Chapter 3
User-Generated Content and Perceived Customer Value

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ABSTRACT
The Internet has transformed social communications and social behaviours. Technology-aided interpersonal interactions have replaced traditional ‘face-to-face’ affiliations. The purpose of this chapter is to examine the effect of user-generated content on perceived customer value. In contrast to prior study mainly investigates the effect of two main areas, namely, customer and company, this study additionally widens the scope and influence of user-generated content on consumer-to-consumer communications. Our findings suggest that user-generated content mediates on consumer decision-making process, providing higher-order credibility beyond the conventional marketing communication programmes.

INTRODUCTION
The Internet has transformed social communications and social behaviours. Technology-aided interpersonal interactions have replaced traditional ‘face-to-face’ affiliations (Muniz and O’Guinn, 2001). Xue and Reynolds (2010) noted that the increase in online activity has changed social and behavioural characteristics. Li and Bernoff (2008) suggested digital consumers have five different types of social behaviours: creators (e.g., publish, maintain and upload), critics (e.g., comment and rate), collectors (e.g., save and share), joiners (e.g., connect and unite) and spectators (e.g., read). These social behaviours consequently influence the social relationships and interactions between peers, that is, consumer-to-consumer (C2C) relationships, as well as between product and service providers, that is, business-to-consumer (B2C) relationships (Bratucu et al., 2014). Prahalad and Ramaswamy (2004) argued that the

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role of the consumer has shifted from being isolated, unaware and passive to being connected, informed and active. Increasingly people are engaged in more online activities, such as social media and online shopping (Azemi and Ozuem, 2015). Based on the Internet Society’s Global Internet User Survey in 2012, 96% of users access the Internet at least once a day.

Of these, 98% believe it is essential for their access to knowledge and education, while 80% believe the Internet plays a positive role for both the individual and the society as a whole. According to Prahalad and Ramaswamy (2004, p. 10), consumers are increasingly engaging in the process of both ‘defining and creating value’. Consumers use their experiences as a means to offer advice and opinions about goods and services (Li and Zhan, 2011). Studies suggest that computer-mediated communications, such as websites, forums and newsgroups, are increasingly used by consumers to share information which will help them and others make better decisions on product and service choices (Man Yee et al., 2009; Li and Zhan, 2011; Bratucu et al., 2014). Electronic word of mouth (eWOM) is perceived as more trustworthy and credible than traditional marketing advertising as they are peer-generated messages (Bickart and Schindler, 2001). eWOM has the advantage of having a lower cost base than traditional WOM, and it spreads at an unprecedented speed (Li and Zhan, 2011). King et al. (2014, p. 167) argued that eWOM, ‘the preferred method of communication’, and its importance as a research area should not be understated.

THEORETICAL FOUNDATIONS AND CONTEXT

A review of the extant literature provides divergent notions and interpretations on the computer-mediated content created by consumers, such as user-generated content (Hautz et al., 2013; Chen et al., 2011), eWOM (Thorsten Hennig-Thurau et al., 2004), computer-mediated content, C2C communications (Adjei, Noble and Noble, 2010), consumer-generated media (Blackshaw and Nazzaro, 2004) and C2C exchange (Gruen, Osmobekov and Czaplewski, 2007). The concepts of CGC and eWOM are similar, and some researchers have applied these concepts interchangeably (Kozinets et al., 2010; Ozuem, Howell and Lancaster 2008).

Thorsten Hennig-Thurau et al. (2004, p. 39) defined eWOM as ‘any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet’. This definition appears truncated in that customers’ interactions and discussions are not only limited to a product or company as ‘other issues’ are taken into account when examining consumer knowledge sharing. For instance, when you consider consumer interactions within (both online and offline) therapeutic communities, such as Weight Watchers, peers within the community can, through sharing experiences, teach and support one another in incremental learning that may promote a change in attitudes, values and behaviour (Tian et al., 2014; Ozuem, O’Keeffe and Lancaster, 2015). Xun and Reynold (2010, p. 21) defined eWOM as a ‘dynamic and ongoing information exchange process’. Traditional communication theories consider the concept of WOM to have a powerful influence on consumer behaviour, particularly in information search, evaluations and subsequent decision making (Brown et al., 2007). Due to the conceptual closeness between traditional WOM and eWOM, previous studies on the latter have been built and developed on the former (Thorsten Hennig-Thurau et al., 2004). Nevertheless, owing to the complex computer-mediated context in which eWOM is generated and consumed, the concept has distinct and unique characteristics from traditional WOM (King et al., 2014; Brown et al., 2007).