



# INFLUENCE OF ONLINE CUSTOMER REVIEWS ON BUYING BEHAVIOUR: A STUDY AMONG THE CUSTOMERS IN IDUKKI DISTRICT

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**Abstract** - Convenience to the customer and transparency of the product were the key features of online shopping. Internet provides the customers to have an opportunity to share their shopping experience and opinion about goods and services they bought from the online shopping sites. Purchasing decision of a customer was affected by so many factors. Online customer review systems have been widely used by online customers to facilitate purchase decisions. Product reviews and ratings are the popular tools to support buying decisions of customers. The study was conducted to examine influence of online customer reviews on buying behaviour of customers in Idukki district. Data were collected from the online customers who purchases after reading online customer reviews. Analysing the trust and dependency in online customer reviews and to find out the relationship between online customer reviews and purchase decision were the objectives and results showed that online customer reviews got considerable level of influence in the buying behaviour. It showed that there is reasonable level of trust and dependency in online customer reviews.

**Key Words:** Online Customer Reviews, E-WOM, Trust, Dependency, Purchase Decision

## I INTRODUCTION

Online shopping is one of the major areas which show rapid growth during these days. As a trading platform, sharing of information, rendering of services etc. e-commerce has got wide popularity in the business environment. In online shopping, customers have got a significant role and preference not only as a buyer but also as an adviser. The purchasing behaviour of customers is influenced by various factors such as price, quality, advertisement, brand, popularity etc. Among these factors, reviews of the customers have got much importance especially in electronic commerce (Lee 2009, Mudambi 2010). Online customer reviews have got much importance in these days. A customer review is a review of a product or service made by a customer who has

purchased the product or service. We can see these reviews as Electronic Word Of Mouth (E-WOM) which plays as a marketing or advertising tool which stimulates the customers towards the product and services. Electronic Word-of-Mouth communication is any positive or negative statement made by potential, actual or a former customer which is available to a multitude of people via the internet. The study is intended to analyse the arising role of online customer reviews and how it helps the customers as a source of information for the purpose making purchase decisions.

## II REVIEW OF THE LITERATURE

**Bickart and Schindler, 2001** The information in consumer reviews is widely considered as more reliable than marketer-sponsored information. **Klein and Ford, 2003** Consumers are substituting internet-based search for traditional ways of information search, whereby interactions with strangers often takes place. **Goldsmith and Horowitz, 2006** Consumer review platforms can serve to maximize rationally the ratio of the perceived products' benefits and quality to its costs. **Blythe and Cairns, 2009** found that many potential buyers of iPhone search in YouTube specifically for reviews of this product. The advantage of YouTube is that users, who find a product review on a video can see the popularity of the review in number of downloads, read comments of others about the review and of course actually see the product in use. **Lee and Youn, 2009** These platforms can range from business retail websites to online communities, independent review sites and personal blogs with new platforms constantly emerging. **Burtona and Khamash, 2010** Control of marketers and companies on communication channels and messages migrates to consumers who become critical, more assertive and powerful, taking over control of the information they obtain about products, brands and companies. Consumers become co-creators of value as direct stakeholders. **Fan and Gordon, 2014** 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.

## III STATEMENT OF THE PROBLEM

By analysing the previous studies, it is found that reviews are very much related with the purchasing decision of the customers. The information that the customers gets from the ecommerce environment in the form of reviews makes some crucial role in the customer purchasing behaviour, because there is no direct relationship and there exists an inability to touch or try on products. There is a lack of face to face interaction and also there is no immediate delivery of products. Many studies find that the customers are willing to give their opinion about the product which he consumes. The needy customers relay these valuable opinions in the decision making process. It is very important to analyse at what extent the customers relay on these reviews and their trust in the reviews. The dependency and trust shown by the online customers in the reviews is a crucial data which depicts the importance of online reviews in e-commerce. So it is a necessity to measure the extent of influence of these online reviews in the purchase decision making process of a customer. Hence the problem under study is stated as **Influence of online customer reviews on buying behaviour: a study among the customers in idukki district**

## IV OBJECTIVES OF THE STUDY

The study was undertaken with the following objectives:

1. To analyse the trust of the customers towards the online reviews.
2. To examine the dependency shown by the customers towards the online reviews.
3. To find out the relation between online customer reviews and buying behaviour.

## V RESEARCH METHODOLOGY

The study was both descriptive and analytical by which the data are collected from the customers who purchases products via internet. The variables are analysed for the purpose of answering relationship with the online customer reviews and purchasing decision. Primary data was the major data for analysis and interpretation. Primary data were collected from 95 respondents from Idukki district. Secondary data was collected from journals, publications, reports and other information from internet. Snowball sampling is used as a method of finding the respondents and collected the data through structured questionnaire and Google form. One way ANOVA and independent t test is used for testing the formulated hypotheses. Tables, bar diagrams, various charts etc. were used for the purpose of systematic presentation and analysis.

## VI HYPOTHESES OF THE STUDY

The study is aimed at analysing the influence of online customer reviews in customer behaviour. For the purpose of the study following hypotheses were established.

1.  $H_0$  :There is no significant difference in the customer trust among different gender groups
2.  $H_0$  : There is no significant difference in the customer trust among different age groups
3.  $H_0$  :There is no significant difference in the customer dependency among different gender groups
4.  $H_0$  :There is no significant difference in the customer dependency among different age groups

## VII ANALYSIS OF DATA

**Table I Profile of the respondents**

Percentage	Number of respondents	Respondents characteristics
18.9	18	Age: Below 21
48.4	46	21-30
13.7	13	31-40
12.6	12	41-50
6.4	6	51 and above
32.6	31	Gender: Male
67.4	64	Female
8.4	8	Educational qualification: 10 <sup>th</sup> or below
4.2	4	12 <sup>th</sup>
47.4	45	Graduation
40	38	Post-Graduation and above
52.6	50	Status: Student
22.1	21	Employed
22.1	21	Professionals
3.2	3	Others
33.7	32	Annual income: Less than 100000
10.5	10	100000 – 250000
8.4	8	250000 – 500000
5.3	5	500000 and above
42.1	40	None

Table 1 shows that a majority of the respondents belongs to the category of 21-30 followed by categories of 31-40. The table shows that female respondents were more in number comparing with male respondents. 67.4 % of the respondents were females and 32.6% respondents were males. It can be inferred that 47.4 % of the respondents were graduates. The table shows that 52.6% of respondents were students. It can be also inferred that 33.7 % of the respondents have income less than 100000.

### Trust in online customer reviews

Trust is the trait of believing in the honesty and reliability of others. The trust shown by each customer towards a review is a major consideration while studying about the online customer reviews. It shows how much the customer believes in such reviews. Researcher used six variables such as authenticity, reliability, relevance, overall rating, positive reviews, and similar opinions and measured it using Likert's five point scale. Then mean score and maximum score were founded for calculating the mean percentage score for quantifying the likerts scale.

**Table II Mean Percentage Score and Standard deviation of independent variables of trust**

Std. Deviation	Mean Percentage Score	Variables
15.28454	75.0409	Authenticity
17.17002	74.6316	Reliability
16.86047	77.0638	Relevance
18.20604	74.8632	Overall Rating
17.70686	76.3684	Positive Reviews
18.96068	77.4737	Similar Opinions
<b>15.59144</b>	<b>75.9937</b>	<b>Trust</b>

It can be concluded that all the variables used in the study helps the researcher to find out the dimension of trust shown by the customers towards online customer reviews. So from the study it can be concluded that people have high trust on online customer reviews as it has a Mean Percentage Score of 75.9937 and a standard deviation of 15.59144.

### Dependency on online customer reviews

The dependency shown by each customer towards a review is a major consideration while studying about the customer reviews. It shows to how much the customer depends in such reviews. Researcher used six variables such as quality, durability, safety, features, comparison and additional information and got it rated using Likert's five point scale. Then mean score and maximum score were found for calculating the mean percentage score for quantifying the likerts scale.

**Table III Mean Percentage Score and Standard deviation of independent variables of dependency**

Std. Deviation	Mean Percentage Score	Variables
18.16326	75.2982	Quality of the product
19.04083	76.0000	Durability of the product
19.04083	75.0000	Safety of the product
17.03087	76.9474	Features of the product
18.53862	75.5088	Comparison of the product
17.77131	74.5263	Additional Information about the products
<b>16.35833</b>	<b>75.5468</b>	<b>Dependency</b>

The researcher has found that all the independent variables used in the study increases customers dependency



towards online customer reviews. So combining all these variables the researcher have also found that dependency has an overall Mean Percentage Score of 75.5468 and a Standard Deviation of 16.35833, so it can be concluded that online customers are highly dependable on online customer reviews for purchasing decisions.

### VIII ANALYSIS OF HYPOTHESES

$H_0$  : There is no significant difference in the customer trust among different gender groups.

$H_1$ : There is significant difference in the customer trust among different gender groups.

P value	t- value	Mean	Gender of respondents	
0.171	1.379	72.8477	Male	<b>Trust</b>
		77.5417	Female	

Since p value is greater than 0.05, the null hypothesis is accepted at 5 percent level of significance with regard to trust. Hence it is concluded that there is no significant difference in the customer trust among different gender groups.

$H_0$ : There is no significant difference in the customer dependency among different gender groups.

$H_1$  : There is significant difference in the customer dependency among different gender groups.

P value	t- value	Mean	Gender of respondents	
0.404	0.839	73.52	Male	<b>Dependency</b>
		76.53	Female	

Since p value is greater than 0.05, the null hypothesis is accepted at 5 percent level of significance with regard to dependency. Hence it is concluded that there is no significant difference in the customer dependency among different gender groups.

$H_0$  : There is no significant difference in the customer trust among different age groups.

$H_1$  : There is significant difference in the customer trust among different age groups.

P value	F value	Mean	Age of respondents	
0.187	1.577	80.3148	Below 21	<b>Trust</b>
		74.1198	21 - 30	
		69.7379	31 - 40	
		82.2176	41 - 50	
		78.1914	51 and above	
		75.9937	Total	

Since the p value is greater than 0.05, the null hypothesis is accepted at 5 percent level of significance with regard to trust. Hence it is concluded that there is no significant difference in the customer trust among different age groups.

$H_0$  : There is no significant difference in the customer dependency among different age groups

$H_1$  : There is significant difference in the customer dependency among different age groups

P value	F value	Mean	Age of respondents	
0.101	2.002	80.4475	Below 21	<b>Dependency</b>
		73.3998	21 - 30	
		68.1197	31 - 40	
		82.7546	41 - 50	
		78.9815	51 and above	
		72.548	Total	

Since the p value is greater than 0.05, the null hypothesis is accepted at 5 percent level of significance with regard to dependency. Hence it is concluded that there is no significant difference in the customer dependency among different age groups.

## IX FINDINGS

1. Overall rating helps the customers in purchase decision as it increases the trust of online customers (mean percentage score 74.8632).
2. Positive reviews increase the trust of online customers as the mean percentage score is 76.3684.
3. There is no significant difference in the customer trust among different gender groups.
4. There is no significant difference in the customer trust among different age groups.
5. Customers believe that online customer reviews discloses about the durability of the products (76.0000).
6. It is found that almost every customer depends upon online customer reviews for better purchase decisions.
7. There is no significant difference in the customer dependency among different age groups.
8. There is no significant difference in the customer dependency among different gender groups.
9. The mean percentage score of trust shown by the respondents is 75.9937.
10. The mean percentage score of dependency shown by the respondents is 75.5468.

## X CONCLUSION

Online customer reviews for the product are an important factor used by the customers before purchasing. The finding of the study clearly reveals that customers review has direct impact or influence on purchasing behaviour of online customers. It finds that customers give a reasonable level of trust in the customer reviews. Before making a purchase decision they depends these reviews on a great extent for getting more about the product. Many of them are willing to give reviews after purchase and use. Moreover, customers can use these reviews in their day today life in order to take a suitable purchase decision.

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