The impact of Social Media and Customer Reviews on Product Choice and Customer Retention in the Netherlands

Author: Rick Keizers (S1353217)
University of Twente
P.O. Box 217, 7500AE Enschede
The Netherlands

ABSTRACT
Social media platforms, together with customer reviews have become an important mean to search for information or to share information with other customers about a product or company. This study extends previous research by researching the impact of reviews and social media platforms in the Netherlands, from the side of the customers. In particular, this study considers the impact of social media and customer reviews on the product choice and retention of customers and how decisive negative or positive information is. Using the uncertainty theory and agency theory, this study uses a grounded theory approach, with semi-structured interviews, to assess the impact of these platforms. By showing that customers are influenced by the information available on these platforms, in making a product choice, but not in retaining them as a customer. Furthermore, people are more influenced by negative information than positive information in making a product choice with social media. People are also more influenced by reviews and social media when they want to buy products that are more expensive. Finally, the findings presented in this study also confirm the uncertainty, transaction cost and agency theory, because people want to reduce uncertainty by searching or sharing information. This suggests that positive word-of-mouth, and preventing negative word-of-mouth is extremely important for companies, to attract customers.

Supervisors: Ir. J.W.L van Benthem & Dr. E. Constantinides.

Keywords
Social media – Customer reviews – Product choice – Customer retention – Influence – Uncertainty reduction

Permission to make digital or hard copies of all or part of this work for personal or classroom use is granted without fee provided that copies are not made or distributed for profit or commercial advantage and that copies bear this notice and the full citation on the first page. To copy otherwise, or republish, to post on servers or to redistribute to lists, requires prior specific permission and/or a fee.

5th IBA Bachelor Thesis Conference, July 2nd, 2015, Enschede, The Netherlands. Copyright 2015, University of Twente, The Faculty of Behavioural, Management and Social sciences.
1. INTRODUCTION

Over the last couple of years, we have experienced a shift in how business is conducted and how people interact with each other (Bashar, Ahmad & Wasiq, 2012). It is well known that corporations are living in a new society with new threats to their reputations (Gaines-Ross, 2010). Technology has developed significantly and there are a lot more possibilities nowadays.

One of these possibilities is the upcoming phenomenon of social media and online customer reviews. There is a surprisingly media and social network arsenal like Facebook, Twitter, LinkedIn (Gaines-Ross, 2010; Bernhard Debate, Ann-Kathrine Horn, Hughes, 2009). Social network sites penetrate their users’ everyday life (Bernhard Debate et al., 2009). Also online customer reviews like ‘Kieskeurig.nl’ are emerging and more and more people are using these kinds of websites. This has implications for corporations and marketing functions. Tools and strategies for communicating with customers changed significantly due to social media (Mangold & Faulds, 2009).

According to Mangold & Faulds (2009), social media encompasses: ‘a wide range of online, word-of-mouth forums including blogs, company-sponsored discussion boards and chat rooms, consumer-to-consumer e-mail, consumer product or service rating websites etc.’. People can share their thoughts, give their opinion and enjoy other people on social media. In 2012, more than 40% of the companies with more than 10 employees were using one or more accounts on social media (CBS, 2012). 75% of the big corporations (500 or more employees) are communicating via social media (CBS, 2012). These data indicates the importance of social media nowadays, but also the popularity (Bashar et al., 2012). Also the globalization phenomenon, because of less trade barriers, many businesses are doing business overseas (Wiersema & Bowen, 2007). Product choice increased for customers, because they can easily order products at online shops all over the world. Companies should therefore make a greater effort to reach customers or convince customers to choose their product. The above figures by the CBS illustrate that companies recognize this and are using the modern technologies more and more. Nevertheless, what is the impact of all these platforms like social media on consumers?

More and more literature are emphasizing the value of social media and the internet. They came with strategies for companies to address this value and looked at the change of the content available on the internet (Mangold & Faulds, 2009; Kietzmann, Hermkens, McCarthy, Silvester, 2007). In the new era, more user-generated information is available on the web, which offers new opportunities for consumers but also for companies. There are other studies who studied the impact of reviews on sales, but they are all originated from Asia, with Asian participants (Liu, Hu, Zhang, 2008). There are no studies available about the impact of social media or reviews in the Netherlands, and about the opinions and perspectives of Dutch consumers. Most of the articles are looking from the side of companies and not from the side of consumers. Therefore, there is a whole gap in the Dutch and consumer perspective market. Because of the opportunities due to the development of the social media and internet technologies, an understanding of the impact of social media and customer reviews is important.

A lot of organizations and executives ignore this impact (Kietzmann et al., 2011). When organizations know the impact of these platforms on product choice of customers, they can use it more effectively and can focus themselves more and more on social media to attract customers, and to make them aware of the fact that social media has a major impact.

One of the major questions to be answered, and therefore, the research question of this paper is: What is the impact of social media and online customer reviews on product choice and customer retention in the Netherlands?

This study looks at the most prevalent social media platforms like Twitter, Facebook, and LinkedIn. It also compares this with the customer reviews on sites like ‘Kieskeurig.nl’ or at online shops. Nowadays, there is a lot of information available on these platforms. According to Kaplan & Haenlein (2010), people are not only going to publish things themselves, but also modify things from other people, they collaborate. This corresponds to the other variable, the customer review websites. There are review websites especially to compare products, but also blogs or reviews from customers in the online shop themselves. The question is, if consumers see negative information about a product on social media or customer reviews, will this result in the rejection of a product and therefore a different product choice. Alternatively, if they find positive information about a product, will this immediately result in the confirmation of their choice? Based on interviewing potential consumers in the Netherlands, I tried to find out if people are using such platforms and if this has an impact on product choice. The second question is, if these platforms have an impact on the retention of consumers, by asking consumers, after sketching a possible buying situation, if negative information about a company or a product of a company will immediately result in boycotting that company. Retention is an indicator of maintaining the relationship between a company and a consumer (Schindler, 2001). I also introduce the agency theory and uncertainty theory, because they also play an important role in this study. Agency theory treats the information asymmetry, which can be partly solved by social media, and customer reviews (Liu, Hu & Zhang, 2008; Williamson, 1989). In addition, the uncertainty theory emphasizes the uncertainty consumers want to solve by generating information about product (Liu et al., 2008). There are more articles with a positive relationship between the variables mentioned above. However, there are some articles who say something else. An example is the article of Hu, Paylou & Zhang (2006), who found that the most satisfied and most dissatisfied people are the most likely to post things on social media or post reviews. Therefore, the average rating may not be a fair representation of the product.

This study aims at investigating the role of social media and online customer reviews on product choice and customer retention, specific in the Netherlands. It is hoped that it contributes to the research literature by documenting opinions and use of social media and customer reviews by customers and the role it plays in the buying decision in the Netherlands. This study reveals the impact of the available information on social media and customer reviews. This study shows that there is a different influence of negative and positive information and a different influence for specific product categories. Companies need to pay attention to the different influences for customers. Therefore, customers are the central unit of analysis. The rest of the paper is organized as follows: the next section provides the background by critically reviewing existing research on social media and online customer reviews and to provide the rationale for this study. Then, a conceptual framework is given with definitions of the most important variables and research questions and hypotheses are formulated to guide the investigation. In the methodology section, the design and approach of this study is explained. Results are then presented in correspondence with the research questions and hypotheses. Finally, there is a discussion with conclusions as well as limitations of this study and plans for future research are discussed.
2. RESEARCH ON THIS TOPIC
The rise of the social media phenomenon and the fast development of internet technologies resulted in the increase of scholarly literature about this topic. Academics recognized the value of these platforms and therefore many articles are available about this topic (Boyd & Ellison, 2007).

2.1 Influence of Social Media & Customer Reviews
Gaines-Ross (2010) is an important author with his article about possible strategies for organizations and managers to be responsive against the new media possibilities, and customers who are using this platform extensively. Gaines-Ross (2010) came with the conclusion that you need to rethink your reputation management because you have considerably less control over your corporate messages when you have a couple of years ago. Customers can find information and documents about corporations all over the place on the internet (Gaines-Ross, 2010). Before, people used the internet to only watch and buy products or services, but nowadays, consumers are using this type of platforms in a different manner. They discuss content, share content, and create stuff; this has significantly impact on firm’s reputation, sales, and product choices of customers. Therefore, customers can talk directly to one another and share information with their peers about the product or brands (Mangold & Faulds, 2009; Stileman, 2009). Companies can use these communications between people in a cost-effective way to increase brand recognition and loyalty (Gunelius, 2011). Additionally, Jackson (2011) came with an interesting study and with the fact that at least half of the Facebook and Twitter users are saying that the probability that they recommend, purchase or talk about a company’s product will be higher after they engaged with it on social media. Customers are seeing these platforms as a channel, where they can engage with the businesses every moment and every time of the day (Leggat, 2010). However, a remarkable finding is that there is a different in preferences about the content. Most customers prefer updated content on social media or reviews. Therefore, Google changed the algorithm or their engine, which results in updated content first on pages (Freidman, 2011). Additionally, they do not have only that preference, they also filter out content that is not relevant to them (Brito, 2011). Thus, companies have to come with relevant and updated information on these platforms to gain recognition and produce value. Popularity of the platform and content of friends are also important reasons for customers to engage (Erdogmus & Cicek, 2012).

A lot of organizations and executives ignore the preferences and influences mentioned above because they do not understand it, and because they are most of the time from another generation (Kietzmann et al., 2011). Therefore, Kietzmann et al. (2011) also came with strategies for understanding and responding to social media activities and internet sites. It advocates for example the congruence of the strategy with the different social media activities. Companies can talk to their customers, and sometimes on a direct manner (Mangold & Faulds, 2009). However, the use of social media is not the same for everyone and every customers; companies need to be aware of this. That is a reason for O’Keeffe and Clarke-Pearson (2011), to consider the impact of the social media on different graduations of people; this is different from the articles mentioned before. It focuses on the use of social media by children and adolescents because they are the people who use the social media applications on the web the most. They want to let parents know that they also need to understand the social media web; therefore, more and more people are going to use this. There can be added another variable, as Alpert (1972) does, he shows that personal characteristics are also a determinant of the use of platforms like social media and customer reviews. Product choice is dependent on personal characteristics according to Alpert (1972), different people expose themselves to different media and customer review sites. Huang & Cheng (2006) and DiMauro & Bulmer (2014) came with the impact of customer reviews on product choice. They showed that reviews had an impact on product choice, and that recommendations of other consumers have more impact than from experts. This is almost the same study as Alpert (1972), only executed in Taiwan. Together with Liu, Hu & Zhang they also introduced the time dimension, and demonstrated that the impact of online reviews on sales diminished over time. Therefore, it is important for companies to consider which kind of customers they have and adapt their marketing mix at the right moment (Thackeray, Neiger, Hanson, McKenzie, 2008; Culfan, McHugh, Zubilaga, 2010). That is also, what Mangold & Faulds (2009) are saying: ‘social media is a hybrid element of the promotion mix’. Managers need to learn how to shape consumer discussions on online customer review platforms in a manner that is consistent with the organization’s mission and goals. Mangold & Faulds (2009) and Thackeray et al. (2008) introduce methods to do this.

One can compare online customer reviews with word of mouth marketing. Davis & Khazanchi (2008) and Duan, Gu & Whinston (2008) came with interesting findings about the potential impact of word of mouth (WOM) on e-commerce sales. Positive WOM on online platforms has a positive impact on product sales, but also the product category has impact on the sales (Davis & Khazanchi, 2008; Chevalier & Mayzlin, 2006).

After studying previous literature, I came with a conceptual framework in figure 1, which I want to study. The arrows indicate the impact. In Annex 3, there is a more detailed framework.

![Figure 1. Conceptual framework](image)

2.1.1 Defining Social Media
According to Xiang & Gretzel (2010, p. 180), there is lack of formal definitions about social media. They say, social media are internet-based applications that carry consumer-generated content which encompasses ‘‘media impressions created by consumers, typically informed by relevant experience’’. Boyd & Ellison (2007, p. 211) came with the following definition: ‘‘We define social network sites as web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system...’’ I think this is too general, and therefore I did not use these definitions. There seems some confusion among managers and researchers about what to include and what to exclude in the social media definition (Kaplan & Haenlein, 2010). According to Kaplan & Haenlein (2010), social media is ‘a group of internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content. User Generated Content are ‘the various forms of media content that are publicly available and created by end users’ (Kaplan & Haenlein, 2010). Web 2.0 is ‘a platform whereby content and applications are no longer created and published by individuals, but instead are continuously modified by all users in a collaborative fashion’ (Kaplan &
Haenlein, 2010). They made a classification based on the richness of the medium and the degree of social presence it allows. The other classification is the degree of self-disclosure it requires and type of self-presentation. Therefore, there is the following model (Kaplan & Haenlein, 2010):

![Figure 2. Dimensions of social media](image)

This model structures the different social media platforms in a good manner, and based on two well-chosen dimensions, it creates a good framework of the different platforms. The richness and self-presentation is completely different for Blogs and YouTube for example. This model brings this out very clearly. I used this definition and model to categorize the platforms and to exclude some platforms, because otherwise the research became too big. Kaplan & Haenlein (2010) also emphasize the Web 2.0, with user-generated data, which is an indicator for the development of their research, because this is a very recent topic. Together with the specificity this makes this an appropriate model for my research. The following platforms are excluded: Virtual game worlds, collaborative projects and virtual social worlds.

2.1.2 Defining ‘Customer Reviews’

Merchants selling products on the Web often ask their customers to review the products that they have purchased and the associated services they delivered. As e-commerce is becoming popular, the number of customer reviews that a product receives grows rapidly. For a popular product, the number of reviews can be in hundreds or even thousands (Hu & Liu, 2004). Customer reviews are increasingly available online for a wide range of products and services. They supplement other information provided by electronic storefronts such as product descriptions, reviews from experts, and personalized advice generated by automated recommendation systems (Mudambi & Schuff, 2010). Shen & Xie (2008) argue that online consumer review, a type of product information created by users based on personal usage experience. The following definition is used: customer reviews are reviews about products of former clients or experts who supply potential customers with information about the product based on personal usage experience.

2.1.3 Defining ‘Product Choice’

It is simply the choice of the customer for a specific product. Therefore, also buying the product. It is not just “if I could choose I want this one”, it is also about the buying aspect. The customer is going to own the product. Therefore, it is not the impact on the product choice of companies themselves to produce.

2.2 New approach for Customer Retention

Many authors are talking about a new approach for customer retention. Like Bago & Voros (2011) who talked about customer relationship management 1.0 & 2.0. The CRM 1.0 was a one-way transaction, in which customers purchase something from a company, without any earlier contact or contract afterwards. CRM 2.0 is a two-way process and thinks in processes (Hanna, Rohm, Crittenden, 2011). It’s dialogue-based and such an approach needs an appropriate IT infrastructure. It is not anymore only about selling a product or service, but it is about getting in contact with customers and creating engagement by customers (Bago & Voros, 2011; Baird, 2011). It is also cheaper to keep current customers than attract new customers (Boles, Barksdale, Johnson, 1997). About the aspect of customer retention, Sashi (2012) looks at the opportunities presented by social media to help to build close relationships with customers, therefore to retain customers because of the relationship and commitment it produces. It comes with a model of the engagement of customers with different stages like satisfaction, retention etc. to apply with social media (Sashi, 2012). Also IBM (2011) states with his report about the new possibilities of social media to get closer to customers. They surveyed more than 1000 customers and executives about the impact and possibilities of social media and came with a surprising conclusion that customers do not seek companies out on social sites to feel connected, but they are more interested in tangible value. Nevertheless, they still conclude that social media offers potential for retention and relationships with customers. Sashi (2012), just like Bago & Voros (2011) and Baird (2011) introduce the concept ‘social customer relationship management’. Using the social network and community to retain customers. Therefore, customer review platforms also play an important role.

2.2.1.1 Defining customer retention

Ranaweera & Prabhu (2003, p. 376) are using the following definition for customer retention: “the future propensity of a customer to stay with their service provider” (Gerpott, Rams & Schindler (2001, p. 253) came with the definition: “customer retention (CR) is concerned with maintaining the business relationship established between a supplier and a customer”. This can be achieved in two ways. The first is by subsequent purchases. And the second is by the intention of the customer to make future purchases from the provider. I am choosing the last definition of Gerpott, Rams & Schindler (2011). Therefore, it is about maintaining the relationship through subsequent purchases or the intention. So, are many studies about the impact of social media and consumer reviews originated in Asia. There are no studies about the Netherlands and with Dutch participants. There is not also a study who looks at these two impacts and with the aspects of customer retention together. Therefore, there is a gap in the field who can be studied. The whole Dutch part is available so therefore this is a good opportunity. Moreover, most articles look at the side of the businesses and do not come with some perspectives from the side of the consumers. This study wants to map out the perspective of consumers and come with information about the impact in the Netherlands with semi-structured interviews, because there are of course a lot of differences between Asia/US and the Netherlands, in for example the culture. First, I am going to talk about some other theories who play an important role, like the agency theory.

2.3 Transaction cost theory, Agency theory & Uncertainty theory

The transaction cost theory comes with variables who determine why a certain transaction is conducted in a particular form. These variables are asset specificity, uncertainty and transaction frequency. (Williamson, 1989; Liu, Hu & Zhang, 2008; Frauendorf, 2006) Consumers do not have enough cognitive processing power and cannot see all things and scenario’s, but also do not have all the information. When consumers have to decide which products they want to buy, they have to go through a transaction process. They have to search for relevant products, compare prices, evaluate product quality, order etc. (Liu et al., 2008). For this research, the ‘compare prices’ and ‘evaluate product quality’ stages are important. Especially with online transactions, there are a lot of product, psychological and process uncertainties because the product descriptions might not provide enough information. Psychological uncertainties are for example all the emotional costs associated with the uncertainty. So therefore there is some form of informational asymmetry, which
is plays a role in the agency cost theory. Consumers do not have the information producers have about the product (Eisenhardt, 1989). Most of the time the consumer identifies the quality of the product based on the available information and then purchases the product with the best quality or lowest transaction costs and lowest uncertainty. This is in accordance with the uncertainty theory (Liu et al., 2008). This theory states that ‘whenever consumers lack knowledge of a product or of the outcomes of consuming that product, they will engage in uncertainty reduction efforts to mitigate and eliminate the risk associated with the uncertainty and to maximize the outcome value’ (Liu et al., 2008, p. 204). Social media and customer review platforms therefore offer possibilities for these efforts to mitigate and eliminate the risk associated with the uncertainty. Therefore, by studying the impact of these platforms on product choice and customer retention, these theories can also be confirmed.

2.4 Hypotheses
After an intensive literature study, there is a good view about the current studies and findings about this relationship and relating variables. Therefore, my hypotheses are:

H1. Social media has an impact on product choice.
H2. Social media has an impact on customer retention.
H3. Online customer reviews have an impact on product choice.
H4. Online customer reviews have an impact on customer retention.
H5. People younger than 20 years old are the most influenced by social media when making a product choice or retention as a customer.
H6. People younger than 20 years old are the most influenced by customer reviews when making a product choice or retention as a customer.

After this literature review and constructing the hypotheses, the next part is going to look at the methodology, after which I am going to discuss the results and findings.

3. METHODOLOGY
3.1 Study Design
To study the impact of social media and online customer reviews on product choice and customer retention not only the articles and literature mentioned literature review part are used, but also other articles, which provide additional information. Investigations in the field are also important, through following a qualitative research approach by interviewing and surveying potential consumers on the consumer market with a guiding questionnaire (annex 1), and by using the method of Gerber & Hui (2013), who used interviews to study crowd funders for their research in the US. They proved that semi-structured interviews and surveys are a good way to gather qualitative data.

A grounded theory approach is used, to gather data, analyze it, and reflect upon it (Glaser & Strauss, 2009). To gather this data, semi-structured interviews were executed with a representative sample of participants: customers. However, not only semi structured interviews, also distributing surveys. Therefore, I initiated this study with an open qualitative data collection.

3.2 Participants
At the end, 152 Dutch participants (74 female, 78 male) over a 3-week period were surveyed. Twenty people were interviewed and the rest of the people only filled in a survey. They were all potential customers, and part of the consumer market. Their age ranged from 13 to 73 years, with most people in the category of 20-35 years. I interviewed 15 people with a social media account, and 5 people who do not have a social media account. Approximately 88% (133) of the participants have a social media account on one or more platforms. Participants who are using social media most of the time have an account on Facebook (123), Twitter (49), LinkedIn (64), YouTube (56) or Google+ (45). 57% of the participants with a social media account also use their account to win information about a product or company. In addition, 89% (136) of the participants are using a customer review site like ‘Kieskeurig.nl’ in different degrees before purchasing a product. Fifty percent of the participants were recruited through random sampling and 50% through snowball sampling. With using a snowball sampling approach, it is ensured that typical and unique members in the Dutch society are identified. This is the appropriate method because this study investigates a social phenomenon and participants are sharing certain characteristics (Faugier & Sargeant, 1997). Participants are not compensated for their participation. Participants in shopping areas were selected and shops asked to give their customers my questionnaires. And of course, I also contacted some people from my network.

3.3 Procedure
Surveys and semi-structured interviews were used to collect data. The survey or interview began with a brief explanation about the purpose and description of this study. I explained that I did not record the interviews and guaranteed that no participant’s names, titles or income indicators would be revealed. The participants were also told that this research was not done by someone hired in for a specific company. This is all done with the purpose to stay objective and guarantee the anonymity throughout the data collection. People will also be more honest if anonymity is guaranteed.

My survey was divided into three sections. In the first section, questions were asked to participants about the usage of social media platforms and the influence of the information available on these platforms. There were separate questions about the usage, because most people showed that they did not know that they could use blogs for information. In the second section, it was about the usage of customer reviews or customer review websites and the influence of the information available on these platforms. Moreover, in the third phase, it was about if a positive or negative signal about a product or company on the two platforms together would be decisive and result in the purchase or rejection of the product if people are in doubt about a product. I also asked about the impact of the two platforms together on the different product categories and their usage. In addition, during the final phase, demographic data was gathered as control variables and any additional information was gathered about the group of participants and to look for differences between specific groups of people and influences of these platforms or social media and review usage.

The coding happened on the reverse manner, due through the used questionnaire program. Therefore, the following scale is used for most questions: 1 = Very influential till 5 = No influence. Demographic measures are age, education, income, and gender. To outline the buying situation, I used an example of a product, which someone wants to buy to illustrate the possibilities of the platforms, and possible influence they have: the purchase of an electric bike. The reliability of the impact measure is good, because these questions for every platform have a Cronbach’s α of .861 (SM) and .854 (CREV), which is good for the internal validity.

For the interview, the survey was used as a guideline and participants were asked after specific questions why they filled in a specific answer or I asked questions on the bases of particular answers to get more information. Participants got the possibility to speak about their current social media situation and what they think about the current developments.
The survey contained 19 questions and the average length of a semi-structured interview was 30 minutes. All the interviews were conducted face-to-face at someone’s home or work place because in the Netherlands everything is close to each other. I did not record the interviews because most of the time, from my experience, recordings will not be listened afterwards, and therefore nothing was recorded. However, the interviews were transcribed immediately after the interviews, because then you still know everything. Interviews were conducted with different age groups because of different social media and customer review usage, and because they are in a ‘different generation’. The advantage of this research approach is that data is collected in situ, and not just reflective. The disadvantage is that there is a bias through self-report and participant observation (Spradley, 1980).

3.4 Data Analysis
I already employed some open coding beforehand, by labeling the answers of the survey in some specific categories. This made it easier for me to analyze the results afterwards. For the interviews the selective coding approach is used, in which I flagged each instance where participants communicated something about the usage of influence of the platforms (Spradley, 1980). This also applies to the last question in the survey, about any additional comments participants have about this topic. After identifying this, categories were made and clustered for specific answers. Simultaneously, relevant literature was used to underpin and understand my results and uncover related phenomena. At the end, also some axial coding took place to identify relationships between the open codes (Spradley, 1980). The data analysis started after conducting a minimum of 20 interviews and receiving a minimum of 150 completed surveys. In this whole process, two forms of thinking were used: deductive and inductive thinking. This to uncover the additional value of the interviews (Spradley, 1980). All relevant data was screened and the irrelevant data was filtered out to avoid information overload. The amount of interviews and methods were compared with the article of Gerber & Hui (2013) for validation. This is because this study is executed through one person, and it is important to keep this study objective. For the analysis, the program SPSS is used to analyze my results and easily create clear tables about frequencies and means. I used the Kruskal-Wallis ANOVA analysis to compare the mean responses, and used the Spearman Correlation to identify significant correlations, because the data, asked on likert-scale, was on ordinal level with two or more categorical, independent groups (McCrum-Gardner, 2008; Huizingh, 2012; Jamieson, 2004).

The next section presents the results and findings grounded on data collected during the interviews and with surveys. Also some quotations out of the interview are presented. I believe that these results and findings present a grounded theory for the impact of these platforms on product choice and customer retention.

4. RESULTS
Presented in this chapter is the evidence from the semi-structured interviews with potential customers and distributed surveys to potential customers. First, the social media usage and influence or impact on product choice and customer retention is covered, including differences between specific groups and how decisive information on social media platforms is. Secondly, one can find the results on customer reviews and the influence on product choice and customer retention, which also includes differences between specific groups and the decisiveness of customer reviews, this will also be supported by literature and quotes of participants to support the findings or to indicate opinions of customers. The findings will be presented in the order of prevalence in the interviews and surveys. In table 1, an overview of the usage of the different platforms to win or share information about a company/brand or product can be found. As mentioned before, questions were asked about blogs separately because people are less aware of the usefulness of blogs, this can also be seen in table 1, where 67% is not using blogs for information. The remarkable thing is that 88% of the participants own a social media account, but only 57% of them are using it to win or share information. It is obvious that most people are using customer reviews to win or share information about products or companies and to fill the gap between them and companies. DiMauro & Bulmer (2014) also confirm this majority with showing that 71% of their respondents use social media to inform themselves.

<table>
<thead>
<tr>
<th>Table 1. Platform usage before purchasing a product</th>
<th>Social media</th>
<th>Customer reviews</th>
<th>Blogs</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Participants using platform</td>
<td>57%</td>
<td>90%</td>
<td>33%</td>
</tr>
<tr>
<td>% Participants not using platform</td>
<td>43%</td>
<td>10%</td>
<td>67%</td>
</tr>
</tbody>
</table>

4.1 Impact of Social Media
As mentioned in Table 1, more than 50% of the people are using the well-known social media to win or share information about a product or company. Only 9% of the participants are using blogs to win or share information very often (weekly) before purchasing a product. This indicates that blogs play a very small role in the buying process of consumers. For social media the percentages are different, 25% of the people are using social media to win or share information very often (weekly) before purchasing a product. This could also be seen in the interviews, were multiple consumers say things like:

“Blogs? I did not know that you can use blogs to win or share information about products!”

Twitter and Facebook are the platforms that are most common used to win or share information, with 39% versus 38% of the users, using these platforms often or always before purchasing a product. LinkedIn and YouTube are the platforms that are used the least, with 32% of the YouTube users who do not use YouTube to win or share information before purchasing a product. They indicate that they use it most of the time for music or fun video’s. LinkedIn is for business purposes like searching for a job or profiling yourself for companies. Surprisingly for me, 18% of the Google+ users (a relative unknown platform) are using it before purchasing a product. These results are not surprising because Twitter and Facebook are the most common used platforms and has the most registered users worldwide (Marketfacts, 2014).

4.1.1 Impact on Product Choice
It is clear that social media platforms are used to win or share information, nevertheless, in different degrees. However, what is the impact or influence of the information available on social media on customers and their product choice? In the interviews, participants explained the following:

“If you find positive or negative information about a product you wanted to buy, even if unconsciously, you want to find more information about the product, to reduce uncertainty.”

People were clear about the influence of social media during the interviews, from the 15 people who have a social media account, all told me that the information on social media would influence the product choice. A remarkable point is that almost everyone also talked about the social desirability, if people on social media are very negative about a product (for example clothes) and
someone is going to buy the product despite the negative information, everyone will look weird when you are using (or wearing) the product.

In table 2, the rating and distribution for the influence of information available on social media can be found. As one can see, most participants are stating that the information available on social media has influence or is very influential on product choice, together almost 56%. This is a confirmation of the findings of Huang & Chen (2006) & DiMauro & Bulmer (2014) who found that online recommendations influenced product choices and are more important than information from their friends. However, it is also a contradiction compared to the study of IBM (2010), who found that only 27% of the people believe that it has influence on their way of spending. In this study, only eight people (5.3%) say that the information has no influence on product choice, which is a very small amount. Average means that in some situations it has a high influence and in some situations little, which counts for ± 12% of the people. People who also searched for information more often, also showed a bigger influence on product choice, with a relatively high, significant correlation coefficient of 0.507 (p < 0.01). These results indicate a clear impact on product choice, therefore hypothesis 1 is hereby confirmed.

### Table 2. Influence of information from social media on product choice

<table>
<thead>
<tr>
<th>(n = 133)</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No social media account</td>
<td>23</td>
<td>15.1%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Very influential</td>
<td>7</td>
<td>4.6%</td>
<td>19.7%</td>
</tr>
<tr>
<td>Influential</td>
<td>78</td>
<td>51.3%</td>
<td>71.1%</td>
</tr>
<tr>
<td>Average</td>
<td>18</td>
<td>11.8%</td>
<td>82.9%</td>
</tr>
<tr>
<td>Little</td>
<td>18</td>
<td>11.8%</td>
<td>94.7%</td>
</tr>
<tr>
<td>Not</td>
<td>8</td>
<td>5.3%</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>152</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

There is a significant difference between males and females for the impact on the product choice according to the Kruskal-Wallis test method (p = 0.016). Males indicate less influence (μ = 2.42) on product choice than females (μ = 1.92). DiMauro & Bulmer (2014) also confirm this. One can see the correlations for social media and product choice in panel A of table 3. It is evident that the correlations are all limited because of the low values. There is a negative, but no significant, correlation between age and impact, which means the higher the age the bigger the impact. There is no significant difference between age groups (Kruskal-Wallis), but a remarkable thing is that people younger than 20 years old (μ = 2.13) are not the most affected by social media and the age group 20-35 are the least affected (μ = 2.43). People with an age of 50+ notice the most influence (μ = 1.80) after which the people under 20 years come (mean 2.13). Which is in contradiction with the findings of O’Keeffe et al. (2011). They came with the fact that teenagers are using more social media and have more knowledge about social media, and therefore will be more influenced by these platforms, because they have more technical abilities because they spent more time on the platforms and grew up with it. This means that one part of hypothesis 5 (about product choice) is not supported and therefore rejected. Older people use social media less often, and an example of what is being said during an interview is:

‘I do not use social media very often, but when I’m using it, and I see something positive or negative, I immediately believe this’

There is also no significant (positive) correlations between income and impact, with the highest incomes with the least influence. For education, there is a positive significant correlation, which means the higher the education level, the less influence social media has on the product choice (because of reverse coding), with people from university level (highest score on education) with the least influence.

### Table 3. Correlations Social Media

<table>
<thead>
<tr>
<th>Variables (n = 133)</th>
<th>Correlation (Spearman)</th>
<th>Significance (p-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Panel A: product choice</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>0.113</td>
<td>0.166</td>
</tr>
<tr>
<td>Education</td>
<td>0.162</td>
<td>0.047</td>
</tr>
<tr>
<td>Age</td>
<td>- 0.134</td>
<td>0.101</td>
</tr>
<tr>
<td><strong>Panel B: customer retention</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>0.067</td>
<td>0.415</td>
</tr>
<tr>
<td>Education</td>
<td>0.159</td>
<td>0.051</td>
</tr>
<tr>
<td>Age</td>
<td>- 0.021</td>
<td>0.798</td>
</tr>
</tbody>
</table>

Note: p-values are based on two-tailed test. Significance at 5%.

I also asked people if positive information about a product on social media would result in the purchase of the product. Not one person said immediately ‘Yes, sure’, also not in the interviews. 31% of the people would probably buy the product if they found positive information about it on social media; this is different for negative information, where 50% of the people say that they would probably not buy the product after seeing negative information on social media. Besides this, for positive information, 28% indicates that they will not immediately buy the product but also look at other things, like specifications and compare this with products from competitors. For negative information, this is much lower: 11%. A remarkable thing is that during the interviews, it appeared that almost everyone also uses customer reviews and review sites to search for information, in combination with social media. People are more sensitive for negative information. Furthermore, 15% states that they will not buy the product if they see negative information about the product. So, there is a difference in negative and positive information, people are more sensitive for negative information, and when positive information is given, people also look at other things like specifications and in combination with review sites. This is logical, according to Ahluwalia & Gurhan-Canli (2000), Fiske (1980) and DiMauro & Bulmer (2014), negative information can easily be used to allocate a product to a product category with low quality as well as positive information can allocate a product to a product category with high quality. Companies need to come up with an appropriate, quick response (Gaines-Ross, 2010). It also appeared during the interviews that customers balanced the positive and negative comments about a product to make a choice if the product is worth it. People do not make a choice after seeing one negative information, they also look at other things like specifications and in combination with review sites. This is confirmed with suggesting that customers need to reach a particular threshold before making a choice. People who were interviewed showed the same results as indicated in this part, with little deviation from the percentages.

#### 4.1.2 Impact on Customer Retention

This part is going to evaluate hypothesis 2 about the impact on customer retention. During the surveys and interviews, customers were asked if the information available on social media platforms has an effect on the retention for that specific company or product, using the same example (Annex 3). Most
people, to be precise: 69% of the sample said that the information available on social media platforms has little or influence on retaining them as a customer of a company. 14% said that it has an average influence and only 12% said that ‘it is influential’.

For this aspect, participants in the interviews said the same: ‘seeing negative information about a company/product where I already bought some products before, will not stop me from buying from that company.’

Therefore, it can be concluded that hypothesis 2 is rejected, because most people said that the information on social media has no or little influence on retaining them as a customer. The reason can be that participants do not have the inner motivation to become engaged or to cooperate with people (Kuvykaite, 2012). Customers should be engaged with companies or brands in different stages, but also through interactive communication between customers and companies that should increase loyalty (Kuvykaite, 2012; Xiang & Gretzel, 2010). However, most participants indicated during the interviews that this would happen much more when there is face-to-face contact with the company. This finding corresponds with the study of IBM (2010), who told us that 70% of the businesses believe that reaching out to customers via social media platforms will increase customer retention, but, according to IBM, only 38% of the consumers believe that these interactions will influence retention.

There is no significant difference between males and females (p = 0.591), whereby social media has a higher impact on females with a mean of 3.03 (whereby 1 = very influential and 5 no influence). The correlations are in panel B of table 3. It is evident that these correlations are very weak. A negative/insignificant correlation is found between age and impact on customer retention. Again, people under 20 years are not the most influenced (μ = 2.96), which resulted in the rejection of the second part of hypothesis 5. Again, the 50+ people are the most influenced on retention (μ = 2.90) and people between the ages of 20-35 years are again influenced the least (μ = 3.48). A reason could be that older people are very gullible and believe everything, because during the interviews the older people usually mentioned that if the information is coming from other customers it is true because they do not want to make any profit.

In the interviews, the people from this age group mentioned that they do not have enough knowledge about products and therefore listen to other people. The correlation between incomes and impact is the same as product choice, with again the highest incomes who notice the least influence of information available via social media on the retention as a customer. There is a positive, insignificant correlation between educational levels and retention, with again university level with almost the least influence. But this time also the lowest level of education with a very high mean (μ = 4.20) and therefore low influence. During the interviews, people with a higher education said that they do not only look at social media but also to many other things and do not take everything for granted. Again, most people who were interviewed showed the same results and low impact.

4.2 Impact of Customer Reviews

Besides social media platforms, there are customer reviews, at specific sites designed only for reviews, but also in online shops. As mentioned in the methodology part, 136 people are using customer reviews in different degrees. Approximately 11% of the people always use customer reviews before making a product choice. 36% of the people are using it often before making a product choice, with 32% of the people who are using it very little or not at all. This indicates that most people are using customer reviews to gather information before making a choice and this makes the sample an appropriate sample to study the impact of the reviews. The most common argument mentioned by the interviewed people was:

‘I always look at customer reviews, because it gives you a good picture, because it is based on experiences of other people.’

That is the reason why people trust other customers more than for example experts who talk about a product. Huang & Chen (2006) also found that online recommendations influence product choices more than what experts say, but it is also difficult to find good experts for a certain topic. Kambil & van Heck (2002) also argue that large groups of people perform better than small group of experts. There is a difference between males and females, where almost 74% of the females are using customer reviews always, often or average before making a choice, against 62% of the males. A remarkable point is that more people with an age of 50+ are using reviews for information compared to other age groups. Next, the influence of these reviews on product choice or customer retention is discussed.

4.2.1 Impact on Product Choice

To look for support for hypothesis 3, the impact on product choice is important. Sharing experiences between customers became also immediately clear in the interviews, where some participants said:

‘When I told my friends about a product, they immediately told me about some positive or negative reviews they saw’

People are helping each other, and customer review sites are specifically designed for this purpose. Participants were also asked about the influence of customer reviews, again on a five-point scale (1 = very influential – 5 = no influence). In table 4, the rating and distribution for the influence of information available in customer reviews on customers is listed.

### Table 4. Influence of information from customer reviews on product choice

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doesn’t visit review sites</td>
<td>13</td>
<td>8.6%</td>
</tr>
<tr>
<td>Very influential</td>
<td>22</td>
<td>14.5%</td>
</tr>
<tr>
<td>Influential</td>
<td>77</td>
<td>50.7%</td>
</tr>
<tr>
<td>Average</td>
<td>21</td>
<td>13.8%</td>
</tr>
<tr>
<td>Little</td>
<td>13</td>
<td>8.6%</td>
</tr>
<tr>
<td>Not</td>
<td>5</td>
<td>3.3%</td>
</tr>
<tr>
<td>Total</td>
<td>152</td>
<td></td>
</tr>
</tbody>
</table>

Approximately 65% of the people are influenced or very influenced by customer reviews in making a product choice. This is higher than the impact of social media platforms. Only five people (3.3%) are not affected by reviews, which is a very small amount. There are also more people who are affected average (13.8%) then people who said that reviews have little influence (8.6%). Despite this, there is a limited correlation between the impact on product choice by social media and reviews ($R = 0.258$). People who visit review sites more often before buying a product also show more impact on making the product choice ($R = 0.635$; $p < 0.01$). These results show that reviews have an impact on product choice, therefore, hypothesis 3 is confirmed.

There is an insignificant difference between males and females for the impact on the product (p = 0.445). However, males indicate slightly more influence of reviews on product choice ($μ = 2.05$) than females ($μ = 2.13$). The correlations for customer reviews and product choice are in panel A of table 5. Again, the
correlations are limited, because of the low values. There is a positive, but no significant, correlation between age and impact, which means the higher the age the less the impact of reviews.

Again, a remarkable thing is that there is no significant difference between age groups. People under 20 years old notice the most influence of reviews on their product choice, with a mean of 1.70 (1 = very influential). In contrast to the social media, these findings confirm the difference mentioned by O’Keeffe et al. (2011) between teenagers and adolescents, because teenagers have more knowledge about these platforms. Therefore, the first part of hypothesis 6 is supported. Further, there is a significant negative correlation between income and impact (p = 0.012), and positive correlation between education and impact (p = 0.007).

With the lowest incomes and highest education levels with the least influence of reviews on product choice. During the interviews, people with a higher education indicated that because they often have more money, they could take more risk in buying a product, but this is in contrast with the correlation of income. People with an income lower than average often indicated that they want to spend their money on good products, and they cannot afford to buy wrong things, therefore they want to remain to the same company or products.

Another question, which asked, was if positive or negative information about a product would result in purchasing or rejecting the product. This time only one person said that they would buy the product for sure, after finding positive information. However, 59% of the people said that they would probably buy the product after finding positive information. This is almost the same for negative information, where 56% of the people will not buy the product after finding negative information in a review. Therefore, for customer reviews, it is almost the same for positive and negative information, where at social media more people draw on negative information. For both things, 10% will also look at other things like specifications; this is less than social media. While Chevalier & Mayzlin (2006) found that negative reviews have more impact than positive reviews, these findings show the opposite. It was about positive or negative information, because only the most positive or most disgruntled customers are most likely to post reviews (Hu et al., 2006). Despite this fact, these reviews still have a substantial effect. People who were interviewed even showed more impact (higher %), and where very positive about customer reviews.

**4.2.2 Impact on Customer Retention**

Customer reviews have an influence on product choice, but is this also the case for the retention of customers. Participants were asked if they would remain customer of a company or brand after finding information about them in reviews, using again the same example (**Annex 4**). 51% of the people said that the information in reviews has little or no influence on retaining them as a customer. Only 3% said that it is very influential and 17% said that is it influential. There is a limited positive correlation between the impact from social media on customer retention and reviews on customer retention (R = 0.258; with a p < 0.01). So, this is a rejection of hypothesis 4, because much more people indicate no or little influence on retaining them as a customer. This is in contradiction with what Bago & Voros (2011) said. They said that reviews play an important role in retaining customers, and that everyone has a connection with a lot of other customers, and therefore it’s important to address people’s needs to retain them. Despite the fact that people understand this and listen to each other’s opinion, there is not much influence on the retention of them. The reason for most people is that their own experiences with other products from that company play a much bigger role. Also, because negative reviews about a company or product have less influence on consumers who are familiar with that specific company (Chattjee, 2001). IBM (2010) found that people only intensively interact with companies where they already have an affinity with, so it does not increase their loyalty because most of the time they are already loyal customers. Moreover, it is not only about reactions from customers, companies also need to involve customers to create engagement, through organizing contests (Mangold & Faulds, 2009).

There is no significant difference between males and females, whereby reviews have a higher impact on females (μ = 3.17), which is very low (1 = very influential - 5 no influence). Correlations can be found in panel B of table 5, with again limited correlations. A positive, insignificant, correlation is found between age and impact on customer retention. Again, people with an age under 20 years mentioned the most influence of the information out of reviews on the retention as a customer on customer retention (μ = 2.61), which resulted in the support of the second part of hypothesis 6. Therefore, hypothesis 6 as a whole is supported, which means that people under the age of 20 notice more influence of reviews on the product choice and retention as a customer. The correlation between educational level and impact is significantly positive and therefore the same as product choice, with again the highest educational level with the least influence on the retention as a customer. Again, university level is the group, influenced the least, but this time also the lowest level of education with a very high mean (3.80) and low influence, just like with social media. Correlation of income is the same as with product choice. Also on this point, the interviewed people showed almost the same percentages.

### Table 5. Correlations Customer Reviews

<table>
<thead>
<tr>
<th>Variables (n = 137)</th>
<th>Correlation (Spearman)*</th>
<th>Significance (p-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Panel A: product choice</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>- 0.209</td>
<td>0.006</td>
</tr>
<tr>
<td>Education</td>
<td>0.223</td>
<td>0.006</td>
</tr>
<tr>
<td>Age</td>
<td>0.038</td>
<td>0.639</td>
</tr>
<tr>
<td><strong>Panel B: customer retention</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>- 0.203</td>
<td>0.012</td>
</tr>
<tr>
<td>Education</td>
<td>0.217</td>
<td>0.007</td>
</tr>
<tr>
<td>Age</td>
<td>0.061</td>
<td>0.459</td>
</tr>
</tbody>
</table>

*Note: p-values are based on two-tailed test. Significance at 5%.

**4.3 Product Categories**

There are different products, in different categories, with different prices. People do not look for information or use information for every product they want to buy. If someone wants to buy some toilet paper, they are not going to look at social media or customer reviews to find experiences about that product. Therefore, participants were asked about the product categories where social media or customer reviews has the most influence in the buying process. The categories with more expensive products ended at the top (**Annex 5**). Almost 88% of the people say that reviews and social media have an impact on making a choice in electronics, like computers or phones. A remarkable thing is that only 40% of the people indicate that these platforms have an influence on buying also relative expensive products like cars or scooters. Reviews and social media have the lowest influence with furniture (18%) which is a surprising fact, because these products are usually expensive purchases for long-term use. Reviews and social media have even more influence on clothing (24%). Further, almost 65% indicated that positive information on both platforms is the deciding factor if they are in doubt. It reflects the general decisiveness of all platforms together.
5. CONCLUSION & IMPLICATIONS

While exploratory in nature, this study offers several useful insights into the perspectives of customers about the new technologies, and the impact of these technologies on product choice or customer retention. Specifically, this study first confirms the growing usage and importance of social media by customers, indicated by the high usage percentages to win or share information via social media or reviews about products or companies. Particularly, while existing literature focuses attention on the side and perspective of companies and in the geographical area of Asia (e.g. Hu, Liu & Zhang, 2008; Mangold & Faulds, 2009; Ergörmüş & Cieck, 2012), very little is known in terms of the influence or impact these platforms actually have on customers and their product choice and retention as a customer in Europe and the Netherlands. By showing the extent to which these platforms influence product choice and the impact on the retention as a customer, this study fills the gap in the existing literature.

Secondly, this study provides a preliminary understanding of the impact of social media. The majority of the sample indicated that they are influenced or very influenced by the information available on social media platforms in making a product choice, in which negative information is much more decisive then positive information in making a choice. An important task is therefore to prevent negative word-of-mouth, as a company. So, it is important to handle complaints on a good manner and improve your service to prevent that customers are going to talk negatively about you. Education and income are positively correlated with impact, and therefore companies need to look at the different target groups they want to address and then take into account these different impacts. Also because of the different impact for males and females. Besides this, there was no real impact of social media on customer retention. Previous experiences are much more important here then social media. Most people are too emotionally attached to specific companies to notice an impact of social media. Social media can therefore better be used to show the positive points about a product, to influence customers about their choice, instead of trying to retain them, because most people who follow a company on social media already have some affinity with that company.

Thirdly, this study provides an overview of the influence of customer reviews on product choice and the retention of customers. For the information on this platform, the vast majority of the sample also noted an impact on product choice, but no impact on the retention as a customer, just like social media. For product choice, this is again a confirmation of the uncertainty, transaction cost and agency theory, by reducing the information gap. Therefore customer reviews show the same trend as social media do, but reviews notice a higher impact. The reason is that people are influenced by earlier experiences with products of a company they are already familiar with. So, it is important for companies to ensure there is positive word-of-mouth on the online platforms about a certain product they want to promote now it is clear that this influences customers. Alternatively, a company can focus on preventing the presence of negative information, because for social media it appeared that this could result in rejecting a product for the majority. It is extremely important to handle complaints on a good manner and to improve your service. The research question: about the impact of social media and reviews on product choice and customer retention is therefore partially confirmed. Only an impact on the product choice of customers is confirmed (hypotheses 1 & 3). Besides this also hypothesis 6 is confirmed about the age and impact. In Annex 6, an overview of the rejection or confirmation of the hypotheses is presented.

Fourth, this study provides insights into which product categories are the most influenced by these platforms. People are more influenced with buying expensive products, because it involves more money, people wants to make an informed decision, and do not want to take the risk. So, companies need to understand that it is not effective to intensively interact or encourage people to interact about every product, but to focus their efforts on the more specific or expensive products. It is also evident that companies, who are selling cheap products like toilet paper, do not have to put a lot of resources into influencing people via the internet.

Finally, with the confirmation of hypotheses 1 and 2, one can conclude that people are searching or sharing information to reduce uncertainty, which is part of the transaction costs (Liu et al., 2008; Williamson, 1989). People do not know everything about a product and their quality, and therefore want to read experiences from users, which increases the transaction costs. That is also a reason people indicated during the interviews. Retailers know the quality of their products, and that is why there is an agency problem people want to use. Therefore, in this study, the agency problem, transaction cost and uncertainty theory are confirmed. Since it has been argued that contact and interactions between a company and her customers will be much more based and is already based to a certain extent on the internet (Gaines-Ross, 2010), this study provides useful insights into the side of the customer and the real impact of the customer reviews and social media which companies also should take into account. The findings indicate a clear need for companies to be aware of the potentials of these platforms. However, there are also a few points of attention for customers. Such as the fact that most of the time only people who are extremely positive or negative are posting things on social media or reviews. Companies should integrate social media and reviews within their activities, and the Web 2.0 technology, makes this relatively easy.

6. LIMITATIONS & FUTURE RESEARCH

Given its exploratory nature, this study has several limitations. There is a lack of comprehensiveness and representativeness, because I do not have people from every province in the Netherlands. Two provinces are not represented in this sample, because people did not respond. I did not have the time to follow people over a long period or to watch sales or reviews over a long period of time, due to the restricted timeframe. There is also a cultural bias, because this study is conducted in the Netherlands, with different norms and values then other countries. It is also because this study employed a cross sectional design, therefore the data reflected only people at one specific point in time and for specific destinations. Obviously, it is better to examine a longitudinal study to follow people and reviews or social media accounts to study the impact. I also did not study all the social media platforms possible, because of the restricted time, but also because Instagram was used the least according to my surveys and interviews. These platforms should be included in future analyses to reflect the impact of these technologies in a more comprehensive way. This study also contains self-reported data, you have to take what people say, at face value. This could be a bias, just like the fact that I used the example of the electric bike in my survey, which is a relative expensive product, although some people used their own imagination. Further, future studies should focus on improving the external validity by researching more destinations. A comparison and analysis can also be made beyond the context used in this study or introduce more control variables. A goal of future research could also be to take other factors into consideration, like the length of the reviews or posts on social media or the content, so therefore the quality and the influence. You can evaluate these points via interviews, instead of semi-structured interviews. These points all have the goal to gain deeper insight in this topic.


8. APPENDICES

Annex 1: Survey

Social media
Deze pagina bevat vragen over het gebruik van social media. Dit zijn alle websites of apps waarop informatie kan worden gedeeld met andere gebruikers. Voorbeelden zijn: Facebook & Twitter. Maar ook blogs behoren tot de social media. Dit is een online medium voor interessante actualiteit of ontwikkelingen, waarop iedereen wat kan schrijven en reageren op elkaar. Er wordt u voortdurend gevraagd of het de informatie die hierop gedeeld wordt en terecht komt u beïnvloed in de product keuze.

1. Heeft u een account op een social media site?
   ○ Ja  ○ Nee (Ga naar vraag 9)

2. Op welke van de volgende social media sites heeft u een account?
   ○ Facebook  ○ Twitter  ○ LinkedIn  ○ Google+  ○ Youtube  ○ Anders, namelijk:

3. Hoe vaak gebruikt u uw account om informatie te winnen van andere gebruikers of te delen met andere gebruikers over producten of bedrijven?
   ○ Altijd (Dagelijks)  ○ Vaak (Wekelijks)  ○ Gemiddeld (Een paar keer per maand)  ○ Weinig (Een paar keer per jaar)  ○ Niet (Ga naar vraag 9)

4. Hoe vaak leest u blogs waarin mensen een bepaald product reviewen of omschrijven voordat u een product aanschaft?
   ○ Altijd (Voor elk product)  ○ Vaak (Voor de meeste producten)  ○ Gemiddeld  ○ Weinig (Heel af en toe maar)  ○ Niet

5. Mocht u een nieuwe elektrische fiets willen kopen, hoeveel invloed heeft de informatie die u krijgt van andere gebruikers op social media op de aankoop van het product?
   ○ Erg veel  ○ Veel  ○ Gemiddeld  ○ Weinig  ○ Niets

6. Mocht u een nieuwe elektrische fiets willen kopen, hoeveel invloed heeft de informatie die u krijgt op het behoud van u als klant van een bedrijf, mocht u eerder klant zijn geweest bij dit bedrijf?
   ○ Erg veel  ○ Veel  ○ Gemiddeld

7. Mocht er positieve informatie staan op de site over het product dat u wilt aanschaffen, gaat u dan over tot kooip?
   ○ Ja, zeker.  ○ Waarschijnlijk wel.  ○ Nee, Ik kijk ook nog naar andere dingen, zoals:

8. Mocht er negatieve informatie staan op de site over het product dat u wilt aanschaffen, gaat u dan op zoek naar een ander product?
   ○ Ja, zeker.  ○ Waarschijnlijk wel.  ○ Nee, Ik kijk ook nog naar andere dingen, zoals:

Review websites
Op deze pagina gaat het over klanten reviews. Dit zijn beoordelingen van producten over de kwaliteit, gebruik etc. op sites zoals www.kieskeurig.nl. Hier kun je ook producten vergelijken. Maar ook kijken we naar de beoordelingen onder van producten onder artikelen zoals op bol.com.

9. Hoe vaak bezoekt u review websites zoals kieskeurig.nl om te kijken naar beoordelingen van producten voordat u een keuze maakt?
   ○ Altijd (Voor elk product)  ○ Vaak (Voor de meeste producten)  ○ Gemiddeld  ○ Weinig (Heel af en toe maar)  ○ Niet (Ga verder naar vraag 14)

10. Mocht u een nieuwe elektrische fiets willen kopen, hoeveel invloed heeft de informatie die u krijgt van reviews van andere consumenten op de aankoop van het product?
    ○ Erg veel  ○ Veel  ○ Gemiddeld  ○ Weinig  ○ Niets

11. Mocht u een nieuwe elektrische fiets willen kopen, hoeveel invloed heeft de informatie die u krijgt van reviews van andere consumenten op het behoud van u als klant van een bedrijf, mocht u eerder klant zijn geweest bij dit bedrijf?
    ○ Erg veel  ○ Veel  ○ Gemiddeld  ○ Weinig  ○ Niets

12. Mocht er positieve informatie staan op de site over het product dat u wilt aanschaffen, gaat u dan over tot kooip?
    ○ Ja, zeker.  ○ Waarschijnlijk wel.  ○ Nee, Ik kijk ook nog naar andere dingen, zoals:
    ○ Nee.
13. Mocht er negatieve informatie staan op de site over het product dat u wilt aanschaffen, gaat u dan op zoek naar een ander product?

○ Ja, zeker.
○ Waarschijnlijk wel.
○ Nee, Ik kijk ook nog naar andere dingen, zoals:
○ Nee.

Algemeen

14. Over het algemeen, bij welke productcategorieën wordt u beïnvloed door social media of reviews?

○ Elektronica (Computer, telefonie etc.)
○ Kleding (incl. make-up, accessoires)
○ Huishoudelijke apparatuur
○ Wonen (Meubels etc.)
○ Auto’s / Fietsen / Scooter’s
○ Anders, namelijk:

15. Als u twijfelt om over te gaan tot kopen kunnen de positieve reacties van andere consumenten de beslissende factor zijn om het product toch te kopen?

○ Ja
○ Nee
○ Anders, namelijk:

Demografie

16. Wat is uw geslacht?

○ Man ○ Vrouw

17. Wat is uw leeftijd?

○ 0 – 20 jaar
○ 20 – 35 jaar
○ 35 – 50 jaar
○ 50 +

18. Wat is uw hoogst genoten opleiding?

○ VBO
○ MAVO
○ VMBO
○ HAVO
○ VWO
○ MBO
○ HBO
○ WO
○ Anders, namelijk:

19. Wat is het inkomen van uw huishouden?

○ Beneden modaal
○ Ongeveer modaal
○ Ongeveer 1,5 keer modaal
○ Ongeveer 2 keer modaal
○ Meer dan 2 keer modaal

Bedankt voor het invullen van deze enquête!

EINDE
Annex 6: Results model

*a* Note: the impact of all the social media platforms (Facebook, Twitter, LinkedIn, YouTube, Google+) are the same as indicated above, and therefore summarized in this model into the variable ‘Social Media’.

- = hypothesis confirmed
- = hypothesis rejected