

A Study on Impact of Online Reviews on Consumer Purchase Behaviour In Vellore City

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ABSTRACT

Customers' motives to search for online reviews differ on the basis of their buying behaviour. Reviews reduce the search time and provide the information of how to consume the products. It helps to reduce the uncertainty surrounded around the product/service. Consumers can interact to seek information from the former consumers which help to them to take purchase decision. The review platforms also serve to analyze the product perceived quality and benefit costs. Moreover, online review community creates a bonding of similar interests of people and build communications on those. The research is based on the reviews that are available on retail websites. The objective of the study is to find out how the impact of reviews influences the consumers' purchasing decision-making process. A questionnaire is used as the data collection instrument for this research. The result underlines the importance of credibility and usability on consumer trust and reliance in reviews as input in the decision-making process.

Key Words: Consumer, Reviews, Purchase-decision, Product, Information.

INTRODUCTION

The internet has played a significant role in our daily life. People can talk through the internet to one who is actually on the other side of the Earth, can send email around the clock, can search information, can play game with others, and even can buy things online. Meanwhile, Internet shopping has been widely accepted as a way of purchasing products and services. It has become a more popular means in the Internet world. On the other hand, some consumers still feel uncomfortable to buy online. Lack of trust, for instance, seems to be the major reason that impedes consumers to buy online. Also, consumers may have a need to exam and feel the products and to meet friends and get some more comments about the products before purchasing. Such factors may have negative influence on consumer decision to shop online. Buyer behaviour of consumers plays one of the key roles for fulfilment of the main goals of a company. It is influenced by many external and internal factors but the company can also influence the final process of buyer decision-making process significantly by its activities.

Online Retail Websites E-Shops and other forms of online retail sites are mainly focused on sales of goods and services but often offer customers the possibility to write comments or product reviews helping other customers to decide about buying the product. Amazon.com is the one of the first online businesses that initiated this practice but this approach is adopted by more online retailers. The content of reviews on retail websites can be in the form of aggregated, numerical star ratings and open-ended customer-authored comments about the product in the format of a written text.

A product review function includes a scoring system which allows to vote on review helpfulness and places the most voted conspicuously. Profile of review authors can be visible, showing statistics like number of authors are visible and show links to other videos posted by the user, statistical information like number of subscribers and sometimes a personal description. In general, literature about diverse online consumer platforms reveals that online reviews in general affect consumer product choice. However, online reviews influence consumer purchasing decisions only when consumers' reliance on online reviews is sufficiently high when they make purchase decisions. With nearly 95% of shoppers reading online reviews before making a purchase, reviews have transformed the way consumers make purchase decisions. But reviews are more than just a way for shoppers to gather information. Reviews are a powerful form of consumer engagement.

REVIEW OF LITERATURE

Ali yayli 2018 "The effects of online consumer reviews on purchasing decision of electronic goods" The aim of this study is to assess the impact of, one type of electronic word-of-mouth the online consumer review, on purchasing decision of electronic products. This empirical study also focuses on the relationship between reviews and purchasing behaviour. An instrument was prepared to measure the proposed constructs, with questionnaire items taken from prior studies but adapted to fit the context of e-commerce. The survey was applied to academicians in Turkey through internet. The data was analyzed using the SPSS package. The results show that consumer reviews have a causal impact on consumer purchasing behaviour and they have an effect on choosing the products by consumer.

Nina Isabel Hollesschovsky 2017"Impact of Online Reviews on Purchasing Decisions" this study suggests that online consumers reviews , product and services recommendations and peer opinions play an increasing role in consumer decision making process. An online survey analysed consumer opinions about the various platforms and reviews mechanism and the impact of those on consumer buying behaviour. The results underline the importance of platform credibility and usability on consumer trust and reliance in reviews as input in the decision making process.

Laurie Fullerton 2017 "Online reviews impact purchasing decisions" study reveals that over 93% of consumers say online reviews do impact their purchasing decisions. The way

consumer engagement with B2B and B2C business has evolved illustrates that 82% of consumers do read reviews before making a purchase decision, and 60% look at reviews on a weekly basis. Further, the study suggests that two-thirds of consumers (68%) are willing to pay up to 15% more for the same product or service if they are assured they will have a better experience. The report suggests that customers do trust and engage with online reviews regularly and these reviews remain very influential when it comes to making purchasing decisions.

Bettinavon Helversen & KatarzynaAbramczuk 2017 their study on “online purchasing decisions in older and younger adults” investigated how product attributes, average consumer ratings, and single affect-rich positive or negative consumer reviews influenced hypothetical online purchasing decisions of younger and older adults. The younger adults chose the higher-rated product. The preference for the higher-rated product, however, could be overridden by a single affect-rich negative or positive review. Older adults were strongly influenced by a single affect-rich negative review and also took into consideration product attributes; however, they did not take into account average consumer ratings or single affect-rich positive reviews. These results suggest that older adults do not consider aggregated consumer information and positive reviews focusing on positive experiences with the product, but are easily swayed by reviews reporting negative experiences.

Dhiraj Jain etl. 2016 “Impact of Online Reviews on Purchasing Decisions: An Empirical Study among Indian Academicians” Internet has enabled today's consumer to transform himself from passive to an active and an informed consumer who can share his experiences, opinions about product or services with an infinite number of consumers around the globe. These reviews or opinions are further used by potential buyers of that particular product or service via electronic Word of Mouth (e-WOM). The study on the impact of e-WOM on online sales has gradually emerged but a number of questions still remain unanswered. The aim of this study is to assess the impact of one type of e-WOM i.e., the online consumer reviews, on purchasing decisions of electronic products. This empirical study also focuses on the relationship between reviews and purchasing behaviour. An instrument was prepared to measure the proposed constructs, with questionnaire items taken from prior studies but adapted to fit the context of e-commerce. The survey was applied to academicians in India through internet. The results show that consumer reviews have a causal impact on consumer purchasing behaviour and they have an effect on choosing the products by consumer.

E Zan Mo, Yan-Fei Li, Peng 2015 “Effect of Online Reviews on Consumer Purchase Behaviour” this paper studies the influence on consumer purchase behaviour according to online reviews of experience goods from a new perspective of consumer learning. The results show that the influential factors of online reviews on consumer buying behaviour include positive reviews, description rating, picture reviews, additional reviews and cumulative reviews. The four factors, moderate reviews, negative reviews, service star rating and logistics star rating, are not significant in this research. Therefore, the sellers can take the incentives for consumers to make positive reviews and high quality reviews in the sales process..

Nina Isabel & Efthymios “Impact of online product reviews on purchasing decisions” 2015 in their study, online consumer reviews, product and services recommendations and peer opinions play an increasingly growing role in the customer’s decision making process. The various online product review and recommendation platforms differ in their objectives, function and characteristics. This study identifies four main types of online review platforms: retail websites, independent reviewing platforms, video-sharing platforms and personal blogs. These platforms present product reviews in different formats with accent on various review function characteristics. An online survey analyzed consumer opinions about the various platforms and review mechanisms and the impact of those on consumer buying behaviour. The results underline the importance of platform credibility and usability on consumer trust and reliance in reviews as input in the decision-making process.

Objectives of the Study – To find out to find out the impact of online reviews on retail websites towards consumers purchasing behaviour.

LIMITATIONS OF THE STUDY

- ❖ Analysis is limited to samples and not to the total population of vellore city.
- ❖ Sampling method used is only convenient sampling and it has its own limitations.
- ❖ The sample size is limited to 50
- ❖ This study covers only the Consumers who purchases on online.

RESEARCH METHODOLOGY

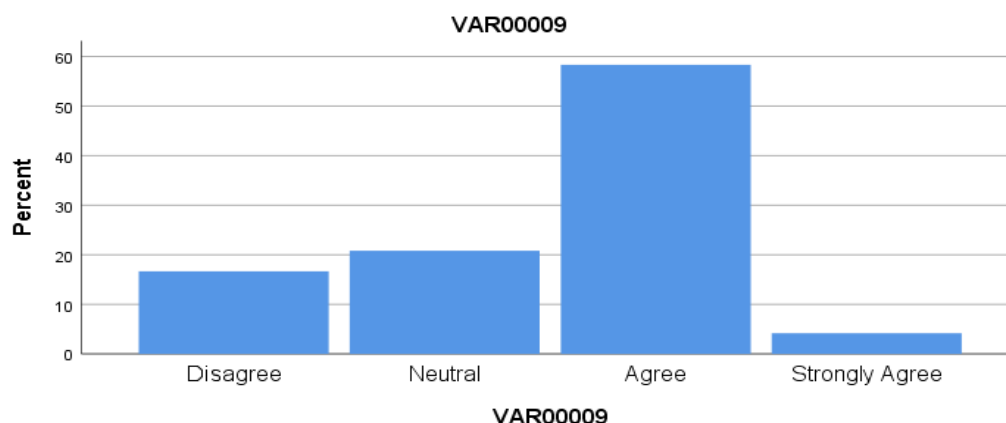
Both primary and secondary data are used for the study. Primary data was collected by the primary survey method through a structured questionnaire, which is directed towards the aim of finding the research objectives.

ANALYSIS AND DISCUSSION

The below table 1.1 is the result of how many reviews the customers read before making a purchase decision

VAR00009

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	8	16.3	16.7	16.7
	Neutral	10	20.4	20.8	37.5
	Agree	28	57.1	58.3	95.8
	Strongly Agree	2	4.1	4.2	100.0
	Total	48	98.0	100.0	
Missing	System	1	2.0		
Total		49	100.0		



Inference: From the above table it is clear that 57.1% of consumers agree that they will read online reviews before taking a purchase decision.

The below table 1.2 states that how many consumers are interested in Qualitative reviews.

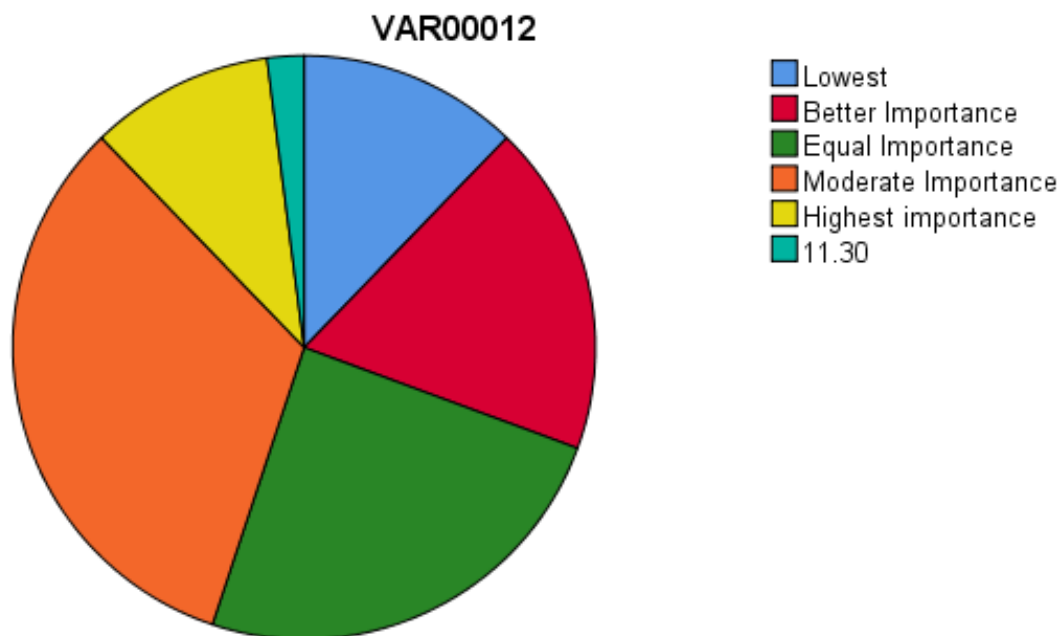
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	2.0	2.1	2.1
	Neutral	8	16.3	16.7	18.8
	Agree	35	71.4	72.9	91.7
	Strongly Agree	4	8.2	8.3	100.0
	Total	48	98.0	100.0	
Missing	System	1	2.0		
Total		49	100.0		

Inference: From the above table it is clear that 71% of consumers agree that they are very much interested in Qualitative reviews rather than Quantitative reviews.

The Below table 1.3 studies the customers ranking on reviews based on the product features (PRICE)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Lowest	6	12.2	12.2	12.2
	Better Importance	9	18.4	18.4	30.6
	Equal Importance	12	24.5	24.5	55.1
	Moderate Importance	16	32.7	32.7	87.8
	Highest importance	5	10.2	10.2	98.0

11.30	1	2.0	2.0	100.0
Total	49	100.0	100.0	



Inference: From the above table it is clear that price alone is not being considered as important factor to purchase a commodity.

CONCLUSION AND SUGGESTIONS

The study confirms that reviews are highly popular among consumers considering a purchase. However, online reviews influence consumer purchasing decisions only when consumers' reliance on online reviews is sufficiently high when they make purchase decisions. To increase consumers' reliance on reviews, the objectives of the different platforms should be to build trust for the consumer, promote website and service quality, facilitate member matching and offer consumers sufficient information as well as a user friendly design. From a consumer's perspective, review platforms increase market transparency and make purchasing less risky. The results from this study suggest that consumers utilize different user review attributes depending on the product category. When looking for a seller or household products, consumers are concerned with the average review and the number of negative reviews. As consumers are using new channels to seek out reviews, their information consumption habits are changing as well. Shoppers should be able to search for product information and find what they need with minimal effort. Most consumers read between 1 to 10 reviews and thus need information presented in an easy-to-scan format. Additionally, consumers are seeking out negative reviews to validate the authenticity of those reviews and the trustworthiness of the site.

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