

The Influence of Online Consumer Reviews on Consumer Buying Behavior for Household Appliances Category

Introduction

These days, a growing number of e-commerce websites offer customer evaluations or ratings of the products. Online customer reviews are typically the first place to look for information about a new good or service. People use ratings and reviews of products to guide their purchases. Some tactics can be quite helpful for e-commerce businesses whose reputation in the industry is heavily based on rating systems. Online customer reviews may offer unbiased information about a good or service, which is valued by customers similarly to a personal recommendation, according to a BrightLocal (2021) study. As a result, online reviews are a potent tool for building reputation and trust in the online market. That demonstrates the growing trend of consumers seeking out product information from online user evaluations prior to making a purchasing decision (Saleh, 2022).

Customers today have greater access to information than ever before because to the development of e-commerce platforms and the expansion of online reviews (BrightLocal, 2021). This enables them to make more informed purchase decisions. Because these products are typically expensive and need careful consideration before purchase, the household appliances industry is immensely significant. Customers need to be convinced that they are making the right choice, and online reviews may provide crucial information about the functionality, build quality, and longevity of various home appliances. Therefore, it is crucial to comprehend how online user reviews affect consumer purchase behavior, especially in the field of home appliances. By addressing this problem, the research aims to add to the body of knowledge and provide insights that can help both customers and e-commerce businesses in this area.

Research problem is how a company could leverage its online consumer reviews which would help to make an impact on the consumer buying behaviour on household appliances category.

The object is to investigate the relationship between online consumer reviews and purchasing behavior for household appliances, and provide suitable suggestions based on the findings.

The goal is to find out how online consumer reviews influence consumer buying behavior for household appliances category and to make proposals on how to leverage these online consumer reviews for eshops.

Both qualitative and quantitative research methods, as well as analysis of the relevant literature, were employed in this study. Quantative research was carried by an online questionnaire survey for 313 people, who have bought any household appliance in the past year, and the qualitative research involved an expertise interview of three experts to examine the association between online user reviews and consumer purchasing behavior in the home appliances category.

Based on the results of the study, it may be decided to utilize online customer reviews to influence consumer purchasing decisions for home appliances in eshops. The results indicate that consumer purchase decisions for home appliances are significantly influenced by online customer reviews. As a result, e-commerces should give priority to gathering and displaying these ratings on their e-commerce platforms. The tactic could entail actively encouraging clients to post reviews, answering reviews, and using reviews into marketing and advertising campaigns. The recommended proposals might aid online stores in gaining more credibility, gaining the confidence and loyalty of customers, and eventually boosting sales of home appliances.

Research on the influence of online consumer reviews on consumer buying behavior for household appliances and propositions for the use of these reviews

When online evaluations initially debuted in 1999, they were mostly found on websites for individual sellers like eBay. Online reviews are peer-generated evaluations of products that are published on business or independent websites (Trenz and Berger, 2013). It is described as a review of an item or service written by a client who has utilized the good or used the service (D'Acunto, Tuan, and Dalli, 2020). According to Kamble, Doan, Nguyen, Zeng, and Zihui (2020), online reviews are comments published on a number of platforms by individuals who have used or experienced a good or service. Others contend that online customer reviews are those submitted by actual users of the product or service who can assess if it lives up to its promises (Bae and Lee, 2011). It is a product or service review, according to Ergüt (2021, p. 481), that "represents the thoughts and experiences of a consumer who has purchased the product or service." It may also be characterized as remarks made by consumers or internet users about a good or service (Haije, 2022). In essence, the idea of online customer reviews is fairly simple and can relate to a customer's perception and/or experience of a good or service. Reviews may be found on specialized websites, the websites of different stores, retail platforms, booking services, and trusted trader systems (programs that help clients choose a trader) (OECD, 2019).

Previous studies on OCR volume in the literature produced contradictory findings. Elwalda and Lu (2016) discovered a strong correlation between sales and the volume of recommendations and messages. Similar results were reported in the book business, where there is a positive correlation between the frequency of online surveys and book bargains on amazon.com (Elwalda et al., 2016). Customer-generated item evaluations of fragrance and beauty products have a coordinated influence on sales. The volume of online game reviews has also been shown to have a positive effect in the computer game industry (Zhu and Zhang, 2010). Additionally, the greater the rating, the higher the possibility of purchase, according to Olbrich and Holsing's (2011) study of clickstream data (Elwalda et al., 2016). Park et al. (2007) found that while the quality of the reviews had a stronger influence on high-engagement customers, the amount of online reviews had a bigger impact on low-engagement consumers. The type of product also significantly impacts how the quantity of OCRs affects the outcomes (Elwalda et al., 2016). The problem that having too much of a good item might have negative effects has been identified by a wave of research in several domains (Maslowska et al., 2017). Customers may lose trust in businesses if they have had too many favorable experiences with them in the past, according to Vlachos et al. (2011) Similar to this, it has been shown that having too much pleasant emotion inhibits proactive behavior (Lam et al., 2014). Despite substantial study on the effects of online customer reviews on purchasing behavior and sales performance across a wide variety of product categories, the literature to yet has not in depth explored the effects of these reviews specifically on home appliances. Given the huge impact that home appliances have on our everyday lives and the large financial commitment required to buy them, it is critical to comprehend how consumer behavior and sales results in this product category are influenced by online user evaluations. Additionally, compared to other product categories, home appliances are recognized for their utilitarian qualities, which may have significant consequences for the effect of online reviews. In order to create efficient marketing strategies and improve consumer welfare, marketers and policymakers may benefit greatly from understanding the effects of online customer evaluations on home appliances.

In order to determine how online customer reviews left on e-commerce sites affect consumers' decisions to buy household appliances like refrigerators, washing machines, vacuum cleaners, and other similar goods, as well as how significant such a feature is for an online retail store, the research object for this study is the influence of online consumer reviews on consumer buying behavior in the category of household appliances. For instance, the Lithuania-based online store Ermitazas.lt offers a range of products, including electronics, furniture, home appliances, and household equipment. They have more than 10 retail locations around the nation and are one of the TOP20 e-commerce sites in Lithuania, but an intriguing fact about them is that, out of all the top sites, they are the only ones without an online reviews function. Given the fierce competition in the household appliance market (Yahoo!Finance, 2023), internet reviews are frequently the first thing customers look at before making a decision. Understanding the influence of online customer reviews on consumer purchasing behavior in this industry may help businesses develop more successful marketing strategies, improve their products and services, and finally raise sales and profitability. Therefore, the lack of such a feature might undermine consumer confidence in the online store and keep these sellers from gaining crucial information about the products they are selling.

Marketers need to have a solid understanding of the ideas and phenomena around online reviews as customers increasingly rely on online information to make purchase decisions (De Mayer, 2012). According to Lin's study, having reviews on your e-commerce website is crucial; otherwise, it would be difficult to convince visitors to make a purchase. Internet information is more crucial for utilitarian products (in this example, home appliances) than hedonic products (books, music, and movies), according to Cheema and Papatla (2010, as referenced in De Maeyer, 2012). Additionally, reviews aren't just for online purchases. Many people will use their phones to look up reviews of the products they're interested in before visiting a store, which is crucial for businesses that operate both brick-and-mortar stores and online stores (Charlton, 2021). Freddie (2018) conducted research on the top three product categories that attract customers who read reviews the most. His research revealed that electronics, home appliances, and cars are examples of long-lasting durables for which consumers view the purchasing process as an investment rather than a transaction. Therefore, before making a final purchasing decision, individuals must do in-depth research throughout the discover and influence stages. Understanding how different types of online reviews (overall rating of the product, number of reviews for the product, use of the specific details, etc.) affect consumer buying behavior is crucial for e-shop businesses. It is also important to understand how important this feature actually is to consumers, as its absence may make an e-commerce less reliable.

Our study's findings indicated that online customer reviews play a big part in what people decide to buy. They are considered to be pretty accurate and are quite important to people. People love to read both good and negative reviews, and if possible, a combination of the two. Additionally, a crucial aspect was raised during an expertise interview: buyers want to ask questions about the product as well as hear feedback from others. Following the number of reviews and the use of specific information, the overall rating has the greatest bearing on the validity of online customer reviews for home appliances.

But despite the fact that customers always read online reviews before making a purchase and that they are highly significant, the poll found that they are frequently reluctant to post their own opinions after purchasing. Candidates also stressed the necessity of an e-commerce review tool. Most customers won't shop at an online store without this feature because they don't trust it, but more importantly because they won't.

The importance of online customer evaluations is expected to increase in the future, according to experts. In addition, video testimonials, unboxing films, and videos of actual use will also gain importance over time. The goal should be to create a community of buyers where e-stores facilitate easy and convenient client interaction. Of course, certain limitations are required: only consumers who have purchased the item should submit a review, and only registered and identifiable users are permitted to interact in the community. Additionally, there has to be open communication regarding the methods used to get reviews. Experts regard several new trends and technologies as data protection flaws against hacking and data breaches that have the potential to reduce the impact of online customer evaluations on consumer purchasing behavior. Regulations that are more stringent also make it more challenging for customers to provide comments. E-stores are still unable to determine the most practical method of leaving feedback.

The advantages of online customer feedback for an e-store are also readily apparent: businesses can quickly learn which goods were a hit and which were a failure. The vendor is frequently in error here, therefore it's crucial to recognize what is lacking from the description, where errors have been made, and generally just discover what is actually important to the customer. Of course, such information is tracked, and not only is the assortment formed by it, but by supplying information about the items, the IT capabilities may also be improved, for instance, when the sound or the real-life photographs are significant to the consumers rather than simply the catalogue image.

This is a guide with methods for e-commerce enterprises that might assist leverage online customer reviews seeking to impact consumer buying behavior. It is based on the primary results of the survey and expert interviews. The steps consist of:

1. Add a customer review feature to the online store; it doesn't take much time, doesn't cost much, and has a great return on investment.
2. Offer star ratings and review comments alongside actual images or videos of the items. Potential buyers may find it simpler to envision how the product will look and work in real-world situations as a result. It is crucial to remember that customers want to ask questions about the things they are purchasing in addition to reading reviews about them, thus this capability should be offered in addition to the reviews feature.

3. Create a plan for generating reviews to actively increase evaluations. Making the process as simple as possible, offering an incentive to encourage customers to leave a review, and sending post-purchase review emails to solicit customers' input and request evaluations are the third steps that may involve customers more and encourage them to do so.

4. Verify reviews or ratings that have been submitted, and control the content. Verification (supplied ratings or reviews may be published immediately, although this should frequently be followed by verification), moderation (which may result in the deletion/rejection or acceptance of ratings or reviews), and complaint resolution are the three components of this phase.

5. React to client feedback. Both positive and negative customer reviews may be highly advantageous to your business since they are significantly more real than pre-packaged marketing gimmicks (Bush Brown, 2022).

6. Make your reviews stand out. That includes making reviews visible, which may be done by integrating reviews on the home page, introducing a review-specific page, or positioning reviews next to the products being reviewed. In your best sellers carousel, make sure to display the average star rating and number of reviews for each item. As an alternative, consider adding a top-rated goods carousel to your website.

7. Keep track of and evaluate reviews. After you have completed the aforementioned procedures, it is crucial to understand what these reviews truly signify. Using the comments you get, you should determine your strengths and weaknesses and make any required adjustments or changes. These reviews might influence your collection; goods with negative ratings might be removed, while those with positive ones might be restocked and replenished. Ecommerce companies may also consider using sentiment analysis to understand the overall attitude of their reviews. This will make it simpler to see trends in the comments and address any difficulties or problems that clients commonly raise.

Conclusions

The research discovered that customer purchase decisions in this category are significantly influenced by online user evaluations. Customers' trust in the online store may be impacted by the lack of this functionality, which also prevents these online merchants from gaining crucial information about the products they are selling. Customers increasingly rely on online information when making purchases, thus it's critical for e-commerce companies to comprehend how various internet reviews impact customer purchasing decisions.

The research also revealed that customers prefer to inquire about a product rather than just read reviews from others. Following the number of reviews and the use of specific information, the overall rating has the greatest bearing on the validity of online customer reviews for home appliances. However, the study discovered that after buying, customers are frequently reluctant to post evaluations on their own websites, so it is important to encourage them to do so.

According to experts, online consumer reviews will become more significant in the future, thus e-commerce companies should concentrate on growing their customer base. According to the study, it would be more persuasive for e-commerce companies to present star ratings and review comments with actual images and videos of the product in use. The impact of online consumer evaluations on consumer purchasing behavior may also be affected by evolving technologies like data protection gaps against hacking and data breaches and tighter rules that make it more difficult for customers to provide comments.

Therefore, in order to establish credibility, foster client confidence and loyalty, and ultimately boost sales, e-commerce enterprises should give priority to collecting and displaying consumer evaluations on their platforms. A helpful framework for effectively utilizing online customer reviews is provided by the seven steps listed in this guide, which include introducing customer review functionality, actively generating reviews, verifying, and moderating content, responding to reviews, highlighting reviews on the website, and monitoring and analyzing reviews. By using the procedures outlined here, e-commerce companies may use customer reviews to their advantage in the fiercely competitive online market to change consumer behavior.

References

1. Bae, S., & Lee, T. (2011). Product type and consumers' perception of online consumer reviews. *Electronic Markets*, 21(4), 255–266.
2. BrightLocal. (2021). Local Consumer Review Survey. Retrieved from: <https://www.brightlocal.com/research/local-consumer-review-survey/>

3. Bush Brown, S. (2022). Leveraging the Good, the Bad, and the Ugly of Customer Reviews - Ultra Commerce. Ultra Commerce. Retrieved from: <https://ultracommerce.co/blog/leveraging-the-good-the-bad-and-the-ugly-of-customer-reviews/>
4. Charlton, G. (2021). Ecommerce consumer reviews: why you need them and how to use them. Econsultancy. Retrieved from: <https://econsultancy.com/ecommerce-consumer-reviews-why-you-need-them-and-how-to-use-them/>
5. D'Acunto, D., Tuan, A., & Dalli, D. (2020). Are online reviews helpful for consumers?: Big data evidence from services industry. *In Exploring the Power of Electronic Word-of-Mouth in the Services Industry* (pp. 198–216). IGI Global.
6. De Maeyer, P. (2012). Impact of online consumer reviews on sales and price strategies: a review and directions for future research. *Journal of Product & Brand Management*, 21(2), 132–139. <https://doi.org/10.1108/10610421211215599>
7. Elwalda, A., Lü, K., & Ali, M. (2016). Perceived derived attributes of online customer reviews. *Computers in Human Behavior*, 56, 306–319.
8. Elwalda, A., & Lu, K. (2016). The impact of online customer reviews (OCRs) on customers' purchase decisions: An exploration of the main dimensions of OCRs. *Journal of customer Behaviour*, 15(2), 123–152.
9. Ergüt, Ö. (2021). Analysis of Online Hotel Reviews During the COVID-19 Pandemic Using Topic Modeling. *In Handbook of Research on the Impacts and Implications of COVID-19 on the Tourism Industry* (pp. 478-494). IGI Global.
10. Freddie. (2018). Revealed – Top categories affected by online customer reviews – Product Review Monitoring. Product Review Monitoring. Retrieved from: <https://reviewmonitoring.com/revealed-top-categories-affected-by-online-customer-reviews/>
11. Kamble, Z., Doan, Q. T., Nguyen, H. N., Zeng, Z., & Zihui, L. L. (2020). The significance of online reviews for hotel entrepreneurial success. *In Entrepreneurial Development and Innovation in Family Businesses and SMEs* (pp. 75–86). IGI Global.
12. Lam, C. F., Spreitzer, G., & Fritz, C. (2014). Too much of a good thing: Curvilinear effect of positive affect on proactive behaviors. *Journal of Organizational Behavior*, 35(4), 530–546.
13. Lin, Y. (2023). 10 Online Review Statistics You Need to Know in 2023 – Oberlo. Oberlo. Retrieved from: <https://www.oberlo.com/blog/online-review-statistics>
14. Maslowska, E., Malthouse, E. C., & Bernritter, S. F. (2017). The effect of online customer reviews' characteristics on sales. *In Advances in Advertising Research* (Vol. VII) (pp. 87–100). Springer Gabler, Wiesbaden.
15. OECD. (2019). Understanding online consumer ratings and reviews. *OECD Digital Economy Papers, No. 289*, OECD Publishing, Paris. <https://doi.org/10.1787/eb018587-en>
16. Olbrich, R., & Holsing, C. (2011). Modeling consumer purchasing behavior in social shopping communities with clicks-stream data. *International Journal of Electronic Commerce*, 16(2), 15–40.
17. Park, D. H., Lee, J., & Han, I. (2007). The effect of on-line consumer reviews on consumer purchasing intention: The moderating role of involvement. *International journal of electronic commerce*, 11(4), 125–148.
18. Saleh, F. (2022). The Impact of Online Consumer Reviews on Consumer Buying Behavior: A Meta-Analysis. *Journal of Marketing Communications*, 28(1), 78–98.
19. Trenz, M., & Berger, B. (2013). Analyzing online customer reviews-an interdisciplinary literature review and research agenda. *ECIS 2013 Completed Research*, 83.
20. Vlachos, P. A., Vrechopoulos, A. P., & Pramatar, K. (2011). Too much of a good thing: curvilinear effects in the evaluation of services and the mediating role of trust. *Journal of Services Marketing*, 25(6), 440–450.
21. Yahoo Finance (2023). Global Household Appliances Market is Likely to Exhibit a Worth of US\$ 1,328.11 Billion at CAGR of 6.5% During Forecast Period 2033 End | Data Analysis by Future Market Insights, Inc. Retrieved from: <https://shorturl.at/luGQR>
22. Zhu, F., & Zhang, X. (2010). Impact of online consumer reviews on sales: The moderating role of product and consumer characteristics. *Journal of marketing*, 74(2), 133–148.

Ugnė MINGILAITĖ

THE INFLUENCE OF ONLINE CONSUMER REVIEWS ON CONSUMER BUYING BEHAVIOR FOR HOUSEHOLD APPLIANCES CATEGORY

Summary

The rise of e-commerce has transformed the way people shop for products and services, and the increasing availability of online consumer reviews has become a powerful tool for influencing consumer buying behavior. As a result, there is a growing need to understand the impact of online consumer reviews on consumer decision-making and to develop strategies to leverage them to influence purchasing patterns.

Keywords: buying behavior, consumers, household appliances, influence, reviews.