagement via social interactive tools is becoming critically important as more marketers incorporate social media. According to Vollmer and Precourt (2008) social media websites are creating a venue for customer to customer conversations about brands and products and these sites represent an ideal tool for electronic word-of-mouth, as consumers freely create and disseminate brand-related information in their established social environment.



Mangold and Faulds (2009) also suggest that social media has important influences on every stage of consumer decision making processes including information acquisition, brand awareness, purchase behaviour and post-purchase communication and evaluation. Nowadays consumers trust more user reviews and online consumer recommendations on social media websites rather than traditional media before making a purchase decision. The consumers' comments about a product on a social media platform produce negative and positive virtual messages and these messages affect their purchasing decision (Chung and Austria, 2010). So, social networks have become an important source for consumers who are seeking to obtain product information and created a platform for them to share their opinions about products and brands.

Social media is commonly associated with social networks and the most known examples of social networks are Facebook, MySpace, LinkedIn (Boyd and Ellison, 2008). The report of the Pew Internet & American Life Project (2010) shows that more than 70% of online users are using social network sites and Facebook (73%) is the most popular social networking website, MySpace (48%) and LinkedIn (14%) are following it (Lenhart et al., 2010). Additionally, social network sites have recently outpaced email as the most popular online activity and have enabled consumers to connect with others by sharing information, opinions and thoughts about products and brands (Lenhart et al., 2010). Chu and Kim (2011) state that social network sites represent an ideal tool for consumers to exchange their product-related opinions and information.

As a consequence of these, social network sites and other user-generated content platforms have provided new ways for consumers in their purchasing behaviour and today marketers cannot ignore the usage of these tools among consumers in their buying decision process. Social media communities have become a place where consumers can easily spread information about products and brands and a great tool for electronic word-of-mouth to communicate and evaluate products, companies and brands among themselves. These social interactive tools have created a new platform for exchange of information and play an essential role in changing consumer behaviour, because the consumers usually rely on more the information generated on these tools while they are making a purchase decision. This research aims at understanding how these social interactive tools are used to search information about products or brand options and evaluating how they have an influence on buying decisions.

Furthermore, Kotler (2009) argues that the consumers are mostly affected by their social factors such as opinions of their family or friends while making a purchase decision and the family is usually the most influential factor on consumers while purchasing an expensive product. Chu and Kim (2011) suggest that the consumers easily engage with social network sites in their buying decision process to seek their contacts' opinions about products, because they acquire more valuable information from their friends or family rather than unknown people. So, this research also purposes to investigate how the opinions of other people who are important in consumers' lives are influential on their purchasing decision.

In order to accomplish these objectives, the research will be designed as a case study of three buying decision processes to analyse how social interactive tools have a role to collect information about products before making a purchase decision and how social factors are influential on buying intentions as the price changes. The research will firstly focus on the consumer buying decision process by developing a set of guidelines to understand the consumer purchasing behaviour and the factors affect this behaviour. Then, it will provide an insight into how consumers behave in digital environment and how the digital interactivity among consumers has become a valuable source to make a purchase decision.

## **Chapter 2 Literature Review**

The purpose of this chapter is to provide a review of existing literature on the topic of consumer behaviour. The review mainly consists of the understanding of consumer behaviour and how their behaviour takes place in digital environment and how digital interactivity has an influence on their behaviour. Kotler's stimuli-response model will be given to have a starting point of consumer behaviour and in order to understand this model, the chapter firstly discusses the main factors that influence the consumers' purchase decisions and briefly explains the stages of buying decision process and how it has been developed.

In order to understand how consumers are changing their behaviour through social interactive tools behind Web 2.0 technology, the chapter then discusses the digital interactivity among consumers and describes the term of social media with its different types. Additionally, it provides social dimensions of social network sites evaluate how the digital interactivity influences consumers' decisions while they are making a purchase. Finally, it explains the model which will provide an insight into digital buying behaviour and its main determinants which will be used in this research in order to address research question.

### **2.1 The Study of Consumer Behaviour**

According to studies in the field of consumer research, consumer behaviour is defined as a study to gain insight how individuals or groups buy, use and dispose of products, services or experiences to satisfy their needs (Simonson et al., 2001). Many consumer behaviour researchers argue that consumer behaviour is influenced by social, individual and cultural factors (Simonson et al., 2001).

### **2 1 1 Social Groups**

The consumers interact continuously and informally with their primary groups such as family, friends and co-workers and also belong to secondary groups such as professional and religious groups that require less interaction (Kotler et al , 2009) Both types of reference groups have a direct or indirect influence on consumers' attitudes or behaviour (Kotler et al , 2009)

The reference group influence on consumers' decisions and their buying intentions may be strong and the consumers may highly be influenced by opinion leaders who offer informal advice and information about a specific product or brand (Schiffman and Kanuk, 2004) The consumers also perceive market mavens as a credible source, when they need knowledgeable advice about a specialized product or product category expertise (Feick and Price, 1987)

Marketers try to reach to opinion leaders and market mavens, because they are aware of that the consumers usually perceive opinion leaders as highly information sources in their buying process (Schiffman and Kanuk, 2004) In order to reach them, today they are starting to friendship with them in social Web forums such as Facebook and offering sponsorship of popular personal blogs or communities based on interest or hobbies (Kotler et al , 2009)

According to many researchers of consumer behaviour, the family is the most important consumer buying reference group and the consumers are influenced mostly by their family members (Spiro, 1983, Moore et al , 2002, Jensen, 1991) Parents have been found that they have high influence on their children's buying decisions especially while purchasing expensive products (Webley and Nyhus, 2006)

## **2 1 2 The Individual Consumer**

The buyers' decisions are also influenced by personal characteristics such as age and stage in the life cycle, occupation and economic circumstances, personality and self-concept, and lifestyle and values (Kotler et al , 2009)

The buyers' personality characteristics are the important influence on their buying behaviour and their personal traits such as self-confidence, dominance, sociability, defensiveness and adaptability lead their consistent responses to environmental stimuli in their buying behaviour (Govers and Schoormans, 2005) Personality can also be useful variable in analysing their brand choices and consumers are likely to choose brand whose personalities match their own, for instance some people may buy BMW to show their self-confidence (Kotler et al , 2009)

As the digital marketing is improving, the organizations set up their own pages to link consumers as their "fans" through social network sites (Ryan and Jones, 2009) Social network sites can be a great place for organizations to attract brand loyalties and follow the consumers who are passionate about their brand (Ryan and Jones, 2009) Through social networks consumers have high tendency to share their personality and brand choices, so the organizations can gain insight into their customers' personal traits and how they attribute to their brand (Ryan and Jones, 2009)

## **2 1 3 Culture**

Culture can be thought as a main determinant of consumer's wants and cultural norms and values serve as guidelines for consumer behaviour (Peter et al , 1999) Each culture consists of smaller subcultures that provide more specification and socialization for their members and

include nationalities, religions and geographic regions (Kotler et al , 2009) The countries have become more culturally diverse, thus the marketing campaigns are now aiming at defining the target markets according to cultural diversity (Grier et al , 2006)

The human societies usually exhibit in the form of social classes consisting of members who share similar values, interests and behaviour (Kotler et al , 2009) For marketers, it is important to understand characteristics of social classes, because social classes show distinct product and brand preferences in many areas such as clothing, home furnishing, leisure activities and automobiles and also media preferences (Kotler et al , 2009)

## **2 2 Consumer Psychology**

Consumers' set of psychological processes is also important as well as consumers' characteristics in their buying decision processes and they combine their characteristics with their psychological process to make their purchase decisions (Loken, 2006) According to Loken (2006) four key psychological processes, motivation, perception, learning and memory influence consumers' purchase decisions

### **2 2 1 Motivation**

The people's need may occur at any given time and a need becomes a motive when it is evoked to drive them to reach a desired goal (Kotler et al , 2009) In order to act, people need to be motivated When consumers are in the same product categories, their motivations need to be increased in order to engage in relational elaboration and evaluation different brand names (Loken, 2006)

### **2 2 2 Perception**

When people are motivated, they are ready to act and how they act is influenced by view of situation, in terms, by their perception. Perception is the process in which people select, organize and interpret information inputs to create a meaningful picture of the world, so it affects consumers' actual behaviour (Kotler et al , 2009). When consumers are highly motivated, they are more likely to perceive environmental stimuli related to their needs and receive more information about their brand choices in order to evaluate them more favourably (Loken, 2006).

### **2 2 3 Learning**

After people act, they learn and their learning shows the changes in their behaviour coming from their experience. According to learning theorists, learning is produced through the interplay of drives, stimuli, cues, responses and reinforcement (Loken, 2006). As an example, when a consumer buys a computer and his experience is rewarding, his response to computers and its brand will be positively reinforced. When this consumer wants to buy a printer, he will have high tendency to buy same brand printer because he may assume the computer is good and the printer will also be good (Kotler et al , 2009).

### **2 2 4 Memory**

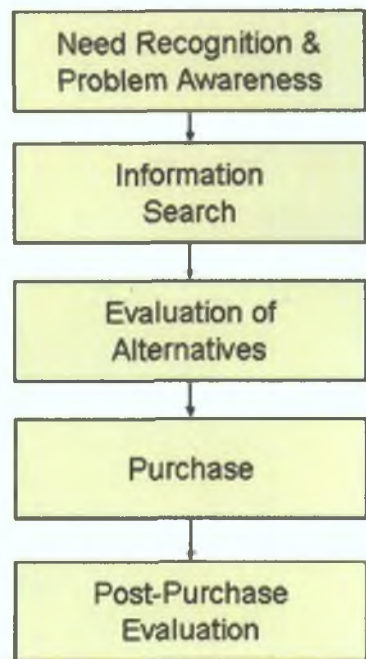
All the information and experiences that people have had through their life can end up in their long term memory and most widely accepted views of long-term memory structure assume that people are in form of nodes and links (Wyer et al , 1989). From consumer research perspective, consumer brand knowledge can be considered as a node in memory with a variety of linked associations (Kotler et al , 2009).



2.3 The Buying Decision Process

Howard and Sheth (1969) developed “*Theory of Buyer Behaviour*” to identify the elements of a buyer’s decision and split these elements into three groups: (1) a set of motives, (2) several alternative course of action, and (3) decision mediators by which the motives are matched with the alternatives. Motives are specific to a product class and reflect the underlying needs of the buyer and the alternatives are the various brands that have the potential of satisfying the buyer’s motives (Howard and Sheth, 1969). Howard-Sheth theory (1969) had an important contribution to buying decision process which is also called “stage model” as it is shown below.

The Buying Decision Process: The Five-Stage Model



Source: Kotler et al. (2009)

A “stage model” of the buying decision process has been developed by many marketing scholars and according to these researchers consumer decision process is an integral part of the buying behaviour (Howard and Sheth, 1969, Engel et al , 1994, Nicosia et al , 1976, Bettman et al , 1998) The common elements of decision making can be broken into stages of experience, however consumers do not always pass through all five stages in buying a product (Kotler et al , 2009)

According to Howard and Sheth (1969) pre-purchase behaviour and post-purchase behaviour are the main stages of decision process The three stages of pre-purchase behaviour, problem recognition, information search and evaluation of alternatives are likely being formulated, changed and reformulated until the decision is made (Howard and Sheth, 1969, Mitchell and Boustani, 1994) After a purchase, the post-purchase behaviour stage begins and this stage includes evaluation which leads to satisfaction of consumers, purchasing the product again and having tendency to say good things about the product (Howard and Sheth, 1969, Mitchell and Boustani, 1994)

### **2 3.1 Problem Recognition**

The buying process starts when the buyer recognizes problem or need triggered by internal or external stimuli (Kotler et al , 2009) According to Howard and Sheth (1969) the buyers’ decisions are affected by numerous stimuli from their environment The commercial environment consists of the marketing activities of various firms by which they attempt to communicate the buyers (Howard and Sheth, 1969) From the buyer’s point of view, these communications come to the buyer through either brand objects such as price, quality,

service, distinctiveness and availability, or through brand representation such as media or salesman (Howard and Sheth, 1969)

The buyers are also stimulated by their social environment which provides a purchase decision and the most obvious example is word-of-mouth (WOM) communication (Howard and Sheth, 1969) The significance of WOM in influencing consumer decision making has been well recognised in marketing and advertising literature (Gilly et al , 1998)

### **2 3 2 Information Search**

The buyer may enter an active information search by looking for reading material, asking friends, going online and visiting shops to learn about the product (Kotler et al , 2009)

According to Howard-Sheth theory of buyer behaviour (1969), active seeking of information occurs when the senses ambiguity of brand meaning and the ambiguity of brand meaning exists, because the buyer is not certain and has not learned enough yet about the purchase outcome of each alternative The ambiguity may also exist in buyer's inability to discriminate between alternatives, despite the knowledge of brand So the buyers seek the information to solve the conflict among goals (Howard and Sheth, 1969) According to the theory, there is a stage of buyer behaviour in which the buyer is likely to seek information on other alternatives that he has never considered before (Howard and Sheth, 1969)

Kotler et al (2009) have identified major information sources to which the consumers can turn as seen below

Personal family, friends, neighbours, acquaintances,

Commercial advertising, websites, salespeople, dealers, packaging, displays,

Public mass media, consumer-rating organisations,

Experiential handling, examining, using the product

The consumer receives the most information about a product from commercial sources however, the most effective information often comes from personal sources or public sources that are independent authorities (Kotler et al, 2009)

Word of mouth (WOM) is created and delivered by a more trustworthy source of information about products and brands than company generated and consumers often rely on it when they search for information on which to base their purchase decisions (Feick and Price, 1987)

### **2 3 3 Evaluation of Alternatives**

Howard and Sheth (1969) state that through a learning process, the buyers obtain and store knowledge of each brand's potential and then ranks them according to potential to satisfy their needs, so this is a set of alternatives to be evaluated

Krech et al (1962) defines the beliefs as a descriptive thought that a person holds about something and the attitudes as a person's enduring favourable and unfavourable evaluations, emotional feeling and action tendencies toward some idea The buyers acquire these beliefs and attitudes through learning and experience process Through an attribute evaluation procedure, the consumer arrives at attitudes towards various brands and develops a set of belief about where each brand stand on each attributes (McAlister, 1979) The expectancy value model of attitude states that consumers evaluate products and services by combining their brand beliefs (Fishbein, 1967)

## **2 3 4 Purchase Decision**

The evaluation of alternative brands may lead the consumer to form preferences for brands in the choice set (Mitchell and Boustani, 1994) According to Howard and Sheth (1969) although the consumers form brand evaluations, there can be intervening factors between the purchase intention and the purchase decision The intensity other person's negative attitudes and their closeness to the customer may reduce the consumer's preference for an alternative (Fishbein, 1967)

The purchase decision may also be subject to various anticipated situational factors such as temporary cash-flow problems, time availability and stock levels (Mitchell and Boustani, 1994) In most circumstances, a consumer's decisions can be associated with the perceived risk and the consumer may modify, postpone and avoid a purchase decision because of the perceived risk (Campbell and Goodstein, 2001)

The consumers may perceive many types of risk in their buying decisions (Kotler et al , 2009)

Functional risk The product does not perform up to expectations

Physical risk The product poses a threat to the physical well-being or health of the user or others

Financial risk The product is not worth the price paid

Social risk The product results in embarrassment from others

Psychological risk The product does not conform to the consumer's perceived self-image

Time risk The failure of the product results in an opportunity cost of finding another satisfactory product

The consumers can reduce the uncertainty and negative consequences of risk by gathering information from friends and preferences for national brand, so the marketers should understand the factors of a feeling of risk in consumers and provide information to reduce perceived risk (Kotler et al , 2009)

### **2 3 5 Post-Purchase Behaviour**

The buyer's satisfaction is a function of the closeness between the buyer's expectations and the product's perceived performance (LaBarbera and Mazursky, 1983) If the performance is below expectations, then the customer will be dissatisfied and will suffer from the mismatch, if it meets expectations, then the customer will be satisfied, if it exceeds the expectations, the customer will be delighted (Mitchell and Boustani, 1994)

The post-purchase period consists of product ownership and usage which provide contexts of satisfaction appraisal, seller-directed complaints, word-of-mouth transmissions and repurchase planning (Westbrook, 1987) Satisfaction appraisal refers a mediator between post-purchase behaviour and repurchases intention by linking pre-choice product beliefs to post-choice structure (Bearden and Teel, 1983) The complaint behaviour is an expression of post-purchase regret and specifically refers negative post-purchase evaluation (Westbrook, 1987) The word-of-mouth transmissions are influential in the pre- and post-purchase stages (Bearden and Teel, 1983) In the post-purchase period, consumer word-of-mouth transmissions provide informal communications which are directed at other consumers about the ownership, usage and experiences of goods and services (Westbrook, 1987)

## **2.4 Model of Consumer Behaviour**

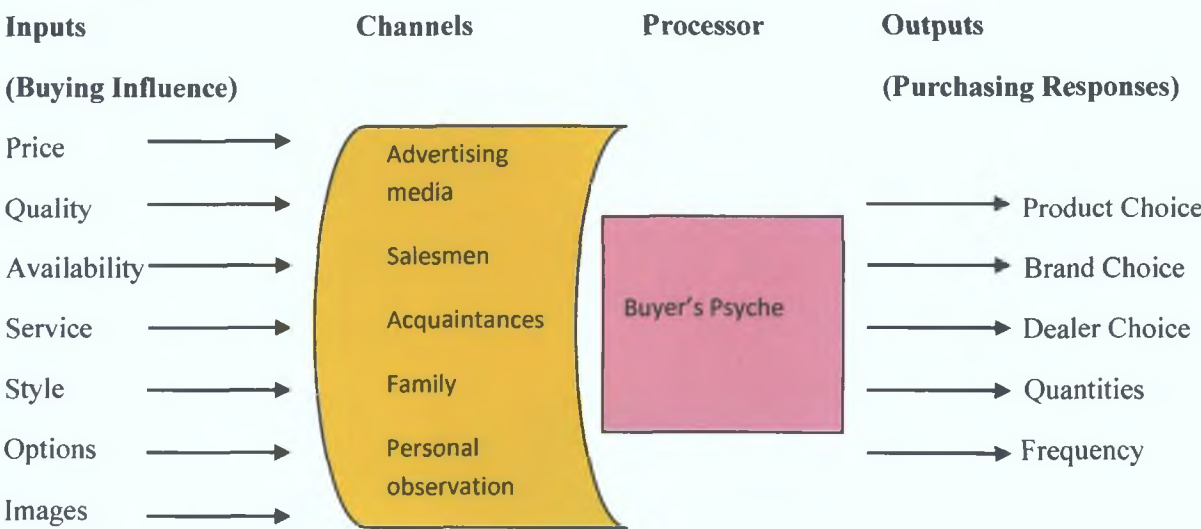
Howard-Sheth theory of buyer behaviour (1969) provides a deep understanding of buyer's decision process as it was mentioned before. This theory is based on four major components which are stimulus variables, response variables, hypothetical constructs and exogenous variables (Howard and Sheth, 1969).

According to the theory, the consumers are stimulated by their commercial environment such as price, quality and service of the product or the information that their social environment provides (Howard and Sheth, 1969). The hypothetical constructs consist of learning and perception constructs. Through learning constructs, the buyers have motives which provide impetus of action and an evoked set of alternatives to satisfy their motives (Howard and Sheth, 1969).

Based on this theory, the consumers match their alternatives with motives and rank them in terms of their want-satisfying capacity by the decision mediators. Through learning, there are also inhibitors such as a high price of brand, lack of availability of brand, time pressure on the buyer and the buyer's financial status. In addition to this, consumers are satisfied or unsatisfied according to the degree between their actual and expected consequences (Howard and Sheth, 1969). The perception constructs serve the buyers' sensitivity to information, their perception bias and search for information. After these constructs, the buyers respond to these variety input stimulus in a variety of responses such as purchase behaviour, intention or attitudes to a product (Howard and Sheth, 1969). According to Howard and Sheth's model (1969), exogenous variables such as social class, culture, and the buyer's personality are also influential on the buyer's decisions.

Consequently, this model represents how a buyer’s decision making process is formed by stimulus and responses variables. According to Kotler (2009) the starting point for understanding consumer behaviour is the stimulus-response model which is also called black box model. The black box model shows the interaction of stimuli, consumer characteristics and psychology, decision process and consumer responses (Sandhusen, 2008). Marketing and environmental stimuli enter the consumer’s consciousness and a set of psychological processes combine with certain consumer characteristics to result in decision processes and purchase decisions (Kotler et al., 2009). Kotler (1965) firstly explains the stimulus-response model or black box model based on five major theories to show how the buyer’s black box translates buying influences into purchasing responses. The figure below illustrates the conception of buying process. On the left side there are various influences and buyer’s responses are shown on the right side. In the centre the buyer and his mysterious psychological processes stand and the buyer's psyche represents a "black box" (Kotler, 1965).

The buying process conceived as a system of inputs and outputs



**Source:** Kotler, P. (1965) “Behavioural Models of Analysing Buyers”, *Journal of Marketing*, Vol. 29, Issue. 4, October, pp. 37-45



Five different models of the buyer's "black box" are presented with their respective marketing applications as below

(1) the Marshallian model, stressing economic motivations (2) the Pavlovian model, learning, (3) the Freudian model, psychoanalytic motivations, (4) the Veblenian model, social-psychological factors, and (5) the Hobbesian model, organizational factors

### **I The Marshallian Economic Model**

The theory holds that purchasing decisions are the result of largely "rational" and conscious economic calculations and explains that the individual buyer seeks to spend his income on those goods that will deliver the most utility (satisfaction) according to his tastes and relative prices (Kotler, 1965) According to Kotler (1965) Marshallian man is only concerned with economic cue such as prices and income and makes a fresh utility calculation before each purchase, however it ignores the fundamental question of how product and brand preferences are formed It represents a useful frame of reference for analysing only one small corner of the "black box" (Kotler, 1965)

### **II The Pavlovian Learning Model**

The model has been based on four central concepts which are drive, cue, response, and reinforcement (Dollard and Miller, 1950)

Drive It refers to strong stimuli internal to the individual which impels action

Cue The cues are weaker stimuli in the environment and/or in the individual which determine when, where, and how the subject responds

Response The response is the organism's reaction to the configuration of cues The same configuration of cues will not necessarily produce the same response in the individual This depends on the degree, to which the experience was rewarding

Reinforcement If the experience is rewarding, a particular response is reinforced, that is, it is strengthened and there is a tendency for it to be repeated when the same configuration of cues appears again

According to Pavlovian model the consumer behaviour takes place in a largely habitual rather than thoughtful way, certain configurations of cues will set off the same behaviour because of rewarded learning in the past (Kotler, 1965) However, this model does not provide a complete theory of behaviour and some important phenomena such as perception, the subconscious and interpersonal influences are inadequately treated (Kotler, 1965)

### **III The Freudian Psychoanalytic Model**

Freudian model explains that man's choices are influenced strongly by motives and fantasies which take place deep within his private world (Kotler, 1965) According to Kotler (1965) the motivation research can lead to understand buyer's psychology and can be effective in their stimulating purchases

### **IV The Veblenian Social-psychological Model**

Kotler (1965) underlines the main part of this model that person is described as a social being with regarding to the general forms and norms of his larger culture and to the more specific standards of the subcultures and face-to-face groupings to which his life is bound Kotler (1965) also emphasize the best-known example of this model is in the description of the leisure class which explains that much of economic consumption is motivated not by intrinsic needs or satisfaction so much as by prestige-seeking Based on his view, a consumer's attitudes and behaviour are influenced by several levels of society such as culture, subcultures, social classes, reference groups, and face-to-face groups (Kotler, 1965)

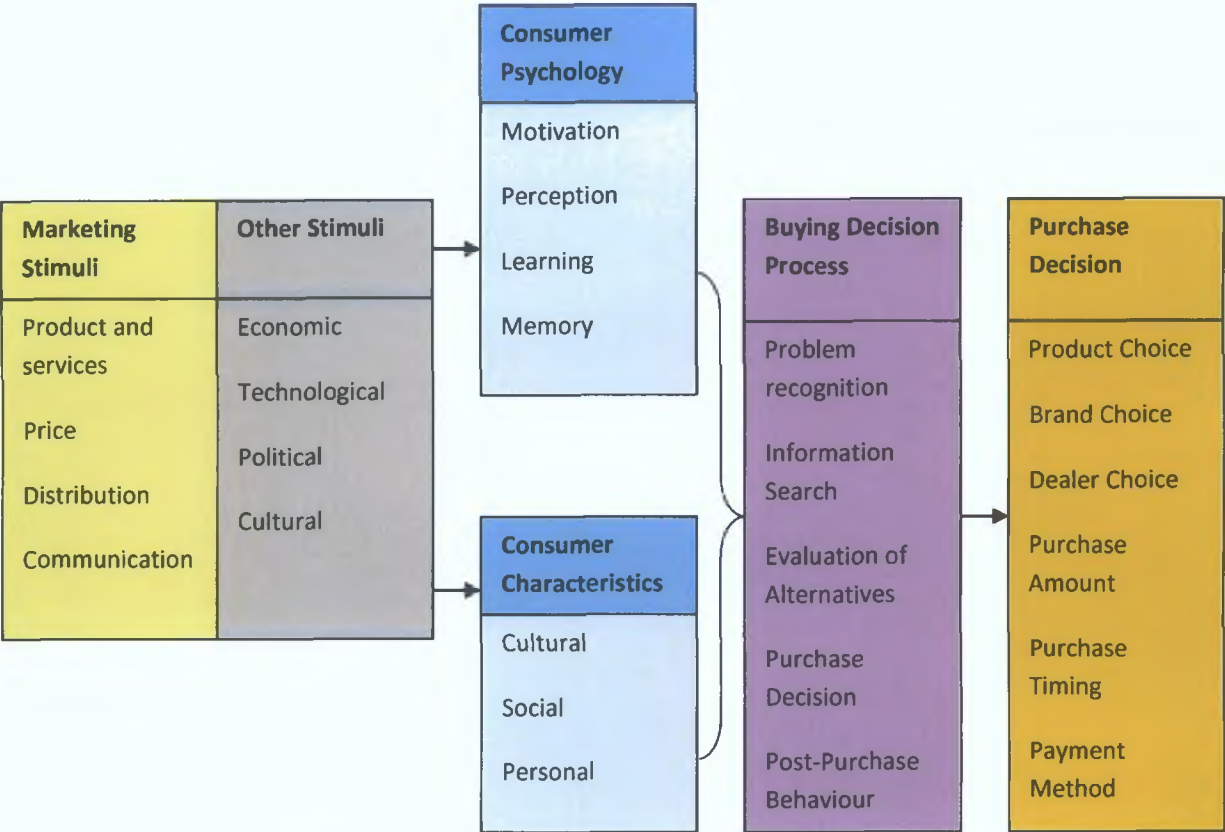
## **V The Hobbesian Organizational-factors Model**

According to Kotler (1965) the import of the Hobbesian model is that organizational buyers can be appealed to on both personal and organizational grounds. The buyer has his private aims, so he can respond to persuasive salesmen and rational product arguments (Kotler, 1965). However, his response can vary with the nature of the product, the type of organization, cost, quality, dependability, and service factors (Kotler, 1965).

As a result, Kotler (1965) has used five consumer theories for interpreting the transformation of buying influences into purchasing responses. By the Marshallian Economic Model, rational and economic-based purchase decisions and by the Pavlovian Learning Model consumers' needs or motives for a purchase have been described. The Freudian Psychoanalytic Model has identified the symbolic motivations consumers received from product messages, and the Veblenian Social-Psychological Model has explained that outside social influences, such as the culture or reference groups of an individual, influence consumer purchase decisions. Finally the Hobbesian Model has sought to combine individual gain and organizational gain.

Kotler's (1965) research has been a major breakthrough in consumer purchasing behaviour and explored how the stimuli-response model (black box model) has been developed as it shown in the figure below. In this research, Kotler's stimuli-response model will be our starting point to gain understanding of consumer buying decision process.

Stimulus-Response Model of Consumer Behaviour



**Source:** Kotler et al. (2009)

According to this model, consumers combine their psychology with their characteristic to make their purchase decision. Based on the model, social factors such as reference groups, or family and friends, one of the main characteristic elements in the model, will be used in this research to emphasise how they influence consumers' buying decisions. Opinions from their family and friends have a strong influence while making a purchase decision and as it explained in following sections, social media tools have become an important source for consumers to seek others' product-related opinions before making a purchase. Furthermore perception, one of the consumer psychological factors in Kotler's model, will be another element in this research to understand how social interactive tools are perceived as a source to gather information about products and evaluate brand options in the buying decision process.

The previous sections and Kotler's stimulus-response model have introduced a brief understanding of consumer purchase behaviour. On the other hand, the Internet provides a new tool for consumer interactivity and Web 2.0 technologies have created a new way for consumer behaviour in digital environment (Chaffey, 2009). The digital marketing researchers Deighton and Kornfeld (2007) suggest that consumers are shifting to the digital interactivity in their behaviour and this consumer online collaboration creates a digital buying behaviour. Hence, the following section will be consisted of how digital interactivity has a role in consumer behaviour and how the social interactive tools are perceived and used by consumers to make their purchasing decisions. Finally, the last section will be comprised of digital buying behaviour to address the determinants of the model used in this research.

## **2.5 Consumer Digital Interactivity and Electronic Word of Mouth (e-WOM)**

Direct marketing was known long before the creation of the Internet, however the Internet provides a new tool for supplier and customer interactivity that is less expensive and more flexible than traditional marketing (Kotler et al., 2009). Deighton and Kornfeld (2007) argue that consumers search information about products and brand by using digital media and communicate with each other easily by sharing their opinions about those products and brand. Social media tools such as blogs, wikis, social bookmarking, online discussions, social networks, review sites and other online media are increasing the potential of interactivity between consumers (Deighton and Kornfeld, 2007). Through these social interactive tools businesses can create more productive and meaningful relationship with consumers to gain powerful insight into their perceptions of products and services that they offer and allow them to contribute and collaborate in their businesses in ways that were never possible before (Ryan and Jones, 2009).

As a result social media has created digital interactivity among consumers and contributed to the development of the empowering consumers by allowing them to participate and assess content and share opinions, attitudes and beliefs with other consumers about any product, service, brand or their any buying experience (Hoegg et al , 2006) Chung and Austria (2010) suggest that consumers tend to trust more user-generated messages through social media tools such as review and rating sites, online discussion sites and forums to gather information about products before making a purchase So, consumers perceive social media as a more reliable source of information about products and brand than marketer-generated content communicated (Mangold and Faulds, 2009)

Knowledge Network (2011), which is an online research company, is aiming to show that consumers are much more likely to refer to social media before making purchase decisions The findings demonstrate that the purchase decisions of 38 million 13 to 80 years old in U S are influenced in various ways of social media

Social media users in 2011 reported high levels of influence as follows

- 23.1 million discover new brands or products through social media (up 22% from 2010)
- 22.5 million use social media to learn about unfamiliar brands or products (up 9% from 2010)
- 17.8 million are “strongly influenced” in their purchase decisions by opinions in social media (up 19% from 2010)
- 15.1 million refer to social media before making purchase decisions (up 29% from 2010)

Social media is also an important tool for the exchange of word of mouth messages by creating a virtual community for consumers to interact with each other (Trusov et al , 2009) Word of mouth (WOM) is created and delivered by a more trustworthy source of information about products and brands than company generated and consumers often rely on it when they search for information on which to base their purchase decisions (Feick and Price, 1987) The development of Internet-based media has facilitated the growth of electronic word-of-mouth (e-WOM) which occurs on a wide range of online channels, such as blogs, emails, consumer review websites and forums, virtual consumer communities, and social network sites (Dwyer, 2007) There are investigations which have examined the impact of e-WOM on product sales (Chevalier and Mayzlin 2006), consumers' decision-making processes (De Bruyn and Lihen 2008), and attitude towards the brand and products (Lee and Youn, 2009) Trusov et al (2009) also suggest that e-WOM is more effective and more trustworthy for potential customers and having longer effects on consumers rather than traditional marketing

According to Chu and Kim (2011) social network sites represent an ideal tool for e-WOM, because product and brand information in social network sites is important for consumers who are seeking ways to interact with other consumers Chu and Kim (2011) also suggest that connections of consumers through social network sites are more credible and trustworthy source for collecting information about products rather than comments from anonymous or unfamiliar sources via other e-WOM formats such as product review sites and forums In the following sections, social media and its different types of tools were firstly described to gain knowledge about these digital interactive tools and to understand how consumers can use them in their buying process Then the social dimensions and e-WOM were discussed to explain how consumers can be affected by their digital interactivity in social network sites

## **2.5.1 What is Social Media?**

According to Kaplan and Haenlein (2010) in order to understand what is meant by Social Media, a formal definition of the term first requires drawing a line to two related concepts that are frequently named in conjunction with it Web 2.0 and User Generated Content

Tim O'Reilly (2005) describes Web 2.0 as a new way for range of web technologies and consumer behaviour to increase interactivity between online users Web 2.0 is a platform in which range of social interactive tools and communication techniques have engaged many users on the purpose of facilitating user participation on the Web (Kaplan and Haenlein, 2010) User Generated Content (UGC) as media content created or produced by the general public rather than by paid professionals and primarily distributed and created by end-users on the Internet (Daugherty et al , 2008)

As a consequence of these terms, Kaplan and Haenlein (2010) describe social media as a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and allow the creation and exchange of User Generated Content Thus, social media creates users a platform to come together online and exchange, discuss, communicate and participate in any form of social interaction which can encompass text, audio, images, video and other media, individually or in any combination (Ryan and Jones, 2009) Kaplan and Haenlein (2010) suggest that firms must be aware that social media tools such as user profiles, customer ratings and reviews are trending toward becoming the main source of information for many consumers when they are making an important purchase



## **2.5.2 The Different Forms of Social Media**

### **Blogs**

Blogs are the social media tools of personal web pages that can come in different variations such as describing the author's life or summarizing all relevant information in one specific area, product or service (Kaplan and Haenlein, 2010). People are using blogs to report local news, offer their opinions and sharing their visions and experiences about any purchasing, product, service or brand (Ryan and Jones, 2009). In addition to this, Ward and Ostrom (2006) state that consumers may decide to engage in virtual complaints in the form of blogs because of their dissatisfaction and disappointment about company's product offerings.

Companies can also use their own corporate blog to show consumers a personal side about their businesses, give them valuable information that consumers use, provide answers and improve their overall experience of dealing with their company (Weber, 2007).

As a result, blogs represent an important source for consumers to gather information about the companies and their product offerings and follow recent news about the products that they have interest and also an effective way to spread their opinions about their buying experiences in digital environment.

### **Review and Rating Sites**

Review and rating sites allow users to review and rate companies, products, services, books, music, hotels, restaurants anything they like (Ryan and Jones, 2009). Most common examples of these sites can be stand-alone review sites like Reviewcentre [www.reviewcentre.com](http://www.reviewcentre.com) or review component added to a broader site such as product rating and review facilities on e-

commerce sites like Amazon [www.amazon.com](http://www.amazon.com). There are also industry specific review sites like TripAdvisor [www.tripadvisor.com](http://www.tripadvisor.com), which focuses on consumer reviews of travel destinations, accommodations and transport options (Ryan and Jones, 2009).

### Forums and Discussion sites

Online forums and discussion sites like Yahoo Groups (<http://groups.yahoo.com/>) and Google Groups (<https://groups.google.com>) allow users to make their own online discussion about any topic, any particular product and brand or company (Ryan and Jones, 2009).

Review and rating sites or forums and discussion sites have become a great tool for consumers to acquire information and see other consumers' reviews and recommendation about products that they have intention to buy. They can also pass information that they receive or share their own advice through those sites. Those tools are increasing digital interactivity and communication among consumers, so they can collect credible and reliable information before making a purchase.

### Content Communities - Media Sharing Sites

The main objective of content communities is the sharing of media content between users and exists for a wide range of different media types, including text such as <http://www.bookcrossing.com>, photos such as <http://www.flickr.com/>, videos such as [www.youtube.com](http://www.youtube.com), and powerpoint presentations such as [www.slideshare.com](http://www.slideshare.com) (Kaplan and Haenlein, 2010).

Media sharing sites allow members of communities can upload, share comment and discuss their popular items (Ryan and Jones, 2009) So, through content communities consumers can analyse the popularity of items, read the users' product-related comments, gain insight into what people like or dislike and incorporate with their own content

### Micro-blogging

Micro-blogging is essentially a short-message broadcast service that keeps users' contacts up to date with short text posts and Twitter is the biggest player in this space (Ryan and Jones, 2009) Micro-blogging is in the collective aggregation of short text posts and those short updates from people make others develop understanding of what they are about and feel a stronger connection with them (Ryan and Jones, 2009)

### Social Network Sites

Social network sites, the most common social media sites, are applications that enable users to connect by creating personal information profiles, inviting friends and colleagues to have access to those profiles, and sending e-mails and instant messages between each other (Kaplan and Haenlein, 2010)

Social network sites are popular, because they offer users the ability to find and connect with other people and make the process of communicating with a large of people easily (Ryan and Jones, 2009) The table below shows the users of the most popular social networking sites and also indicates that people are using these sites at astonishing rates

Social Network	Registered Users	Source
Facebook	955.000.000	<a href="http://www.facebook.com/press/info.php?statistics">http://www.facebook.com/press/info.php?statistics</a>
Twitter	500.000.000	<a href="https://dev.twitter.com/opensource">https://dev.twitter.com/opensource</a>
Google+	250.000.000	<a href="http://google-plus.com/tag/active-users/">http://google-plus.com/tag/active-users/</a>
LinkedIn	175.000.000	<a href="http://press.linkedin.com/about">http://press.linkedin.com/about</a>
Badoo	157.000.000	<a href="http://corp.badoo.com/company/">http://corp.badoo.com/company/</a>

The human wish to socialize and share experiences is the real reason behind the popularity of Web 2.0 sites such as social networks (Chaffey, 2009). Dee et al. (2007) state, that the social network sites have high potential to influence consumers' perceptions about products, brands and suppliers. Through social networks they can make discussion about different kinds of products and share their recommendations on different categories especially restaurants, hotels, computers and vehicles (Dee et al., 2007).

Social network sites allow organizations to set their own profile or page and these pages can be a great way to monitor what customers think about the company and its offers (Ryan and Jones, 2009). However, social network page recently are not the last stop for the consumers when they want to search information about the products and according to the study of consumers conducted by The Incyte Group, a strategy consultancy, they also want to connect with their friends and family to pursue their comments and interests about the products (Smith, 2012). The companies are currently using open social networks services on their websites and integrating their websites with social network sites to provide consumers to connect with their contacts while visiting their sites (Smith, 2012).

### **2 5 3 e-WOM in Social Network Sites**

Social network sites represent an ideal tool for e-WOM, as consumers freely create and disseminate product-related information in their established social networks composed of friends, classmates and other acquaintances (Vollmer and Precourt, 2008) The consumers may perceive their contacts in social network sites as more trustworthy and credible source than unknown people, so this makes social network sites an important source of product information for consumers and facilitates e-WOM (Chu and Kim, 2011)

Opinion seeking, opinion giving and opinion passing are important three aspects for e-WOM in social network sites Consumers may have high level of opinion seeking behaviour, because they tend to search for information and advice from others when making a purchase decision (Flynn et al , 1996) The opinion seekers in social network sites regard recommendations from their contacts as a reliable source and they rely on social network sites as a place to obtain information for their purchases (Chu and Kim, 2011) Individuals may also have a high level of opinion giving behaviour and great influence on others' attitudes and behaviours (Feick and Price 1987) Social network sites provide great opportunities those kinds of individuals to share their product-related thoughts and opinions with other consumers (Chu and Kim, 2011) Sun et al (2006) also suggest that social network sites are also important platform for opinion passing behaviour which facilitates information flow between consumers Through social network sites, individuals spread a word about any product, service or brand between their contacts that influence their buying decisions (Norman and Russell, 2006)

## **2 5 4 Social Dimensions in Social Network Sites and e-WOM**

Social network sites users can help their contacts with purchase related decisions by passing useful product information and experience and sharing their own opinions about products and brands (Chu and Kim, 2011) This social connectivity is provided by social network sites between users and social relationship-related dimensions underline e-WOM process and make social network sites as a reliable source for consumers before making a purchase (Chu and Kim, 2011)

Based on the literature on consumer behaviour research regarding social network study, there are four dimensions that identify social relationship in social network sites tie strength, homophily, trust and interpersonal influence (Bearden et al , 1989, Gilly et al , 1998, Brown et al , 2007, Handcock et al , 2007)

### **I Tie Strength**

Tie strength refers to strength of the bond between members of social network (Mittal et al, 2008) Strong ties, such as family and close friends, constitute stronger and closer relationships that are within an individual's personal network and are able to provide substantive and emotional support (Pigg and Crank, 2004) Chu and Kim (2011) suggest that the consumers' product choices are highly influenced by strong tie interactions in social network sites and may randomly be influenced by weak ties that are mere acquaintances So, the tie strength in social network sites stimulates consumers to communicate with each other and disseminate product-related information before making a purchase (Chu and Kim, 2011)

## **II Homophily**

Homophily refers to the degree to which individuals who interact with one another are similar in certain attributes (Handcock et al , 2007) Individuals tend to socialize with others who share similar characteristics and interests, so exchange of information mostly occurs between individuals who share some qualities in common (Mouw, 2006) As a result, consumers with high level of homophily may be more likely to engage in e-WOM when making product choices (Chu and Kim, 2011)

## **III Trust**

Trust is defined as a willingness to rely on an exchange partner in whom one has confidence and in online environment, trust has an essential role for virtual community members' intention to gather information from other members (Ridings et al , 2002) As mentioned before, consumers perceive social media as a more reliable source of information about products than traditional media (Mangold and Faulds, 2009) However, when connection in social network sites is compared with other social media tools such as product review sites and forums, consumers may highly perceive social network as a more trustworthy source while making a purchase, because they more rely on product information from their friends rather than unknown people (Chu and Kim, 2011) As a result, friendship in social network sites increases credibility and establishes social trust for their information search in their buying process

## **IV Interpersonal Influence**

Interpersonal influence refers a social factor that plays an important role in influencing consumer decision making (D'Rozario and Choudhury, 2000) From the literature, interpersonal influence has been identified as normative and informational influences

(Bearden et al 1989) Normative influence refers to the tendency to conform to the expectations of others, by affecting attitudes, norms and values (Bearden et al , 1989) On the other hand, informational influence refers to tendency to accept information from knowledgeable people and be guided in product or brand (Bearden et al , 1989)

In social network sites, both normative and informational influence may take place in users' e-WOM behaviour such as seeking opinion about products and brands The consumers may have a higher need to acquire information and guidance from their knowledgeable contacts when searching their purchase options or they may more likely adhere to the expectations of their significant contacts and seek social approval from them before making a purchase (Chu and Kim, 2011) As a result, consumers frequently seek opinions from their contacts in social network sites and see their contacts as a trustworthy source of product information in their buying processes

By these sections, it was gained a brief idea about how consumers more tend to use social interactive tools while making a purchase and how digital interactivity among consumers has an influence on their buying decisions The following section will provide the main models used in digital environment to gain understanding of consumer digital buying behaviour It will also focus on the model which will be used in this research and its main determinants which will give guidance in order to address the research question



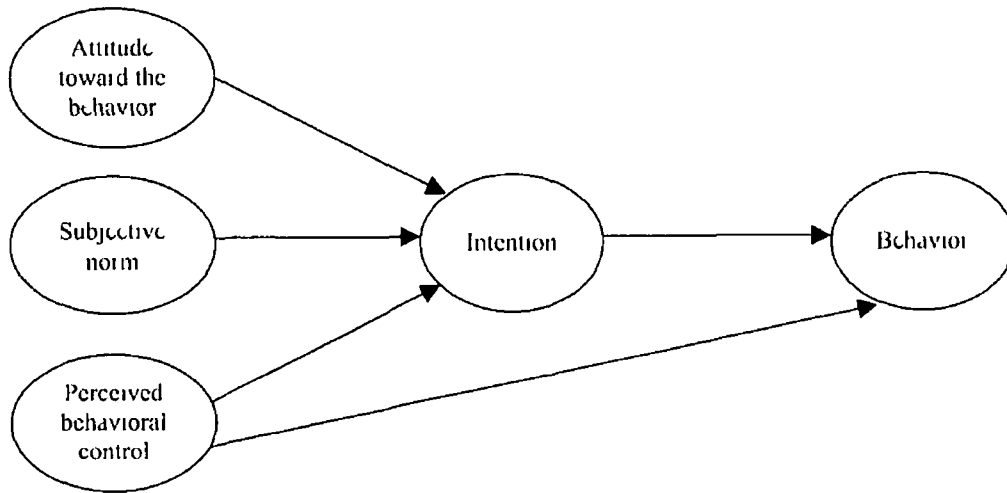
## **2 6 Consumer Digital Buying Behaviour**

Several models and theories can be applied for the purpose of understanding consumer digital shopping behaviour and according to the literature review, the widely used theories on consumer digital behaviour are Theory of Reasoned Action (TRA) or Theory of Planned Behaviour (TPB) and Technology Acceptance Model (TAM) In this research, two determinants of modified TAM, which was used in the research of Zhang et al (2006), will be used as main elements of this research in order to address the research question TAM is an extension model of TRA or TPM model have been developed earlier and used in several studies of digital buying behaviour Thus this model will firstly be given in the following section in order to gain better understanding of TAM which will be the main model of this research

### **2 6 1 Theory of Reasoned Action (TRA) and Theory of Planned Behaviour (TPB)**

TPB (Ajzen, 1991) is an extension of the theory of reasoned action (Ajzen and Fishbein, 1980) As it is seen in the figure below, the individual's intention to perform a given behaviour takes place at the heart of the TPB (Ajzen, 1991) For TPB, attitude toward the target behaviour and subjective norms about engaging in the behaviour are thought to influence intention and TPB includes perceived behavioural control over engaging in the behaviour as a factor influencing intention (Ajzen, 1991)

## Theory of Planned Behaviour



**Source** Ajzen, I (1991) “The Theory of Planned Behaviour”, *Organizational Behaviour and Human Decision Process*, 50(2), 179-211

According to Ajzen (1991) one of independent determinants of intention is the *attitude toward the behaviour* and refers to the degree to which a person has a favourable or unfavourable evaluation of the behaviour in question. The second determinant is *subjective norm* which refers to individual’s perception of other’s belief or social pressure to perform or not perform the behaviour (Ajzen, 1991).

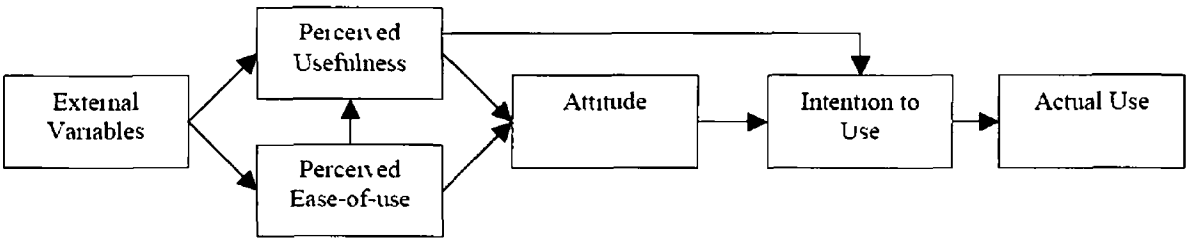
The third one is the *perceived behavioural control* which refers to people’s perception of the ease or difficulty of performing the behaviour of interest. Perceived behavioural control is most compatible with Bandura’s (1977) concept of perceived self-efficacy and it argues that people’s behaviour is strongly influenced by their confidence in their ability to perform it such as by perceived behavioural control. The theory of planned behaviour places the construct of self-efficacy belief or perceived behavioural control within a more general framework of the relations among beliefs, attitudes, intentions, and behaviour (Ajzen, 1991).

TPB has been the basis for several studies of internet purchasing behaviour (George, 2002, Jarvenpaa and Todd, 1997, Pavlou, 2002, Suh and Han, 2003) Based on this theory, beliefs about having necessary opportunities and resources to engage in internet purchasing and beliefs about how important references feel about internet influence intent to purchase as well as purchasing behaviour (George, 2004)

**2 6 2 Technology Acceptance Model (TAM)**

TAM focuses on the aspects of the technology as perceived by the user and overlooks behavioural issues that may affect the interaction between the technology and the user (Davis, 1986) These behavioural and social factors as impulse and subjective norms have been recognized as significant determinants of consumer purchase behaviour (Fishbein and Ajzen, 1975, Rook and Fisher, 1995)

Technology Acceptance Model



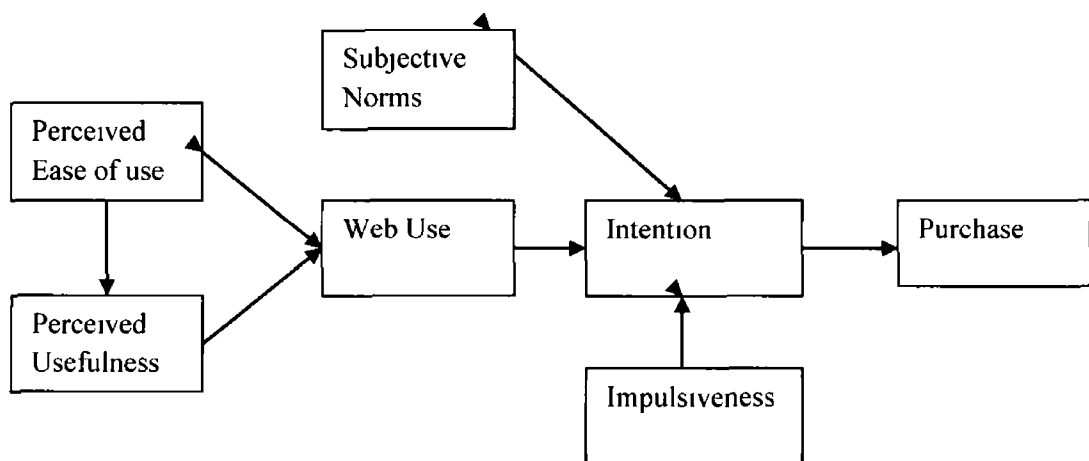
**Source** Davis, F (1986) “Technology Acceptance Model for Empirically Testing New End-User Information Systems Theory and Results”, *Massachusetts Institute of Technology*

According to Davis (1986) the original TAM has three constructs which are perceived ease of use, perceived usefulness and usage The model has also expanded to include the intention to use technology between independent variable which are perceived ease of use and perceived

usefulness and the dependent variable which is usage of the technology (Zhang et al , 2006)  
TAM has been recently used to study in the consumer digital buying behaviour (McCloskey, 2003, Venkatesh and Davis, 2000, Zhang and Prybutok, 2003)

Based on TAM, Zhang et al (2006) has also studied how consumers behave in digital environment TAM has been modified for their study by incorporating consumers' behavioural traits and social influences on purchasing behaviour (Zhang et al , 2006)  
According to their model, as it is seen in the figure below, the ease of use and usefulness of a Web site influence how often a consumer uses the Web site, in turn, the frequency of Web site use affects the intention of consumer to make a purchase (Zhang et al , 2006) According to Zhang et al (2006) the intention to purchase also is affected by the degree of impulsiveness of the consumer and the subjective norms that influence the behaviour of the consumer

#### TAM for Online Purchasing Behaviour



**Source** Zhang, X , Prybutok R , Koh C E (2006), “The Role of Impulsiveness in a TAM-Based Purchasing Behaviour Model”, *Information Resources Management Journal*, Vol 19, Issue 2, pp 54-68

The definitions of all elements used in the model are given below with their literature support

*Perceived Ease of Use* refers the degree to which a person believes that using a particular system would be free from effort (Davis et al , 1989, Adams et al , 1992)

*Perceived Usefulness* refers the degree to which a person believes that using a particular system would enhance his or her job performance (Davis et al , 1989, Taylor and Todd, 1995)

*Impulsive Buying* is defined as a consumer's tendency to buy spontaneously, unreflectively, immediately and kinetically (Rook and Fisher, 1995) The studies claim that 90% of all consumers make impulse purchasing, thus e-marketers recognize the importance of impulse buying behaviour in digital platform, so design their Web sites to encourage impulse purchases (Zhang et al , 2006)

*Web Use* refers the number of hours a person spends on the Internet (Joines et al , 2003, Korgaonkar and Wolin, 1999) The time spent online searching for product and services relates to the different demographic backgrounds (Joines et al , 2003) According to Korgaonkar and Wolin (1999) the motivation related to gratification is defined as factor of online users Information motivation is related to how consumers use Web to search for information, interactive control motivation relates to how users choose a page to interact with chat rooms, forums or review sites, socialization motivation refers to Web's ability to facilitate interpersonal communications (Korgaonkar and Wolin, 1999)

*Subjective Norms* and related terms, *social norms*, *social influence*, *social pressure* and *normative influence* are defined as people's perception of how important people in their lives think they should or should not perform the behaviour in question (Fishbein and Ajzen, 1975) Social norms refer the influence of other's belief or social pressure to perform or not perform the behaviour (Ajzen, 1991) Triandis (1971) argues that an individual's behaviour is influenced by social norms, which depend on messages received from others and reflect what individuals think they should do Triandis (1971) also expands the terms of subjective norms or social norms as social factors such as reference groups which are important determinant on individual's intention and behaviour respectively

Subjective norm or social norm captures the social influence on consumer when making a purchase decision and is a significant determinant of buying intention of consumer (Karahana et al , 1999) Taylor and Todd (1995) have also found that subjective norm to be important determinant in buyers' buying behaviour and argued that views and beliefs of other people who are important in consumers' lives influence their intention to make online purchases The development of Internet for new social traditions to enhance collaborations in electronic environments that is conducive to e-commerce, e-services and online communities (Zhang et al , 2006)

*Intention* is defined as the likelihood to purchase in the future (Davis 1989, Bellman et al , 1999) and *purchase* is defined as the number of times that a person shopped online within a time period (Bellman et al , 1999)

TAM explains how consumer behaviour takes place in digital environment and this research will focus on two important determinants of modified TAM, which are social norms and web usage. In this research, social norms will refer to others' product-related opinions that are created and shared through social interactive tools and web usage will refer to usage of social interactive tools to search information and gather others' opinions about products or brand options.

The link between Kotler's model and TAM is particularly social factors. In Kotler's model, social factors are used as one of the main influential factors on purchase decision and they focus on the other's product-related opinions especially from reference groups, friends, family or anyone who is important in consumers' lives. Similarly, in TAM model, social norms refer to social factors or social influence on the purchase decision and based on TAM, they combine with web usage and have an effect on intention, in turn, purchase decision. In this research, social norms are used as an element of others' product-related opinions and when they combine with usage of social interactive tools, they may have an influence on the purchase decisions.

Furthermore both models emphasize the factors which influence the purchase decisions and purchase is the main action that both models are focused. Finally, the following section will provide the online buying process to understand how the social interactive tools have an effect on buying decision process and how they can be used as a source through the stages of the buying decision process.

## 2.7 The Online Buying Process

In recent years, companies have understood how customers use the social media in their purchase decision making, thus they have started to develop integrated communications strategies that support their customers at each stage of the buying process (Chaffey, 2009). Considering how a customer changes between an online channel and an offline channel during the buying process to devise online marketing communications has been a key aspect (Chaffey, 2009).

According to Lewis and Lewis (1997) there are five different types of web users who have different searching behaviour based on the purpose of using the web.

Directed information-seekers They are looking for product, market or leisure information in details, tend to be experienced in using the web and are proficient in using search engines and directories.

Undirected information-seekers These are the users usually referred to as 'surfers', who tends to be novice users and may be more likely to click on banner advertisements.

Directed buyers These buyers are online to purchase specific products and they have high tendency to compare product features and prices.

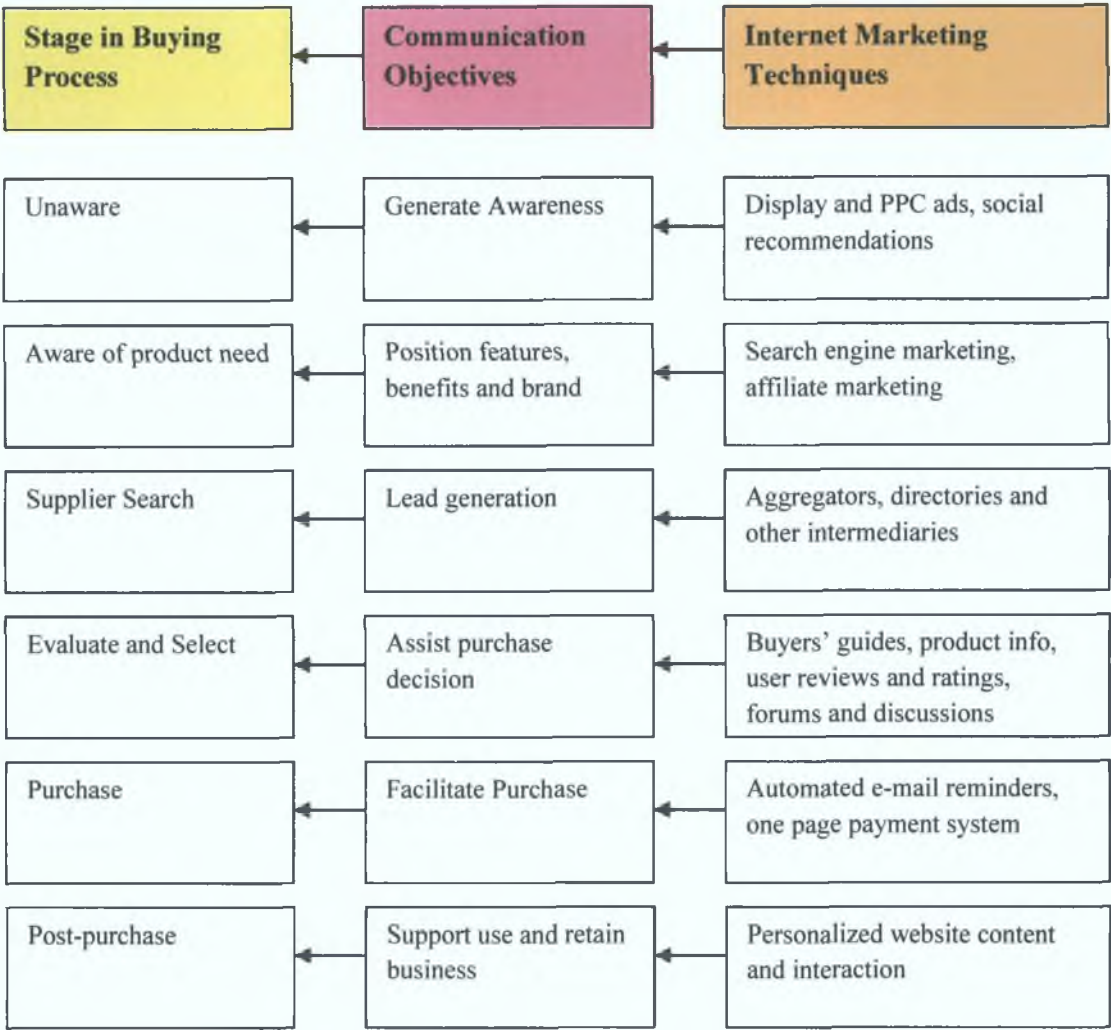
Bargain hunters These users want to use the offers available from sales promotions such as free samples or prizes.

Entertainment seekers These users are looking to interact with the web for enjoyment through entering contests such as quizzes.



The table below summarizes how the Internet with different social interactive tools and communication techniques can impact on the buying process for a new purchaser (Chaffey, 2009).

A summary of how internet communication tools can impact on the buying process



**Source:** Chaffey (2009)

### **Chapter 3 Aims and Objectives**

The main aim of this research is to gain deep understanding of consumer purchasing behaviour, so the research firstly purposes to understand the factors that influence the consumers' buying decisions and gather knowledge about the stages of the buying decision process. As the Internet provides many online communication techniques for consumers, this research aims at analysing the consumer behaviour in digital environment and evaluating how digital interactivity among consumers plays a role in their purchasing decisions.

The Web 2.0 technology has created a new platform to provide social and viral capabilities for consumers by increasing their participation and interaction on the Web. This research purposes how this new platform changes the consumers' behaviour during their buying decision process and how the social interactive tools behind Web 2.0 technology have an influence on their buying decisions. In order to gain deeper insight into this new trend and its effect on consumers, this research aims at analysing how these tools are influential on the stages of buying decision process. This research also purposes to understand how these tools are perceived as more reliable source than other online or offline sources for consumers in their buying decision process and explore how they are used to collect information about the products before making a purchase decision.

The other aim of this research is to explore how social factors play an essential role in consumers' purchasing decisions and how others' product-related opinions are influential on their buying intentions. Social interactive tools create a digital interactivity and facilitate e-WOM among consumers, so this research also purposes to evaluate how these tools are used to seek other's opinion before making a purchase decision.

Furthermore, the research examines how the information gathered from friends, family or any acquaintances are perceived as more trustworthy source rather than unknown people in order to place emphasis on social factors' effect on buying decisions. The research also purposes to understand which kind of influences take place in the buying decision processes with regard to different products at different prices.

This research is designed to study buying decision process of different products at different prices in order to compare processes according to price changes and understand which factors are the most influential on the buying decisions as the price changes. Finally, studying on different products will also give an insight to understand for which types of products social interactive tools are mostly used.

In order to accomplish these aims and objectives, a research question was developed for this study. Thus, the following section will consist of the research question and supporting literature which has guided the researcher to develop the research question.

### **3.1 Research Question**

Howard and Sheth's *Theory of Buyer Behaviour* had big contribution to the development of the buying decision process (The Five Stage Model). Kotler's *Stimulus-Response Model* (Black Box Model) explains how consumers are stimulated by buying inputs and how the combination of these inputs with consumer's characteristics and psychology result in buying decision process. Kotler's model also shows us social factors such as opinion leaders, consumers' family or friends have a big impact on the buying decision process. So, this factor can be considered as an important determinant in our research, because consumers are seeking

others' product related advices and thoughts by visiting different social media tools and asking their family and friends' opinions directly or through social networks before making their purchase decision

According to digital buying behaviour, Technology Acceptance Model (TAM) also explains that subjective norms or social norms, which refer to social factors, are combining with web usage and they can be influential factors on buyers' intentions before making a purchase. These two determinants represent the main elements of the research question of this study. In the research question, using social interactive tools refers to the determinant of web usage and others' product-related opinions refer to the determinant of social norms.

Based on the determinants of the models mentioned above, a synthesis between consumer purchasing behaviour and usage of social interactive tools has been created. According to this synthesis, the research question has been developed as below:

*How is using social interactive tools influential on information search about different products at different prices that buyers have intention to buy and how are buyers' intentions affected by other's product-related opinions directly or through social interactive tools before making a purchase?*

## **Chapter 4 Methodology**

The research question will subsequently inform the choice of research strategy, the choices of collection techniques and analysis procedures (Robson, 2002). The research design is based on the nature of the research problem being addressed and involves decisions about research approach, research strategy and detailed methods of data collection and analysis (Creswell, 2009). This chapter briefly explains the research design developed for this study. It discusses which research strategy and which data collection methods will be used and why they will be appropriate for this research in order to address the research question. The chapter also provides how a case study will be designed for this research and which units of analysis will be used within the case study. Finally, it explains which method will be essential for the internal validity of the research in order to ensure the validity of findings.

Qualitative research is exploring and understanding the meaning individuals or groups ascribe to a social or human problem (Creswell, 2009). Through qualitative research, the process of research involves merging questions and procedures, data typically collected in the participant's setting, data analysis inductively building from particulars to general themes and the researcher making interpretations of the meaning of the data (Creswell, 2009).

On the other hand, quantitative research is testing objective theories by examining the relationship among variables which can be measured, typically on instruments, and that numbered data can be analysed using statistical procedures (Creswell, 2009). In quantitative research, the researcher engages in assumptions about testing theories deductively and applies strategies and collects data to lead numerical and statistical data (Saunders et al., 2009).

Creswell (2009) also states that a topic on which there is a wealth of literature from which you can define a theoretical framework and hypothesis it lends itself more quantitative research, however if the research topic is new and there is not many existing literature, it may be appropriate for qualitative research and inductively by generating data and analysing what the data are suggesting. Social media is a new approach for consumer behaviour and digital interactivity among consumers is a new pattern for their behaviour, thus it was considered that qualitative research design would be more appropriate for this research to gain deep understanding how consumers use social media tools before making a purchase and how their buying intentions are affected by those interactive tools.

In qualitative research, data with emphasizing on people's lived experience are well suited for locating the meanings the people place on the events, processes and structures of their lives and for connecting these meanings to the social environment surrounding them (Miles and Huberman, 1994). In this research, the buying decision processes of different products were studied, so the qualitative approach would provide to analyse how the buyer had experiences during his decision processes by connecting with his social environment and how he was affected by the social factors, such as reference groups, his family, his friends, etc.

In addition to this, qualitative data is collected through interaction with specific individuals in order for the researcher to gain an insight into how topic is viewed by other people, this will be conducted through in-depth interviews (Yauch and Steudel, 2003). So, the idea of qualitative research would produce data being connected to "words" rather than "numbers" to understand how consumers communicate through social interactive tools to make a buying decision.

## **4 1 Research Strategy**

The research strategy is guided by the research question and objectives, the extent of existing knowledge and other resources that are available (Saunders et al , 2009) According to Creswell (2009), research strategies are types of qualitative or quantitative designs or models that provide specific direction for procedures in a research design as it is seen below

- Experiment
- Survey
- Case Study
- Archival analysis
- History

According to Creswell (2009) case study is one of the appropriate research strategies for the qualitative researches, thus in this research case study was chosen as a research strategy firstly to conduct a qualitative study In a case study, the researcher explores in depth a program event, activity, process or one or more individuals (Creswell, 2009) According to Yin and Davis (2007) a case study is an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context when the boundaries between phenomenon and context are not clearly evident In order to investigate a phenomenon within its environmental context and understand stages or phases in processes, the narrative case study are used for the in-depth various social studies (Gilgun, 1994) Bell (2002) suggests that narrative case studies provide the researcher with an understanding of an experience, give the researcher access to stories or themes and highlight changing perspectives and understanding of people and events as a function of time in the evaluation of an experience

In this research, narrative case studies were studied to access a buyer's stories of his three buying decision processes, evaluate his experiences in every process and gain insight into how he decided to buy three different products. Through the stories told by the buyer, the researcher would understand how social environment surrounding him and digital interactivity with other people has an influence on his every purchase decision.

Furthermore, an exploratory study is a means of seeking new insights and asking questions to assess phenomena in a new light (Saunders et al, 2009). As mentioned before, this research aims to clarify an understanding of how social interactive tools are changing the consumers' way to collect information about products that they have intention to buy and how others' product-related opinions are influential on buying decisions, as a result to explore a new insight into consumer purchasing behaviour. According to Saunders et al (2009) case studies can be more likely used for exploratory study in order to address research question, so this is another relevant situation of using case study.

In addition to this, Yin (2009) identifies three conditions of determining research strategy that consist of the type of research question posed, the extent of investigator's control over actual behavioural events, and the degree of focus on contemporary as opposed to historical events. According to Yin (2009) those three conditions explain relevant situations for different research strategies. The first condition covers the research question (Hedrick et al, 1993). If research question focus on "what", "who" and "where" questions are likely to favour survey methods or the analysis of archival data and through these method the research goal is to describe the incidence or prevalence of a phenomenon or when it is to be predictive about certain outcomes (Yin, 2009).



On the other hand, Yin (2009) states that “how” and “why” questions are more likely to lead to the use of case studies, histories and experiments as the preferred research methods. This is because such questions deal with operational links needing to be traced over time, rather than more frequencies and incidence (Yin, 2009). The type of the research question of this study is posed as “how” question as mentioned before, so it is more likely to lead to use a case study in this research.

The other conditions, the extent of control over behavioural events and the degree of focus on contemporary events, may vary according to research strategies. For the case study a “how” and “why” question is asked about a contemporary set of events and over which the investigator has little or no control (Yin, 2009). The consumer behaviour may easily change time by time and Web 2.0 technology has created a new way of consumer behaviour pattern by providing them social interactive tools to share their product-related opinions. So, the research question is focused on a new topic area and contemporary set of events. According to those conditions, case study was considered as a research strategy of this research.

## **4.2 Case Study Design**

A primary distinction in designing case studies is between single and multiple case designs (Yin, 2009). This distinction explains that prior to any data collection, whether a single case or multiple cases will be used to address the research question. According to Yin (2009) single case study may involve more than one unit of analysis and within a single case, the attention is also given to the unit of analysis. A single case study might be about a single organization or one process, however the unit of analysis might include staff in that organization or different items in that process (Yin, 2009).

In this research, single case study was used to study one buyer's three buying processes in which the buyer used social interactive tools to collect information and see others' opinions about three products that he had intention to buy. So, in this research the single case study was about the buying decision process. Within the single case study in this research, unit of analysis consisted of different products at different prices in order to evaluate how buying decision process of three products happened and how usage of social interactive tools influenced the buyer's purchasing decisions.

This research was designed as a single case study about buying decision process of three products that the buyer already bought. Studying three products, which were priced at different prices, would provide to compare how the buyer perceived the usage of social interactive tools as a source of product information in every buying process and to evaluate how the buyer used those tools to seek information and others' opinions about the products that he had bought. It would also show whether he perceived his contacts' comments and reviews as more credible source rather than unknown people's comments in every buying process.

The research question is concerned with the understanding of the usage of social interactive tools in buying decision process and the influence of digital interactivity on buyers' intentions. Thus, the case study was designed with a buyer who is very interested in social media websites, more likely to seek information through those websites about products that he has intention to buy, perceives online comments and recommendations as a trustworthy sources to gather information and has high tendency to interact with their contacts to share and pass opinions about products and ask other's opinions before making a purchase.

Within the case study design in this research, unit of analysis were defined as products, this would also lead us to understand for which kind of products the buyer used social interactive tools to collect information. When the consumers spend a lot of money for a specific product, brand or service, they expect to be satisfied. In order to meet their expectations, they need different sources to collect information and time to evaluate their alternatives before making a purchase decision. For this reason, two buying processes consisted of expensive products. However, the other process consisted of an inexpensive product in order to evaluate whether using social interactive tools are also influential for that product and compare its effect as the price changed.

This comparison of three products would give us an understanding of the main differences in buying decision processes, such as the duration of the process, the variety of sources he used, types of influences on his decision. It would provide us to evaluate whether he needed more others' product-related opinions and the social norms, such as family's opinions were more influential on his buying intentions as the price increased. It would also make us understand whether the buyer acquired information and guidance from his knowledgeable friends or adhered to the expectations of important people, such as family and close friends and accepted their views as a significant source before making his purchase decision. So, it would be understood which kind of influence, information or normative influence, had a role on his buying intention as the price increased.

### **4 3 Data Collection**

The interviews are essential source of case study evidence because most case studies are about human affairs or behavioural events (Yin, 2009) The interviews are a common and convenient process for gathering qualitative data as part of a study and the qualitative data is then analysed by the researcher in order to produce an understanding into the experiences, behaviour and opinions of the people involved within the interview (Creswell, 2009) Based on the research strategy, the interview was used as a data collection instrument to gather valid and reliable data in order to address the research question It was identified to apply the interview to gain important insights into experiences of the buyer who used social interactive tools to seek information about the products and interacted with other people, such as his family or his friends before making his purchase decisions The interview with the buyer would provide an opportunity to evaluate how this digital interactivity between buyer and his contacts, in turn, others' product-related opinions was influential on his buying intention in every buying process

#### **4 3 1 Semi-structured Interview**

One typology that is commonly used is related to the level of formality and structure, whereby interviews can be categorised as structured, semi-structured and unstructured or in-depth interviews (Saunders et al , 2009) However, Rubin and Rubin (1995) the actual stream of questions in a case study interview is likely to be fluid rather than rigid although there is a pursuing a consistent line of inquiry

Semi-structured interviews are one of the non-standardised and often referred to as qualitative research interviews (King, 2004) In semi-structured interviews, the researcher will have a list

of themes and questions to be covered, although these may vary from interview to interview (Saunders et al , 2009) Thus, the researcher can omit some questions or the order of questions may be varied depending on the flow of the conversation in relation to research question In this study, it was considered that it would be appropriate to apply semi-structured interview in order to gain qualitative data for the research question

Semi-structured interviews are commonly arranged around a number of open-ended questions, which lead to a free-flowing discussion amongst the researcher and interviewee (Saunders et al , 2009) Furthermore, according to Yin (2009) throughout the interview process, the researcher has to follow line of inquiry and also ask open-ended questions in an unbiased manner that serves the need of line of the inquiry This means, open-ended questions asked to interviewee should be a way of addressing the research question in actual conversation In this research, the line of inquiry is about the buying decision process, so the interview with the buyer was firstly designed to be asked his buying processes of different products in order to follow the research's line of inquiry According to his buying processes, open-ended questions were asked to serve the line of inquiry of the research which is about buying decision process These open-ended questions was based on filling the gaps and collecting more available data about buying processes to understand how the buyer collected information about products through social websites that he visited, why he needed to ask others' opinions such as his friends or his family and which kind of influence had a role on his buying decisions of three products

### **4 3 2 Secondary Data**

In order to answer the research question and meet the objective, there is also possibility of reanalysing data that have been collected for some other purpose and such data are known as secondary data (Saunders et al , 2009) Secondary data can provide a useful source to be able to address the research question by supporting primary data According to many researchers, there is a variety of classifications for secondary data and it can be collected from written material such as book, journals, websites, forums, etc or non-written materials such as voice and video recordings, pictures, television programmes, etc (Robson 2002, Hakim 1982)

In this research, secondary data was collected from websites, such as review and rating sites, forums, blogs, micro-blogging, media sharing sites and all other social media websites that the buyer used in his buying decision processes This would produce data about how the buyer collected the information and others' opinions about the products that he had intention to buy from these websites and which kind of information on these sites influenced the buyer's intention before making his purchase decision

### **4 4 Triangulation – Internal Validity**

The case study copes with the situation in which there will be many more variables of interest, relies on multiple sources of evidence with data needing to converge in a triangulation fashion and benefits from the prior development of theoretical propositions to guide data collection and analysis (Yin, 2009)

Triangulation is essential multiple source of data in a case study strategy (Yin, 2009)

According to Denzin (1970) triangulation refers to the use of more than one approach to the investigation of a research question in order to ensure the validity of the findings

Triangulation is used to gather data through several sampling strategies and different data collection techniques (Denzin, 1970). So, it provides to gather data at different times and social situations, as well as on a variety of people and makes the researcher ensure the data are telling what the researcher thinks they are telling (Denzin, 1970).

In this research, it was considered that triangulation would be appropriate method to gather data for the internal validity of the research. Within the research, data was collected from one buyer, however it was studied his three buying decision processes to understand how the buyer used different social interactive tools for seeking information about the products and how his buying intention was influenced by these tools and by other's opinions before making his decisions.

Triangulation, in this research, was created by making short conversations with the buyer, listening to his three buying decision processes, asking him open-ended questions according to his buying processes, taking notes during conversations and interviews, asking some questions again through e-mails in different way to ensure about the data, asking some open-ended questions other people who shared their own opinions with the buyer and using the social media websites and other sites that the buyer visited to collect information about the products that he bought. All these data, consisting of the conversations and interviews with the buyer, the notes taken by the researcher, emails from the buyer and the buyer's contacts, and online sources (social websites the buyer used) were combined and explained as narratives in order to ensure the validity of the data and address the research question.

The conversations with the buyer were made to gain general idea about the buyer and understand how he is using the social interactive tools and for what purposes he is using them. Additional conversations were also made according to notes taken by the researcher to ensure what the buyer was telling. The buyer was asked to explain his three buying processes to collect general data about how his buying process happened and how he decided to buy three different products at different prices. According to the buying processes, follow up questions were asked to the buyer to collect more data for deep understanding of how he gathered information and how his buying intention was influenced. The data were also collected from other people through open-ended questions to understand how they influenced the buyer's intention and took roles in his buying processes.

Finally the social media websites, which the buyer visited during his buying processes, were used to understand which information on these sites influenced his buying intention. As a result, through triangulation method data was collected in order to address research question from different sources which consisted of the main interviewee, who was the buyer, other people with whom the interviewee contacted in his buying processes and the social media websites that the buyer visited before making his purchase decisions.



**Chapter 5 Case Studies**

**Buying Decision Process of Three Technological Products as Narratives**

Based on the case study design of this research, buying decision process of three different products were studied as narratives which focused on the stories told by the buyer. This chapter explores the buyer’s experiences in his three different buying decision processes, their content and results, how things were happened and how decisions were taken, with whom he contacted during his processes, how they played a role in his decisions, which social interactive tools were used to collect information and how the buyer used these tools to make a decision.

Firstly, some conversations were made with the buyer to ensure that he would be an appropriate sample for this case study. According to these conversations, it is understood that the buyer works at a leading technology company and he is very interested in technological products, for this reason he always keeps his technology knowledge up to date by following some blogs, review sites, etc. He has also high interest in using social interactive tools and uses different types of social network sites to share his opinions with his contacts. At the same time, he is using these tools as a source while making a purchase and has high tendency to ask other’s opinions before making his purchase decision.

The table below also displays the some relevant information for the buyer.

Age	Educational Background	Occupation	Wage Bracket
25	MSc in Computer Science	Technical Associate	€20 000 – €30 000

As a consequence of these, the narratives were assembled by the data collected from the buyer, the other people who took a part in the buyer's processes and the online sources that the buyer used in his buying processes. The assembly of narratives in interviews with the buyer were made in two parts. Firstly, the buyer was asked to explain his buying decision processes, in which he spent different amount of money for the products, used different social interactive tools to gather information about products and contacted with different people to obtain their opinions to make a decision. The buyer told his three buying decision processes in which he bought technological products at different prices. In the second part, follow up questions were asked for every process to obtain more available data from the buyer about his buying decision processes. By this way, the researcher accessed the stories of the buyer and explored the content and the results of his stories.

Based on his buying processes, some questions were asked to the people with whom the buyer contacted to ask their opinions about the products. By these questions, the researcher explained the narratives with exploring these people's influences on the buyer's purchasing decisions. Finally, the information collected by the buyer from different social interactive tools were used in the explanation of narratives to give an insight how these tools were influential on the buying decision processes. All the data gathered from the buyer, other related people and online sources were combined to assembly and explain the narratives of the buyer. This chapter provides the case studies of three buying decision processes as the assembly of narratives. All questions, the main part of the answers and secondary data were illustrated in the appendices and referred as appendix while explaining the case studies.

### 5.1 Case Study 1: Downloading a task application (Any.Do)

In this process, the buyer bought an inexpensive product and it took him a short time to make his purchase decision. However, he used different social interactive tools to collect information about the application and ensure its features. The buyer uses Android as a smart phone and prefers to download the applications which are perfectly matching with his smart phone. He does not want to spend time to download an application which will not be appropriate for his smart phone, so he tries to find the best applications for him. Additionally, he is a tech-savvy person and uses the applications which provide great convenience for his social and working life. He prefers to create his to do lists on his smart phone rather than on a paper. For this reason, he needed a task application which would manage his tasks to facilitate his work. A task (to do list) application, called Gtasks was already downloaded on his smart phone; however it was not perfectly matching with Google tasks. He was not happy with this application and had intention to download a new task application.

The buyer follows some blogs such as Techcrunch ([www.techcrunch.com](http://www.techcrunch.com)), Mashable ([www.mashable.com](http://www.mashable.com)) and Ycombinator ([www.ycombinator.com](http://www.ycombinator.com)) on his Twitter account. The main purpose of following these websites is to follow the news and articles about technological products and keep his technology knowledge up to date (Appendix 1/Q1). Additionally, these websites are integrated with social network sites such as Facebook, Twitter and Google+. The buyer also likes this feature of the websites; because while people are visiting those sites, they can easily see their contacts' comments or like/+1 about any products and articles at the time same time by login with their accounts (Appendix 1/Q1). As it understood, the buyer is very interested in seeking his contacts' comments about products and using online platforms where he can share his own comments about the products.

The buyer saw news about a new task application, called Any Do through the blog of Techcrunch on his Twitter account (Appendix 2/1) The buyer was triggered by the post on the blog and read the blog to gather information about the application The application was downloaded 500 000 times in the past 30 days and this information was the most important thing that took the buyer's attention about the application (Appendix 2/2) He also looked at online reviews and comments about the application on the blog All online reviews that the people shared on the blog were saying positive things about the application (Appendix 2/3) The buyer was positively influenced by the information and online reviews on the blog and also wanted to understand why a lot of people downloaded this application in a very short time (Appendix 1/Q2)

The buyer visited Android market place to download the task application, however before downloading it, he also read the user reviews and looked at the rating of the application on the Android market place The buyer also needed to collect information from this market place to ensure about the features of the application He used online reviews on this market place as a source to see whether there was any negative comment about the application for instance, being inconsistent with the features of his smart phone (Appendix 1/Q3) The user reviews were also positive like the comments on the blog and its rating was very high (Appendix 2/4)

All these sources were influential factor that affected the buyer's decision about downloading the application As it is observed, the most influential information gathered from these sources was the synchronization of the application with Google tasks and this was the most important feature that the buyer was looking for

Additionally, one of the buyer's friends liked this application through Google+ That friend of the buyer is very interested in technological products, smart phones and their applications The buyer relies on his opinions and his any comments about any technological products affect the buyer's intention before making a decision (Appendix 1/Q4) For this reason, the buyer was also influenced by his friend's opinion and convinced to download the application

As it is observed, the buyer did not become sure about the application by one source and collected information from several sources He was also influenced by others' online comments, the users rating of the application and the "plus one" of his friend who is a knowledgeable person about smart phones and their applications After the information that he gathered from these sources, he convinced about the features of the application and decided to download it He is very pleased with using this application, thus he synced this application with Google tasks and became a member of it by using Facebook login He also did "plus one" for the application through Google+ and rated it through Android market place to show his satisfaction

## **5.2 Case Study 2: Buying a smart phone (Nexus One)**

This buying process was much longer than the first process and the buyer used more sources in this process to make a decision In this process, an expensive technological product was purchased, so he needed to gather other people's opinions and their buying experiences about the smart phones that he had intention to buy As a buyer, he has a strong interest in using high-end technological products and in this process, he needed to be convinced about buying a smart phone whose features would meet his expectations

Additionally he did not want to purchase a locked smart phone and deal with some issues to make it unlocked. This factor also influenced his buying decision and it took him longer than expected to make his decision.

The buyer was using an obsolete smart phone, so he needed to change his phone and had intention to buy a smart phone. At that time, iPhone 3GS was very popular among his friends and all his friends who were using iPhone 3GS had positive opinions. As it is understood, its popularity was the main factor that made the buyer intend to buy iPhone 3GS. Additionally, he liked the features of the phone such as its fast processor, touch screen and design (Appendix 3/Q1). After he intended to buy it, he started to search information about the phone through Apple website (Appendix 4/1).

After he collected the information through website, he was convinced about the features of the iPhone 3GS. However, he did not want to purchase a locked smart phone and he could not receive any information about this issue from Apple website. For this reason, he needed to search more information about iPhone 3GS through other sources such as review sites rather than company website. The main reason of searching for further information about that smart phone was to learn whether it was locked or not (Appendix 3/Q2). He visited one of review site, called Engadget that he finds as a trustworthy source. By this review site, he learnt that iPhone 3GS had a disadvantage of being locked (Appendix 4/2). He would need to sign a contract to be able to make it unlocked, however he did not want to deal with this kind of issues such as contract and insurance policy. This information gathered from the review site influenced his buying intention. He decided not to buy an iPhone 3GS and continued to search more information about smart phones.

The buyer is following Google blog on his Twitter account in order to follow the latest Google's products. At that time, he saw an announcement on the blog about a new smart phone of Google. By this blog, he became aware about a new smart phone, Nexus One, which was about to be launched by Google (Appendix 4/3). Additionally, he has a strong interest in Google's products, hence this announcement took his attention and opened the blog to read the news. He firstly collected information about the features of Nexus One through this blog.

On the other hand, he liked the features of iPhone 3GS, except its disadvantages of being locked. He needed an unlocked smart phone which had similar features to iPhone. For this reason, he visited another review site to compare Nexus One with iPhone 3GS and ensure about the features about Nexus One (Appendix 4/5). This review site compared Nexus One with iPhone 3GS and concluded that Nexus One had similar features to iPhone 3GS and more importantly Nexus One was not locked to any company. Hence, the buyer was convinced about Nexus One's features and believed that he found the smart phone which he was looking for (Appendix 3/Q3).

According to the information gathered from those sources, the buyer became well-informed about the features of the Nexus One, however he could not decide to buy it or not. Android was a new operating system and he was not sure about whether he would like that smart phone or not. For this reason, he needed an opinion from a person who had an experience in using Android. As he knew, none of his friend was using Android at that time, so he used his Facebook account to ask whether any of his contacts had already bought Android. He believed their positive or negative experience about Android would help him to make a decision. He also needed to ask the people that the buyer personally knows and receive

different perspective about Android from his own friends rather than review sites or online comments (Appendix 3/Q4)

Through his Facebook account he acquired that one of his friend was using Android and he was happy with using that smart phone. The buyer wanted to meet his friend to see and touch the smart phone to ensure about its processor. In addition to this, Nexus One was sold only on Internet at that time, so his friend's phone could be a good opportunity to see how it was working (Appendix 3/Q5)

The buyer gathered his friend's opinions about Android during their meeting. His friend advised him to use Android to better use Google products, since the buyer likes Google products. He collected information from his friend about how he could more easily integrate with Gmail, Google Contacts, Google Search or Google Map by using Android (Appendix 5/Q1). Furthermore, the buyer is very passionate about technological news and his friend told him that Android was seen cooler than iPhone by geeks because of its some special features such as its open source and installation of your own software (Appendix 5/Q1)

His friend's opinions and advices helped the buyer to make a decision. After their face to face meeting he became more convinced about Android and decided to purchase Nexus One. It was a high-end technology that he could use it for a couple of years as he expected. During the meeting, the most important factor on his decision was actually to see how his friend's phone was working while they were together. He had already intention to buy Nexus One, however he did not feel confident about its processor. Checking the features and the processor on his hands was enough for him to make his purchase decision (Appendix 5/Q2)



At that time, he was student, so he believed that he needed to confirm his decision with her mother to be able to buy it. Thus he contacted with his mother through Google Voice and after her mother allowed him, he purchased Nexus One. Furthermore, he was very pleased with using Android and recommended his other contacts to use Android through his Facebook account.

As a result, the buyer used different sources to find the best smart phone which would meet his expectations such as using high-end and unlocked smart phone with special features such as having fast processor and better integrating with Google's products. He could not acquire sufficient information from the company website and he used another sources such as review sites to gather information which would affect his purchase decision. He had decided the brand of the phone, which was iPhone 3GS, however according to information he gathered from review sites he had intention to buy another brand, which was Nexus One. He also needed to seek his contacts' opinions to learn their buying experiences about Android to be sure its features. Finally, he needed to meet his friend who was using Android and see how the phone was working. As a consequence of these, he decided to purchase Nexus One.

### **5.3 Case Study 3: Buying a car (BMW 1 series)**

This buying process was the longest one and the buyer spent plenty of time to make his purchasing decision. This process consisted of buying an expensive product and the buyer could not afford his own car at that time and his father bought it for him as a gift. Thus, it is observed that his father's opinion played an essential role in his decision as a distinction from other two processes. Using traditional source, a car dealer, also took part in this process and his father more relied on the information gathered from that car dealer to evaluate their

alternatives and make a decision. The buyer wanted to buy a sportive and stylish car which would be appropriate for his age. However, he was going to buy his first car, so the safeness of the car was more important factor on his decision rather than its design, brand or popularity. The stages of this process, as searching information about brands from social media and traditional media, evaluating the alternatives and making a decision took much longer time than the stages of other two processes.

Firstly, the buyer started to collect information about his two favourite car brands, Mini Cooper and BMW 1 series. It was understood that Top Gear is perceived as a trustworthy programme by the buyer to receive information about car brands and compare them with each other. When he needs to gather information about cars, he uses the episodes of Top Gear as a source. Thus, the buyer firstly used YouTube as a channel to reach the episodes of Top Gear to collect information about Mini Cooper and BMW 1 series. Through these videos, the buyer had an idea about the design of two cars, their engine, speed and accessories (Appendix 6/Q1). According to the videos, there were not big differences between two brands and both of them seemed stylish (Appendix 7/1). Thus, the buyer was still indecisive between two brands and not sure about making a decision.

In order to make a decision between two brands, the buyer received opinions from one of his close friend and from his girlfriend. That friend of him is very interested in cars and has a broad knowledge about cars. As it is seen, the buyer needed an opinion from a person that he knows very closely and he can trust his advice about cars (Appendix 6/Q2). After he met his friend, he decided to buy Mini Cooper, because his friend led him to buy Mini Cooper and told him it would be more stylish and more appeal to young people rather than BMW 1 series.

(Appendix 8/Q1) Additionally, his friend compared two brands according to their advantages and disadvantages, so the buyer collected information from his friend that Mini Cooper had a better engine performance and cornering ability than BMW 1 series and skidding would be less in Mini Cooper because of its large width (Appendix 8/Q1) The information gathered from his friend helped him to make decision and he became more decided about buying Mini Cooper after he received his friend's opinion (Appendix 8/Q2)

The buyer also needed to seek an opinion from a person who was important in his life As it is observed, he usually asks his girlfriend's opinions while making an important decision, for this reason he also needed to discuss this topic with his girlfriend Additionally, he would drive his car mainly with his girlfriend, so her choice would be important for him to make a decision (Appendix 6/Q2) Her girlfriend also advised him to buy Mini Cooper, because it had a different style from other cars and using that car would be privilege for him (Appendix 9/Q1) They are in the same age group and have similar interest, so her advice was influential on him More importantly, they usually ask their advices each other before making a decision and their opinions play an important role in their decisions (Appendix 9/Q2) Hence, his girlfriend's opinion made the buyer more convinced about buying Mini Cooper

At that time, his father preferred to collect information about two brands from one of his friend who is a car dealer The information from that car dealer was perceived more credible source, because his father knows him very well and trusts his advices The car dealer advised them to purchase BMW for his safety, although he had to sell more Mini Cooper at that time He did not recommend them to buy Mini Cooper because of its safeness issues His father would rather buy a safe car for an inexperienced driver, so his opinion was influenced by the

car dealer's advice and turned into buying BMW. The buyer was also influenced by his father's opinion and safeness played an important role in his decision in this process. Additionally, he could not afford his own car and his father was going to buy it, so he had to perform according to his father's expectations. He was buying an expensive product, thus he needed to ask his family's opinion and get their approval before making his decision (Appendix 6/Q3)

Before meeting with the car dealer, he was affected by his friend's and girlfriend's opinion and decided to buy Mini Cooper. However, car dealer's advice and his father's choice changed his mind. For this reason he needed to search more information about the safeness of Mini Cooper. He used a forum site which the buyer usually uses as a source to see other people's comments about products and brands. In this period, he preferred to seek unknown people's product opinions and buying experiences about Mini Cooper rather than his contacts, although he could have gathered more trustworthy information from his contacts as it was seen in the second process (Android). He could have asked his contacts whether they had any experience in using Mini Cooper and got their opinion about it, as he did in the buying process of smart phone. By this way, he could have learnt that whether they were happy with that car and had ever faced with any safeness problems. However, he did not prefer to share with all his contacts that he was buying a car. The car, that he was planning to buy, was a high priced product. In his opinion, it would not be a good behaviour to show all his contacts that he was buying an expensive car. He believed that if he asked such a question through Facebook, all his contacts would see that, so it could be considered that he was making a show off (Appendix 6/Q4)

For this reason, he used a forum site to see other unknown people's thoughts and opinions about Mini Cooper. The online reviews collected from the forum site also mentioned that Mini Cooper would be attractive, however it would not be a safe car (Appendix 7/2). The buyer's decision was also influenced by those reviews and decided not to buy Mini Cooper. Finally, he also needed to make a test drive before purchasing BMW 1 series in order to have a physically experience. As a consequence of these, he purchased BMW 1 series.

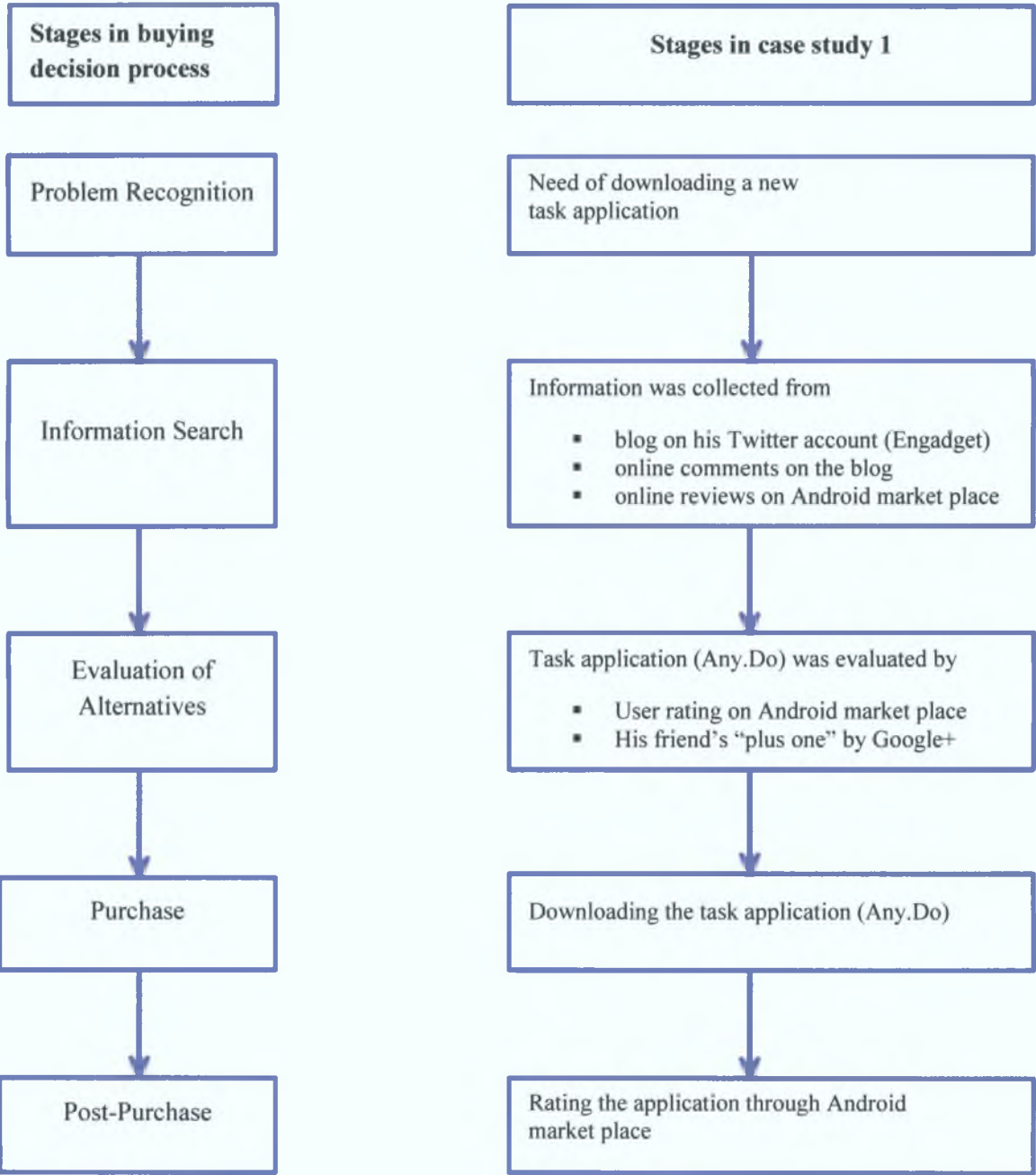
In this process, the buyer had intention to buy a car, however he could not decide between two brand choices. He collected information in order to evaluate his brand options and make his purchase decision. He was an inexperienced driver and safeness of the car would be important factor which influenced his choice of brand. He could not make his purchase decision by his own, his family, especially his father had an essential role in his decision. He also needed to gather his friend and his girlfriend's advice to make his decision. The price of the car was also one of the main factors which influenced the process. As a buyer, his contacts' buying experiences in a particular brand were important source for him in his previous purchasing experiences, however in this process he did not seek their opinions by using his social network account due to the high price of the product. He searched unknown people's opinions about Mini Cooper through a forum site and learnt that people also believed Mini Cooper would not be a safe car. Finally he agreed with his father and decided to buy BMW 1 series.

## **Chapter 6 Analysis of Findings and Conclusion**

The narratives of buying processes of three technological products were assembled by the data collected from the buyer, related people and online sources and explained as case studies in the previous chapter. This chapter will examine the results of narratives and compare them with the idea and the themes of the literature review to lead a decision for the research question. In this chapter, every case study will firstly be summarized to display the stages of buying decision process and gain a general idea how the stages of processes happened in every case study.

The main aim of this research is to gain understanding of consumer purchasing behaviour and evaluate how this behaviour is affected by digital interactivity and social interactive tools, when it takes place in digital environment. In order to accomplish this aim, both models will provide an insight while analysing the results of findings. The results of three narratives will be analysed according to Kotler's stimuli-response model by discussing how the buyer was stimulated, how social factors such as reference groups, his family or his friend affected his response and how he responded to the stimuli through the stages of buying decision process. They will also be examined based on TAM model by evaluating how the buyer used social interactive tools to collect information about the products that he had intention to buy and how other's product-related opinions influenced his intention before making his purchase decisions. Finally, three case studies will be compared between each other to make a conclusion about buying decision processes of different products at different prices.

6.1 Case Study 1: Downloading a task application (Any.Do)



In the first process, the buyer was not happy with his task application on his smart phone, so he recognized a problem, which is the first step of buying decision process as it displayed in the figure above. Based on the Kotler's stimuli-response model, the consumers are stimulated by their environment and in this process the buyer was stimulated by his digital environment, the blog on his Twitter account about a new task application (Any Do). This result explains that the buyer is triggered by the social interactive tools and using these tools such as his Twitter account has an influence on his buying decision process.

Based on the TAM model, using social interactive tools and other's product-related opinions were used in this research as a determinant which influences the buyers' intentions. The buyer used this blog for information search about the task application, which is the second stage of the buying process and he was influenced by the information and online comments on the blog. Secondary data illustrates the main influential information about the application with positive online comments which drove the buyer to have an intention to download it. The buyer visited Android market place, because he had intention to download the application and his intention was also influenced positively by the online reviews shared through this market place. Online ratings and one of his friend's "plus one" was also used in order to evaluate the task application and the buyer understood that the application was liked by others. All these experiences of the buyer show that social interactive tools are effectively used to collect information in his buying decision process and the information on these tools and the other's product-related opinions shared through these tools are influential on the buyer's intention.

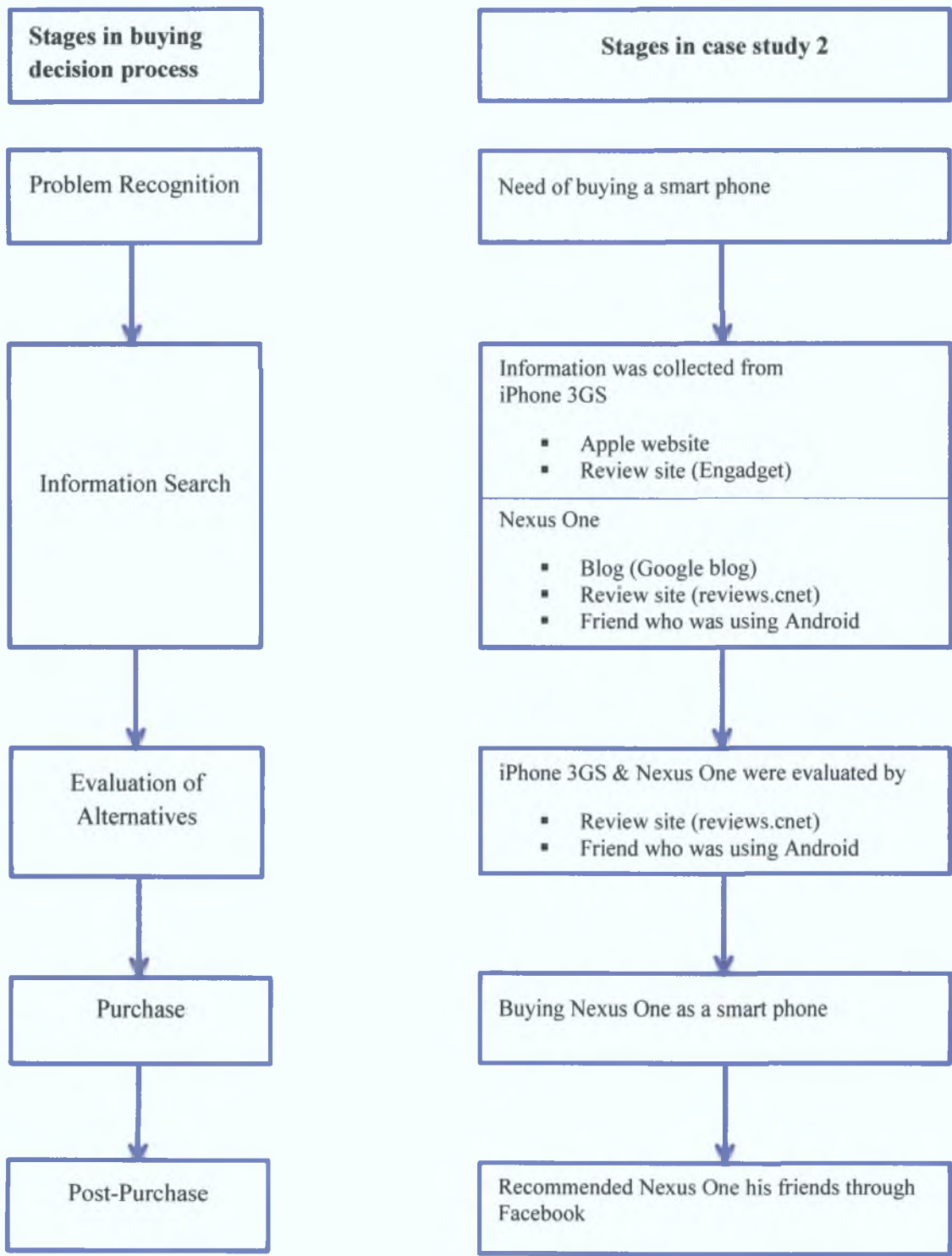


Furthermore, as mentioned in the dimensions of social networks through literature review, the buyers can be affected by their knowledgeable contacts before making a purchase. The buyer's intention was also influenced by his friend "plus one" through Google+, because that friend of the buyer is very interested in smart phone and its applications. This digital interactivity explains that there is an informational influence on the buyer's decision. According to the literature review, the social factors such as, friends, family and opinion leaders have influence on buyer's purchase decision and based on Kotler's model, the buyers respond to the stimuli in their environment by combining their social factors. So, in this process it can be suggested that his friend's "plus one" has an influence on the buyer's decision which results in downloading the task application.

The buyer also used Android market place to rate the application and showed his satisfaction about the application to his contacts. This behaviour also explains that the social interactive tools are also effectively used for post-purchase behaviour which is the last step of buying decision process, as it is seen in the literature review.

As a result, two determinants of TAM model, web usage (using social interactive tools) and social norms (others' product-related opinions) are influential factors in this process on the buyer's intention, in turn on his purchase decision. Additionally social factors in Kotler's model, such as reference groups (online comments and reviews) and knowledgeable friend opinion have a role in the buying decision process as a response of downloading the application.

6.2 Case Study 2: Buying a smart phone (Nexus One)



This process also started with problem recognition, since the buyer had problems with his mobile phone which became obsolete. He had intention to buy iPhone 3GS as a smart phone and the main factor of having this intention was its popularity among his friends. The buyer is stimulated by his social environment, his friends, as it discussed in Kotler's model. Additionally, as it is suggested in TAM model, social norms are the main influential determinant on the buyer's intention, because the buyer was influenced by the popularity of the phone and his friends' views, before collecting information about the iPhone 3GS.

The buyer gathered information about iPhone 3GS through Apple website, however he also used a review site for more available information to learn whether there was any disadvantage of that phone and whether it was locked to any company which was an important feature for his buying decision. This result expresses that the buyer more relies on the social interactive tools such as review sites to collect information about the products that he had intention to buy rather than the company website. Secondary data illustrates the information he gathered through the review site and according to this information he decided not to buy iPhone 3GS. His decision shows that using social interactive tools has an influence on the buyer's intention.

The buyer was triggered by an announcement on the blog about a new smart phone, it is obvious that using social interactive tools has an effect on stimulating buyers and making them aware about the products. He used again a review site to collect information about Nexus One and compare its feature with iPhone 3GS and this explains that the buyer perceives the social interactive tools as a trustworthy source for information search and evaluation of his alternatives in the buying decision process. In this process, the buyer also

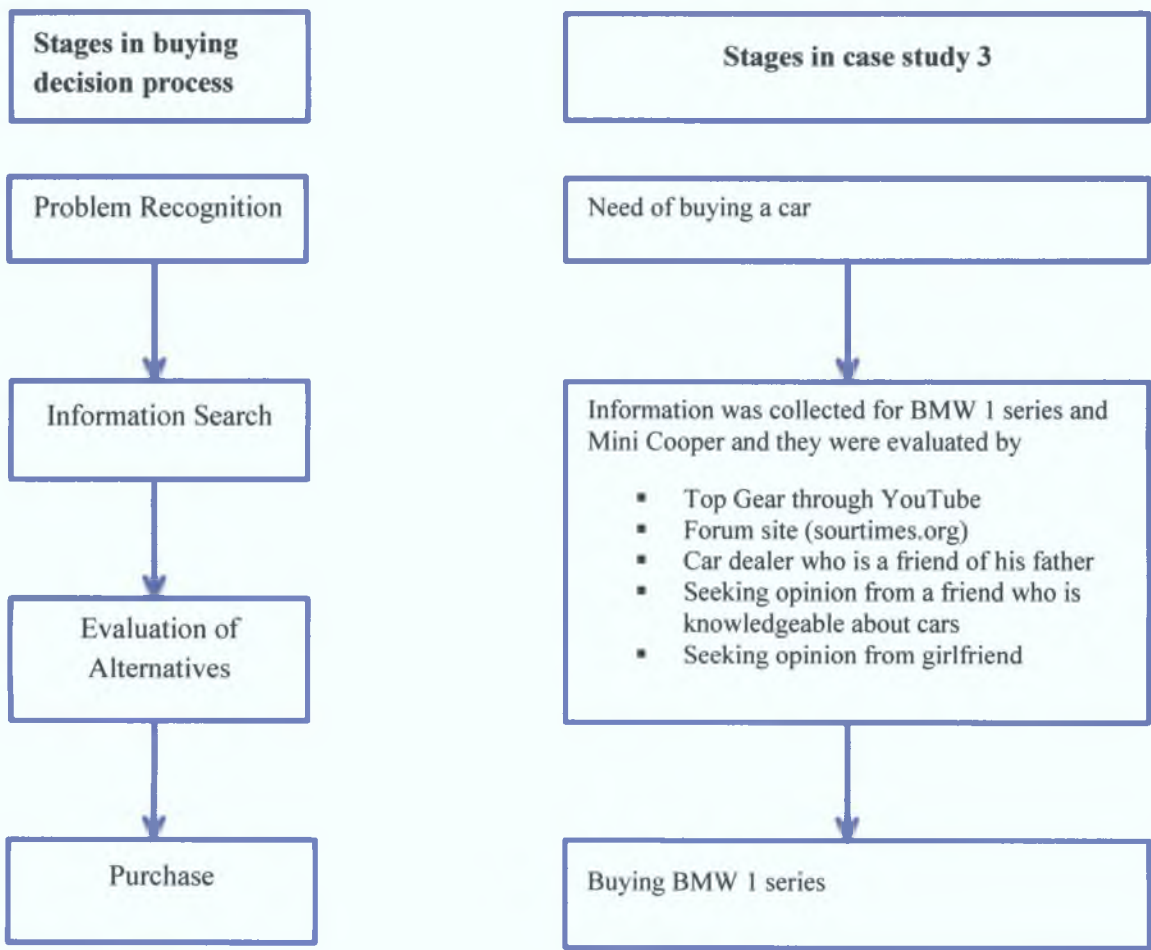
needed more credible information about Nexus One from his contacts and used his social network account to collect information from them. This result expresses that social networks are perceived more credible and trustworthy source by the buyer before making his purchase decision, because he more relies on the information from his friends rather than unknown people. So, in this process the effect of trust is observed on the buyer's decision, which is one of the dimensions of social network, as discussed in the literature review. The interview results with his friend also show that the information from his friend created a social trust on the buyer and his opinion positively influenced the buyer's intention.

As distinct from the first process, in this process the buyer needed to meet his friend to see how that smart phone was working to be convinced about its features. This finding underlines that there is a need of physical testing while purchasing an expensive product. The other distinction in this process was a need of asking his mother's approval before buying it. So, in this process it can be suggested that there is a family influence on the buyer's purchasing behaviour while buying an expensive as discussed in the literature review.

In this process, social networking was used again by the buyer as a post-purchase behaviour to recommend his contacts Nexus One after he bought. Finally, these findings explain that social network sites represent a great tool for consumers to share their product-related opinion and information with their friends or other acquaintances and show their satisfaction about products which facilitates e-WOM and it is obvious that e-WOM has significance influence on the buying decision process.

Consequently, as mentioned in Kotler’s model, the buyer was stimulated by his social environment and the buying process resulted in a purchase decision as a response of social factors. Two determinants of TAM, social norms (others’ product-related opinions) and web usage (using social interactive tools), were observed again in this process. Online reviews and especially friend’s opinions are combining with using social interactive tools and this combination has a positive influence on the buyer’s intention as a result of purchasing.

6.3 Case Study 3: Buying a car (BMW 1 series)



This process also starts with the stage problem recognition which refers to a need of buying a car. In this process, the problem was to decide the brand of the car, thus the stages of information search about two brand options and evaluation of those options took part together as it is shown above. The social interactive tools were also used to gather information about brand choices and evaluate the alternatives to make a decision. Additionally, in this process the buyer's purpose of using one of the social media website, YouTube, was to watch a programme which is perceived by the buyer as an unbiased source to acquire information about cars. This finding explains that social interactive tools can also be an ideal channel to reach to the programmes that are perceived as a trustworthy source by buyers in their decision process.

It was expected that social interactive tools would be more effectively used by the buyer in this process because he was buying an expensive product and needed more information, however it was analysed that social factors had more important role in the buyer's decision and the buyer more likely adhered to the social norms while purchasing an expensive product. It can be suggested that the determinant of TAM model, social norms have a high influence on the buyer's purchasing decision when the price of the product increases.

One of the social norms on the buyer was his friend's opinions and the buyer considered that he should take his advice while making his brand choice. The buyer directly asked his friend who is knowledgeable about cars to receive his opinion about two brands and this result explains that the buyer needs information and guidance from his knowledgeable friend while seeking his purchase options. The results of the interview with his friend show that the buyer was influenced by his friend's advice and he decided to buy Mini Cooper after he gathered his

friend's opinion. So, it can be argued that there is an informational influence on the buyer's intention before making his purchase decision.

Another effect of social norms on the buyer's decision was his girlfriend's opinion. She believed that the buyer should buy Mini Cooper because it would be more suitable for his age and the interview results with her explain that the buyer was influenced by her opinion. This indicates that there is a normative influence on his intention and he more likely performs according to the expectations of the people who are important in his life. As it discussed in the literature review, homophily can be another factor on the buyer's decisions and the consumers may be affected by the people who have similar attributes and interests. The results of interview with her also underline that they have similar interests, so the buyer seeks opinion from the person who shares similar qualities and interest in common with him.

Based on Kotler's model, social factors played an essential role on the buyer's decision in this process. It is obvious that the most influential social factor on the buyer's decision was his father's opinion. He needed to get his father's approval and agree with him on performing his decision to be able to afford his car. The buyer had intention to buy Mini Cooper, however his intention was changed by his father's opinion and he decided to buy BMW. As mentioned in the study of consumer behaviour, this finding explains that the family is the most important buying reference group and has the highest influence on the buyer's decision while purchasing an expensive product. Additionally, trust has also an effective role in this process to make a decision. His father preferred to gather information from a car dealer who is one of his close friends rather than other car dealers. The information received from the car dealer positively influenced the father's brand choice, in turn, the buyer's buying decision.

This shows that his father more relies on the brand information collected from his friend rather than from unknown people. Consequently, as well as in the digital environment, through traditional consumer behaviour, the consumers also need to establish social trust to acquire information and evaluate their brand choices in their buying decision process.

After the buyer was influenced by the car dealer's advice, he needed more information about Mini Cooper and used a forum site as a trustworthy source to collect more information. As provided in secondary data, the buyer became sure about safety problems of Mini Cooper by the online reviews and comments in that forum site. The case study of the buying smartphone shows that the buyer perceives the social network as a more credible source to seek opinion and information from his contacts and acquaintances rather than unknown people. However, in this process, he did not use his social network account as a source and acquired information from unknown people rather than his contacts. As it is seen in the additional questions, the buyer believes that it would not be a good behaviour to show all contacts that he was buying an expensive car. In this process, the buyer's characteristic and his personality come into prominence and he does not prefer to use social network as a source for information search because of his personality. Kotler's model also underlines that consumer personality has an important influence on their buying decision process and the consumers combine their characteristic with their psychology to respond as purchase behaviour. Based on Kotler's model, the finding shows that the buyer's personality influences his pre-purchase behaviour and the way of information search to make his purchase decision. In this process, consumer's personality played a role as well as social factors in his buying decision process. Finally, in this process, post-purchase behaviour was not observed and the consumers may not always pass through all stages of the process in purchasing a product, as it mentioned before.



## 6.4 Conclusion

In this research, a person's buying experiences in three technological products at different prices were studied as case studies. Three narratives were assembled and explained according to the data collected from the buyer, related people and online sources. Two determinants, social norms and web usage of TAM model were used in this research to evaluate how they combine in the buying decision processes and have an influence on the buying intentions, in turn, purchase decisions while analysing the findings of three case studies. In this research, social norms refer to others' product-related opinion and web usage refers to using social interactive tools. According to the findings of three case studies, the social interactive tools were effectively used in the stages of the buying decision processes and others' product-related opinions collected by digital or social environment has an influence on the buyer's intention and his purchase decisions. For this reason, it can be suggested that two determinants of TAM can be used to evaluate the buying decision process with digital and social interactivity and the factors that influence the consumer purchasing decisions.

The results of three case studies indicate that using social interactive tools is an effective source to acquire information about the products at different prices and evaluate brand choices to make a purchase decision. These tools are perceived as more trustworthy and credible source rather than company websites for collecting product and brand information. They are also used for passing and sharing information among users, so online recommendations and comments that are shared through these tools also create a valuable source while making a purchase decision. The secondary data results illustrate how these tools provide product information and how people share their own comments through these tools.

As a consequence of these, it is suggested that using social interactive tools have a high influence on information search about the products at different prices

The findings of case studies express that online comments and recommendation shared through these tools also have a strong influence on the buyer's intention before making his purchase decisions in every process. Furthermore, social network sites can be a great tool to seek contacts' opinions about the products that the consumers have intention to buy. These findings explore that the buying intention is highly influenced by the others' product-related opinions gathered from these tools before making a purchase decision.

On the other hand, the findings also show that the product-related opinions from family, friend or acquaintances rather than unknown people provide more trustworthy information and have more influence on the buying decision. Thus, it is underlined that social factors such as family or friend or anyone who is important in consumers' lives have an important role in their buying decisions. These opinions can be gathered either in the form of digital interactivity as seen in the first and second buying process or face to face relationship as seen in the third process. The results of findings also emphasize that social factors have more influence on the buying decisions as the price increases. While purchasing an inexpensive product, such as downloading a task application, one of his friends' "plus" through Google+ can be sufficient to be positively influenced for making a decision. However, while purchasing an expensive product such as smart phone, he more needs to trust the information and an opinion coming from friends. Additionally, while buying a very expensive product, such as a car social factors are the most important factors on the buying decision process and opinions from family have a strong influence on the buying decisions.

Comparatively, in the first and second process, the buyer had intention to buy the products and the friends' opinion positively influenced his intention and based on their influence he decided to purchase them. On the other hand, in the last process the opinion from a knowledgeable friend and girlfriend helped him to make a decision between two brand options and had strong influence on his brand decision. Additionally, his father's opinion had the highest influence on his decision and made him to buy another car option. These findings explain that as the price of product increases, the family influence on buying decision also increases and the family becomes the most influential consumer buying reference group while purchasing an expensive product.

As discussed in Kotler's model, the consumers combine their psychology with their characteristic such as their personality and social factors to make a purchase decision. In three buying decision processes, social interactive tools are perceived as a trustworthy source to collect information and social network sites are perceived as an ideal tool to seek friends' opinion. These findings suggest that perception is one of the psychological factors analysed in those processes. It is also analysed that consumer personality has important role in pre-purchase behaviour as it is seen in third buying process. Because of his personality, the buyer did not prefer to share with his contacts that he was buying an expensive car, so he did not use his social network account to seek his contacts' opinion about the brand choices despite the fact that he knew he could receive more information by using his account. In this process, it is argued that as the price increases, the effect of using social interactive tools diminishes, and information and opinion are received by more traditional methods such as face to face meetings. Personality and social factors especially family influences take more places in the buying process while purchasing an expensive product. According to the findings of the case

studies, Kotler's model can be used to explain that the perception as a consumer psychology factor has a role to use social interactive tools in the buying decision process and it combines with consumer personality and social factors to make a purchase decision, especially when the price of the product increases

The findings also explain that the other main difference in three buying processes is the time needed to make a purchase decision. As the price increases, the process becomes longer, because the buyer needs more time to collect information about the products from different sources, to seek others' opinions, to receive approval from family and to agree on the purchase decision with the family. Furthermore, based on the price of the product he needs physical testing to ensure about the features of the product and this also extends the time of the buying process. For instance, in the buying process of the smart phone, the buyer needed to meet with his friend to see how the phone was working although he received information from his friend through Facebook. Similarly, in the buying process of the car, the buyer needed to make a test drive although he decided to buy BMW.

Finally, the results of findings indicate that social interactive tools are also effectively used in the post-purchase behaviour as well as in the pre-purchase behaviour. In the first process, the buyer rated the application through Android market place to show his satisfaction and in second process he recommended Nexus One his contacts through Facebook. This explains that these tools are also effective on opinion giving and opinion passing as well as opinion seeking. All these behaviours facilitate and accelerate e-WOM and it can be argued that social interactive tools especially social network sites represent an ideal source for e-WOM and clearly e-WOM has an important influence on consumer purchasing behaviour.

Consequently, this research suggests that social interactive tools are effectively used as a source in the stages of buying decision process, particularly for collecting information about the products, evaluating the brand options and post-purchase behaviour. Additionally, others' product-related opinions have a strong influence on the buying intentions and the opinions especially coming from friends, family or any acquaintances are perceived as a trustworthy source before making a purchase decision. Finally, this research explores that social factors play more essential role when the price of the product increases and the family is the most influential reference group on the purchasing decision while purchasing an expensive products.

## **6.5 Limitations of the Research**

In order to obtain more available data for the validity of the research, the data was also collected from other related people who had a role in the buyer's decisions. However, the researcher could not collect from the buyer's father and the car dealer, who took part in case study 3, due to their time restrictions and personal reasons. Additionally, due to privacy issues, the buyer did not allow the researcher to display the conversation between the buyer and his friend on his Facebook page, which took place in case study 2. For this reason, the researcher could not provide this conversation as a secondary data within the research.

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## Appendices

### Appendix 1: Interview with the buyer in case study 1

	Questions	Answers
Q1	You usually follow some blogs such as Techcrunch ( <a href="http://www.techcrunch.com">www.techcrunch.com</a> ) and Mashable ( <a href="http://www.mashable.com">www.mashable.com</a> ) on your Twitter account. What is your main purpose of following these kinds of websites? What are the other features of these websites that take your attention?	<p><i>"I am very interested in information technologies (IT) and technological products. I believe these websites keep my technology knowledge up to date and make me aware about the latest technological products..."</i></p> <p><i>"...The most interesting feature on those sites is the close integration with social networks such as Facebook, Twitter and Google+.</i> <i>I really like it..."</i></p>
Q2	You were firstly informed about "Any.DO" by the news on the Techcrunch blog that you are following on your Twitter account. What was the most important thing about the application that took your attention, while you were reading it?	<p><i>"The application was downloaded 500.000 times in the past 30 days..." "I wanted to understand why a lot of people downloaded this application in a very short time."</i></p> <p><i>"...There was a brief explanation on the blog about the features of the application and online reviews on the blog were all positive..."</i></p>
Q3	Why did you also need to look at the online reviews on Android market place? Do you think they also influenced your decision?	<p><i>"I looked them to see whether somebody had any negative comment about the application. For example, I did not want to download an application which was not matching with my smart phone." "...All online comments were positive; there was no negative thing, so I was convinced to download it."</i></p>
Q4	Why do you think your friend's "plus one" affected your decision?	<p><i>"That friend of mine is very interested in technological products and has knowledge about smart phones and their applications. I really trust his opinions about technological products. I believed if he liked the application, this application should be great for my smart phone."</i></p>

Appendix 2: Secondary Data in Case Study 1

	Information	Source
1	<i>"Hot Android to-do list app, Any.DO, comes to iOS and web"</i>	<a href="http://twitter.com/TechCrunch/status/209313790037196801">http://twitter.com/TechCrunch/status/209313790037196801</a>
2	<i>"The app's been downloaded 500,000 times in the past 30 days from the Android market, and people are downloading it at a rate of 40,000 a day."</i>  <i>"... It does a number of other things which make it stand out from the crowd. For example, you can create tasks using voice input, it syncs with Google tasks, and you can use gestures to manage your tasks like drag-and-drop for assigning task priorities..."</i>  <i>"The app has an average 4.6-star rating out of more than 4,600 ratings."</i>	<a href="http://techcrunch.com/2011/12/12/any-do-android-500000/">http://techcrunch.com/2011/12/12/any-do-android-500000/</a>
3	<i>"Finally! A decent Tasks app that syncs with my Google Tasks! Awesome, classy design... Love it!"</i>  <i>"WOW. Great app with an excellent design!"</i>  <i>"It was on the front page of the app store (market)."</i>	<a href="http://techcrunch.com/2011/12/12/any-do-android-500000/">http://techcrunch.com/2011/12/12/any-do-android-500000/</a>
4	<i>"Average rating: 4,5 star rating among 25,254 users"</i>  <i>"Came back to the Best To-Do List!"</i>  <i>"Beautiful, intuitive, free. I love the sync with Google tasks. Makes my life seamless."</i>  <i>"I believe Any.do is the best App in organizing tasks. It has nice design user interface and absolutely user-friendly."</i>	<a href="https://play.google.com/store/apps/details?id=com.anydo&amp;hl=eng">https://play.google.com/store/apps/details?id=com.anydo&amp;hl=eng</a>

**Appendix 3 Interview with the buyer in case study 2**

	Questions	Answers
Q1	Before searching information about iPhone 3GS, you had intention to buy that smart phone. What was the most important thing that made you intent to buy it?	<i>"iPhone 3GS was very popular among my friends and all of them were happy with using it. This firstly drove me to purchase that phone." "I also liked the features of iPhone 3GS such as its fast processor, touch screen and its design."</i>
Q2	Why did you need to search more information about iPhone 3GS, instead of buying it directly?	<i>"I did not want to buy a locked phone and I used a review site called Engadget to learn whether it was locked or not."</i>
Q3	What was the important thing on that blog and the review site that you made you wait for Nexus One, instead of looking for other smart phones?	<i>"I liked the features of the iPhone, however I did not buy a locked smart phone. By the blog, I was impressed by the Nexus One's features and learnt that smart phone was not locked. By the review site, I understood that Nexus One had similar features to iPhone 3GS. That phone would be the phone that I was looking for. So, I decided to wait for couple of months to be able to buy it."</i>
Q4	Why did you need to ask your contacts through Facebook whether they were using Android?	<i>"I needed to ask the people that I personally knew and receive different perspective from my own friends rather than review sites or online comments. I believed that their positive or negative experience could help me to make my decision."</i>
Q5	Why did you need to meet your friend instead of collecting information about Android through Facebook?	<i>"I wanted to see the smart phone to ensure about its processor. At that time, Nexus One was only sold through Internet. I needed to compare its features and processor and see how it was working."</i>

#### Appendix 4: Secondary data in case study 2

	Information	Source
1	<p><i>"3.5-inch (diagonal) widescreen, Multi-Touch display</i></p> <p><i>Bluetooth 2.1 + EDR wireless technology,</i></p> <p><i>Assisted GPS, Digital compass</i></p> <p><i>Internet use: Up to 5 hours on 3G, up to 9 hours on Wi-Fi"</i></p>	<p><a href="http://www.apple.com/iphone/iphone-3gs/specs.html">http://www.apple.com/iphone/iphone-3gs/specs.html</a></p>
2	<p><b>"CONS</b></p> <p><i>Lacks multitasking</i></p> <p><i>Locked to AT&amp;T's unreliable network"</i></p>	<p><a href="http://www.engadget.com/2009/06/17/iphone-3gs-review/">http://www.engadget.com/2009/06/17/iphone-3gs-review/</a></p>
3	<p><b>"Google is launching new smart phone"</b></p> <p><i>"...The first phone we'll be selling is the Nexus One, a convergence point for mobile technology, apps and the Internet."</i></p> <p><i>"...Nexus One is an exemplar of what's possible on mobile devices through Android — when cool apps meet a fast, bright and connected computer that fits in your pocket..."</i></p>	<p><a href="http://googleblog.blogspot.ie/2010/01/our-new-approach-to-buying-mobile-phone.html">http://googleblog.blogspot.ie/2010/01/our-new-approach-to-buying-mobile-phone.html</a></p>
4	<p><i>"...the Nexus One features are dynamic noise suppression from Audience, Inc., a large 3.7" OLED display for deep contrast..."</i></p> <p><i>"...running on Android 2.1, the newest version of Eclair, the software includes innovations like a voice-enabled keyboard so you can speak into any text field..."</i></p> <p><i>"...it also comes with a host of popular Google applications, including Gmail, Google Voice and Google Maps Navigation..."</i></p>	<p><a href="http://googleblog.blogspot.ie/2010/01/our-new-approach-to-buying-mobile-phone.html">http://googleblog.blogspot.ie/2010/01/our-new-approach-to-buying-mobile-phone.html</a></p>
5	<p><i>"Both phones are incredibly well-designed."</i></p> <p><i>"Apple has perfected ease of use... The iPhone is still the easiest device on the planet to use. On the other hand, I really like the touch-screen navigation on the Android OS and the Nexus One's touch-screen interface is really nice..."</i></p> <p><i>"The Nexus One wins for its Google apps integration, high-resolution camera, and multitasking, faster processor. It has awesome voice commands, multitasking, more customization, and turn-by-turn Google maps..."</i></p> <p><i>"The Nexus One blows the iPhone 3GS's features out of the water. Not only is the 5-megapixel camera superior, but also it has much better Google Maps with turn-by-turn navigation..."</i></p>	<p><a href="http://reviews.cnet.com/2722-6452_7-473.html">http://reviews.cnet.com/2722-6452_7-473.html</a></p>



**Appendix 5 Interview with the buyer’s friend in case study 2**

	Questions	Answers
Q1	During your meeting, how did you help the buyer about using Android? What kind of information the buyer gathered from you about Android during your meeting?	<i>“When he decided to buy a smart phone, I tried to convince him to go Android. As we both loved Google products, the reasoning was simple: if you mostly use Google's products, you should use Google's platform and integration with Gmail, Google's contacts, Search or Maps would be much better in Android. I also advised him to use Android as it was gaining a lot of hype in the industry and was seen cooler than the iPhone by geeks (it's open source, you can install your own software, etc.)”</i>
Q2	Why do you think the buyer decided to buy Nexus One after meeting with you? From your point of view, how did your face to face meeting influenced his buying intention?	<i>“He could actually see my phone working when we were together, this was the most important factor for him. As I observed, he had already intention to buy that smart phone, but he did not feel confident about its new processor. Checking the features and the processor of the phone on his hands was enough to convince him.”</i>

**Appendix 6 Interview with the buyer in case study 3**

	Questions	Answers
Q1	What kind of information did you gather from videos of two brands?	<p><i>"I find Top Gear as a successful and useful programme It compares different brands according to their advantages and disadvantages and criticizes them briefly "</i></p> <p><i>" I gained a general idea about the design of two cars, their engine, speed and accessories by the episodes of Top Gear through YouTube "</i></p>
Q2	Why did you need to ask an advice of your friend and girlfriend before making a decision?	<p><i>"I directly asked his advice, because that friend of mine is very interested in cars and has broad knowledge about cars I wanted to ask an advice of someone I know very closely and I can trust "</i></p> <p><i>"My girlfriend is really important person in my life and I would use my car mainly with her, so her choice would be important for me We usually ask each other our opinions while making an important decision Her choice would have important role in my decision "</i></p>
Q3	Why do you think your father's opinion was influential on your decision?	<p><i>"The car was an expensive product, so I needed to ask my family before making a decision In addition I could not afford my own car at that time and my father bought the car for me According to my father's opinion, safeness would be very important issue for an inexperienced driver So, I believed that I should perform according to my father's opinions and get his approval before making a decision "</i></p>
Q4	During the process of buying your car, did you think to ask your contacts whether they had any experience in BMW or Mini Cooper to receive their opinions, as in the process of your smart phone (Android)?	<p><i>'The cars, that I was planning to buy, were high priced I did not prefer to share with all my contacts that I was buying a car In my opinion, it would not a good behaviour to show all people that I was buying an expensive car If I asked such a question through Facebook, all my contacts would see that, so it could be considered that I was showing off "</i></p>

**Appendix 7: Secondary data in case study 3**

	Information	Source
1	<p><i>“BMW is the only small hatchback that you can buy with rear wheel drive... Very balanced and focused cars and good cornering ability...”</i></p> <p><i>“The interior and ambiance of Mini Cooper is very good, big speed indicator in the middle and pedals are perfectly arranged, absolutely brilliant...”</i></p> <p><i>“...good acceleration, powerful engine and good cornering, you feel extra power and the sound is perfect...”</i></p>	<p><a href="http://www.youtube.com/watch?v=MXyDlSGaiiE">http://www.youtube.com/watch?v=MXyDlSGaiiE</a></p> <p><a href="http://www.youtube.com/watch?v=5L3o5NP_IV4">http://www.youtube.com/watch?v=5L3o5NP_IV4</a></p>
2	<p><i>“Mini Cooper is very successful about its design. It seems attractive with its style. However, it does not make the driver confident about security...”</i></p> <p><i>“It is very well-designed and made up successfully. However, it is not safe and has hard suspension. For this reason it is not suitable for rough roads and heavy traffic...”</i></p> <p><i>“It is a beautiful car; however there is no security, there is no driving comfort...”</i></p> <p><i>“All the products of Mini Cooper have been recalled by BMW because of their defective braking systems...”</i></p>	<p><a href="http://www.sourtimes.org">www.sourtimes.org</a></p>

**Appendix 8· Interview with the buyer’s friend in case study 3**

	Questions	Answers
Q1	How did you help your friend to make a decision? What kind of information and recommendations did you give him?	<i>“I advised him to buy Mini Cooper, because it would seem more stylish and appeal to young people rather than BMW I told him Mini Cooper had better engine performance and better cornering than BMW 1 series The width of Mini Cooper was larger, so skidding would be less in Mini Cooper than BMW 1 series I believed my comparison and opinions about two brands helped him to make a decision ”</i>
Q2	From your point of view, how was your advice influential on him to make a decision?	<i>“In my opinion, my friend became more decided after our meeting At first, he was very confused about two brands, because he found both of them stylish He became more convinced about Mini Cooper after I shared my opinions with my friend and he agreed on that Mini Cooper would be more suitable for his age and style I believed my advice about Mini Cooper influenced him in a positive way ”</i>

**Appendix 9 Interview with the buyer’s girlfriend in case study 3**

	Questions	Answers
Q1	How did you help your boyfriend to make a decision?	<i>“I shared my opinion with him according to my tastes and preferences I advised him to buy Mini Cooper, because it has different style and using this car would be privilege It would be more suitable for his age He always relies on my ideas and choices, so I believed my opinions helped him to make a decision ”</i>
Q2	From your point of view, how was your advice influential on him to make a decision?	<i>“We are in the same age group and we have similar interests, I believed my advice influenced him More importantly, we usually ask our advices while making a decision and our opinions have important roles in our decisions ”</i>