



THE INFLUENCE OF ONLINE REVIEWS ON PURCHASE INTENTION OF E-COMMERCE CUSTOMERS

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Abstract

In today's digital era, e-commerce has witnessed remarkable growth, revolutionizing the way customers interact and make purchasing decisions. Online reviews play a crucial role in shaping consumers' purchase intentions by providing valuable information about products and services. This study aims to examine the influence of online reviews on the purchase intention of e-commerce customers. The findings of this study are expected to contribute to both theoretical and practical domains. From a theoretical perspective, this research will enhance our understanding of the role of online reviews in shaping consumer behavior and decision-making processes. The empirical evidence will shed light on the relative importance of different dimensions of online reviews and how they influence purchase intention. By understanding the factors that drive purchase intention, businesses can optimize their online review management strategies, improve product offerings, and enhance customer satisfaction, ultimately leading to increased sales and customer loyalty.

Keyword: Loyalty, Online Review, Credibility, Purchase Intention.

Introduction

The introduction of the internet has opened new avenues for the consumers to explore, find and buy products and services that satisfy their specific needs. Attractive price, quality of the products offered, customer support, are a few factors that facilitate this conversion from a potential buyer to a customer. However, the above-mentioned factors are not the only factors that the customers look for. One of the most overlooked but crucial factors that influence the customers are online reviews of the product that the customers leave who have already used and purchased the product. Since the customers cannot physically feel or see the product they are about to purchase, the user experience of other users who have used the same product tends to be the deciding factor for the customers. As a result, the companies turn their focus on satisfying the needs of the customer which leads to getting positive reviews on their products and services, which attracts more customers. Online reviews have grown to be an important aspect in the online business and internet world. In this day and age of technology, online reviews are taking on an increasingly significant role. Customers are more willing to put their faith in the judgements of their peers and act upon those judgements than they are in conventional marketing strategies. Studies have shown online reviews, in particular have a substantial impact on consumer behaviour, as they can influence everything from purchase decisions to perceptions of brands. The quantity of reviews has been demonstrated to have a bigger impact on the purchasing decisions of consumers when it comes to hedonic products such as apparel and cosmetics, according to research. However, the quality of evaluations has a bigger impact on purchase intention when it comes to things that are primarily intended for practical use, such as appliances for the home or office supplies. Also, the tone of evaluations posted on websites might have an effect on the desire to make a purchase. It has been discovered that positive ratings have a bigger impact on a person's intention to make a purchase than negative evaluations. Despite this, negative evaluations can still play a significant part in influencing the perceptions that customers have of a product because they can provide helpful input and lead to improvements in the product's overall quality. The frequency with which internet reviews are updated is also an essential aspect to take into account. Understanding

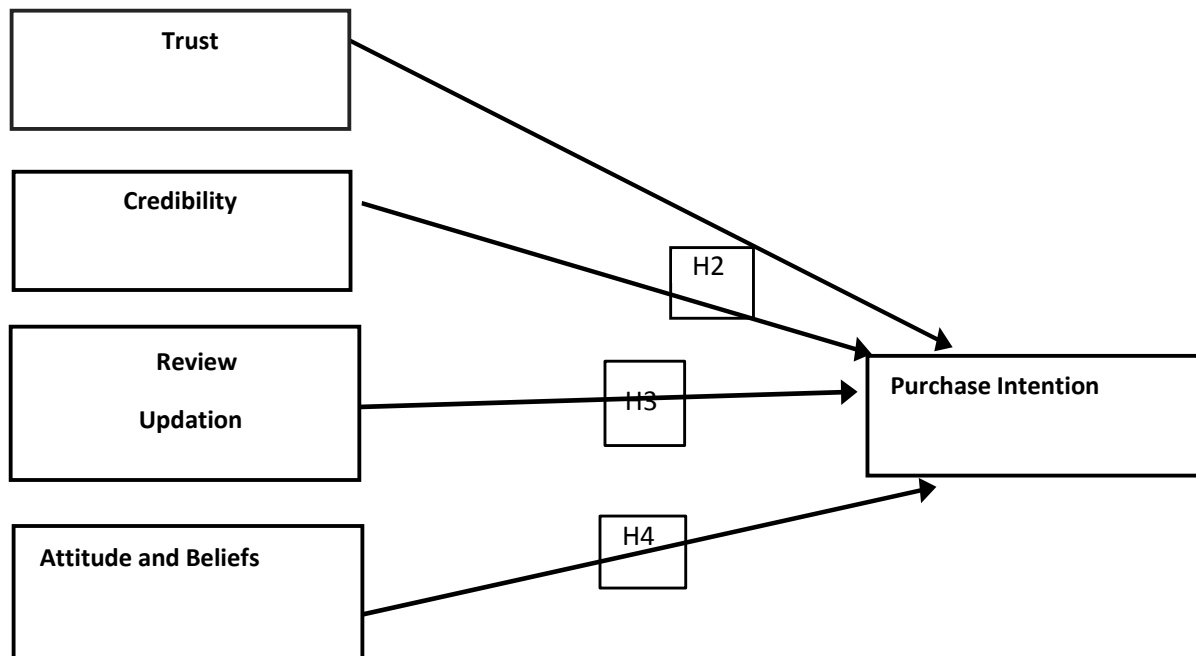
the influence that online reviews have on a consumer's propensity to make a purchase is essential for modern businesses that want to make the most of their marketing strategies in the digital age. Through this study the researcher tries to address the following research questions:

RQ1: What are the determinants of credible online reviews?

RQ2: What is the perception of online reviews among consumers?

Theoretical Framework and Hypothesis Development

The literature on the subject of the importance of trust in online purchasing is reviewed in-depth and studies how trust affects consumers' impressions of online sellers and their propensity to make purchases from them, as well as the numerous definitions and aspects of trust (Mcnight et al. 2002). In addition to identifying and analysing the various aspects of credibility, such as source and message credibility, it also addresses how these factors affect customers' perceptions and actions (Park and Jang (2019). Consumer dependence on online reviews also varies on their attitudes and beliefs. The consumers' attitudes and ideas about online reviews, such as their confidence in them and opinions of their value, impact how much they rely on them and the decisions they make as a result. (Gretzel and Yoo (2011). Even though there is a plethora of literature exploring the effect of online reviews on purchase behavior of E-Commerce customers, a study that considers the constructs like trust, credibility, review updation, attitude & beliefs of E-Commerce customers is rare. This study seeks to identify the relationship between these constructs and purchase behavior of consumers



Source: Compiled by researcher based on extensive review

Results & Discussions

Table 1: Demographic Profile

Variable	Categories	Frequency	Percentage
Gender	Male	37	69.2%
	Female	83	30.8%
	Total	120	100%
Age	Under 18	2	1.7%
	18-30	54	45%
	31-40	10	8.3%
	41-50	28	23.3%
	Above 50	26	21.7%
	Total	120	100%
Monthly Income	Less than 15000	10	8.3%
	15000-30000	31	25.8%
	30000-40000	40	33.3%
	Above 50000	39	32.5%
	Total	120	100%

Source: Survey Data

In order to identify the relationship between dependent and independent variable correlation and regression analysis were used.

Table 2: Correlation

Correlations		
		Purchase Intention
Trust	Pearson Correlation	.655**
	Sig. (2-tailed)	.000
Credibility	Pearson Correlation	.642**
	Sig. (2-tailed)	.000
Review Updation	Pearson Correlation	.768**
	Sig. (2-tailed)	.000
Attitude & Beliefs	Pearson Correlation	.742**
	Sig. (2-tailed)	.000
Purchase Intention	Pearson Correlation	1
	Sig. (2-tailed)	

** . Correlation is significant at the 0.01 level (2-tailed).

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.655a	.430	.425	.43326
2	.642a	.412	.407	.48863
3	.768a	.590	.587	.41797
4	.742a	.551	.547	045009

Model summary shows the model fit statistics. In summary, each of the four models shows varying degrees of explanatory power, with R-squared values ranging from 41% to 59%. The R values indicate positive correlations between the independent and dependent variables, with strengths ranging from moderate to strong. The standard error of the estimate reflects the average error in predicting the dependent variable for each model.

Table 4: ANOVA Table

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	16.681	1	16.681	88.867	.000 ^b
2		19.761	1	19.761	82.767	.000 ^b
3		29.674	1	29.674	169.857	.000 ^b
4		29.294	1	29.294	144.606	.000 ^b

All four models demonstrate statistical significance with p-values of .000, indicating that the variation in the dependent variable is significantly explained by the respective independent variable in each model. The higher F-values and larger regression sum of squares in Models 3 and 4 suggest that these models have a greater explanatory power compared to Models 1 and 2.

Conclusion

The study revealed that all the independent variable: Trust, Credibility, Review updation and attitude and beliefs have strong influence on purchase Intention of E-Commerce customers. Numerous studies have shown that internet evaluations can have a significant impact on the behaviours of consumers, particularly in regards to the decisions that consumers make regarding their purchases. The influence of positive internet reviews on a person's intention to make a purchase can be one thing, while the effect of negative reviews can be the opposite. In addition, the perceived reliability of online reviews, the traits of the reviewer, and the qualities of the product being evaluated can all have an impact on how strong this effect is. Understanding the influence that online reviews have on a consumer's propensity to make a purchase will become increasingly important as the use of online shopping becomes increasingly widespread. The influence of internet evaluations on a consumer's intention to make a purchase is, in general, a complicated and multi-dimensional phenomenon that calls for constant research and attention. Businesses need to learn how to make the most of online

reviews as their influence continues to expand so that they can enhance the quality of their goods and services, increase customer trust and loyalty and thus boost sales.

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