

IMPACT OF CUSTOMER REVIEWS ON PURCHASE DECISION OF CONSUMER ELECTRONIC GOODS IN TAMILNADU

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ABSTRACT

The study looks at how online reviews and ratings affect consumers' decisions to buy electronics. It takes place in both rural and urban regions in Tamil Nadu's Villupuram district. Nine taluks, 928 villages, two municipalities, eight town panchayats, and 688 village panchayats make up the Villupuram district. The study focuses on Villupuram college students who make online purchases, representing a wide range of demographics. 413 of the 2,635 students and teachers that took part in the study were found to be frequent internet buyers. Respondents were selected using a purposive sampling technique to ensure inclusion of individuals engaged in online shopping. The findings reveal that trustworthiness, product ratings, the volume of reviews, and perceived product quality have a positive impact on consumers' purchase decisions.

Keywords: *Online Reviews, Rating, Purchase intention and Purchase Decision.*

INTRODUCTION

For the majority of electronic commerce platforms, customer reviews are now an essential part of daily operations. By allowing customers to order goods from home and have them delivered right to their door, the Internet has improved their online shopping experiences (Baek, Ahn, & Choi, 2012). Customers can make better educated purchasing selections because to the abundance of information available online. Online customer reviews have become a useful tool for assessing the quality of products as Internet usage continues to rise (Lee & Koo, 2012). A product review typically consists of a consumer's written description of a product's features, including its advantages and disadvantages. Such reviews provide information on product characteristics, quality, performance, and price. To facilitate consumers' decision-making, retailers prominently display user reviews on their websites (Zhu & Zhang, 2010). In the case of smartphones, consumers most often seek reviews that address price, durability, after-sales service, brand reputation, and personal experiences with the product prior to making a purchase. This phenomenon underscores the significance of online reviews in marketing communication (Filieri & McLeay, 2014). When a prospective buyer encounters numerous reviews of a particular smartphone, the extent to which these reviews stimulate and influence their perceptions shapes their purchase decision (Park, Lee, & Han, 2007). Previous research has demonstrated a positive correlation between favorable online reviews and product sales. The present study therefore evaluates the influence of online reviews on customers' purchase decisions for smartphones Vetrivel. et.al (2015, 2022). Internet reviews are widely recognized as essential elements of contemporary digital commerce, affecting product sales in multiple ways. Review cues and attributes provide signals that influence purchasing behavior (John Jacob, M). However, the psychological mechanisms through which these cues shape consumer choices remain underexplored.

A purchase decision is the culmination of a consumer's evaluation and selection process, leading to the final commitment to buy a specific product or service. The decision to purchase electrical goods is influenced by a complex interplay of factors, including individual needs, financial constraints, technological advancements, and environmental considerations. Consumers carefully weigh the benefits and drawbacks of each appliance, considering factors such as energy efficiency, durability, price, brand reputation, and available features. Online reviews and recommendations from friends and family also play a significant role in shaping purchase decisions. Additionally, government policies and regulations related to energy efficiency and product safety can influence consumer choices.

Objectives of the study

- To study the customers online reviews and ratings on purchase decision of consumer electronic goods.
- To analyses the factors, influence the customers online reviews on purchase decision and decision of consumer electronic goods.

Hypothesis of the study

- ✓ There are no factors, influence the customers online reviews on decision of consumer electronic goods.

RESEARCH METHODOLOGY

This study aims to analyze the online shopping behavior of students and teachers in Villupuram and its nearby villages, focusing on the patterns and preferences of online customers in the region. The research methodology encompasses the following components:

Study Area: The study, which covers both urban and rural areas, is carried out in Tamil Nadu's Villupuram district. Nine taluks, 928 villages, two municipalities, eight town panchayats, and 688 village panchayats make up the Villupuram district. Villupuram college students who purchase things online are included in the focal area, providing a varied demographic profile.

Population: 3,725,209 people live in the Villupuram district overall.

Respondents: Teachers and college students from the rural Villupuram district make up the target demographic.

Sample Size: The study included 2,635 teachers and students in total. Of them, 413 respondents were found to be online shoppers.

Sampling Technique: The respondents who actively engage in online purchasing were chosen using a purposive sampling technique. This approach ensures the inclusion of relevant individuals who contribute significantly to understanding online shopping trends in the region.

Data Collection: The intended respondents were given structured questionnaires to complete in order to gather primary data. The survey comprised both closed-ended and open-ended questions intended to collect data on demographics, the frequency of online purchasing, preferences, and difficulties encountered when making purchases.

The study focuses on respondents' internet buying behaviors in the Villupuram district, with a concentration on rural and semi-urban areas. There are 45,503 online shoppers in the Villupuram district overall, which gives the results a more comprehensive perspective.

ANALYSIS TECHNIQUES

To find important patterns and behaviors, the gathered data was methodically examined using descriptive statistics. In order to analyze responses across demographic groups and identify important trends and preferences among online shoppers, additional statistical approaches were utilized. By concentrating on this area and its distinctive features, the study offers insightful information about the uptake of internet shopping in Villupuram and the nearby villages, advancing our knowledge of consumer behavior in semi-urban and rural settings.

Table-1: Opinion about Consumer Reviews

S.NO	Consumer Reviews	Mean	SD
1.	“Consumers' convenience making their buying decision”	3.84	1.19
2.	“Review considered as influential”	4.14	1.06
3.	“Ability to poll their opinions about the products’	3.83	1.21
4.	“Purchasing and selling policies’	4.09	1.10
5.	“Large amount of valuable information”	4.00	1.15

Source: Py data computed.

Interpretation:

Table-1 summarizes respondents' perceptions of how customer reviews affect their purchasing decisions. The highest mean score (4.14) suggests that respondents believe customer reviews have a significant impact on their purchasing decisions. Purchasing and selling policies also received high scores (mean-4.09), indicating their significance in building customer satisfaction and confidence. Respondents value the accessibility of in-depth insights offered by evaluations, as seen by the mean score of 4.00 for the availability of a lot of useful material. Additionally, although slightly lower, the convenience that customer reviews offer in making decisions (mean-3.84) and the opportunity to poll opinions about products (mean- 3.83) are also regarded well. The results demonstrated the importance of customer reviews as a reliable information source and a major determinant of online purchasing behavior.

Table-2: Consumer opinion towards purchase decision

S.NO	Purchase Decision	Mean	SD
1.	“Negative reviews have a great negative influence on purchase decision”	4.17	1.07
2.	“E-word of mouth is available to all online consumers and helps them in making decisions”	4.15	1.07
3.	“Online reviews have important reference value for product selection, and higher prices”	4.14	1.06
4.	“Consumers usually associate positive online reviews with a better expected quality of the product”	3.58	1.32
5.	“When alternatives are numerous and difficult to compare, it is used to support decision systems”	4.16	1.06
6.	“I decide to purchase a product only on a subset of all reviews”	3.66	1.30
7.	“Platform helps the consumers in making the decision to buy a product”	4.15	1.07

Source: Py data computed.

Interpretation:

Table-2 explains the consumer opinion towards purchase decision. Mean and standard deviation were calculated. The mean score lies between 3.58 and 4.17 and standard deviation values ranged from 1.06 to 1.32. The findings show that negative reviews exert a strong negative influence on purchase decisions (Mean = 4.17, SD = 1.07). Electronic word-of-mouth is widely available to online consumers and helps them in making decisions (Mean = 4.15, SD = 1.07). Online reviews serve as an important reference point for selecting products, especially for higher-priced items (Mean = 4.14, SD = 1.06). Consumers generally associate positive online reviews with better expected product quality (Mean = 3.58, SD = 1.32). When there are many alternatives and comparisons are difficult, consumers rely on reviews to support their decisions (Mean = 4.16, SD = 1.06). Most consumers decide to purchase a product based only on a subset of the available reviews (Mean = 3.66, SD = 1.30), and they find that the online platform itself assists them in making purchase decisions (Mean = 4.15, SD = 1.07).

Table-3: Factor influencing the customers online reviews and ratings on purchase decision

R	R Square	Adjusted R Square	F	Significant Value
0.866 ^a	0.750	0.745	173.333	0.001*

	Coefficients				t	significant Value
	Unstandardized Coefficients		Standardized Coefficients			
	B	Standard Error	Beta			
(Constant)	0.440	0.129		3.411	0.001*	
Consumer reviews	0.016	0.043	0.015	0.375	0.708	
Product rating	0.283	0.039	0.285	7.293	0.001*	
Quantity of reviews	0.166	0.044	0.166	3.762	0.001*	
Product sales rank	-0.022	0.040	-0.022	-0.556	0.578	
Product quality	0.163	0.041	0.159	3.932	0.001*	
Review platform	0.039	0.046	0.038	0.852	0.395	
Trustworthy	0.421	0.062	0.362	6.819	0.001*	

Source: Py data computed; * Significant @ 5% level.

Interpretation:

Ho: There is no factor Influencing customers' online reviews and ratings on purchase decision.

Table-3 shows that the factor Influencing Customers' Online Reviews and Ratings on Purchase Decision. The regression analysis indicates a strong positive relationship between the factors influencing online reviews and ratings and their effect on the purchase decision. The R-value of 0.866 suggests a high correlation, meaning that as online reviews and ratings change, so does the purchase decision. The R Square value of 0.750 implies that 75% of the variation in purchase decision is explained by the factors influencing online reviews and ratings. The Adjusted R Square of 0.745, which adjusts for the number of predictors, confirms that the model is efficient in explaining the variance. The F-statistic value of 173.333 and the Significant value of 0.001 indicate that the model is statistically significant so hypothesis is rejected, confirming that the factors examined have a significant impact on purchase decisions.

The provided regression equation sheds light on the ways in which different aspects of customer reviews affect purchase intention.

Purchase decision = 0.440 + 0.421 (Trustworthy) + 0.283 (Product rating) + 0.166 (Quantity of reviews) + 0.163 (Product quality)

It is found that trustworthy, product rating, quantity of reviews and product quality are positively influence on purchase decision.

CONCLUSION

The study on consumers' online reviews and ratings in connection with the purchase of consumer electronics emphasizes how important these elements are in influencing consumer behavior. According to regression study, a significant amount of the diversity in purchase intention may be explained by customer reviews, with the most significant factor being the perceived impact of reviews. These results highlight the necessity for companies to foster genuine, educational, and favorable evaluations in order to draw in potential customers. Online reviews and ratings are essentially very effective at influencing consumers' intentions to buy electrical products. Businesses can profit from this by encouraging happy clients to tell others about their experiences and by upholding open practices that promote long-term client loyalty and trust.

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