

## ***A Study on Impact of Review and Feedback on Purchase Decision on Customer Products***

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### ***ABSTRACT***

*Online consumer reviews, product and services recommendations and peer opinions play an increasingly growing role in the customer's decision making process. The various online product review and recommendation platforms differ in their objectives, function and characteristics. The literature has so far paid little attention on function characteristics of these platforms as an element of customer adoption and preference. Given the importance of this form of customer generated content on business sales and profitability the monitoring and often responding to customer reviews by business organizations has become a major managerial challenge and an important reputation management issue.*

### **I. INTRODUCTION**

A new generation of online tools, applications and approaches, such as blogs, social networking sites, online communities and customer review sites, commonly referred to as Web 2.0 (Constantinides & Fountain, 2008) have transformed the internet from a “broadcasting” medium to an interactive” one allowing the wide technology-mediated social participation (Chua & Banerjee, 2015).

### **II. LITERATURE REVIEW**

Former research has empirically validated the impact of eWOM on consumer purchasing decisions. More specifically, online consumer reviews on products or services significantly influence consumers' attitude or behavior toward a purchasing decision (Burtona & Khamash, 2010; Chevalier & Mayzlin, 2006; Dellarocas, 2003; Floh et al., 2013; Senecala & Nantel, 2004; Zhu & Zhang, 2010), business sales and profitability (Henning-Thurau & Walsh, 2003). The reputation of a product, brand or company which can be seen as a summary of companies past customer experiences, customer perceptions and business actions, is reflected on or shaped by reviews and forms usually a strong basis for purchasing decisions (Becker & Nobre, 2014; Dellarocas, 2010; Lee & Bradlow, 2011).

### **III. Scope of the Study**

In order to predict and generalize human behavior or activity, a social science like positivism is used, which combines empirical studies of human behavior with deductive logic to discover and confirm a set of probabilistic causal laws (Neuman, 2003, as cited in Tuli, 2010). Researchers who use this perspective use quantitative terms to explain how variables interact with each other, how events are shaped and the cause of the outcomes (ibid). To do so they use multivariate analysis such as the one that is used in this paper.

#### **IV. Research Objectives**

The purpose or objective of this thesis is to explain which influence strategies influence parent's buying behavior, and how family complexity like traditional or nontraditional family and age of children and number of children affect this buying behavior, as perceived by parents. The purpose of this mixed methods study was to explore the concept building of newly parents or the matured parents using an explanatory sequential mixed methods design. The overall objective of this study is to explain and understand the changes in how parents make wise decisions about their children. First, quantitative data was collected. An online survey was used to collect data from randomly-selected parents to test the theory of Consumer Socialization (Mochis and Churchill, 1978).

#### **Framing of Research Hypotheses**

It is anticipated that the results of this study will offer retailers and marketers more guidance reaching college students. As technology becomes an integral part of young consumers' lives, socialization inevitably changes (Gregorio & Sung, 2012). Retailers and marketers must stay in touch with changes in consumer behavior or failure would inevitably ensue. Researchers will also be impacted by this study through the testing of the Consumer Socialization Theory. Based on the results of this study, researchers will be able to gauge how interactive technologies may affect the theory and influence young consumers. Overall, very few studies have used mixed methods to understand the topic of consumer socialization. Past studies have focused on influences that impact behavior; however, an integrated approach delving into how and why influences impact behavior is needed. For these reasons, this study contributes significantly to the body of literature on consumer socialization, as well as the use of mixed methods within the field of consumer behavior.

#### **Choice of theory**

The theoretical framework of this study is based on three main theories, which are social group theory, consumer socialization theory, and family buying decision theory.

These theories have been used as a base to understand millennial mothers' as a group and its complexity and structure, buying behavior of millennial mothers' and how online reviews influence them and to what extent.

#### **V. Research Design**

Collis and Hussey (2009) addresses that research designs help researchers to answer the questions of why the research is conducted. Bryman and Bell (2015) also stated that when research undertaken a quantitative study, it is crucial to choose a matchable research design,

because a right chosen research design will ensure the data selected for the study is appropriate and needed for the research. Moreover, Bryman and Bell (2015) describe that there are five different forms of research designs: experimental, cross-sectional, longitudinal, case study, and comparative.

### **Cross-sectional Research Design**

Cross-section design allows the collection of multiple cases of data, as well as the collection of quantitative data to see the relationship between chosen variables and thus create variation. In a cross-sectional design research, the most common technique of acquiring data is through questionnaires, which involve two or more variables to be explored (Bryman & Bell, 2015). According to Saunders, Lewis and Thornhill (2016) the advantage of utilizing a cross-sectional design is that participants who choose to participate are not required to stay in touch with the study after the data is collected. Another benefit of using cross-section stated by Bryman & Bell (2015) is that it is less expensive and takes less time compared to longitudinal research design.

The reason cross-section design was chosen for this study is based on the research methodology, goals as well as the purpose of the paper.

### **Methodology**

The data for the literature review was gathered by online search through platforms like Scopus, Google Scholar and the online library of our university. Moreover, relevant literature was searched in offline libraries.

The empirical data necessary for the study was collected by means of an online survey. The survey was conducted using Qualtrics, a questionnaire building online tool. The questionnaire developed was part of an omnibus survey including four proprietary studies. Since all four studies were targeting the same target population this form of survey provided higher number of responders in a short time since each of the researchers recruited a part of the population. The first part of the survey was a part common for all four studies focused on demographics and descriptive data. The first as well as one of the four parts of this omnibus survey was the basis of this study. (see Appendix 8.1). Literature findings with respect to the previous mentioned research questions served as the basis for developing the questionnaire.

## **VI. Data analysis & Interpretation**

### **1. Gender**

<b>Options</b>	<b>No. of respondents</b>	<b>Percentage of respondents</b>
Male	75	75%
Female	32	32%

### INTERPRETATION

From the above data it is observed that many customers are male.

### 2. Age

<b>Options</b>	<b>No. of respondents</b>	<b>% of respondents</b>
15-20	12	12%
20-25	68	68%
25-30	21	21%
35-35	4	4%
35 above	1	1%

### INTERPRETATION

From the above data it is observed that high number of respondents around 68% of age group from 20-25 customers whereas 21% of respondents of age group 25-30 customers.

### 3. Location

<b>Options</b>	<b>No. of respondents</b>	<b>% of respondents</b>
Urban	58	58%
Rural	16	16%
Both	32	32%

### INTERPRETATION

From the above data analysis it is observed that majority of respondents around 58% live in urban areas who purchases whereas 32% of respondents who live in both urban & rural areas.

#### 4. Occupation

Options	No. of respondents	% of respondents
Student	69	69%
Employee	31	31%
Self-employed	6	6%

#### INTERPRETATION

From the above data analysis it is observed that majority of respondents around 69% are students who Purchases whereas 31% of respondents are employee's who Purchases.

#### 5. Use of social media platforms

Options	No. of respondents	% of respondents
Facebook	59	59%
Twitter	11	11%
Linkedin	6	6%
Instagram	12	12%
Youtube	7	7%
Blogs	3	3%
Others	2	2%

#### INTERPRETATION

From the above data table it's easy to understand that the majority of the respondents are influenced by the Face book social media platform. 59% of total respondents are like this only. Next to that we have 12% of the respondents who are following instagram.

#### 6. Platforms chosen by the sample when looking at product reviews.

Options	No. of respondents	% of respondents
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Retailing Websites	75	75%
Independent Reviewing site	10	10%
Video platform	5	5%
Others	10	10%

#### INTERPRETATION

As per the data says that the majority of the respondents have given their reviews for the retail websites for reviewing retail products that of 75% of the respondents. Next to that we have only 10% of the respondents who given the reviews in independent websites.

### VII. FINDINGS

#### Choice of platform

60 % of the sample population indicates to check online reviews quite often or very often prior a product purchase. Due to their frequent use of reviews, the following analysis investigates whether regular users check reviews on the same platforms than the complete sample population. Therefore, the distribution of results for platform choice is analyzed with those respondents checking reviews quite often or very often only.

#### Display of reviews

The consumer about their choice of product review platforms. Though, named the platforms directly as answering options while showed pictures of different review displaying options without directly mentioning which platforms are shown. The questions shall now be compared. Firstly, the overall percentage distribution for the platform choices does not concur. Image one from can be categorized as a retail or independent reviewing platform which received 82 (retail) / 55 (independent) % of the votes.

#### Display of reviews

To further examine the displaying of reviews, It will be analyzed. The results have shown that more respondents use qualitative reviews as a basis for their purchasing decision. Though, multiple answers were possible. 71 out of 211 respondents chose both answers which makes 34 % of the respondents. Consequently, around every third person prefers a review platform where both kinds of reviews are displayed. This confirms with the multiple choices of platforms.

#### Credibility characteristics vs. usability characteristics

A basis for customers' purchasing decision. It was asked which review they considered as more user friendly and which as most credible. In what follows, it will be analyzed whether usability or credibility is more important to the consumer when choosing a review and its platform.

### VIII. SUGGESTIONS

The display of online consumer reviews is of interest to practitioners because consumer perception and behavior are significantly influenced by review mechanisms. First, companies need to identify their existing e-commerce and presence of reviews on online review

platforms. With the knowledge of the review function characteristics and influence factors, companies are given the opportunity to broaden and deepen their perspective on reviews. Development of managerial strategies that allow companies to effectively benefit from consumer reviews, such as efficient monitoring, can and should be fabricated. Review platform design is advised to further research possibilities to combine review functions and platforms to create one where consumer's desires and main influence factors are included. Continues monitoring of trends is of importance and can be done through following future literature concerning these topics.

A further investment in the future can be conducted in the field of applying reviews more intensively in offline purchases. Many consumers currently look for reviews online prior an offline purchase. Though, some, when shopping offline and finding a product they would like to purchase do not purchase it because they would like to check reviews in advance. Hence, offline stores, especially those selling electronics, currently loose many consumers to online stores – the need of consumers to check other consumer's opinions prior might be one of the reasons. Offline stores can therefore invest in displaying reviews in stores and work on developing ideas and prototypes to give the consumer the secureness to purchase at their store.

## IX. CONCLUSION

The study confirms that reviews are highly popular among consumers considering a purchase: 98 % of the sample population checks reviews and 60% do this often or quite often. However, online reviews influence consumer purchasing decisions only when consumers' reliance on online reviews is sufficiently high when they make purchase decisions. Consumers' reliance on reviews is dependent on and influenced by the format characteristics of the review and the online review system design.

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