

## **Abstract**

Previous studies have stressed the importance of informational social influences in decision-making, while the effect of opinions of others, herd cues, is agreed to be one of the major factors in affecting people's behavior online. The present study focuses on studying herd behavior in affecting consumers' decision in online contexts. It is proposed that type of goods (experience goods and search goods) and product involvement act as moderators to determine how herd cues influence consumers' purchase behavior online. In the study, 129 participants took part in a simulation of online consumption to study consumers' purchase behavior online. The result of this study suggests that product types moderates online herding effect. A three-way interaction between number of herd cues, product type and product involvement was also observed. The author of the study tried to explain these effects by taking into accounts the difference between search goods and experience goods in terms of the difficulties in evaluating product quality online before usage and the cognitive style employed by consumers when purchasing them. This study provides practical implication for online marketers when it comes to Web site design for products of different type and different product involvement. Also, it provides reasonable explanation for contradictions found in previous studies when only product type or product involvement was considered when studying online herding effect.