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## A Study on Consumer's Buying Behavior Based on Customers' Online Reviews

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### Abstract:

This research investigates the impact of online reviews on consumer buying behavior, aiming to provide insights into the role of customer feedback in shaping purchase decisions. In an increasingly digitalized marketplace, online reviews have become a prominent source of information for consumers. The study employs a mixed-methods approach, combining quantitative analysis of online review data with qualitative interviews to gain a comprehensive understanding of the dynamics involved. The primary objectives of the study are to identify the factors influencing consumers' reliance on online reviews, examine the perceived credibility of these reviews, and assess their impact on the decision-making process. The sample consists of diverse consumer demographics, ensuring a broad representation of perspectives.

Preliminary findings reveal that online reviews significantly influence consumer trust and confidence in products or services. The study also uncovers patterns in the types of reviews that carry the most weight in shaping purchasing decisions. Additionally, the research sheds light on the role of reviews and how they contribute to consumers' overall perception. Implications of the study extend to both businesses and consumers. Marketers can use these insights to optimize product presentation and address concerns raised in reviews. Consumers, on the other hand, can make more informed decisions by understanding the nuances of online reviews. The study contributes to the growing body of literature on consumer behavior in the digital era and provides practical recommendations for businesses looking to enhance their online presence.

**Keywords:** Consumer Buying Behavior, Online Reviews, Consumer Trust, Digital Marketplace, E-commerce.

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### Introduction:

In the contemporary landscape of commerce, the digital revolution has redefined the dynamics of consumer decision-making. With the pervasive influence of the internet, consumers increasingly turn to online reviews as a critical source of information before making purchasing decisions. This study delves into the intricate interplay between consumers' buying behavior and the plethora of opinions available through online reviews.

### Background:

The advent of e-commerce platforms and the ubiquity of online transactions have propelled customer reviews into a central role in the consumer decision-making process. Unlike traditional word-of-mouth recommendations, online reviews are easily accessible, allowing consumers to tap into a wealth of experiences and perspectives from a diverse range of sources. As a result, understanding the factors that shape consumers' responses to online reviews is imperative for businesses aiming to thrive in the digital marketplace.

### Significance of the Study:

This study addresses a critical gap in the existing literature by comprehensively examining the impact of online reviews on consumer behavior.

The significance lies not only in deciphering the influence of positive reviews but also in elucidating the nuanced role of negative feedback. As businesses increasingly recognize the importance of managing their online reputation, insights from this study can inform strategies to leverage positive reviews and mitigate the impact of negative sentiments.

### Objectives:

The primary objectives of this research are threefold: first, to identify the key factors influencing consumers' reliance on online reviews; second, to explore the perceived credibility of these reviews; and third, to assess the tangible impact of online reviews on the consumer decision-making process. By achieving these objectives, the study aims to contribute valuable insights that can inform businesses on how to strategically navigate the landscape of online reviews.

### Review of Literature

C. Surendhranatha Reddy and Dr.Guru Basava Aradhya. S (2017) talks about how the online reviews impact purchase decisions of consumers and what drives them to engage in online reviews. According to their study, the online marketers have to look into streamlining the reviews given by the consumers and provide some guidelines while

writing the reviews. Certain standards need to be followed by the consumers while they write their reviews as the purchase decision of customers is affected by these reviews. As the customers depend on reviews for getting information about products and services, the uniformity of reviews can be improved. The perceived risk of consumers can be eased to great extent as studied by Prabha Kiran and Vasantha S. (2015) and it can instigate the consumers' purchase intentions while shopping online. Feedback and views which are given by the customers are not only useful in making a purchase decision for the future customer but also are used by businesses to improve the quality of their product and services.

Social media play an important role in influencing consumer behaviour through online reviews and ads, search experience, personal opinions, and online marketing activities. As Simona Vinerean, Iuliana Cetina, Luigi Dumitrescu and Mihai Tichindelean(2013) researched that in particular, a new form of consumer socialization i.e., peer communication through social media, has intense impacts on consumer decision making process as well as marketing strategies. Consumers have become habitual to online shopping with the development of e-commerce websites. The purpose of the study of Ayda Darban and Wei Li (2012) is to examine the impact of online social networks on consumers' purchasing decision process. The main reasons that consumers are interested in supermarkets' online social networks is that they are able to interact with other consumers i.e., people like them and supermarkets. Consumers can be influenced during interaction with others which includes getting involved in online WordOf-Mouth communications. The buying behaviour of consumers belonging to different age groups is influenced by different factors. Bettina von Helversen, Katarzyna Abramczuk, Wiesław Kopeć and Radosław Nielek (2018) talked about how average consumer ratings, product attributes, and single affect-rich positive or negative consumer reviews influenced hypothetical online purchasing decisions of younger and older adults. They found that average consumer ratings strongly influence students and the older adults gave little importance to consumer information like positive affect-rich reviews. Age difference in consumer behaviour is shown by this. The results of Zan Mo, Yan-Fei Li and Peng Fan (2015) research shows that the factors of online reviews which are influencing consumer purchasing behaviour include positive reviews, picture reviews, additional reviews, cumulative reviews and description rating. The moderate or negative reviews, logistics rating and service rating are not important in the results. Therefore, the sellers can make positive reviews and high quality

reviews in the sales process to take the incentives for consumers.

The study of Fei L. Weisstein, Lei Song, Peter Andersen and Ying Zhu (2017) examines effects of negative reviews on consumer price perception and subsequent purchase behaviour while taking in consideration the moderating effect of purchase goals. Results of their research show that stronger negative impacts on buying decision for consumers is due to the higher proportion of negative reviews with a purchase goal than those without. This research contributes to increasing knowledge about negative online reviews and consumer goal literature and offers practical implications for online retailers.

Nicky Somohardjo (2017) has answered the question: "To what extent are online reviews influential on review attitude and purchase intention in relation to a restaurant visit?" that the online reviews are partially influential on review attitude and purchase intention. Despite all several review elements most relevant is still a positive valence. In addition to valence the whole review attitude is also influential to the eventual purchase intention.

#### **Research methodology**

This study adopts a quantitative research design, focusing primarily on the analysis of primary data gathered through the administration of a structured questionnaire. The aim is to explore the views and perspectives of individuals across different age groups regarding the subject under investigation.

#### **Data Collection**

##### **4.1 Primary Data Collection:**

Primary data for this study is gathered through a structured questionnaire employing a 5-point Likert scale. The Likert scale provides a nuanced understanding of respondents' opinions and allows for quantitative analysis.

##### **4.1.1 Questionnaire Design:**

The questionnaire is designed to capture opinions regarding the influence of online product reviews on purchasing decisions. A 5-point Likert scale is used to measure the intensity of agreement or disagreement with specific statements.

##### **4.1.2 Distribution and Collection:**

Questionnaires were distributed among 200 individuals spanning different age groups. A total of 144 respondents returned completed questionnaires.

##### **4.1.3 Data Cleaning:**

Six respondents who indicated not reading online product reviews were excluded from further analysis. Final data for analysis consists of 138 valid responses.

##### **4.2 Secondary Data Collection:**

Secondary data is gathered through an extensive literature review, incorporating relevant

studies conducted by other researchers in the field. This contributes to the theoretical framework and contextualizes the primary data within existing knowledge.

#### **Data Synthesis:**

Secondary data is synthesized to identify key trends, gaps, and areas where the current study contributes to the existing body of knowledge.

#### **Validation of Responses:**

The validity of responses is ensured through careful examination of completed questionnaires. Data from respondents who indicated not reading online product reviews is excluded to maintain the integrity of the study.

#### **Data Analysis**

##### **Introduction:**

This chapter presents the analysis of data collected through the questionnaire, utilizing the

statistical tool SPSS. The focus is on exploring correlations between purchase behavior and various factors such as product reviews, brand perception, promotion, perceived need, availability, and price.

#### **Correlation Analysis:**

The primary objective is to assess the strength and significance of the relationship between purchase behavior and product reviews, as well as other influencing factors.

#### **Correlation with Product Review:**

- The Pearson correlation coefficient between purchase behavior and product review is 0.566, indicating a moderate positive correlation.
- The correlation is statistically significant at the 0.01 level (2-tailed), suggesting a strong association.

**Table 1: Correlations between Purchase Behavior and Product Review**

	Purchase Behavior	Product Review
Pearson Correlation	1	0.566
Sig. (2-tailed)	0.000	0.000
N	134	134

#### **Interpretation:**

- The positive correlation coefficient of 0.566 indicates that as the level of product reviews increases, there is a corresponding increase in favorable purchase behavior.
- The statistical significance (p-value < 0.01) strengthens the validity of the observed relationship.

#### **Correlation with Other Factors:**

- Further analyses were conducted to explore correlations between purchase behavior and other factors such as brand perception, promotion, perceived need, availability, and price.

#### **Correlation with Other Factors:**

**Table 2: Correlations between Purchase Behavior and Other Factors**

	Purchase Behavior	Other Factors
Pearson Correlation	1	0.493
Sig. (2-tailed)	0.000	0.000
N	134	134

#### **Interpretation:**

- The Pearson correlation coefficient between purchase behavior and other factors (brand, promotion, need, availability, and price) is 0.493, indicating a low positive correlation.
- The correlation is statistically significant at the 0.01 level (2-tailed), suggesting a meaningful association.

#### **Implications:**

- While the correlation with product reviews is moderate, the connection between purchase behavior and other factors is lower, indicating that these factors might have a more diverse impact on consumer decisions.
- Businesses should consider a holistic approach, taking into account not only online reviews but also brand perception, promotion strategies, perceived need, product availability, and pricing.

#### **Comparative Analysis:**

- Comparing the correlation coefficients, it is evident that product reviews play a more significant role in influencing purchase behavior compared to other factors examined in this study.

#### **Discussion and Findings**

##### **Introduction:**

This chapter discusses the findings derived from the data analysis, specifically focusing on how online product reviews affect consumer purchase behavior. Additionally, the chapter explores various factors, including age, education, income, and location, to provide a comprehensive understanding of the influence of online reviews.

#### **Factors Affecting Purchase Behavior:**

##### **Figure 1: Factors Affecting Purchase Behavior**

The factors influencing consumer purchase behavior, as illustrated in Figure 1, include online

product reviews, brand, availability, price, and the need for the product. Among these factors, online product reviews emerge as a significant influence on consumer decision-making.

#### **Age Group Analysis:**

- The data indicates a notable disparity in the reliance on online reviews based on age groups. Individuals between 15-20 years old show a higher inclination towards online shopping and referencing reviews before making a purchase compared to those above 40 years old.
- Teenagers, who typically fall within the 15-20 age group, exhibit a heightened awareness and interest in online reviews, emphasizing the role of younger demographics in shaping the importance of online reviews in purchase decisions.

#### **Educational Background:**

- Undergraduate individuals, often in their late teens or early adulthood, demonstrate a greater engagement in online shopping and a preference for reading online reviews. This suggests that individuals in the early stages of adulthood are keen on making informed decisions and value the insights provided by online reviews.

#### **Income Influence:**

- The income level of individuals also plays a significant role in the engagement with online product reviews. Those with higher incomes (Rs. 4 lakhs to 7 lakhs) show a greater propensity for reading online reviews compared to individuals with lower incomes (below 1 lakh).

#### **Urban-Rural Divide:**

- The urban-rural divide is evident, with individuals in urban areas displaying a higher preference for reading online reviews compared to their rural counterparts. This emphasizes the role of internet awareness and accessibility in shaping consumer behavior.

#### **Quality vs. Price:**

- The discussion highlights that many customers prioritize quality over price when making purchasing decisions. Some customers value a good experience and are willing to invest in products with positive reviews, even if they come at a higher price.

#### **Implications:**

- The findings suggest that businesses should recognize the varying influences on purchase behavior across different demographic segments. Tailoring marketing strategies to cater to the preferences and behaviors of specific age groups, income levels, and locations can enhance overall effectiveness.

#### **Limitations and Future Research:**

- The study's limitations include potential biases in self-reported data and the specificity of the demographic focus.

- Future research could explore the specific aspects of online reviews that hold the most influence on different consumer segments.

#### **Conclusion**

This paper discusses the impact of online reviews on consumer buying behaviour. Through this research, we have found out that the purchase of a product by consumer has a very strong bond with the customer reviews and online word of mouth is a major role played by these reviews. Online reviews can be just the thing that is needed to push a prospective customer from consideration to purchase, as they are an integral part of shopping experience. It has also been seen that the consumer's perceived risk can be reduced with the help of useful information provided about a particular product through reviews and will stimulate the customer's purchase intention and behaviour. These reviews and feedback are not only useful for the future customer in making a purchase decision but also help the business to improve the quality of the product and services. There are many factors which affect the consumer's purchase behaviour like online product reviews, brand, availability, price and need of product among which online product reviews plays the major role. The study is based majorly on the analysis of primary data which included people of different age groups. Questionnaire was developed to undertake study in sampled regions to collect relevant information for research.

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