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ABSTRACT

The growing popularity of online social platforms has significantly increased the importance of consumer social interactions as a market force. In this study, we focus on two types of online social interactions, namely, electronic word of mouth (eWOM) and observational learning (OL), and explore how they influence consumer purchase decisions. Additionally, we examine the moderating role of consumer expertise in consumer purchase decisions. Analyzing panel data collected from a popular online beauty forum, we found that consumer purchase decisions are influenced by their online social interactions with others and that action-based OL information is more influential than opinion-based eWOM. Further, our results show that consumer expertise plays an important moderating role: Compared to less experienced consumers, those with higher level of experience are less likely to be influenced by others’ opinions but more likely to be influenced by others’ actions. The study makes important contributions to research and practice.