

Impact of social information on consumer decision making: analytical and empirical studies

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Abstract

The dual forces of individualism and society have made a huge impact on human life, thoughts, and decision making, and they have remained a key area of research in sociology, anthropology, economics, psychology, and business. Extant literature has focused on social influence in forming consumer norms and values, the impact of social cues and signals on decision making under uncertainty, and social network effect on new product adoption. In this thesis, we discuss three cases where social information can impact consumers' decision making under uncertainty. The first essay focuses on the usage of queue information as social signals that impact consumers' service evaluations and abandoning decisions. The second essay analytically establishes the above results and tries to determine the boundary conditions where queue information can be used to signal quality and reduce renegeing. Both the essays try to show how service managers can take strategic decisions of disclosing certain queue information to reduce renegeing. The third essay establishes social influence in the context of auctions for multi-unit resource allocation. It shows how social information influences the bidding behavior of the consumers in such cases. A review of the extant literature about social influence on consumer decision making helped us to position the thesis and discuss its contribution. In the conclusion, we have discussed the importance of the thesis and how future research can improve the area of research.