

The Role Of Trustworthiness And Credibility In Customer Reviews On The Purchase Behavior Of Electronic Goods

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ABSTRACT

Purpose: The study explores how online reviews and ratings influence the purchase intentions of consumers in the context of electronic goods. **Research Methodology:** The study was conducted in Villupuram district, Tamil Nadu, encompassing both urban and rural populations. **Study Area:** Villupuram district consists of 9 taluks, 928 villages, 2 municipalities, 8 town panchayats, and 688 village panchayats. The research primarily targeted college students in Villupuram who engage in online shopping, offering a diverse demographic profile. **Sample Size:** The study included 2,635 participants, comprising both students and faculty members. Of these, 413 respondents were identified as active online shoppers. **Sampling Technique:** A purposive sampling approach was used to select individuals who frequently shop online, ensuring a relevant and targeted sample for the research.

Finding:

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

INTRODUCTION

CUSTOMER REVIEWS

The rapid growth of e-commerce has significantly transformed the way consumers make purchasing decisions, especially in the consumer electronics market. Online reviews and ratings have emerged as essential tools for shaping purchase intentions, offering valuable insights and feedback from other customers. According to Sen and Lerman (2007), consumers now increasingly rely on these reviews as a credible source of information, helping to mitigate the risks associated with online shopping. Positive reviews boost confidence and increase the likelihood of a purchase, while negative reviews can act as a deterrent, highlighting the pivotal role that reviews play in guiding consumer behavior. Understanding key factors that influence the effectiveness of reviews—such as credibility, relevance, and review volume—can help businesses leverage customer feedback more effectively to drive sales (Chevalier & Mayzlin, 2006). Additionally, features like star ratings, written comments, and video reviews further enhance the decision-making process by providing richer, more accessible information. This study examines how online reviews and ratings influence consumers' purchase intentions for electronic goods, focusing on elements such as review credibility, trust-building, and the transparency they offer in the online shopping experience. Customer reviews have become a crucial component of daily operations for most online e-commerce platforms. The internet has significantly enhanced the online shopping experience by allowing consumers to purchase products from the comfort of their homes and have them delivered directly to their doorsteps (Baek, H., Ahn, J., & Choi, Y., 2012). With the vast amount of information available online, consumers now have access to valuable resources that help them make informed purchasing decisions. As the internet continues to expand, online customer reviews have gained prominence as a key tool for evaluating product quality (Lee, K. T., & Koo, D. M., 2012). A product review typically provides a customer's assessment of the product's features, such as its pros and cons, quality, performance, and price.

Retailers have recognized the importance of displaying user reviews on their websites, as it facilitates consumers' decision-making process and encourages favorable purchasing choices (Zhu, F., & Zhang, X., 2010). In the case of smartphones, for example, consumers often look for reviews that cover key factors such as price, durability, brand reputation, after-sales service, and personal experiences before making a final decision. This trend underscores the significant role online reviews play in marketing communication (Filieri, R., & McLeay, F., 2014). A potential smartphone buyer is likely to encounter numerous reviews, and the success of their purchase often depends on how the reviews influence their perception of the product (Park, D.-H., Lee, J., & Han, I., 2007). Previous research has demonstrated a correlation between positive product reviews and increased sales, emphasizing the impact of reviews on consumer behavior. The present study seeks to explore how online reviews shape consumers' online purchasing decisions for smartphones. While the influence of review cues on product sales is widely acknowledged, there remains a lack of understanding about the psychological processes that underlie how these cues affect buyers' choices.

Purchase Intention

Purchase intention for electronic goods online refers to consumers' willingness to shop via e-commerce platforms, where digital retailers offer tools and strategies that motivate purchases. According to Lee, K. T., & Koo, D. M. (2012), these

factors play a crucial role in shaping consumer behavior, and e-commerce platforms must continuously adapt to sustain and influence purchasing decisions. This involves addressing behavioral determinants that guide consumers' decisions to make purchases, as outlined by Baek, H., Ahn, J., & Choi, Y. (2012). Understanding these influences is essential for e-commerce platforms to effectively encourage repeat shopping and enhance conversion rates.

OBJECTIVES OF THE STUDY

1. To examine how online reviews and ratings influence the purchase intentions of consumers regarding electronic goods.
2. To explore the relationship between online reviews, purchase intention, and decision-making in the context of consumer electronics.
3. To analyze the factors that shape how online reviews influence customers' purchase intentions and decisions when buying electronic goods.

HYPOTHESES OF THE STUDY

There is no significant relationship between online reviews, purchase intention, and consumer decisions regarding electronic goods.

There are no key factors that influence the impact of online reviews on purchase intentions and decisions for consumer electronics.

RESEARCH METHODOLOGY

The aim of this study is to explore the online shopping behaviors of students and teachers in Villupuram and surrounding areas, with a focus on their preferences and purchase patterns when shopping for electronics. The research methodology consists of the following components:

STUDY AREA

The study is based in Villupuram district, Tamil Nadu, and covers both urban and rural areas. Villupuram district includes 9 taluks, 928 villages, 2 municipalities, 8 town panchayats, and 688 village panchayats. The study specifically targets college students who engage in online shopping, capturing a diverse demographic profile from the region.

POPULATION AND SAMPLE

Population: The total population of Villupuram district is 3,725,209.

Respondents: The study focuses on college students and teachers, particularly from rural areas of Villupuram district.

SAMPLE SIZE: A total of 2,635 students and teachers participated in the study. Among them, 413 respondents were identified as active online shoppers.

SAMPLING TECHNIQUE

A purposive sampling method was employed to select respondents who actively engage in online shopping. This targeted approach ensures that the sample is relevant and provides valuable insights into online shopping behaviors in the region. By selecting individuals who are familiar with the e-commerce environment, the study aims to accurately reflect the factors influencing online purchase decisions.

This methodology allows for an in-depth understanding of how online reviews and ratings impact purchasing decisions, with a specific focus on consumer electronics.

DATA COLLECTION:

Primary data was collected through structured questionnaires distributed among the target respondents. The questionnaire included both closed and open-ended questions designed to gather information on demographic details, frequency of online shopping, preferences, and challenges faced during online purchases.

SCOPE OF THE STUDY:

The study focuses on the online shopping habits of respondents within Villupuram district, with a particular emphasis on rural and semi-urban areas. The total number of online shopping customers in Villupuram district is reported to be 45,503, providing a broader context for the findings.

ANALYSIS TECHNIQUES:

The data collected was systematically analyzed using descriptive statistics to identify key trends and behaviors. Additional statistical tools were employed to compare responses across demographic groups, highlighting significant patterns and preferences among online customers. By focusing on this region and its unique characteristics, the study provides valuable insights into the adoption of online shopping in Villupuram and its surrounding villages, contributing to the broader understanding of consumer behavior in semi-urban and rural contexts.

Table 1 opinion about Consumer Reviews

	Mean	Std. Deviation
consumers' convenience making their buying decision	3.84	1.19
review considered as influential	4.14	1.06
ability to poll their opinions about the products	3.83	1.21
purchasing and selling policies.	4.09	1.10
large amount of valuable information	4.00	1.15

Table 1 highlights respondents' opinions regarding the impact of consumer reviews on their purchasing behavior. The highest mean score (4.14) indicates that respondents perceive consumer reviews as highly influential in shaping their buying decisions, suggesting that reviews play a critical role in guiding purchase choices. Similarly, purchasing and selling policies also scored highly (mean: 4.09), reflecting their importance in establishing trust and satisfaction among consumers. The mean score of 4.00 for the availability of a large amount of valuable information emphasizes that respondents value the accessibility of detailed insights provided by reviews. Furthermore, the ability to poll opinions about products (mean: 3.83) and the convenience consumer reviews provide in decision-making (mean: 3.84) are also positively rated, albeit slightly lower. The findings indicated that significance of consumer reviews as a trusted source of information and a key factor influencing online shopping behavior.

Table 2 Consumer opinion towards Purchase Intention

	Mean	Std. Deviation
Positive reviews have a significant effect	4.16	1.07
review increase consumer purchase intention	4.15	1.07
reviews used by consumers to make a choice.	3.71	1.30
reviews have a positive impact on purchasing intention	4.10	1.09
promotes the intention to purchase the product	3.65	1.32

Table 2 demonstrate the critical role of consumer reviews in shaping purchase intentions. Positive reviews are perceived to have the most significant effect on consumers (mean: 4.16), highlighting their ability to strongly influence purchasing decisions. Similarly, the mean score of 4.15 indicates that reviews effectively increase consumers' intent to purchase, reinforcing the idea that reviews act as a powerful persuasive tool. Reviews are also seen as having a positive overall impact on purchasing intention (mean: 4.10), further validating their importance in the decision-making process. However, while reviews are utilized by consumers to make choices (mean: 3.71), and they promote purchasing intention to some extent (mean: 3.65), these scores are comparatively lower. This suggests that while reviews are influential, their role in directly promoting purchase intentions may be more nuanced, depending on other factors such as product quality, trustworthiness, and individual preferences.

Table 3 Relationship between Consumer Reviews and purchase intention

	Purchase intention	consumers' convenience making their buying decision	review considered as influential	ability to poll their opinions about the products	purchasing and selling policies	large amount of valuable information
Purchase intention	1					
consumers' convenience making their buying decision	0.452**	1				
review considered as influential	0.615**	0.335**	1			
ability to poll their opinions about the products	0.324**	-0.084	0.216**	1		
purchasing and selling policies.	0.418**	0.212**	0.255**	0.352**	1	
large amount of valuable information	0.401**	0.181**	0.160**	0.018	0.310**	1

Source: Primary data; * Significant at 0.05 percent level

Ho: There is no the relationship between consumer reviews and purchase intention

Table 3 presents the **relationship between Consumer Reviews and Purchase Intention. Pearson correlation is applied.** The strongest relationship is observed between "Review considered as influential" and purchase intention (correlation = 0.615), indicating that the perceived influence of reviews significantly impacts consumers' intent to purchase. "Consumers' convenience in making their buying decision" also shows a strong positive correlation (correlation = 0.452), suggesting that easier decision-making through reviews enhances purchase intention. Other factors, such as "Purchasing and selling policies" (correlation = 0.418), "Large amount of valuable information" (correlation = 0.401), and "Ability to poll opinions about the products" (correlation = 0.324), also show moderate positive correlations, highlighting the importance of these elements in shaping purchase decisions.

The results indicate that consumer reviews, especially those deemed influential, have a substantial impact on purchase intention. The convenience provided by reviews, coupled with the ability to share and access valuable information, significantly enhances consumers' likelihood to make a purchase. The findings that businesses should focus on making reviews easily accessible and influential to positively affect consumer decisions. Policies related to purchasing and selling, as well as the amount of information available, also play a crucial role in guiding consumers toward making informed and confident purchase choices.

Table 4 Factor influencing the customer reviews on purchase intention

R	R Square	Adjusted R Square	F	Sig.
0.767 ^a	0.588	0.583	116.051	0.001* ^a

Coefficients ^a					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.992	0.131		7.551	0.001*
consumers' convenience making their buying decision	0.153	0.020	0.265	7.539	0.001*
review considered as influential	0.268	0.023	0.413	11.694	0.001*
ability to poll their opinions about the products	0.123	0.020	0.216	6.101	0.001*
purchasing and selling policies.	0.065	0.023	0.103	2.789	0.006*
large amount of valuable information	0.151	0.020	0.252	7.412	0.001*

Source: Primary data; * Significant at 0.05 percent level

Ho: There is no factors influencing customer reviews on purchase intention.

Table 4 Explains the factors influencing customer reviews on purchase intention. The regression analysis is computed to test the hypothesis of factors influencing the customer reviews on purchase intention. The coefficient of correlation (R) is 0.767, indicating a strong positive relationship between customer reviews and purchase intention. The R Square value of 0.588 implies that 58.8% of the variance in purchase intention can be explained by customer reviews, demonstrating their significant impact as a factor in purchasing decisions. The adjusted R Square value of 0.583 suggests that the model remains robust even after accounting for the number of predictors. The F-statistic of 116.051, accompanied by a significance value (Sig.) of 0.001, confirms that the model is statistically significant. Hence, hypothesis is rejected.

The regression equation presented provides insights into how various factors related to customer reviews influence purchase intention. The equation is:

Purchase intention = 0.992 + 0.268 (review considered as influential) + 0.153 (convenience making their buying decision) + 0.151 (large amount of valuable information) + 0.123 (poll their opinions about the products) + 0.065 (purchasing and selling policies)

Intercept (0.992): This represents the baseline level of purchase intention when all the independent variables are zero.

Review Considered as Influential (0.268): This factor has the highest coefficient, suggesting it is the most significant predictor of purchase intention. A unit increase in the perception of reviews as influential increases purchase intention by 0.268 units.

Convenience in Buying Decision (0.153): Convenience in decision-making positively affects purchase intention, though its influence is moderate compared to the most influential factor.

Large Amount of Valuable Information (0.151): The availability of detailed information through reviews also has a notable positive effect on purchase intention.

Poll Opinions (0.123): Allowing consumers to share and compare opinions moderately contributes to increasing purchase intention.

Purchasing and Selling Policies (0.065): Although it has the lowest coefficient, this factor still contributes positively to purchase intention, reflecting its importance in fostering consumer confidence.

It is found that review considered as influential, convenience making their buying decision, large amount of valuable information, poll their opinions about the products and purchasing and selling policies are positively influence the purchase intention of the goods

CONCLUSION:

The study on *Customers' Online Reviews and Ratings on Purchase Intention of Consumer Electronic Goods* reveals the significant role of online reviews and ratings in shaping consumer behavior. The findings underscore that positive reviews and high ratings significantly influence purchase intentions by enhancing consumer trust, providing valuable insights, and reducing uncertainty during decision-making. Key factors such as the perceived influence of reviews, the convenience they provide in decision-making, and the abundance of detailed information play pivotal roles in increasing purchase intentions. Furthermore, the ability for consumers to share opinions and the transparency in purchasing and selling policies also contribute positively, albeit to a lesser extent. The regression analysis confirms that customer reviews account for a substantial portion of the variation in purchase intention, with the perceived influence of reviews being the most impactful factor. This highlights the importance of businesses fostering authentic, informative, and positive reviews to attract potential customers. In conclusion, online reviews and ratings serve as powerful tools that significantly shape consumer purchase intentions for electronic goods. Businesses should leverage this by encouraging satisfied customers to share their experiences and maintaining transparent policies to build trust and long-term customer loyalty.

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