



# A Study On The Impact Of Online Reviews On Consumer Decision-Making With Regard To Online Shopping

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## **ABSTRACT**

The project report aims to examine the impacts of online reviews on consumer decision making. This investigation was conducted among various consumers of different demographics with 80 respondents. The data was acquired through primary and secondary sources. The primary source data is the responses collected from various consumers through questionnaire. The secondary source of data gathered from Internet. The data accumulated from students, housewives, employees (male and female). The data was analyzed with the help of sample pie charts. Respondents are well aware of online shopping and impact of online reviews on their purchasing decision.

Keywords: Online reviews, Purchasing decision making.

## **INTRODUCTION**

In the digital age, online shopping has revolutionized the way consumers make purchasing decisions. With the proliferation of e-commerce platforms, consumers now have access to an abundance of products and services at their fingertips. However, amidst this abundance, the role of online reviews has emerged as a significant factor shaping consumer behaviour.

**Online shopping:**

Online shopping, also known as e-commerce, refers to the process of purchasing goods or services over the Internet from virtual stores or online marketplaces. It allows consumers to browse, select, and buy products or services without the need to physically visit a brick-and-mortar store. Online shopping has become increasingly popular due to its convenience, wide range of choices, and often competitive pricing.

**Online reviews:**

Online reviews are evaluations or assessments of products, services, businesses, or experiences that are posted on the internet by consumers or users. These reviews typically include written feedback, ratings, or scores, and are often found on websites, social media platforms, forums, and other online platforms. Online reviews play a significant role in influencing purchasing decisions, as they provide valuable insights and opinions from other consumers.

In today's interconnected digital landscape, consumer wields unprecedented power in shaping markets through their online interactions. It plays a vital role in guiding consumer decision-making. From choosing a restaurant for dinner to selecting a vacation destination or purchasing a new gadget, online reviews have become a trusted companion in the consumer journey. However, the impact of online reviews on consumer decision-making is not limited to mere information consumption. Beyond providing product or service-related insights, online reviews often serve as a platform for social interactions and community building among consumers. Through likes, comments, and shares, consumers engage in dialogue, share experiences, and establish with fellow consumers thereby influencing other's decision-making processes.

**OBJECTIVE OF THE STUDY**

- To study the impact of online reviews on consumer decision-making with regard to online shopping

**RESEARCH METHODOLOGY**

The research designs and the methods used to conduct the research. It will discuss the methods used in the research and the reasons for using such methods. This research discusses the impact of online reviews on consumer decision-making.

**SOURCES OF DATA****1. Primary Source:**

- The data has been collected by sending the questionnaire to respondents.

**2. Secondary Source:**

- Secondary data is research data that previously been gathered and can be accessed by researchers.
- The data has also been collected through Internet, Journals, Books etc...

**Data analysis and Interpretation:****1. AGE:**

OPTIONS	NO.OF RESPONDENTS	% OF RESPONDENTS
20-30	40	50%
30-40	34	42.5%
40-50	3	3.75%
50-Above	3	3.75%
<b>Total</b>	<b>80</b>	<b>100%</b>

**Interpretation:**

From the above table it is observed that 50% of the respondents are between the age group of 20-30, 42.5% of the respondents are between 30-40 age group 3.7% of the respondents are between the age group of 40-50, 3.75% of the respondents are above the age group of 50.

**2. GENDER:**

OPTIONS	NO.OF RESPONDENTS	% OF RESPONDENTS
Male	25	31.2%
Female	55	68.8%
Others	NIL	NIL
<b>Total</b>	<b>80</b>	<b>100%</b>

**Interpretation:**

From the above table, it is observed that 68.8% of the respondents are Female and 31.3% of the respondents are Male.

**3. How often do you shop online?**

OPTIONS	NO.OF RESPONDENTS	% OF RESPONDENTS
Often	12	15%
Occasionally	35	43.8%
Rarely	33	41.2%
<b>Total</b>	<b>80</b>	<b>100%</b>

**Interpretation:**

From the above table, it is observed that 15.7% of the respondents shop online often. 43.8% of the respondents shop online occasionally, 41.25% of the respondents shop online rarely.

**4. How often do you read product/service reviews before making a purchase?**

OPTIONS	NO.OF RESPONDENTS	% OF RESPONDENTS
Often	45	56.3%
Occasionally	23	28.7%
Rarely	11	13.8%
Never	1	1.2%
<b>Total</b>	<b>80</b>	<b>100%</b>

**Interpretation:**

From the above table, it is observed that 56.3% of the respondents often read product/service reviews before making a purchase. 28.7% of the respondents occasionally read the reviews, 13.8% of the respondents rarely read the reviews and 1.2% of the respondents never read the reviews before making a purchase.

### 5. What sources do you rely on for reviews?

OPTIONS	NO.OF RESPONDENTS	% OF RESPONDENTS
Social media reviews	32	40%
Offline reviews	8	10%
Website/ App reviews	35	43.8%
Others	5	6.2%
<b>Total</b>	<b>80</b>	<b>100%</b>

**Interpretation:** From the above table, it is observed that 43.7% of the respondents rely on social media for reviews, 40% of the respondents rely on websites/apps, 10% of the respondents rely on offline reviews and 6.3% of the respondents rely on other sources for reviews.

### 6. What factors influence your trust in a review?

OPTIONS	NO.OF RESPONDENTS	% OF RESPONDENTS
Product Quality	66	82.5%
Delivery Convenience	4	5%
Price Comparison	8	10%
Others	2	2.5%
<b>Total</b>	<b>80</b>	<b>100%</b>

**Interpretation:** From the above, table it is observed that 82.5% of the respondents prefer product quality in a review, while 10% prefer price comparison, 5% prefer delivery convenience and the remaining 2.5% prefer other factors.

### 7. Have you ever changed your mind about purchasing a product based on review?

OPTIONS	NO.OF RESPONDENTS	% OF RESPONDENTS
Yes	60	75%
No	6	7.5%
May be	14	17.5%
<b>Total</b>	<b>80</b>	<b>100%</b>

#### Interpretation:

From the above table, it is observed that 75% of the respondents, responded with 'Yes' for changing their mind about purchasing a product based on reviews. 17.5% responded 'Maybe' and 7.5% responded with 'No'.

### 8. How do negative reviews affect your perception of a product or service?

OPTIONS	NO.OF RESPONDENTS	% OF RESPONDENTS
Often	16	20%
Occasionally	29	36.3%
Rarely	30	37.5%
Never	5	6.3%
<b>Total</b>	<b>80</b>	<b>100%</b>

#### Interpretation:

From the above table, it is observed that 37.5% of the respondents rarely have negative affect on the purchase decision due to negative reviews. 36.3% of the respondents said that it is occasionally impacts, 20% responded with often and 6.3% responded that it never impacts them.

### 9. Do you rely on star ratings or written reviews?

OPTIONS	NO.OF RESPONDENTS	% OF RESPONDENTS
Star ratings	14	17.5%
Written reviews	26	32.5%
Both	40	50%
<b>Total</b>	<b>80</b>	<b>100%</b>

**Interpretation:** From the above table, it is observed that 50% of the respondents rely on both star ratings and written reviews, 32.5% of the respondents rely on written reviews and 17.5% of the respondents rely solely on star ratings.

### CONCLUSION:

Based on the analysis, it is concluded that online reviews influence consumer decision making process significantly. It shows the impact of reviews and the role of review platforms in shaping consumers' perceptions. Online reviews serve as a form of social proof where individuals rely on the experiences and opinions of others to inform their own choices. They provide valuable insights into product quality, reliability and overall satisfaction. Based on customers opinions, reviews posted after using a product or service are valuable for providing accurate feedback and they also enhance transparency and credibility in the marketplace.

It is concluded that ultimately Online Reviews serve as a trusted source of information for consumers, influencing their choices and contributing to informed decision-making. Overall, online reviews serve as a powerful tool for consumers to navigate the vast array of choices in today's digital marketplace, ultimately helping them make more informed and satisfying purchases.

### SUGGESTIONS:

1. Consumers suggest that reviews should be genuine and transparent.
2. Reviews should be posted after using the product/service for better feedback.
3. Paid reviews, and fake reviews should be identified and removed.
4. Reviewers should post original and more accurate pictures of the product.
5. New features such as sorting reviews by relevance, date or helpfulness should be added.
6. Reviews should give detailed descriptions of the product/service.

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