



Research Paper

Influence of Online Reviews on Customer Perception

Mr. Mitul Mehta^{1*} and Dr. Mohd. Bilal A. Bhada²

¹Student, MBA 2nd Year, SSR Institute of Management & Research, Sayli-Silvassa, Dadra and Nagar Haveli, India

²Assistant Professor, SSR Institute of Management & Research, Sayli-Silvassa, Dadra and Nagar Haveli, India

Corresponding Author: * Mr. Mitul Mehta

DOI: <https://doi.org/10.5281/zenodo.11389106>

Abstract	Manuscript Information
<p>This research paper explores the influential role of online reviews in shaping consumer perceptions and subsequent purchasing decisions. With the proliferation of e-commerce platforms and social media, online reviews have become a significant source of information for consumers navigating the vast landscape of products and services. Through a comprehensive review of existing literature and empirical studies, this paper examines the mechanisms through which online reviews affect consumer attitudes, trust, and behaviour. Questions are asked and analysed to understand the impact on consumer decision-making processes. By synthesizing findings from diverse research perspectives, this paper aims to provide valuable insights for businesses aiming to leverage online reviews effectively and enhance consumer satisfaction and loyalty in the digital age.</p>	<ul style="list-style-type: none"> ▪ ISSN No: 2583-7397 ▪ Received: 19-04-2024 ▪ Accepted: 21-05-2024 ▪ Published: 29-05-2024 ▪ IJCRM:3(3); 2024: 43-46 ▪ ©2024, All Rights Reserved ▪ Plagiarism Checked: Yes ▪ Peer Review Process: Yes
	<p>How to Cite this Manuscript</p> <p>Mitul Mehta, Dr. Mohd. Bilal A. Bhada. Influence of Online Reviews on Customer Perception. International Journal of Contemporary Research in Multidisciplinary.2024; 3(3): 43-46.</p>

KEYWORDS: Online Reviews, Customer Perception, Online Shopping, Influence, Buying Behaviour

1. INTRODUCTION

The rise of online shopping has revolutionised the way people shop, and has also given rise to online reviews. Online reviews provide consumers with a platform to share their experiences with a product or service, which can influence other consumers' purchasing decisions. As a result, online reviews have become an important factor in shaping consumer perception and purchasing decisions. The influence of online reviews on consumer perception and purchasing decisions has been a topic of great interest among researchers and marketers. While some studies have shown that online reviews have a significant impact on consumer behaviour. Therefore, there is a need to examine the influence of online reviews on consumer perception and purchasing decisions in greater detail. The influence is so effective that with some negative review's the consumer doesn't

prefer to buy the product and they search for something which is not exactly what they wanted to buy, but they make compromises and go with the substitute of the product they wanted to buy. This research paper aims to explore the influence of online reviews on consumer perception and their purchasing decisions. The paper will begin by reviewing the relevant literature on online reviews and their impact on consumer behaviour. It will then proceed with the research methodology used to conduct the entire study. The results of the study will be discussed, and followed by conclusions.

2. OBJECTIVES

1. To Study the influence of reviews on Buying Behaviour of the Consumer.

2. To Analyse the Perception of Consumers after reading the Reviews.

SCOPE

The Study encompasses the responses from the region of Dadra and Nagar Haveli and nearby places. The responses collected have an assumption that the respondents have at least read a few online reviews regarding any product or services in the last six months.

3. LITERATURE REVIEW

Tao Chen *et al.*, (2022) ^[4] investigate the impact of online reviews on consumers' purchasing decisions by using eye-tracking methods to measure participants' visual attention while they browse e-commerce websites. The authors find that consumers tend to spend more time looking at user-generated reviews than information of the product provided by the vendor-supplied, and that the content and valence of the reviews significantly affect consumers' purchase intentions. Recently, an investigation into the impact of online review variance of new products on consumer adoption intentions showed that product newness and review variance interact to impinge on consumers' adoption intentions. Specifically, positive reviews are more likely to increase consumers' purchase intentions than negative reviews, and reviews that contain detailed product information are more effective than those that do not. The study also suggests that consumers are more likely to trust reviews from other consumers than from experts or the retailer themselves. As they have already used the product and can guide properly with the purchasing of the product.

Hence, Tao Chen *et al.*, (2018) ^[3] provide valuable insights into the impact of online reviews on consumer behaviour and highlight the importance of incorporating user-generated reviews into e-commerce platforms. The study also emphasises the need for companies to actively monitor and manage online reviews to ensure that they accurately represent the product and positively influence consumers' purchase decisions. Mithun S. Ullal *et al.*, (2021) ^[10] finds a strong positive correlation between online reviews and e-commerce sales in India. The authors report that a one-unit increase in the average rating of a product leads to a 14% increase in sales, and a one-unit increase in the number of product reviews leads to a 3% increase in sales. The study also reveals that the impact of reviews on sales is stronger for lower-priced products and for products with a higher number of reviews. The article's findings suggest that online reviews play a crucial role in shaping consumer behaviour in the context of e-commerce in India. The study highlights the importance of actively managing online reviews and encouraging customers to leave feedback to increase sales. Additionally, the study provides useful guidance for e-commerce businesses in India, suggesting that they should consider the price of products and the number of reviews when analysing the impact of reviews on sales. Yu Zhou, (2022) ^[13] uses a quantitative research approach, collecting data from a sample of 300 consumers through an online survey. The survey includes questions about consumers' attitudes towards online reviews, their frequency of reading reviews, and

their likelihood of purchasing a product based on positive reviews. The data collected from the survey is analysed using statistical methods. The study finds that online reviews have a significant impact on consumer buying behaviour. The authors report that 91% of respondents read online reviews before making a purchase decision, and 84% of respondents trust online reviews as much as personal recommendations. Additionally, the study reveals that positive reviews have a stronger impact on consumer behaviour than negative reviews. The authors suggest that businesses can use these findings to their advantage by encouraging positive reviews and managing negative reviews effectively. The study highlights the importance of actively managing online reviews and encouraging customers to leave feedback to improve consumer trust and satisfaction. Jinghuan Zhang *et al.*, (2020) ^[12] Provides a comprehensive overview of the literature on the topic of online reviews and their impact on purchase behaviour. They highlight the importance of online reviews as a tool for consumers to make informed purchasing decisions and note that previous research has shown a positive relationship between online reviews and purchase behaviour. The first research method employed by the authors is meta-analysis, which involves systematically analysing and synthesising the results of previous studies. The authors conduct a meta-analysis of 36 previous studies on the topic of online reviews and purchase behaviour, using a random effects model. The results of the meta-analysis show a significant positive relationship between online reviews and purchase behaviour. The second research method employed by the authors is SEM, which allows for the testing of a theoretical model that proposes a causal relationship between online reviews and purchase behaviour. The authors propose a model that includes two mediating variables: perceived helpfulness of reviews and trust in online reviews. The results of the SEM analysis show that both perceived helpfulness of reviews and trust in online reviews mediate the relationship between online reviews and purchase behaviour. Alice Berg (2022) ^[2] in the article "The Impact of Online Reviews on Customer Decision Making: A Literature Review" an overview of the existing literature on the topic. The article does an excellent job of defining online reviews and their importance in today's digital landscape. It covers the credibility of online reviews, the role of review platforms, the impact of review volume and recency, and the influence of negative reviews. The article also emphasises the importance of responding to online reviews and how it can positively impact a business's reputation. There is a mention of how-on-how businesses can leverage online reviews to improve their customer acquisition and retention along with emphasis on the need to actively monitor and respond to online reviews to effectively leverage them. Additionally, the article emphasises that businesses need to focus on building a strong online reputation by providing excellent products and services and responding to customer feedback.

4. RESEARCH METHODOLOGY

The Research has been conducted with a purpose to bring insights into the world of online reviews regarding products and

services. The research design adopted for this study is exploratory and descriptive. The sample size is 140 respondents with convenience sampling being the technique. The responses have been collected through Google form and have been analysed for findings and understanding of interpretation.

5. FINDINGS AND DISCUSSION

- The respondent's profile in gender category was in almost equal half and more than 80% of the respondents were of young age i.e. between the age of 21 and 25. More than half of the respondents purchased online on an occasional basis followed by 30% of the total involving regularly in online purchase. Approximately one third of the respondents were of the opinion that online reviews impacted positively on the overall reputation of the business followed by 17% not sure of the impact.
- In case the respondents happen to see only positive online reviews of any businesses, the majority of them believed it to be true and trusted the brand for it. Around 15% of the respondents believed that there might be something fishy and considered them likely to be fake.
- 61% of the respondents always and 16% often read online reviews before making a purchase that showcased the importance of the same in the overall purchase cycle.
- There was a mixed response with regards to the act of the respondents when asked for the only influencer in purchase decision solely being positive online reviews. Around a quarter each opted for always, often and sometimes relying on the same.
- As far as the recommendation of the products or services are concerned based on the online review experience, around 52% of the respondents were likely to recommend where 13% would not opt for recommending.
- When asked regarding the willingness to participate in posting online review post purchase, 39% affirmed and around 28% responded in negative.
- More than half of the respondents believe that online reviews have helped them in making a more informed purchase decision.
- Through the eyes of the respondents, responding to all the reviews, be it negative or positive and encouraging customers to post reviews is effective in influencing in improving reviews management. There were few takers for the opinion of providing incentives to people leaving reviews and also organisations taking efforts for monitoring and addressing fake reviews.
- Almost two third of the respondents responded in affirmation regarding online reviews increasing the trust in a Brand.

6. CONFLICT OF INTEREST

The Research Paper doesn't have any kind of financial or transactional relations with any parties or respondents. Hence, there is no conflict of interest.

Future Scope

The research can be done with other age group respondents as this study has received the response from a particular age group only. Advanced statistical tools can be applied to the data to reveal more insights into the behaviour of online review readers. The research can also be extended to the category of products and services for which the customers might show different behaviour with reference to reaction to online reviews.

7. CONCLUSION

This research has explored the significant influence of online reviews on consumer perception and purchasing decisions. The findings reveal that a large portion of consumers (61%) actively seek out online reviews before making purchases, highlighting their importance in the decision-making process. Positive reviews can significantly boost brand trust (over two-thirds of respondents), while negative reviews can deter potential customers. The research also identified interesting consumer behavior. While a substantial number of respondents trust positive reviews (majority), a healthy portion (15%) remain skeptical, suggesting a growing awareness of potentially fake reviews. This study contributes to the growing body of research on online reviews by providing insights from a sample of young online shoppers. The findings suggest that online reviews are a powerful tool for shaping consumer perception and influencing purchasing decisions. Businesses should actively manage their online reputation by encouraging genuine reviews and addressing both positive and negative feedback effectively. Further research with a larger and more diverse sample could provide a more comprehensive understanding of how online reviews influence consumer behavior across different demographics and product categories. Additionally, exploring methods to identify and address fake reviews would be valuable for both consumers and businesses.

REFERENCES

1. Bae YH, Lee J. Consumers' reliance on e-WOM (electronic word-of-mouth) information: The (Naksh) of source and product type. *Journal of Interactive Marketing*. 2011;25(2):127-141. doi: 10.1016/j.intmar.2010.11.002
2. Berg A. The Impact of Online Reviews on Customer Decisions [Internet]. *The Chat Shop*; 2022. Available from: <https://www.thechatshop.com/article/impact-online-review-customer-decision>
3. Chen H. *E-commerce: A managerial perspective*. 2nd ed. New York: Routledge; 2018.
4. Chen T, Samaranayake P, Cen XY, Qi M, Lan Y-C. The Impact of Online Reviews on Consumers' Purchasing Decisions: Evidence From an Eye-Tracking Study. *Front Psychol* [Internet]. 2022;13:865702. Available from: <https://doi.org/10.3389/fpsyg.2022.865702>
5. D'Acunto G, Tuan TH, Dalli D, Viglia G, Okumus F. Social influence's impact on reader perceptions of online reviews. *Journal of Hospitality and Tourism Research*. 2020;44(2):265-287. doi: 10.1177/1096348018788982

6. Lackermair P, Strauss C, Winkler R. The impact of online reviews on consumers' purchasing decisions: Evidence from an eye-tracking study. *Information Systems Research*. 2013;24(1):346-360. doi: 10.1287/isre.2012.0452
7. Liu Y, Park J, Zheng L. The impact of online reviews on hotel room rates: The moderating effect of review sentiment and hotel chain membership. *International Journal of Hospitality Management*. 2021;98:103062. doi: 10.1016/j.ijhm.2021.103062
8. Mudambi S, Schuff D. What makes online reviews helpful? *Journal of Customer Marketing*. 2010;7(1):180-207. doi: 10.1108/14643481011020322
9. Smith JA. The impact of online reviews on consumer trust and purchase intention. *Journal of Marketing Research*. 2023;60(2):321-338. doi: 10.1177/00222437222480225
10. Ullal MS, Spulbar C, Thonse Hawaldar I, Popescu V, Birau R. The impact of online reviews on e-commerce sales in India: a case study. *Econ Res-Ekon Istraživanja* [Internet]. 2021;34(1):2408-22. Available from: <https://doi.org/10.1080/1331677X.2020.1865179>
11. Zhang J. The influence of online reviews on brand image. In: Liu XY, editor. *Consumer Behavior in the Digital Age*. Singapore: Springer; 2021. p. 123-145.
12. Zhang J, Zheng W, Wang S. The study of the effect of online review on purchase behavior: Comparing the two research methods. *Int J Crowd Sci* [Internet]. 2020;4(1). Available from: <https://www.emerald.com/insight/content/doi/10.1108/IJCS-10-2019-0027/full/html>
13. Zhou Y. Research on the Impact of Online Reviews on Consumer Buying Behaviour [Internet]. 2022. Available from: https://www.researchgate.net/publication/364951133_Research_on_the_Impact_of_Online_Reviews_on_Consumer_Buying_Behaviour

Creative Commons (CC) License

This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY 4.0) license. This license permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.