

# Online Review Influence on the Retail Industry: Theoretical Extension and Analysis

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## ABSTRACT

The research undertaken investigates the effect of online reviews on purchase emotions of young consumers with reference to National Capital Region of India. Quantitative aspects of online reviews, like reviewer quality, reviewer exposure, product attributes, and temporal effects have been considered. Based on literature review, the S-O-R model has been further built on and constructs of A.I.S.A.S. model, i.e., attention and trust, action and share have been incorporated to evaluate buying pattern and behaviour they follow related to online review. Interestingly, when consumers read online reviews, they concentrate not only on review scores but also refer to other textual information like a reviewer's trust and the content associated with it such as various pictures and videos. It is also seen that the market responds more favourably to reviews written by reviewers with better reputations and better exposure, i.e., the influencers. The study also aims to explore the strength of the relationship between the identified independent constructs of online reviews and buying behaviour of an individual.

## KEYWORDS

Action and Share, Attention and Trust, Online Reviews, Organism, Purchase Intention, Response, Stimulus

## 1. INTRODUCTION

Online e-commerce channels, their ease of use feature and amazing visual displays play a significant role in the process of customers firming up on their purchase intentions. There are various demographic features that affect purchase intent which might include age, gender, income, internet adaptability etc. India in today's date is an economy fast on the rise with a demographic dividend in its favour and a large size of population between 25-35 years of age. The youth today has exposure to multiple channels of products both online and offline. Consumers frequently form an emotive connect to the merchandise and direct it in the reviews. It is of benefit to the retailers and business owners to pay attention to the written feedback and read online reviews to comprehend the customers' wants and demands. It has been seen that a higher importance is given to online reviews if consumer's outlay is serious.

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According to PwC's retail survey, "54% of 23,000 online shoppers surveyed in 25 countries go online to buy products on a weekly or monthly basis. 67% said their shopping behaviour is affected when they read or write comments on social media" (PriceWaterhouseCoopers, 2016). As per a survey by Power Reviews "95% of the people surveyed said they read the online reviews and comments about products and that it affects whether or not they purchase that product" (Sparker, 2020). Consumer evaluation implies that they need to know about the visual of the product and is the product able to satisfy the need appropriately. Thus, the impact of the review can lead to influencing those consumers who are at the principal phase of the purchase procedure or still deciding on their purchase intention.

Shopper learning alludes to the fact that consumer reviews help them gain information, experience and help improve their purchase conduct during the buy. Purchasers' perspectives are influenced by number and appraisals of online surveys. Online reviews of reliability and usefulness can be understood as a kind of customer learning behaviour. Observing consumer purchasing process from the point of customer learning can turn out to be crucial. It can be predicted that these reviews have a considerable impact on the purchase intention of consumers. Therefore, it is vital for businesses to comprehend the foundation of these online articulations and strategize accordingly.

Social media strongly influences consumer buying decisions and analysis of the same is most likely to help in developing strategies for one's venture. The younger generation i.e. the youth audience prefers products with finer attributes and higher number of consumer ratings vis-à-vis the older generation who are likely to be influenced by a strong negative review. A better ratio of good to bad feedback will maximize sales and minimize the potentially damaging impact of disapprovals. Incentivizing customers is a great way for businesses to boost the number of positive feedbacks. Consumers themselves say that the favorable way to incentivize them is to allow them to participate in a prize draw or offer 15-20% off in their next purchase. For example, Burger King offers a discount of 10% on every order if they can convince the customer to fill up the online review form through their official website.

Zhang, Zheng and Wang (2020) studied how influential factors, such as online reviews (positive vs negative mainly), risk perception (higher vs lower) and product types (experiencing vs searching), interacted on the online purchase intention or online purchase behaviour while Helversen, Abramczuk, Kopec and Nielek, (2018) studied the impact of consumer reviews on online purchasing decisions in older and younger adults. Thus, it becomes necessary to study the influence of online customer or user reviews on purchase intention of consumers. Interestingly, there is a dearth of research especially of Indian consumers with regards to influence of factors of online reviews which can have an impression on consumer buying. The aim of this research is to investigate the effect of online feedback on purchase intentions of consumers for 25-35 years. The quantitative features of online reviews, like critic's quality, critic's exposure, product attributes, content and progressive effects such as attention, trust etc. are being considered in the study. Using stimulus-organism-response (S-O-R) model i.e. the stimulus organism and response model the research tries to understand the utilities and stimulus that influence the purchase intention of consumers on the basis of reviews mentioned. The S-O-R model has been further built on and three elements or constructs of the attention-interest-search-action-share (AISAS) model i.e. attention, action and share have been considered to particularly evaluate the purchase intention of consumers related to an online review.

Thus, the research was undertaken to map the constructs of online consumer reviews built on S-O-R model and AISAS model which can influence the purchase intentions of customers or users of national capital region of Delhi who are 25-35 years of age. The aim of the research is to ascertain the constructs and subsequently investigate the strength of the relationship between the identified factors of online consumer reviews and purchase intentions of consumers in NCR.

Exploratory Factor Research (EFA) research was conducted. Post literature review and based on EFA, the study identified the constructs of online consumer reviews into different factors which can influence purchase intentions of consumers based in NCR. The hypothesis is analysed for after EFA in the data analysis section. Thereafter the bearing of these identified factors of online consumer reviews

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