



## INVESTIGATING AND VALIDATING THE FACTORS INFLUENCING ONLINE REVIEWS ON CONSUMER BEHAVIOUR

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### ABSTRACT

Word of mouth can be said as an unpaid practice of promotion in which content customers express to other people how much they like a product, service or business. Word-of-mouth is prompted when a customer experiences somewhat far beyond what was expected. In other words, Word of mouth marketing is an approach used to generate natural discussions about and recommendations for a product or company. Everyone wants people conversing about their products, because those conversations are what drive business. Word of mouth states to all informal communication between people regarding an organization, a product or a brand. WOM impacts consumers' behavior patterns, and it is well approved as an effective marketing instrument. Understanding how WOM affects customers' buying behavior is therefore of considerable importance for marketers since it can help them improve effective business strategies.

**Key words:** Word of mouth, Consumer Behaviour, Online reviews, Gist helpfulness

### 1. INTRODUCTION

With the advance of new technologies, the traditional WOM has gone through an innovation cycle and has drifted from mainly what was considered to be spoken messages or typically personal face to face communication between a source and a recipient to electronic

word of mouth (eWOM) embracing over a worldwide network. eWOM can be defined as any affirmative or negative communication about a product, service or company, from producers to consumers, or among consumers themselves, which is noticeable to numbers of people online eWOM has two dimensions. The first is the communication scope; containing one-to-one communication such as e-mails, one-to-many such as online review sites or many-to-many such as virtual pages, blogs and chat rooms, the second is the level of interactivity from asynchronous such as e-mails, online review sites and blogs to synchronous such as chat rooms, newsgroups, and instant messaging of the various types of eWOM communication. Online reviews may be defined as customer review is a review of a product or service made by a customer who has purchased and used, or had experience with, the product or service. Consumer reviews are a form of customer opinion on electronic commerce and online shopping sites. Online reviews can be positive or negative. An online review has two main roles, one as an informant, providing consumer-oriented info about products and services, the other providing either positive or negative suggestions from previous users, making recommendations about a product or a service.

## 2. REVIEW OF LITERATURE

**Judith A. Chevalier, Dina Mayzlin (2021)** investigated the influence of consumer reviews on comparative sales of books at Amazon.com and Barnesandnoble.com. The authors found that first, reviews are overpoweringly positive at both sites, but there are additional reviews and lengthier reviews at Amazon.com; second an improvement in a book's reviews results to a rise in relative sales at that site; third for most samples in the study, the influence of one star reviews is greater than the effect of five-star reviews; and fourth proof from review length data proposes that consumers read review text rather than trusting only on summary statistics. The regression estimates propose that the comparative market share of a book across the two sites is linked to differences across the sites in the number of reviews for the book and in dissimilarities across the sites in the average star ranking of the reviews. This evidence advises that consumer word-of-mouth has a causal effect on consumer purchasing behavior at two Internet retail sites. One interesting extension to this research would be to investigate whether refining a consumer's satisfaction with his or her purchases affects following consumer loyalty.

**Hadke, Anute, (2021)** customers use e-WOM to share product impressions and views. When they engage in e-WOM formation, consumers have different motivations and intentions. They actively participate in offering first-hand feedback, assisting other customers, debating the pros and cons about the product, and sharing knowledge. In virtual communities and forums, brand loyalties are fought hard. In order to build product recognition, boost sales and other relevant performance metrics, boost brand equity, and build customer loyalty, marketers may use e-WOM. E-WOM also serves as a direct response to advertisers.

**Ting-Peng Liang, Xin Li, Chin-Tsung Yang & Mengyue Wang (2020)** With the fast adoption of smartphones, the development of mobile apps has become an attractive field for entrepreneurs. This paper surveys the effect of textual consumer reviews on the sales of mobile apps. Inconsistent findings were detected on the effect of textual reviews in previous studies, the study examines how the sentiments of different topics in online

reviews affect app sales. The paper developed a multifacet sentiment analysis also known as MFSA approach to measure the dimensions in consumer reviews. Employing a real world data set of seventy-nine paid and seventy free apps from an iOS app store the researchers found that although consumers' opinions on product quality inhabits a larger share of consumer reviews, the consumer comments on service quality have a stronger unit effect on sales rankings. The empirical analysis illustrates the importance of proposed MFSA method for better understanding of the influence of textual consumer reviews on mobile app success.

**Michelle D. Steward, James A. Narus, Michelle L. Roehm(2018)** This research studies the growing use of online buyer reviews in business-to-business B2B decision making. In divergence with other research on B2B decision making, the researchers study a distinctive feature wherein purchasers draw on two sources: external reviews displayed on online professional communities and internal reviews in the format of seller scorecards. This method creates a challenge: What happens when a purchaser is challenged with contradictory reviews from two different sources? To shed light on this problem, the researchers approached with the following steps that are, first they interviewed 48 B2B buyers, second they directed a field experiment with 293 B2B buyers to study the influence of review source, third they performed a second field experiment with 587 B2B buyers to inspect the influence of contradictory reviews, and fourth solicited perceptions from 82 B2B purchasers regarding the findings. The outcomes indicated that B2B buyers are focused to resolve variances in reviews rather than to terminate negative reviews. In addition, even affirmative internal reviews prompt assessment to approve that relational bias is not present.

## 3. STATEMENT OF THE PROBLEM

Online customer reviews have endeavored influence on customers' purchase decisions when shopping online and has given modern emphasis to the concept of word-of-mouth. For the present study, Online reviews play significant role in making certain 71 degree of construct, supported by the level of cognizance and technical orientation of the consumer in a given interactive digital

environment. The enormous quantity, heterogeneity and receptiveness of online reviews have contributed to their appeal and growing popularity. Voluminous information is available regarding products reviews online and reading all the reviews is laborious and time consuming for customers. Thus, most customers choose to read reviews selectively. Consumer read number of reviews until they are satisfied about the information that they expect to gain from reviews and make a decision. This may also depend on the approach of finding reviews and selective nature of consumer. This may vary as consumer gains experience of reading reviews.

#### 4. OBJECTIVES OF THE STUDY

- To understand the consumers socio economic profiles.
- To study the validation of socio economic profile with gist helpfulness.
- To get the detailed insight on whether higher online review reading experience have effect on consumer behavior.

#### 5. RESEARCH DESIGN

5.1 Sampling Method: Considering various factors in this study, Purposive sampling method also known as the non-probability, judgment technique was used. Due to the fact that this study is on the impact of online reviews on consumer behavior, the questionnaire was designed in a way that consumers who has experienced online reviews while purchasing products at online stores could answer to the questions.

5.2 Sample Size: This refers to the number of items to be selected from the population to constitute a sample. As per the sample size formula -By Proportion ( $n = z^2 * p * q / e^2$ ), when population is infinite and at 95% confidence level and 50% precision; the sample size is 385.

#### 6. ANALYSIS

After the data has been collected procedures are followed such as establishment of categories. The application of these types to raw data through coding and tabulation are done and then statistical interpretations are drawn. The various variables are examined based on their frequency of occurrence. The data is presented in the form of frequency tables.

#### 6.1 PERCENTAGE ANALYSIS

Table 1

Socio – Economic Characteristics of Respondents

Descriptions	No. of Respondents	Percentages
Gender		
Male	220	57
Female	165	43
<b>Total</b>	<b>385</b>	<b>100</b>
Age		
Less than 21	120	31
22 - 40	164	43
More than 40	101	26
<b>Total</b>	<b>385</b>	<b>100</b>
Qualification		
undergraduate	141	37
graduate	154	40
Post graduate	90	23
<b>Total</b>	<b>385</b>	<b>100</b>
Income		
Less than 30000	211	55
30000-50000	92	24
50000 above	82	21
<b>Total</b>	<b>385</b>	<b>100</b>
Daily hours use of internet		
Less than 1hour	15	4

1-2 hours	49	13
3-4 hours	126	33
5-6 hours	164	43
More than 6 hours	31	7
<b>Total</b>	<b>385</b>	<b>100</b>

Source: field survey

### 6.2 Assessment of Reliability

**Table:2 Summary of reliability Test**

<b>Dependent Variable</b>	<b>Cronbach’s Alpha</b>
Gist helpfulness	0.823
<b>Independent Variables</b>	<b>Cronbach’s Alpha</b>
Gender	0.859
Age	0.812
Qualification	0.962
Income	0.895
Hours daily	0.858

Based on the result shown in the Table 2, all variables obtained exceeds 0.8. Therefore, all variables in this study are highly reliable.

### 6.3 Independent Sample t-Test and One way Anova

**Table:2 Independent Sample t-Test and One way Anova**

<b>Ha</b>	<b>Variable</b>	<b>Sig.</b>	<b>t-Test &amp;One way Anova</b>	<b>Finding</b>
H <sub>1</sub>	Age	0.000	F= 21.632	Supported
H <sub>2</sub>	Gender	0.248	T=6.279	Not supported
H <sub>3</sub>	Qualification	0.000	F=21.689	Supported
H <sub>4</sub>	Income Level	0.000	F=10.259	supported
H <sub>5</sub>	Hours daily	0.325	F=29.167	Not supported

Significant at 0.05 level

Based on Table 2, all the variables were tested at 0.05 level. Table-2 reveals that the p-value of age, education level and income level were below 0.0 except gender.

As a result, there is a difference of gist helpfulness with different demographic characteristics. For gender, the study shows that there is no significant among gist helpfulnessthan women. The study reveals that respondents with higher qualification tend to have higher gist helpfulness than

lower education level. For income level, the result reveals that respondents with higher income have stronger influence on gist helpfulness.

### 7. Implications

Research indicated that review in depth has a strong association for helpfulness in online reviews. Marketers should encourage consumers to write lengthy reviews. For photos in reviews, marketers for videogames category should have more focus that users upload photos along with writing online

reviews. The study moves in the direction of making titles more emotion based titles. Marketers should encourage consumers voting after reading online reviews. The study indicates that the more consumer spends daily hours on internet, consumers adapt to new features in online reviews quickly.

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