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The Influence of Customer Reviews on Purchase Decisions

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Abstract
Ultimately, it is evident that social media has become an exceedingly significant aspect of individuals' lives in the contemporary era. Consumers dedicate a significant amount of time on social media platforms to acquire a plethora of crucial information. They address a broad spectrum of topics and depend on social media as a source for some of their content. Due to the emergence of advanced technology, clients are now well-versed not only in social media but also in many websites and applications available for online transactions. The study's results indicate that an overwhelming majority of participants engage in online shopping using various applications and websites. Prior to making purchasing judgments, buyers have a preference for perusing evaluations and ratings, while also taking into account a few other factors. Moreover, research has demonstrated that a significant proportion of buyers not only rely on reviews and ratings to obtain adequate information about items, but also find them influential in their purchasing decisions. Moreover, a significant number of consumers place their trust in these reviews and ratings. Consumers place their trust in online reviews and ratings, particularly when they are provided by their preferred reviewer or influencer, as they believe this significantly increases the likelihood of making a purchase. Another discovery revealed that customers' levels of trust varied across different educational groups. Although we have identified numerous potential options, it has been demonstrated that reviews and ratings exert minimal impact on consumer buying choices. This difficulty arises due to the fact that consumer purchase decisions are not solely influenced by reviews and ratings. Additional factors encompass feedback from acquaintances and relatives, promotional and publicity efforts, insights acquired from past encounters, patrons' financial resources and way of life, and allegiance to a certain brand. Ultimately, one may claim that evaluations and ratings greatly influence consumer purchase decisions, as buyers perceive them as a reliable and trustworthy source of information.

Keywords: influence of customer, reviews on purchase decisions, significant proportion of buyers

Introduction

Customer reviews have become an essential component of the daily functioning of most internet-based e-commerce companies. Based on the findings of a poll conducted by the Pew Research Center's Internet & American Life Project, 58% of individuals in the United States engage in online research on products and services prior to making a purchase. According to Jansen (2010), 24% of purchasers provide comments or reviews online after making a purchase. An increasing number of research using data from online consumer reviews demonstrate the rising significance of electronic word-of-mouth (eWOM) in the prosperity of online commerce. The concept of word-of-mouth (WOM) has been extensively examined in marketing literature from the mid-twentieth century, as explored by Katz and Lazarsfeld in 1955. Nevertheless, with the emergence of the internet, the expression has acquired significant significance. Word-of-mouth (WOM) has traditionally been limited to a small social network and is known for its temporary nature.

However, this has led to its wide reach and long-term availability (Breazeale, 2009; Chen and Xie, 2008; Davis and Khazanchi, 2008; Duan et al., 2008a). Consequently, electronic word-of-mouth (eWOM) has become a reliable and credible source of customer information for many research purposes (Li and Hitt 2010). Dellarocas (2003) and Godes and Mayzlin (2004) made initial scientific contributions to the transformations that occur in online word-of-mouth (WOM). Both of these researchers have made significant contributions. Recently, the marketing and information systems (IS) literature has mostly examined the connection between online customer reviews and sales. This research has been conducted by Chevalier and Mayzlin (2006), Clemons et al. (2006), and Dellarocas et al. (2007). Subsequently, more concerns emerged regarding the presence of bias or manipulation in online customer evaluations, as evidenced by studies conducted by Hu, Liu, et al. (2011) and Li and Hitt (2008). The efficacy of reviews has been thoroughly examined (e.g., Mudambi and Schuff, 2010).

Furthermore, tourist and medical publications analyze data extracted from internet consumer reviews. Although numerous studies and problems have utilized data from customer reviews, a complete examination of this research stream is still lacking. The findings of this systematic review are particularly significant as they encompass a broad spectrum of subjects, making them challenging to evaluate. So far, there have been two endeavors to examine the existing body of literature on electronic word of mouth (Breazeale, 2009; Cheung and Thadani, 2012). Breazeale's (2009) assessment is exclusively centered on marketing literature, hence disregarding essential perspectives from the aforementioned areas of study. Cheung and Thadani

(2012) conducted a literature evaluation that differs from ours in two aspects. Initially, their investigation encompasses a range of electronic word-of-mouth (eWOM) media, while ours specifically concentrates on online customer reviews. An additional limitation of Cheung and Thadani's (2012) literature analysis is its focus on research that investigate electronic word-of-mouth (eWOM) at an individual level, specifically as a means of communication between the reviewer and the reader.

In order to rectify these deficiencies, we embarked on a thorough, methodical, and interdisciplinary examination of studies that utilize authentic online customer evaluations as a primary data resource. We provide an overview of the observed size of the online customer review data, its sources, the research topics addressed using this dataset, the methodologies employed to analyze it, and the resulting insights gained. These findings can be utilized to direct future research, enabling researchers to more effectively utilize this distinctive data to generate professional and scientific knowledge. The subsequent sections of this work are structured as follows. The theoretical foundations provide crucial definitions. Following Webster and Watson's (2002) recommendations, we promptly present and analyze our findings in a concept-focused approach, right after outlining the systematic literature review procedure.

Literature review

Multiple recent studies have examined the impact of online reviews, particularly on customer buying choices. Some notable studies in this field are Zhang et al. (2014), Zhong-Gang et al. (2015), Ruiz-Mafe et al. (2018), Von Helversen et al. (2018), Guo et al. (2020), Kang et al. (2020), and Wu et al. (2021), among several more. These studies indicate that various elements of internet reviews possess the capacity to impact purchasing choices. Several aspects should be taken into account in this context, including linguistic factors (Ghose and Ipeirotiss, 2010), the influence of reviewer agreement and the level of detail on review credibility (Jiménez and Mendoza, 2013), and customers' intentions to actively search for and test items. Ghose and Ipeirotiss (2010) identified several textual aspects that influence the use of product reviews, including subjectivity, informality, readability, and linguistic accuracy. The utilization of text mining facilitated the accomplishment of this. Boardman and McCormick (2021) discovered that buyers' attention and behaviors undergo alterations as they progress through the purchasing journey, contingent upon the specific webpage they are navigating. These distinctions are determined by the content, function, and purpose of the consumer.

Furthermore, in contrast to commonly held beliefs, favorable internet reviews have a higher likelihood of resulting in a purchase compared to negative evaluations (Guo et al., 2020). In addition, when a product or service receives negative reviews, consumers are primarily swayed by its perceived legitimacy and diagnostic value, but exceptions exist. These studies indicate that online product reviews have an impact on customer behavior. However, the overall influence can be modified by several factors.

Furthermore, research has included a broader spectrum of OPI, encompassing online reviews and vendor-supplied product information (VSPI). These research have recorded several attempts to unravel the numerous ways in which OPI influences purchasers. Kang et al. (2020) found that the adoption of online reviews is influenced by the adoption of Virtual Social Presence Indicators (VSPI). In a recent study conducted by Chen and Ku (2021), it was discovered that the presence of several online review platforms increases individuals' propensity to make impulsive purchases. Various research have also investigated various aspects of internet product reviews. Changchit and Klaus (2020) discovered that reviews influenced buyers' satisfaction with the product. Mumuni et al. (2020) discovered that the legitimacy and relevancy of reviews had a significant influence on the total impact of the reviews.

According to the study conducted by Craciun and Moore (2019), the trustworthiness of unfavorable reviews was influenced by the gender, reputation, and emotions of the reviewers. Recently, a study focused on the impact of online review variance on customers' willingness to adopt new items, specifically examining vendor cues. Wu et al. (2021) found that customers' inclination to embrace a product is influenced by the interplay of the product's novelty and the variety of evaluations. Individuals with a more permissive approach to spending are inclined to choose incrementally new products (INPs) that receive high variance evaluations. Conversely, individuals with a more constrained attitude are more likely to accept radically new products (RNPs) that receive low variance ratings.

The Ratings

A rating scale is a type of survey question that is closed-ended and is used to provide respondents' responses in a way that can be easily compared. For any specific attributes, merchandise, or amenities that you may require. This question type is widely used in surveys, both online and offline, where respondents are required to evaluate a certain characteristic or attribute. The rating scale is a commonly utilized multiple-choice question type that is frequently employed to gather

pertinent information pertaining to a certain subject being investigated. Researchers in the discipline employ a rating scale to establish a connection between a qualitative measure and the various facets of a product or service. Typically, this scale is employed to evaluate the effectiveness of a product or service, the competencies of employees, the achievements of customer service representatives, the strategies employed to achieve a specific objective, and similar aspects. Prior to making a purchase, clients have the opportunity to examine the several Rating Scales available. The Rating Scales are categorized as follows: The rating scales can be categorized into five types: graphical, numerical, descriptive, and comparative rating scales.

Internet shopping platforms

Online shopping is a form of e-commerce in which clients buy goods or services directly from a vendor using the internet.An option for connecting to the internet involves utilizing a mobile application or a web browser. Consumers have the option to utilize a shopping search engine to evaluate the costs and availability of similar products from other vendors. Alternatively, they can directly visit the merchant's website to select a product that satisfies their requirements or captures their attentions.

Methodology

In contemporary times, the act of purchasing goods and services using the internet has gained significant prominence in our everyday existence. Individuals now exhibit a preference for engaging in online shopping due to its ability to efficiently conserve a substantial portion of their time. Nevertheless, customers persist in harboring doubts regarding the reliability of the websites they access on the internet. Regardless of the manner in which although online platforms offer reviews and ratings, it is uncertain if purchasers place trust in these evaluations, consult them for reference, or allow these comments and ratings to impact their purchasing choices. Additional concerns that may occur involve ambiguity on whether customers are compelled to buy unnecessary items due to the effect of reviews and ratings, or if they solely purchase products that they genuinely need and consider indispensable. This research aims to examine customer purchasing behavior and determine the specific attributes of reviews and ratings that impact consumers' online shopping decisions. The primary objectives of this study are to analyze and identify the important goals associated with customer purchasing behavior and the influential factors of reviews and ratings on consumer decision-making in online shopping. The objective of this study is to ascertain the most influential forms of reviews and ratings that customers rely on,

assess the credibility and reliability of these reviews and ratings as perceived by customers, and examine the influence of reviews and ratings on customer buying behavior.

Hypothesis

It was possible to obtain important conclusions by formulating the following assumptions, which include:

Hypothesis 1: posits that there is no substantial association between awareness of online platforms and the decision to verify.

Hypothesis 2: There is no substantial variance in consumer trust among different educational classes, and Hypothesis 3: Reviews and Ratings do not have a significant influence on the buying patterns of male and female customers.

Sample Size

The study employed a sample size of 250 people in order to obtain the pertinent information. The individuals were requested to fill out an online questionnaire to obtain the pertinent data. This is the chosen sample size by employing a random sampling technique from the entire population of Pakistan. All 250 respondents completed the survey.

Table 1:

Factors	No. of Respondents	No. of Respondents (in %)
Feedback from friends and families	40	16.00
Marketing and Advertisements	24	9.00
Learnings from past experience	24	9.00
Income and Lifestyle	16	7.00
Brand Loyalty	46	19.00
Reviews and Ratings are available online	92	36.00
Other	5	1.00

Table 1 presents data regarding factors that can potentially impact client buying patterns. The data visualization illustrates that a significant proportion, amounting to 36%, of buyers are swayed by online reviews and ratings. Although a minority of participants indicate that discounts, promotions, and home delivery exert the most significant influence on their online purchasing decisions.

Table 2:

Online Platforms	No. of Respondents	No. of Respondents (in %)
Instagram	39	11.00
Youtube	62	24.00
Blogs on Google	21	9.00
Facebook	0	0
Customer Reviews & ratings on shopping sites/apps	136	54.00
Total	258	98.00

Regarding the evaluation of reviews and ratings, a significant majority of participants hold the view that consumer reviews and ratings on online shopping applications and websites are the most dependable and trustworthy source. However, this is not true. Survey participants exhibit a preference for utilizing Facebook as a means to access and evaluate reviews and ratings. These findings indicate that buyers tend to find online shopping applications and websites to be convenient sources for reviews and ratings, and they have a preference for using them to get information.

Hypothesis 1 (HO) suggests that there is no substantial association between online platform awareness and the inclination to read online reviews and ratings.

Table 3

	Awareness of online platforms which provide reviews and ratings	Online Platforms prefer the most to check reviews and ratings
Awareness of online platforms which provide reviews and ratings	1	
Online Platforms prefer the most to check reviews and ratings	0.96779	1

Based on the data shown in Table 3, it can be observed that a significant proportion of respondents (34.3%) possess knowledge regarding the existence of customer reviews and ratings on online shopping platforms and applications, while a mere 11.3% are aware of these attributes. They assert their knowledge of Facebook as a platform that offers evaluations and rankings of internet products. Regarding the evaluation of reviews and ratings, most respondents express a preference

for utilizing customer reviews and ratings found on online purchasing applications and websites. This was determined using statistical analysis. Conversely, no respondents expressed a preference for consulting ratings and reviews on Facebook. Regarding information acquisition, it indicates that consumers find reviews and ratings on online shopping applications and websites valuable and have a preference for utilizing these platforms.

Hypothesis 2 shows that there is an absence of discernible disparity in the degree of customer trust among the different educational classes.

Table 4

Source of Variation	SS	df	MS	F (Calculated value)	P-value	F critical value (Table value)
Rows	2981.25	4	993.4168	6.005543	0.015675	3.862549
Columns	1984.75	4	661.5834	3.999497	0.045999	3.862549
Error	1489.75	8	165.4168			
Total	6455.75	16				

To evaluate the hypothesis, a two-way analysis of variance (ANOVA) test without replication is used, as indicated in the analysis provided in Table 4. At a significance level of 0.05, the test findings suggest that the calculation produces a result of 6.005543 for the rows and 3.999497 for the columns. On the other hand, the crucial value, also known as the table value (F), is 3.862549 for each row and column. Within the framework of a test, it is generally acknowledged that we can reject the null hypothesis if the computed F value above the critical F value. Evaluating the hypothesis can be accomplished by comparing the P-value with the predetermined level of significance. If the P-value is determined to be smaller than the significance level, it is possible to reject the null hypothesis. This P contains values that are below 0.05 for both rows and columns. Hence, it is reasonable to infer that there exists a significant discrepancy in consumer confidence levels across various educated cohorts, and that the null hypothesis has been refuted.

Hypothesis 3 depicts that reviews and ratings do not exert a substantial impact on the purchase behavior of both male and female consumers.

Table 5

Impact of Reviews and Ratings on male and female consumers' buying behavior	Chi-Square Calculated Value	P-Value	Ch-i Square Table Value	Result
Provides sufficient knowledge about the product	7.762812989	0.033998	6.991	**Rejected**
Impact on convincing to buy the product	12.43628764480	0.001208669845	6.991	**Rejected**
Impact on End up shopping unnecessarily	4.109608113680	0.211230867682	6.991	**Accepted /Fail to Reject**

The Chi-Square test is employed to assess the hypothesis, as demonstrated by the analysis described before. The potential impact of ratings and reviews on customers' purchasing decisions is threefold and highly substantial. These impacts may be categorized into three main aspects: firstly, they enhance the consumer's understanding of the product; secondly, they influence the client's decision to purchase the product; and thirdly, they encourage the consumer to make excessive purchases. The test findings indicate a level of significance of 0.05. The Chi-square statistic values obtained are 7.762812988, 12.43628764479, and 4.109608113679, respectively. If the chi-square value is lower than the critical chi-square value, it is asserted that the null hypothesis should not be rejected. The reason for this is that the crucial number, also known as the table value, is 6.991. Hence, it can be inferred that imparting adequate product knowledge and persuading customers to make a purchase has a substantial influence. However, reviews and ratings do not have a noteworthy effect on both male and female consumers who ultimately engage in browsing for unnecessary items.

Results and Discussion

The majority of survey respondents are within the age range of 18 to 25. Moreover, the bulk of responses are from females. Most of the participants have obtained advanced degrees. Regarding the duration of time allocated to social media and online shopping platforms, 55% of participants

reported spending between 0 and 2 hours. The survey indicates that 38% of the participants engage in monthly transactions using online shopping platforms or applications. Regarding online shopping, most respondents are acquainted with and primarily utilize Amazon. Most survey participants indicated that of the provided elements, online evaluations and ratings had the most influence on them. 93% of the respondents have indicated a preference for accessing information about online products through reading reviews and ratings. Among the 204 responses gathered from 100 individuals, 34.3% expressed that customers possess knowledge regarding the customer reviews and ratings accessible on purchasing websites and apps.

These platforms enable consumers to submit their own evaluations and ratings. 100% of survey participants indicated a preference for seeking reviews and ratings on online purchasing platforms or applications. The survey revealed that 68% of participants are of the opinion that reviews and ratings offer sufficient information about products. 62% of respondents indicated that internet evaluations and ratings had an influence on the quality of products available for purchase online. Among the 214 replies received from 100 individuals, 34.6% suggested the importance of reviewing and rating fashion products. Most poll participants indicated that customer reviews and ratings on online shopping platforms and applications were the most dependable among various forms of reviews. Most survey participants expressed a belief that the descriptive rating scale held the highest level of credibility among all rating scales. Over half of the participants, namely 54%, expressed a preference for online shopping platforms and applications that offer enhanced usability in terms of reviewing and rating products.

Most poll participants shown a tendency to place greater significance on assessments and rankings given by their preferred influencer or celebrity on any internet platform. Approximately 52% of respondents in the study indicated that the reviews and ratings found on websites and apps for online shopping are valuable in offering relevant information about the desired product for online purchase. 48% of the participants in the study expressed confidence in the authenticity and reliability of the evaluations and ratings found on the internet. Moreover, a significant number of participants asserted that they would have greater confidence in the assessments and rankings if the identities of the authors were disclosed.71% of respondents indicated that they seldom perceive a discrepancy between the internet reviews and ratings and the things they have bought. Overwhelmingly, the majority of survey participants affirmed that they indeed possess preferred reviewers or influencers whose evaluations and critiques they avidly pursue. A significant

proportion of survey participants indicated that they are often swayed by positive assessments and ratings provided by their selected reviewers or influencers. According to the research, 62% of respondents stated that they refrain from making unnecessary purchases due to the influence of internet evaluations and reviews.

Conclusion

Ultimately, it is evident that social media has become an exceedingly significant aspect of individuals' lives in the contemporary era. Consumers dedicate a significant amount of time on social media platforms to acquire a plethora of crucial information. They address a broad spectrum of topics and depend on social media as a source for some of their content. Due to the emergence of advanced technology, clients are now well-versed not only in social media but also in many websites and applications available for online transactions. The study's results indicate that an overwhelming majority of participants engage in online shopping using various applications and websites. Prior to making purchasing judgments, buyers have a preference for perusing evaluations and ratings, while also taking into account a few other factors. Moreover, research has demonstrated that a significant proportion of buyers not only rely on reviews and ratings to obtain adequate information about items, but also find them influential in their purchasing decisions. Moreover, a significant number of consumers place their trust in these reviews and ratings. Consumers place their trust in online reviews and ratings, particularly when they are provided by their preferred reviewer or influencer, as they believe this significantly increases the likelihood of making a purchase. Another discovery revealed that customers' levels of trust varied across different educational groups. Although we have identified numerous potential options, it has been demonstrated that reviews and ratings exert minimal impact on consumer buying choices. This difficulty arises due to the fact that consumer purchase decisions are not solely influenced by reviews and ratings. Additional factors encompass feedback from acquaintances and relatives, promotional and publicity efforts, insights acquired from past encounters, patrons' financial resources and way of life, and allegiance to a certain brand. Ultimately, one may claim that evaluations and ratings greatly influence consumer purchase decisions, as buyers perceive them as a reliable and trustworthy source of information.

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