Chapter 10

The Impact of Digital Word-of-Mouth Communication on Consumer Decision-Making Processes: With Special Reference to Fashion Apparel Industry

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ABSTRACT

This chapter throws light on the impact of digital word-of-mouth on consumer decision making process. The background review for this study elaborates on the growing popularity of social networking sites among users and the necessity for a brand to connect to its existing as well as prospective customers via fashion bloggers and not just through brand owned pages and posts or online ads. Users trust and rely on these fashion bloggers and influencers for their day-to-day intake latest trends, upcoming styles, new brands, and new product offerings. The aim of this research is to find out which is most popular online platform for browsing fashion apparel content and to what extent does digital word-of-mouth impact consumer decision making.

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INTRODUCTION

India along with other countries like Indonesia and Vietnam are some of the upcoming fashion retail markets in Asia Pacific surpassing the growth of China. The Indian fashion scenario has changed a lot and it has intensified because of increased mobile and internet penetration. The increasing number of millenial in the country has provided immense opportunities for the industry. A study carried out by Intelligence Node, 2016, predicts that “organized retail sector will grow by CAGR 21% between 2015 and 2020 reaching an overall figure of $180 billion”. E-commerce and offline stores will both contribute to this growth. The fashion retail sector is dominated by apparel comprising of 47% followed by accessories (40%). The top category under the apparel sector is ethnic wear (42%) followed by tops then bottoms.

Web 2.0 has brought in bi-directionality which has given rise to online communities to share and voice one’s opinion. Word-of-mouth is one of the oldest and most reliable marketing mechanisms, but with the advent of internet, word-of-mouth has gone modern and digital (Dellarocas, 2003). The face of the opinion leaders is changing. The influencers are growing in number as swiftly as their followers increase from two hundred to two thousand. Followers now place their trust in such social media influencers for their regular fashion fixes or staying in trend or being updated. It is interesting to note that social media has made high-street fashion and affordable fashion more accessible. Digital Word of mouth and SNSs have enabled consumers to not only obtain information about certain products and services from the people they know but from the people who have relevance and experience in that category and who are also geographically dispersed. (Ratchford et al., 2001; Lee et al., 2006) A lot of research has been done on influencer marketing, it implications for brands, impact on sales, social media influence in terms of body images, etc.

Many organizations have aggressively taken up social media marketing to drive engagement amongst their consumers. Most brands or companies in today’s world have social media handles set-up, be it Instagram, Twitter, Facebook, LinkedIn or company blogs. The dialogue is still from brand to consumer. Recent years has seen a shift in communication by bloggers or ‘Instagammers’ or ‘YouTubers’ sharing their thoughts and experiences about products and services. Studies show that consumers engage in word-of-mouth due to its social or psychological benefits (Cheema & Kaikati, 2010). Digital Word of mouth and SNSs has enabled consumers to not only obtain information about certain products and services from the people they know but from the people who have relevance and experience in that category and who are also geographically dispersed (Ratchford et al., 2001; Lee et al., 2006). Is the blogger the new journalist? The influencer route or blogger relations are a more
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