THE IMPACT OF INFORMATION CASCADE ON CONSUMER’S DECISION MAKING IN THE FRAME OF BRAND IMAGE WITHIN SOCIAL MEDIA

This paper investigates a deeper relationship between effects of information cascades on customer’s action and influence of brand image. Information cascades on the social media occurs when an individual observes behaviors of others and then make the same decision that other individuals have already made. According to, information cascades on a social media could lead to that many users have a strong effect on each other like determining the most influential individual’s preference within a network. The information cascade can be used for one of two effects on consumers in brand image: it could cause the brand to seem higher or lower in Consumers' Buying Intentions and also could affect consumers' brand trust. The purpose of this study is research of the primary behaviors of those customers who engage with brand image. They affect and make the same decision by ideas that others have already shared in social media. The methodology of the study was a depth interview with Facebook. At the end, 160 college students at Eastern Mediterranean University offered their answers who concerning their motivation of buying and influencing of brands within social media.

Keywords: information cascades, brand image, social media, purchase intention.

Introduction. Consumers have become savvier using the Internet to gather information about products and/or services. Trust in traditional marketing has decreased gradually and many firms are investigating for alternative strategies to develop their brands/products/services. Instead of spending money to advertise on the web, [1] it is recommended firms try to create recommendation mechanism, in a way that their customers can connect with each other and thus create a successful brand image. Within the past few years, the phenomenon of social media on the Internet has detonated into the main stream. Further, this online information and data within Social Networking Websites (SNW) have begun to be used for purposes beyond its intended use [2]. Social media has quickly changed today's marketing approach, and given the marketer connection between other consumers with new possibilities and opportunities to purchase demand for brands [3].

Social media provides numerous venues for consumers to share their views, preferences, or experiences with others about brand, as well as opportunities for make decision based on other consumer’s decisions. It allowed people to share their ideas (e.g. Twitter), or form connection (e.g., Linkedin). It is some of the most powerful ever devise. Consumers can be linked together easily and spread their favorite brand by sharing pictures, videos, blog [4]. It has created opportunities for consumers as well as marketers who have made demands for new brands to help of comments and observation to be posted by others in the social media [5]. The social network of interaction among a group of consumer role a fundamental pattern in the spread of information, opinion when this information about brand gain sudden widespread
popularity through word of mouth and information cascade effects [6]. It has brought into the mix a wide range of online, word of mouth (WOM) forums which now play important role in influencing consumers who are searching for a new brand and product [7].

Extension of WOM on social media provides remarkable power of information for new market where each one of consumer can influence on the conversations with another in cyberspace [6]. Information cascades are phenomena in which individuals observe behavior of others and then make the same decision in other words. They adopt a new action or idea due to influence by others. When people are connected by a network, it becomes possible for them to influence on each other’s behavior and decisions. There is an infinite set of situations in which people are influenced by others: in the opinions they hold, products they buy, brand they support, activities they pursue, and many other things [9].

Analysis of recent researches and publications. The theme information cascade and WOM are relatively new in the research world, and the literatures at hand regarding cascade availability appears irrelevant and articles related to the study lack a complete frame of reference and a comprehensive report. Considering this, the opening of an organized assortment is needed in order to categorize this field of study. Yolanda Y.Y.C. & Ngai E.W.T. [10] stated two kinds of WOM that may have influence on consumers; namely positive or pleasant and negative or unpleasant recommendation. Subsequently, Singh J., & Pandya S. [11] suggested that unpleasant recommendations are referred to as a type of buyer’s criticisms against brand while positive types are part of buyer’s compliments for brand. Positive WOM helps firms to reduce costs associated with marketing and advertising activities, and may increase sales, profits and better image for the brand.

The aim of the article is to develop and estimate a model that captures the dynamic relationships among consumer’s opinion, information cascade referrals, and brand image perception.

Basic material.
1. The direct benefit of information cascades for consumers

Information cascade is a subcategory of word of mouth which enable people to obtain information from previous participants in an event invalidate one's own private signal. Wide range of personal information that is as a reflection of ongoing behaviors and interactions with other users of the networks, websites may actually provide unique information which no found with another method [12]. There is also a fundamentally different class of rational reasons why consumers might want to imitate what other people are doing. They may want to copy the behavior of others if there is a direct benefit from aligning their behavior with other behaviors. On the other hand, it can be boundary in openness to experience when consumers face with information cascade [13]. Cascade availability and intermittent interactions within a social network involving individuals seeking information regarding brand outside a close social circle can result in brand imitation [14]. As the conversation grows around brand, an increasing number of consumers are notified, and have the opportunity to join the dialog and imitated each other.

2. The direct benefit of social media in purchasing brand image

The Social media is an infrastructure that enables Customers to have influence on each other in order to change their expectations around brand image. The companies are aware of this phenomenon and have begun to use social media to evaluate actions of customers and build close relationships with them as well as reinforcing their brand’s image. Social media refers to online media that facilitates communication with allowing users to participate in the creation and development of the content. It is opposed to the traditional media, which delivers
content but doesn't allow the users to modify the content [15].

Now people spend more time on the social media communicating through platforms like Facebook and leaving traces of contacts which are readily available to the managers of these social media [16]. Moreover according to Kaplan A.M. & Haenlein M. [17], social media is defined as a group of internet-users that build on the ideological and technological foundations of Web 2.0, which allows the creation and sharing of User Generated Content. They segmented social media into collaborative projects, blogs, content communities, social networking sites, virtual game worlds, and virtual social worlds. Brand image could have real and virtual associations in the consumer's mind, Cobb-Walgren C.J., Ruble C.A., & Donthu, N. [18] considered this issue and how brand image could relieve both tangible and intangible associations in the consumers’ opinion. According to Meenaghan T. [19] brand image could be viewed as a product knowledge that enables consumers to identify a specific brand, while Bhat S. & Reddy S.K. [20], thought of brand image as an information prompt. Based on various consumer interests, Whan Park C., Jaworski B.J. & MacInnis, D.J. [21] developed several brand concept images (BCM) divided into functional, symbolic, and experiential.

Also, whether consumers intend to purchase a product and whether or not they recommend a product to others, are commonly used as measuring variables for purchase intention. Effect of Information cascades on social media by different product attributes are vested with different involvement strengths by consumers. The differences in strength of the involvement guide to differences in consumer decision-making processes and change the way in which consumers make purchase decisions. Consumers try to show different levels of involvement in different situations where they face with brand purchasing and recommending to others [22].

Information cascades may be at least part of the explanation for many types of imitation in social assumption that consumers are acting only on observable actions taken by others. When consumers acquire neither positive nor negative recommendations from an online community made by other customers, the person might convert such subconscious belief on the basis that first feeling matters. Looking at the influential marketing ability of cascades on consumer’s perceptions and the ambiguity of the social media atmosphere, firms may maneuver the platform to shape customers' activities and beliefs [23]. This lead to first hypothesis:

**H1:** It is proposed that consumers make decisions rationally based on the information cascades they face on social media.

The consumer has a strong willingness to rely on the sender on social media. It is viral growth, which is primarily share by user recommendations and inviting other contacts to join the brand’s page in social media. Consumers try to expand their brand’s preference to others in order to add high value and arouse their feeling as part of their extrinsic behavior. Engaged customers are likely to recommend products to others, e.g. by word-of-mouth, share picture and video of product and recommendation around brand in cyberspace such as, blogs, social networking, comments on web sites, etc., and even add value by providing user-generated content. Therefore, the next hypothesis is:

**H2:** It is proposed that consumer opinions in social media will positively affect brand image which is driven and shared by others.

Accordingly, the power of information cascade lies in the last part of the buying process as it comforts buyers, reduction after-purchase uncertainty by giving them assurance in terms of future exchange [24]. Blackwell R.D., Miniard P.W. & Engel, J.F. [25] argued that imitation of others is widely accepted as the basic uncertainty reducer of several types of risk associated with the purchase, which encompass social, functional, psychological, time and financial risks. In social media where many people make the same choice, an information cascade provides clues that outweighs one's own judgment in making a better decision about brand
preference [26]. This lead to third hypothesis:

**H3:** It is proposed that information cascade will positively affect on reducing uncertainty toward brand on social media (Figure 1).

![Information cascades on Social media](Figure 1 - Effect of information cascade on brand image)

**Methodology.** The purpose of this research was to determine the impacts of information cascades about social media’s brand pages for consumers buying behavior in order to clarify the effects of information cascade in purchasing products and services. The interview was conducted during October 2012 at Eastern Mediterranean University in Cyprus and formed as private to talk comfortably. In terms of our research, we choose Facebook as most popular social media network. We interviewed randomly to 160 female and male between 18 to 45 years old from different nationalities such as, African, Iranian, Turkish, Russian according to gender, age, status and salary via Facebook.com by asking yes-no questions, open-ended and close-ended questions related to Facebook’s brands’ pages through Social Media. The interviews were lasted approximately 10 minutes on average which provided a focus on the issues according to the aimed direction to follow (Table 1).

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<th>QA1 Gender</th>
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**Analysis and results.** This study carried out a number of in-depth interviews with Facebook users on Brands’ image. Concluding from our interviews which 80% were members of different Facebook’s brands’ pages therefore clarify the high contribution between brands’ consumers and brands role in social media. 76% introduced to Facebook’s brands’ page
through their friends, they see one of their friends’ liking activities, comments or sharing a picture/video of a specific brand. 77% motivated to buy from specific brands’ products which advertised on Facebook based on rational decisions and observation they faced on brands’ Facebook’s page. It would have been interesting to mention that all of the participants noticed brands’ new products on Facebook rather than brands’ websites as an evidence of Facebook high contribution on advertising. 84% of attendance’s buying behavior affected because of their friend’s words of mouth which positively resulted in reducing the uncertainty and increasing trust toward brands advertising on Facebook; moreover 88% of participants (68% female) try to imitate the specific brands’ styles since they sign up an account on Facebook to be more noticeable. 80% (72% female) liked or commented on brands’ pictures and videos to show and exchange their experience on particular brand which directly have positive or negative effects. More than 90% of attendances believe that pages which have most likes are representatives of best and famous brands than others due to positively affect the consumer opinions on brand image. The significant and positive role of female also one of the interesting outcomes we faced during our interview process which show their high concern on this topic. Finally, most participants agreed that the positive and negative review of other users indirectly changes their brand preference although providing positive information increases their loyalty and knowledge of specific brands. At the end of the interview, we asked about Social media advertising in terms of information cascades which most of them mentioned that due to spending lots of time on Facebook and being as a part of information exchange, their purchase intention and imitation toward brand positively increased. Overall, the key outcomes of information cascades through social media approved all hypotheses mentioned before as positively affect the brand imitation, reducing the uncertainty and consumers’ rational decision making.

**Conclusion and directions of further researches**. Observing the results, high percentage of information cascade show the process of obtaining and exchanging information through social media eases up publics’ participation for being as a whole. They also represent the high ability of social media and accordingly the power of words of mouth of friends and relatives more than the products’ website. Moreover, many of the interviewees agree that their willingness to buy from brands which has most like and share manifest as a reputable sign. Being as a part of big challenge motivates the costumers’ involvement in forming the purchase intention process.

As most of the social media members are young and early adult so, according to the increasing world growth in increasing numbers of brand companies, subsequently most of them interested to be unique styles to be more specific and noticeable by pursuing the news of brands which is mostly through recommendation and imitation of friends and close acquaintances. Brand imitating positively influence buying decisions of consumers (more than 80%) so they would buy from specific brands which advertised positively through acquaintances who trust them because of their positive buying experiences; so, as they see the satisfaction of their relatives or friends from particular brand’s imitation, consequently they accept it based on risk reduction. Furthermore, consumers have opportunity to join the dialog by making comments on social media platforms which enable them to flow information through trusted relationships to broader circles.

Indeed Marketers, step by step learn more and more about the consumer’s relationship with each other and have begun to work with the power of information cascade on social media platforms in order to generate brand’s reputation. Further research would be based on generating viral customer on cyberspace by giving the possibility of increasing WOM in social media in order to reduce cost and make alternative convenient for advertising.


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Маркетинг і менеджмент інновацій, 2013, №3

http://mmi.fem.sumdu.edu.ua/
Розділ 2 Інновації у маркетингу

Mason, OH: Thomson Learning [in English].


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Вплив інформаційного каскаду на процес прийняття споживчих рішень щодо іміджу бренда в соціальних медіа

У роботі досліджується взаємозв’язок між впливом інформаційних каскадів на поведінку споживачів та іміджем бренда. Інформаційні каскади виникають у соціальних медіа в результаті того, що користувачі копіюють дії і рішення, прийняті іншими раніше. Інформаційні каскади в соціальних медіа сприяють тому, що між користувачами встановлюються тісні контакти і вони здатні впливати один на одного. Ефектами від впливу інформаційних каскадів на споживачів у період формування іміджу бренда є підвищення або зниження цінності бренда в очах споживачів, а також підвищення або зниження рівня довіри споживачів до бренда. Метою цієї роботи є дослідження особливостей поведінки тих споживачів, для яких імідж бренда відіграє важливу роль. Такі споживачі приймають рішення, групуючись на ідеях інших, що поширюються, у тому числі, і через соціальні медіа. У ході дослідження було проведено опитування, на основі якого були виявлені основні мотиви здійснення покупок і особливості впливу іміджу бренда через соціальні медіа.

Ключові слова: інформаційні каскади, імідж бренда, соціальні медіа, намір зробити покупку.

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Воздействие информационного каскада на процесс принятия потребительских решений относительно имиджа бренда в социальных медиа

В работе исследуется взаимосвязь между влиянием информационных каскадов на поведение потребителей и имиджем бренда. Информационные каскады возникают в социальных медиа в результате того, что пользователи копируют действия и решения, принятые другими ранее. Информационные каскады в социальных медиа способствуют тому, что между пользователями устанавливаются тесные контакты и они способны влиять друг на друга. Эффектами от влияния информационных каскадов на потребителей в период формирования имиджа бренда являются повышение или понижение ценности бренда в глазах потребителей, а также повышение или снижение уровня доверия потребителей к бренду. Целью данной работы является исследование особенностей поведения тех потребителей, для которых имидж бренда играет важную роль. Такие потребители принимают решение, основываясь на идее друг друга, переданных, в том числе и через социальные медиа. В ходе исследования был проведен опрос, на основе которого были выявлены основные мотивы осуществления покупок и особенности влияние имиджа брендов через социальные медиа.

Ключевые слова: информационные каскады, имидж бренда, социальные медиа, намерение совершить покупку.

Отримано 15.06.2013 р.