IMPACT OF ONLINE CUSTOMER REVIEWS ON CONSUMER BUYING BEHAVIOR – A REVIEW

Prof (Dr) **Ashok Kumar Tiwari**,

Professor, PSIT College of Management, Kanpur (U.P)

ABSTRACT

With the rise of digital and social media, online product reviews have become a powerful source of information that significantly impacts purchasing decisions. These reviews serve as feedback on e-commerce platforms and online shopping sites. Today, thanks to resources like 24/7 internet access, smartphones, and other tools for browsing websites, consumers can easily access product reviews at any time. Various platforms, including online retailers' websites, e-commerce platforms, brand websites, brand community blogs, and third-party review sites, allow consumers to engage in discussions about their purchase experiences. As a result, product reviews have evolved into a popular and effective marketing and sales tool, influencing consumer purchasing behavior. Consumer reviews can affect overall product sales and assist shoppers in making informed decisions. This research paper aims to explore the relationship between consumer reviews and purchasing behavior. The study seeks to analyze how different types of online reviews impact consumer purchase intentions. Data collection for this study was carried out using a five-point Likert scale questionnaire.

Keywords;Consumer, Online reviews, Buying decision

Introduction

In the digital era, online customer reviews have become a critical factor in shaping consumer buying behavior. With the growing prevalence of the internet, smart phones, and social media, consumers now have constant access to extensive information about products and services. Among the most impactful sources of this information are customer-generated reviews found on e-commerce platforms, social media, brand communities, and independent review sites.

These reviews offer valuable insights based on real-life experiences, guiding consumers through their purchasing decisions. Potential buyers often turn to the opinions of other customers to assess a product's quality, functionality, and value before making a purchase. This shift has positioned online reviews as a powerful tool not only for consumers seeking informed choices but also for businesses aiming to refine their sales strategies.

The influence of reviews on purchase decisions stems from the trust consumers place in peer feedback over traditional advertising methods. Positive reviews can increase sales by fostering confidence in a product, while negative feedback may prompt consumers to rethink their choices. Furthermore, the number and quality of reviews play a significant role in shaping how consumers perceive a product.This paper explores the connection between online customer reviews and consumer buying behavior. By analyzing how different types of reviews—whether positive, negative, or mixed affect consumer decisions, this study aims to shed light on the factors driving purchasing intentions. Understanding this relationship is crucial for businesses looking to utilize customer reviews as a strategic marketing tool.

2. OBJECTIVES

1. To analyze how online customer reviews influence purchasing decisions and behavior.

2. To explore the psychological and emotional responses triggered by positive and negative reviews.

3. To differentiate between the effects of various types of reviews (e.g., positive vs. negative, detailed vs. brief).

4. To investigate how the credibility, quantity, and rating of reviews impact consumer trust and decision-making.

3. LITERATURE REVIEW

Ami NatuzZaharaet al., (2021)- Centered on studying the seller's reputation and online customer reviews, conclusions can be drawn regarding consumer trust and purchase decisions in C2C E-Commerce in Medan. The seller's reputation significantly influences consumer trust and purchase decisions. Likewise, online customer reviews play a crucial role in shaping consumer trust and purchase decisions. Trust itself positively impacts consumer purchase decisions.Overall, the seller's reputation and online reviews are key factors in determining consumer trust and purchase behavior in Medan's C2C E-Commerce platform.

R Hurriyatiet al..(2017)-The internet, a major information source for consumers, facilitates sharing opinions on goods/services. Online reviews aid decision-making. This study examines online reviews' impact on e-commerce service use. 435 Google Play users were surveyed using path analysis. Results reveal that positive/negative reviews strongly influence service usage decisions. In conclusion, online reviews significantly affect e-commerce service adoption, offering insights for future research and practical applications.

Semilafernadeset al..(2022)-This study develops and validates a scale to assess the impact of online reviews on consumer purchases. Analyzing data from 431 young online shoppers, four factors emerged: source credibility, volume, language/comprehension, and relevance. Confirmatory factor analysis confirms the scale's validity. This standardized tool benefits online retailers by aiding consumers in decision-making, highlighting the importance of online reviews as key sources of product and brand information for online purchases.

Rajesh Panda et al..(2020)-The OR Scale is a reliable tool for assessing online reviews, comprising four dimensions: Source Credibility, Volume, Language Comprehension, and Relevance. These dimensions evaluate trustworthiness, quantity and ratings, content quality, and contextual relevance of reviews. Scholars and practitioners can analyze these dimensions across cultures and demographics, emphasizing trust-building between customers and sellers. The scale aids consumers in decision-making and informs retailers' response strategies, enhancing the shopping experience on websites.

Asad Ahmad et al..(2015)-The rapid expansion of technology, notably the World Wide Web (www), has revolutionized global dynamics. With widespread computer use, internet interaction has become ubiquitous, serving as a vital medium for information exchange, services, and commerce. This has propelled the growth of online shopping, particularly in countries with advanced marketing infrastructure. The internet not only connects users but also enables seamless cross-border transactions. Distinct from physical markets, online consumer behavior requires further investigation to comprehend its drivers. This study endeavors to offer valuable insights for both marketers and researchers.

R. Yuvaraj et al.. (2022) - Online customer reviews, product/service suggestions, and peer feedback are increasingly influential in customer decisions. However, the diverse goals, functions, and characteristics of online review platforms have not been fully examined in existing literature. As user-generated content profoundly impacts business revenue and reputation, organizations struggle to effectively monitor and respond to customer feedback. Understanding consumer review platform features and their influence on buyer decisions is vital for companies. Our study identifies key factors shaping customer buying behavior, such as reliability, trustworthiness, genuineness, client reviews, education, and consumer beliefs.

Dr. S.A.N.Shazuli Ibrahim(2023)-This research examines how online reviews influence consumer purchasing decisions in e-commerce. As online shopping expands, reviews become more critical for consumers. Factors including credibility, sentiment, volume, and reviewer characteristics are explored. Through literature analysis and empirical data, the study emphasizes the significance of online reviews and offers recommendations for businesses to enhance customer satisfaction and sales. It provides valuable insights and practical suggestions for leveraging reviews to gain a competitive edge in e-commerce.

EfthymiosConstantinideset al..(2016)-Online consumer reviews, recommendations, and peer opinions increasingly shape customer decisions. However, differences in objectives, functions, and characteristics among online review platforms are understudied in customer adoption and preference literature.

As these reviews significantly impact business sales, monitoring and responding to them pose managerial challenges. Companies need to continuously identify and understand review platforms to effectively respond. This study identifies four main types of platforms and assesses consumer opinions on their characteristics and impact on buying behavior. Findings emphasize the crucial role of platform credibility and usability in influencing consumer trust and reliance on reviews for decision-making.

Dr. Christian Weismayeral..(2023)-The surge in technology and e-commerce has revolutionized online product reviews, enabling remote opinion formation by customers. This transition from physical stores to online platforms allows consumers to voluntarily share experiences, impacting others' choices. Crucial product details, like ingredients and performance, shape consumer decisions significantly. This thesis explores the impact of online reviews in the beauty and personal care industry, aiming to understand their influence on customer choices. Through an online survey with 200 participants, various review characteristics are analyzed for their relevance in purchasing decisions. Results highlight the importance of review informativeness, valence, credibility, and readability to consumers. E-commerce managers can use these insights to grasp the significance of online reviews in consumer behavior.

Le Bo et al..(2023)- Many consumers rely on online reviews when making purchasing decisions. These reviews typically contain both positive and negative contradictory opinions. Previous studies have acknowledged the influence of contradictory online reviews (CORs) on consumer behavior. However, existing research has primarily focused on single dimensions of CORs. This study delves into how CORs impact consumer decisions by considering two dimensions: the proportion of positive and negative reviews and emotional arousal. Results from a study involving 306 Chinese consumers demonstrate that CORs negatively affect online purchase decisions, primarily by influencing perceived risk. This study contributes to the literature on online reviews and offers insights for e-retailers on navigating CORs' effects on consumer behavior. Theoretical and practical implications of the findings are also discussed.

DivyaKalraet al..(2023)- Marketers should assess the accessibility of digital resources for young demographics before launching a product online. Pre-market research is crucial for understanding customer preferences, especially in digital marketing. Efforts should be made to educate consumers about digital marketing to mitigate potential risks, as most consumers tend to be risk-averse. It's essential for readers and users to be aware of all digital marketing platforms and utilize them effectively while exercising caution.

George Laˇ zaˇ roiuet al..(2020) The evidence reviewed indicates that social platform users' purchase intentions are influenced by online trust and perceived risk. However, research on consumer decision-making in social commerce platforms is lacking. Our study addresses this by examining the relationship between online purchase intentions, social commerce adoption behavior, trust, and risk factors, considering source credibility. We identify areas for future research, including psychological determinants of consumer engagement in social media, price evaluation mechanisms, types of perceived risk, and repurchasing behavior. Additionally, future studies should explore how the adoption of mobile payment services impacts impulsive buying behavior, especially concerning online product reviews.

Tao Chen et al..(2022)- This study utilized eye-tracking to explore the impact of online product reviews on consumer purchasing decisions. The research developed a conceptual framework and conducted empirical analysis, focusing on the moderation role of gender and visual attention in comments. Results revealed that consumers, especially females, paid more attention to negative comments than positive ones. Visual browsing behavior correlated significantly with purchase intention, but consumers struggled to identify false comments. This study enhances understanding of how online reviews influence shopping behavior, particularly regarding gender differences and attentional bias. Practitioners should address negative comments promptly and tailor product information based on consumer characteristics.

AbdulazizElwaldaet al..(2020) This paper explores the widespread use of online customer reviews (OCRs) and their influence on customer purchase intention and sales. The rise of online communities has enabled individuals to share evaluations and recommendations about products, making OCRs a crucial source of information affecting consumer decisions.

While there are mixed findings in the literature regarding the effect of OCRs on consumer behavior, it is evident that they play a significant role in shaping consumer decision-making.

Eunice NjokiKibandiet al..(2017)- Perceived risks in online purchasing have a negative impact on consumer behavior. Respondents expressed concerns about product quality uncertainty, receiving malfunctioning items, settling disputes, and delivery issues, indicating a preference for safety and trust when shopping online with Jumia.

Nina Isabel Holleschovskyet al..(2018)-online consumer reviews, product recommendations, and peer opinions are increasingly influential in the customer's decision-making process. However, little attention has been paid in the literature to the functional characteristics of different online review platforms and their impact on consumer adoption and preference. Given their significance for business sales and reputation management, monitoring and responding to customer reviews has become a major managerial challenge. This study identifies four main types of online review platforms—retail websites, independent reviewing platforms, video-sharing platforms, and personal blogs—and analyzes consumer opinions on their characteristics and impact on purchasing decisions. Results highlight the importance of platform credibility and usability in influencing consumer trust and reliance on reviews during decision-making.

Lisa Hankin et al..(2017)- In the past, consumers relied on expert reviews like consumer reports. Nowadays, they heavily rely on online user reviews to mitigate risks in virtual shopping. Consumers use these reviews to ensure product accuracy and seller reliability, benefiting from platforms like eBay with transparent reputation systems. Research indicates that user review content influences sales probability and product prices. However, findings are often limited to specific product categories, not universally applicable. This study examines the role of user reviews across product categories, revealing that consumers prioritize different review attributes based on the product type. For sellers or household products, they focus on average ratings and negative reviews rather than solely seeking "excellent" ratings.

KomalRawat (2023)-The ascendancy of social media has made online product reviews pivotal in shaping purchasing decisions. They offer crucial feedback on e-commerce platforms, accessible across diverse channels such as retailer websites and brand blogs, facilitated by widespread internet and smartphone access. These reviews serve as vital marketing assets, significantly affecting consumer buying behavior and product sales. This study delves into the correlation between reviews, ratings, and consumer purchasing patterns to discern their impact on product sales.

4. Influence of Review Content on Consumer Behavior

1. Content Quality

Detail and Depth: Reviews that provide detailed information about the product, including features, pros, and cons, tend to be more persuasive. Consumers often look for specific insights that can help them make informed decisions.

Clarity and Structure: Well-organized reviews that clearly articulate the user experience are more likely to be trusted and influential. Clarity helps consumers quickly grasp the key points.

2. Review Sentiment

Positive Reviews: Generally, positive reviews create a favorable impression of the product or service, leading to increased purchase likelihood. They often highlight the benefits and satisfaction derived from the product.

Negative Reviews: Negative reviews can significantly deter potential buyers. They can raise concerns about product quality, reliability, and overall value, leading consumers to reconsider their options.

3. Reviewer Credibility

Reviewer Identity: Consumers are more likely to trust reviews from verified purchasers or credible sources. Reviews that include information about the reviewer's experience or expertise can enhance credibility.

Reviewer Similarity: Consumers often prefer reviews from individuals who resemble them in terms of demographics or interests. This relatability can make the review more impactful.

4. Review Ratings

Star Ratings: The numerical rating often has a strong influence on consumer perception. High ratings can encourage purchases, while low ratings can dissuade potential buyers.

Rating Distribution: The overall distribution of ratings (e.g., a mix of 1-star and 5-star reviews) can influence how consumers interpret the product's quality. A product with mostly positive reviews but a few negative ones may still be perceived favorably if the overall score is high.

5. Emotional Appeal

Emotional Language: Reviews that use emotive language can resonate more with consumers. Positive emotions (e.g., happiness, satisfaction) can encourage purchases, while negative emotions (e.g., frustration, disappointment) can discourage them.

Storytelling: Reviews that tell a story or share a personal experience often engage consumers more effectively than straightforward assessments. They help potential buyers envision their own experience with the product.

6. Frequency and Recency of Reviews

Volume of Reviews: A higher number of reviews can increase trust and credibility. Consumers often interpret a large number of reviews as a sign of popularity and reliability.

Recent Reviews: Consumers tend to prioritize recent reviews, as they reflect the current state of the product or service. Outdated reviews may lead to skepticism about relevance.

7. Product Comparison

Comparison to Competitors: Reviews that mention comparisons with similar products can provide valuable insights. Consumers may be influenced by how a product stacks up against its competitors.

8. Social Proof

Consensus Among Reviews: When multiple reviews express similar sentiments, it creates a sense of social proof. This can reinforce consumer beliefs about the product's quality and reliability.

Conclusion

In conclusion, online customer reviews significantly influence consumer buying behavior. They impact purchasing decisions through emotional responses, the type of review content, and the perceived credibility of the reviewer. As consumers increasingly rely on digital feedback, businesses must prioritize managing online reviews to foster trust and encourage positive buying behavior. Understanding these dynamics is essential for brands seeking to enhance their online reputation and drive sales in today's competitive marketplace.

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