Revisiting Signals that Influence Consumer Decision-Making: From Information Search to Behavioural Commitment

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Abstract

Consumers face information overload, creating a selection paradox when choosing service providers, particularly micro-businesses offering hard-to-evaluate services such as household repairs. This study examines how consumers move from initial information search to final commitment by integrating signalling theory, source credibility theory, and commitment–trust theory. Using 419 survey responses from UK households and analysing the data with SPSS AMOS, we find that in the information search stage, heuristic cues such as review volume, average rating, and traditional word-of-mouth shape consideration set formation. In the evaluation stage, credibility signals, expertise, trustworthiness, and likability, guide diagnostic judgments. In the commitment stage, affective and cognitive trust support relational decisions, while value acts as a cost–benefit signal. Overall, the study advances consumer behaviour literature by showing how different signals influence decision-making across multiple stages.

Keywords*: Signalling theory, consumer decision-making, SMEs*

Track*: Consumer Behavior*

1. Introduction

Technological advancements and the growth of online platforms have expanded consumer access to service providers and increased information transparency (Zhang et al., 2024). However, this creates particular challenges for small online retailers and service-based micro-businesses, such as tradespeople, where service quality is difficult to assess in advance and information asymmetry is high (Wang et al., 2004). In these contexts, consumers rely heavily on external signals to reduce uncertainty and evaluate unfamiliar providers (Huang and Rust, 2021). Micro-businesses often lack the digital branding capabilities of larger firms, focusing more on service delivery than online presentation, which further exacerbates information gaps. As existing service literature largely centres on well-resourced organisations with strong digital infrastructures (e.g., Hildebrand et al., 2021), there is a clear need to understand how different signals shape consumer decision-making across stages in resource-constrained service environments.

Recent work underscores the need to examine signalling across varied contexts in consumer behaviour (e.g., Connelly et al., 2025). Nevertheless, most studies have focused on the effects of signals on final decision outcomes (e.g., Zhang et al., 2024), with far less attention paid to the decision-making dynamics that precede them. Yet consumers engage in multiple stages, such as information search, alternative evaluation, and the final commitment, each characterised by distinct expectations and behaviours (Ha¨ub and Trifts, 2000). Because the final purchase decision reflects the cumulative influence of these stages (Shukla et al., 2021), focusing solely on end outcomes overlooks how consumers interpret and integrate signals throughout the decision process.

To address these gaps, this study examines how different signals influence householders' decision-making across three stages by integrating signalling theory with source credibility theory (Powell, 1965) and commitment–trust theory (Morgan and Hunt, 1994). First, we investigate how informational signals, such as word-of-mouth and online recommendations, shape consumers' consideration sets. Second, we analyse how credibility signals, trustworthiness, expertise, and likability, affect the evaluation of shortlisted alternatives (Nguyen et al., 2025). Finally, we explore how relational signals influence consumers' commitment decisions, recognising that commitment reflects a willingness to maintain long-term relationships under uncertainty.

2. Theoretical background and hypotheses

Consumers often cannot evaluate all available alternatives in depth due to information asymmetry, time constraints, and cognitive limitations. Instead, they rely on observable signals to guide decisions at different stages (Haübl and Trifts, 2000). Our study applies this perspective to a service-based SME context (Bergh et al., 2014) by examining how specific signals influence consumer behaviour across different decision stages. Because consumer decision-making is a complex and multistage process, individuals typically gather information, narrow options into a consideration set, evaluate shortlisted alternatives, and then make a final choice (Bettman et al., 1991). To capture how signals operate throughout this process, we adopt Haübl and Trifts' (2000) three-stage model of information search, alternative evaluation, and purchase decision (Figure 1), recognising that each stage is shaped by different types of signals.

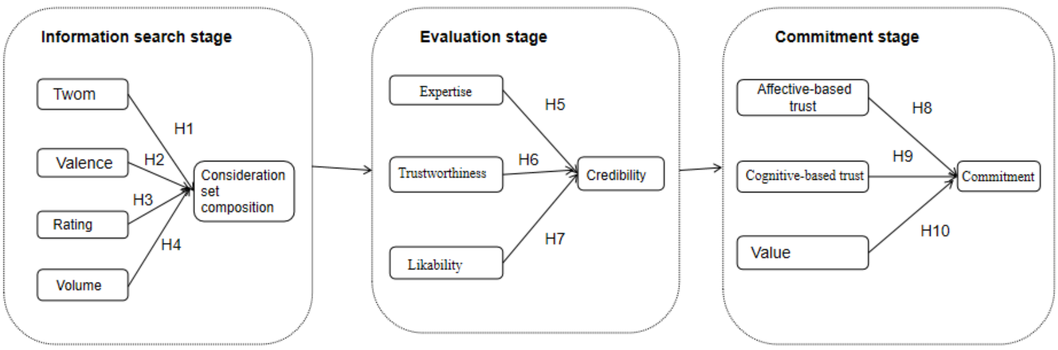

Figure 1. Research Model

Prior research shows that WOM strongly influences consumer decisions, particularly during the information search stage, where it helps screen service provider quality (Becker et al., 2024; Shukla et al., 2021). Traditional WOM (tWOM) provides trusted interpersonal experiences, increasing the likelihood that recommended tradespersons enter the consideration set. In eWOM, valence, volume, and average rating operate as key signals (Klostermann et al., 2025), with perceived empathy shaping responses to valence (Allard et al., 2020), volume indicating popularity and ratings signalling perceived quality (Filieri et al., 2021). These cues are highly visible and easily interpreted. Consistent with signalling theory, their impact depends on consumers' assessments of diagnostic value rather than mere presence (Connelly et al., 2025). Based on this, we propose:

H1*: tWOM positively influences consideration set composition*

H2*: Perceived empathy of valence positively influences consideration set composition*

H3*: Perceived usefulness of rating positively influences consideration set composition*

H4*: Perceived usefulness of volume positively influences consideration set composition*

In the evaluation stage, consumers assess a smaller set of options and compare them more deeply to judge quality, competence, and fit (Haübl & Trifts, 2000). At this point, credibility cues become central to reducing uncertainty (Nguyen et al., 2025). Drawing on the source credibility model, we focus on expertise, trustworthiness, and likability as distinct signals. Expertise reflects professional competence (Kang & Namkung, 2019), trustworthiness conveys honesty and reliability (Pradhan et al., 2023), and likability provides an affective cue that strengthens interpersonal connection (Pathirana & Fernando, 2024). Based on this, we propose:

H5*: Expertise positively influences perceived credibility.*

H6*: Trustworthiness positively influences perceived credibility.*

H7*: Likability positively influences source credibility.*

Making a final commitment to a service provider is challenging, particularly when information is ambiguous or uncertain (Volter et al., 2023). At this stage, relational factors, especially trust, are central, as commitment reflects a willingness to maintain a long-term relationship under uncertainty (Soren & Chakraborty, 2024). Following commitment–trust theory, trust is viewed as a key relational signal that reduces perceived risk (Morgan & Hunt, 1994). It comprises affective-based trust, rooted in emotional bonds, and cognitive-based trust, based on assessments of competence and reliability (McAllister, 1995), both of which strengthen confidence and encourage continued engagement (Gefen et al., 2003). Perceived value also acts as a cost–benefit signal supporting commitment when consumers believe the relationship offers meaningful benefits (Sirdeshmukh et al., 2002). Based on this, we propose:

H8: Affective-based trust positively influences consumer commitment.

H9: Cognitive-based trust positively influences consumer commitment.

H10: Value positively influences consumer commitment.

3. Methodology

Research setting and data collection: Data were collected from UK householders who had hired a tradesperson within the past 12 months, using a Qualtrics survey with screening to ensure relevant experience. A total of 419 valid responses remained after data cleaning. The sample was balanced by gender, with most respondents acting as final decision-makers. Plumbers were the most frequently hired tradespeople, and repairs were the most common service need, often urgent. Most tradespeople worked independently, and availability was generally considered important.

Measures: All constructs were measured using multi-item 7-point Likert scales, adapted from established measures in prior research. To capture the full consumer decision process, we estimated a structural equation model (SEM) that included all constructs and hypothesised paths across the three stages. This approach allowed us to assess overall model fit while preserving the conceptual distinction between stages.

4. Results

The measurement model demonstrated good fit ($\chi^2/df = 2.31$, CFI = 0.95, TLI = 0.94, RMSEA = 0.056, SRMR = 0.048), with all loadings above 0.60 and reliability, convergent validity, and discriminant validity meeting recommended thresholds. The structural model also showed acceptable fit ($\chi^2/df = 2.48$, CFI = 0.94, TLI = 0.93, RMSEA = 0.061, SRMR = 0.052), and all hypotheses were supported. In the information search stage, traditional word-of-mouth exerted the strongest influence on consideration set composition ($\beta = .55$, $p < .001$), followed by review volume ($\beta = .32$, $p < .001$) and average rating ($\beta = .22$, $p < .001$), while perceived empathy remained nonsignificant ($\beta = -.08$, $p = .08$). In the evaluation stage, expertise ($\beta = .37$, $p < .001$), likability ($\beta = .33$, $p < .001$), and trustworthiness ($\beta = .27$, $p < .001$) all positively influenced credibility. In the commitment stage, affective-based trust was the strongest predictor of commitment ($\beta = .58$, $p < .001$), followed by cognitive-based trust ($\beta = .39$, $p < .001$) and perceived value ($\beta = .24$, $p < .001$). Additionally, results showed that consideration set formation exerts a positive effect on credibility, which in turn positively influences commitment.

5. Discussion

The findings show that different signals shape householders' decisions at distinct stages, supporting a stage-based view of signalling. In the information search stage, traditional word-of-mouth is the strongest predictor of consideration, while review volume and average rating also guide shortlisting, indicating that consumers rely on simple, uncertainty-reducing cues early on. Perceived empathy does not influence consideration, suggesting affect-rich content is less useful at this initial filtering stage. During evaluation, expertise, likability, and trustworthiness strongly enhance credibility, with expertise having the greatest impact. In the commitment stage, affective-based trust is the key driver of commitment, followed by cognitive trust and perceived value. Overall, the results support a sequential process in which consideration enhances credibility, which then drives commitment, showing how the importance of different signals shifts across decision stages.

6. Conclusion

Relatively little is known about how signals influence consumer behaviour across different stages of decision-making, particularly in the context of service-based SMEs and micro-enterprises (Hutter et al., 2021). This research has investigated how households select a tradesperson by examining the role of different signals at different stages of the decision-making process, including consideration, evaluation, and commitment. While previous studies have emphasised the role of different signals in consumer decision-making (e.g., Shukla et al., 2021; Wang et al., 2019; Connelly et al., 2024), our study takes a fresh perspective by arguing that the effectiveness and interpretation of signals vary across decision-making stages, highlighting the need to examine them in a stage-based framework within the context of consumer decision-making. The key findings of this study allow us to explain not only which signals matter, but when and why they influence consumer behaviour throughout the entire decision-making process. As such, this study offers both theoretical and practical contributions.

6.1 Theoretical contribution

First, this study advances signalling theory by demonstrating that the influence of signals is stage-specific. Rather than treating signals as uniform drivers of final outcomes, the findings show that consumers rely on different types of signals at different points in the decision journey. This extends signalling research by illustrating how signals accumulate and shift in diagnostic value across stages of consumer decision-making. Second, the study contributes to consumer behaviour and service marketing by offering one of the first multi-stage examinations of how households select tradespeople, a high-uncertainty context dominated by micro-businesses. By integrating signalling theory with source credibility theory and commitment–trust theory, it provides a unified framework explaining how consumers filter options, evaluate providers, and form commitment intentions. Third, the study contributes to the literature on consumer decision-making in service-based SME contexts, which has historically focused on large firms with strong branding capabilities. By examining tradespeople, micro-businesses with high information asymmetry, the study extends existing theories to a setting where traditional signals are limited, demonstrating how consumers adapt their use of signals in low-brand, high-uncertainty environments.

6.2 Practical Implications

This study provides actionable guidance for SME service providers seeking to improve customer acquisition and trust-building. The findings show that different signals matter at different stages: in the shortlisting stage, simple rating-based reviews and social media recommendations are especially effective for increasing visibility and consideration. During evaluation, providers should emphasise expertise by displaying certifications, experience, and third-party verifications to strengthen credibility. For securing commitment, building affective trust through empathetic communication, responsiveness, and relational engagement is essential for fostering long-term loyalty. At the market level, regulators and platforms can enhance transparency by standardising qualification displays, offering licence verification, and supporting consumer education on interpreting online signals. Clear pricing, service terms, and dispute-resolution mechanisms can further reduce perceived risk and strengthen trust in the tradesperson marketplace.

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