

Consumer Moments of Truth In the Digital Context

How “Search” and “E-Word of Mouth” Can Fuel Consumer Decision Making

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The consumer purchasing journey has evolved. The current paper revisits the practitioner-led “Moments of Truth” model used by a number of successful multinationals (initially Procter & Gamble and subsequently Google). “Moments of Truth” (MOT) describe key instances of contact between a potential customer and a brand. The new model integrates variables such as shared brand experience and searchable electronic word of mouth (e-WOM). This short paper establishes the cycle of e-WOM influence as recommendations are shared and searched among digitally connected consumers, and explains how marketers can successfully manage these MOTs.

INTRODUCTION

The development of Web 2.0 capabilities and the global spread of social media have presented myriad opportunities and challenges to brands that compete for consumer interest in the online social space. Electronic word of mouth (e-WOM) represents a growing facet of digital consumer behavior and relies on the experiences of one consumer being shared, with others, through recommendations. Customers of all experience levels enthusiastically

discuss the merits of rival brands and opine on the latest market developments across multiple platforms, enhancing both brand evaluation and purchase decision making.

Digitally empowered consumers actively search online for brand and market information ahead of making purchase decisions. They actively are evolving their purchase needs in light of the new information and are influenced heavily by e-WOM recommendations. Those interactions constitute

Management Slant

- Consumer behavior is changing in light of advancing digital capabilities. The importance of electronic word of mouth (e-WOM) is aggrandizing as consumers turn to their peers—rather than marketers—for brand information.
- Advancements in Web 2.0 technologies are enabling searchable e-WOM that amplifies the influence of these recommendations at the decision point, when consumers are most vulnerable to this type of information, the “Zero Moment of Truth.”
- Brands must focus on fostering positive e-WOM on social networking sites to leverage these moments of truth among connected consumers.
- By facilitating the sharing of positive consumer experience (Third Moment of Truth), brands can exploit the network effects of social media marketing to build stronger, more sustainable customer-engagement relationships.

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new “Moments of Truth” (MOTs) between brands and consumers that are not accounted for in traditional decision-making models.

To help brands understand the network effects of both search-engine and social-media marketing, the current paper revisits the practitioner-led MOT model used by several successful multinationals (*e.g.*, Procter & Gamble and Google) by integrating variables such as shared brand experience and searchable e-WOM information.

MAPPING THE CONSUMER DECISION-MAKING JOURNEY

The Advent of Shared Experiences

Whether occurring in the offline or online environment, consumers heavily rely on other consumers to evaluate brand offerings. The online environment facilitates and multiplies opportunities for sharing and retrieving brand experience.

Consumer Reliance on E-Word of Mouth

Brand- or market-related messages originating from an experienced consumer inherently are considered more believable and trustworthy than marketer-initiated messages (Kozinets, De Valck, Wojnicki, and Wilner, 2010). Unlike the commercial intentions of advertisers, consumers are not expected to manipulate or deceive their peers. Instead, they provide consumption-related information to guide and simplify a fellow consumer’s purchase journey.

As consumers wish to learn about new brands, their preferences are shifting away from advertising and marketing communications toward seeking out the views of experienced peers. Later, through sharing

their own opinions, they help other consumers make further purchasing decisions. By seeking the views of others and sharing their own, consumers actively are growing their network of e-WOM communications and leveraging this network to aid in their purchasing processes.

This behavior highlights that the sharing of consumer-to-consumer experiences is essential to the contemporary purchase decision-making journey. It is this journey from novice to expert consumer that drives the cycle of influence of e-WOM communications.

Peer-to-peer e-WOM is supported through numerous online platforms where consumers converge for topical, commercial, or social purposes. One type of such platform is the social networking site (SNS). (Facebook and Google+ are well-known SNS examples.) Not surprisingly, as customers flocked to these sites, creating profiles, interacting with “friends,” and sharing updates, brands reacted in the hope of developing engagement relationships with their customers. Marketers expect that through this heightened engagement, customers will share branded information among their online interpersonal networks, exposing a brand to a vast new network of prospective customers and, thereby, significantly expanding the reach of the brand.

While other online consumer forums— for example, discussion boards or review Web sites—allow contributors to post anonymously as unknown avatars, SNSs encourage users to use their own identities (*i.e.*, Google Real User Policy); thus, SNS-based connections primarily are known to

the user through prior offline relationships (Chatterjee, 2011). For many users, SNS connections simply replicate one’s offline friendship links in an online world (Godes and Mayzlin, 2004). This leads to the enhanced credibility of the e-WOM messages shared through SNSs as the receivers of such communication are able to weigh the credibility of known sources and their levels of expertise.

SNSs have experienced exponential growth with the development of Web 2.0 tools that have enabled greater creativity and content production by users and faster and more seamless methods of capturing and distributing e-WOM. Customers, in turn, have used their higher levels of tech-savviness to create user-generated content (UGC) that they share with their friends for entertainment or informational purposes. Some users even use branded items to create interesting or funny content that gains viral status once shared. For example beauty-based video logs (vlogs), depicting everyday people recreating celebrity makeup and hair styles at home, showcase branded beauty products that viewers are encouraged to try for themselves.

These forms of e-WOM are garnering much attention, with the two most successful beauty vloggers, Michelle Phan¹ and Zoe Sugg,² having in excess of 5 million and 3 million subscribers, respectively. A less visible form of e-WOM by everyday users of social media sites is equally important. Every time SNS users share or comment on a brand page, they potentially expose first-circle friends to that brand via the newsfeed (Lipsman, Mudd, Rich, and Bruich, 2012). Given the fact that Facebook now has 1.2 billion users, this represents a lot of incremental sharing. As true organic WOM occurs outside of the control of marketers, this growth in UGC may

¹ Michelle Phan, *youtube.com* — <http://tinyurl.com/dyyhgu>

² Zoe Sugg (Zoella), *youtube.com* — <http://tinyurl.com/czpu8sa>

represent a force or a folly for maintaining brand image.

Shared Brand Experience and Searchable E-WOM: The New Moments of Truth

MOTs are instances of contact between a customer and a brand that give the customer an opportunity to form an impression about the brand. They are crucial instances in which a brand encounter intrigues, delights, or disinterests potential customers:

- In 2005, Procter & Gamble labeled the decision to purchase a particular brand the “First Moment of Truth” (FMOT). Actual use of the product—or experiencing the brand—is known as the “Second Moment of Truth” (SMOT).
- The Google (2012) ZMOT Handbook defined the online-research action as the “Zero Moment of Truth” (ZMOT), which follows a consumer’s first exposure to advertising for a product, which, in theory, had triggered his or her need.
- The subsequent decision to share his or her experience of the brand represents a “Third (and Ultimate) Moment of Truth” (TMOT).

Digital technologies are changing consumer behavior and enabling the creation of a credible, consumer-led information cycle. Digital consumers actively are seeking and sharing e-WOM through SNSs to aid their own and others’ purchasing journeys and are leveraging their online interpersonal networks for brand guidance and recommendations. As consumers share their experiences online, the e-WOM becomes available to other consumers either through interpersonal connections, searchable results, or suggestions. In the case of SNSs, when one consumer shares his or her brand experience (*i.e.*, comments on the brand page), this action may be displayed in the newsfeeds of his

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or her friends (See Lipsman *et al.*, 2012 for an explanation of the process). Thus, one’s TMOT may trigger the need of another as he or she is exposed to a friend’s preference for a specific brand. One’s TMOT also may directly represent a ZMOT in the cycle of e-WOM influence.

This influence cycle has particular importance for brands as it has the potential to fundamentally impact on brand sales. This is due to the growth in searchable e-WOM communications. Facebook indexes its users’ “Likes” and “Check-ins” to display this information to potential consumers who search for SNS-based information. However, Facebook content is at present limited to appearing only within the “walled garden” of its own Web site (*Economist*, 2012). Google+, conversely, indexes the content, applications, videos, and comments shared on its Web site to enable recommendations to appear across Google’s multiple platforms including YouTube, the Google Play store, Google Maps, and even on its search engine results. Thus, e-WOM indexed, ranked,

and displayed by both search engines and SNSs proffer huge potential for positive and negative peer-reviewed comments to reach thousands of users worldwide.

This activity closes the loop of the consumer’s purchasing journey from search to share and back to search (See Figure 1).

In the new digital consumer decision-making journey, the sharing of experience is considered a crucial element. Amazon, which encourages its customers to provide ratings and comments on all the items sold through its Web site, understands the role that these peer-reviewed comments play in the decision making of future customers, and it uses common user profiles to suggest or recommend companion or extension purchases for buyers. Furthermore, Netflix provides personalized recommendations not based on star ratings but, instead, on the viewing preferences of similar users.³

As the practice of e-WOM becomes more prevalent, a variety of specially designed

³ “The Science Behind the Netflix Algorithms That Decide What You’ll Watch Next,” *wired.com*, Aug. 7, 2013 — <http://tinyurl.com/n6tpzr8>

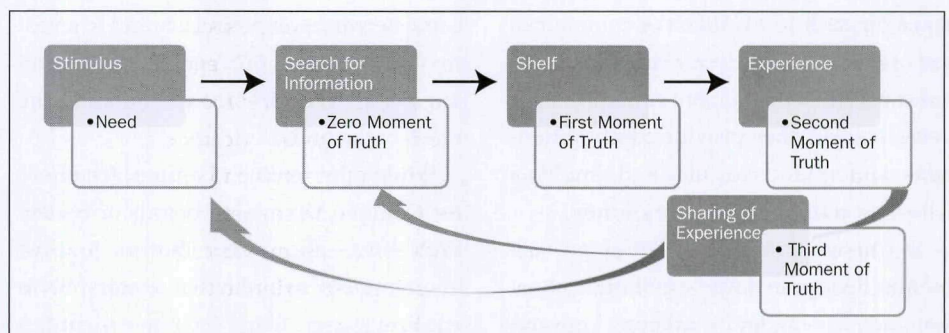


Figure 1 Consumer Decision-Making Journey in a Digital World

consumer platforms have been created to facilitate e-WOM dissemination, including opinion Web sites, ratings-and-review Web sites, discussion boards, and consumer forums. Furthermore, the sharing of e-WOM also is being supported through blog posts, microblogging sites, and indeed SNSs. Because of its ability to recruit new customers (who trust the recommendations of their peers), e-WOM undeniably is becoming a central instrument of the digital marketer's tool kit.

The occurrence of e-WOM within social media—and within SNSs, in particular—offers the potential to satisfy both brand and customer agendas. Customers share e-WOM to identify themselves as entertainers, as experts, or as belonging to a certain group. Brands, conversely, encourage e-WOM to build awareness by capitalizing on their followers' "friend-of-friend" networks.

In an ideal world, highly entertaining, brand-friendly content will spread throughout a social network generating millions of "Likes," "Shares," "+1s," and "Retweets," convincing droves of new customers to buy a brand. That world, however, remains ideal and unrealized, but marketers who continue encouraging customers to spread e-WOM—and, thereby, create Third MOT—may enable their brands to unlock this potential for growth and profit generation.

IMPLICATIONS FOR BRANDS

Managing Shared Experiences Through Social Networking Sites

Consumers increasingly influence one another through creating shared experiences and MOTs. Brands, realizing the value and weight placed by possible buyers on these credible peer endorsements, are attempting to leverage these online consumer networks to spread positive e-WOM. The growth of social networking sites has encouraged brand participation

Marketing through social media should not consist simply of regurgitating campaigns used in other media.

on these platforms, lured by the potential for interaction and engagement with customers in social settings (LaPointe, 2012).

Brands not only hope to engage with their customers but expect to be able to connect with the much larger "friends-of-followers" segment and attempt to influence these prospective customers to also become users of the brand.

Some have proposed that this segment can be in excess of 30 times greater than the brand's existing cohort of SNS-based fans (Lipsman *et al.*, 2012). Facebook and Google+, in fact, have designed features within their SNS products to enable brands to gain high levels of awareness to build their customer bases.

SNSs offer powerful avenues through which to develop interaction, conversation, and cooperation between brands and their customers. There is, however, a growing tension between social-network users and some brands that have entered this social space; many users have become skeptical of brands invading their community and may resist engaging with them. Both parties, however, clearly must be able to see the benefits of collaboration within this form of cocooned relationship.

Marketing through social media should not consist simply of regurgitating campaigns used in other media. Instead, the efforts need to be additive to conversations with potential and existing customers. Conversely, the return on investment (ROI) should be measureable and comparable (if not superior) to that of investment in other media.

For many brands, however, the tangible ROI in SNSs does not reflect what

had been anticipated, and there appear to be "countless examples where the digital medium is simply not delivering on its promise" (Abraham, Hunter, and Vollman, 2012: 30). Brands actively are eliciting numerous "Likes" and "Shares" from their followers that enhance the spread of positive e-WOM, but these are proving difficult to quantify in monetary and revenue terms.

Focusing solely on the ROI of "Likes" and "+1s," however, has the potential to limit the true value of these implicit consumer endorsements. Though these social media-metrics easily are measureable, it is the endorsement that they convey wherein lies the brand value.

Affiliation with—or approval of—a brand openly expressed to one's peers through social media and SNSs generates e-WOM and represents an MOT in the new digital consumer decision-making journey. Therefore, the true leverage that brands should be capitalizing on is the MOT created by customers—including searchable e-WOM recommendations. These shared expressions offer continuous leverage possibilities within the cycle of peer-to-peer influence.

CONCLUSION

This paper highlights the current gap in the marketing-management literature: Digital consumers' purchasing behaviors have outgrown traditional purchase decision-making models. The study provides a theoretical foundation from which to develop new models encompassing the referral practices of contemporary consumers.

These emerging activities include the creation of MOTs within the brand experience by which consumers choose to share e-WOM with their social networks to further their own purchasing journeys, aid their fellow consumers' decision-making journeys, and build their own personal brand.

MOTs created after a brand experience produce both positive and negative e-WOMs, which increasingly are being indexed to appear in search-engine results—and represent an initial moment of truth (ZMOT) for e-WOM-seeking consumers.

Brand managers, regularly frustrated with the lackluster ROI results of social media-marketing strategies, need to shift focus away from simply counting metrics such as "Likes" and "+1s" and, instead, focus on driving e-WOM activities that increase direct, customer-brand engagement. It is these latter activities that generate MOT for the brand. Indeed, quantity is not as important as the engagement it conveys. Fostering such activities enables the leveraging of "friend-of-follower" connections on SNSs and capitalizes on these customer engagement relationships. **JAR**

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