

A Study on the Impact of Community on Giving Online Reviews.

Deepak R

Amrita School of Business, Coimbatore
Amrita Vishwa Vidyapeetham
Amrita University
India

Dr. Deepak Gupta

Amrita School of Business, Coimbatore
Amrita Vishwa Vidyapeetham
Amrita University
India

Abstract— Online reviews has become an important source of assurance of the right purchase decision before even making the actual purchase. More than information displayed on print ads and advertisements, consumers are starting to trust and give more importance to word of mouth and online reviews. The objective of this study is to understand the influence of different factors that make consumers to give an online reviews about a product/service. A conceptual model was developed and verified with pan India survey. Standardized scales were used to measure the different variables considered under this study. These were adapted to better fit an online context. The sample size included 130 respondents. The data was analyzed using binary logistic regression in Stata software. This study identified that perceived benefits, community, experience and age significantly impact the intention to give online reviews.

Index Terms- online reviews, binary logit, perceived benefits, community and experience

I. INTRODUCTION

Online reviews have taken an important place in decision making process before purchasing a product online. Though these online reviews range in comprehensibility and meticulousness, they hold a powerful influence on the behavior of the audience and also the performance of the brand. The number of consumers who read and believe the online reviews before making a purchase is increasing. A survey conducted by Brightlocal suggests that 88% of consumers read and trust online reviews and consider them as equal as any personal recommendation which is astonishing, considering the fact that these reviews come from complete strangers. However the same survey also discovered that consumers who do not read online reviews for products amount to 12%. According to Keller Fay, WOMMA, 2010, the average customers recommends a specific brand over 90 times on a chat with friends, family and colleagues, per week. It is interesting to know that 90% of customers trust online recommendations posted by people they know and 70% trust recommendations posted by unknown people. Based on these facts it is clear that people give more importance to online reviews coming from people they know such as friends,

family and colleagues when it comes to purchasing a product and also after purchasing a product/ service.

According to another survey conducted, people trust online reviews almost 12 times more than any information coming from the makers of the product/service. After analyzing all these facts, it is realized that online reviews increase the confidence in the product/ service considered for purchase.

This study tried to understand what factors influence people to read an online reviews but not give one and to find out the role that community plays in the intention to give an online reviews. This study also develops a conceptual model that show the different variables and their influence on the willingness to give online review. The paper is structured as follows. First, it examines the research gap, reviews literature and constructs the conceptual model and hypothesis. Second it focuses on the methodology chosen to complete the study and finally the analysis using Stata software and finally its implication are discussed.

II. LITERATURE REVIEW

A. *Online Reviews by Consumers.*

The information that the consumers post on various online platforms about the brand or product expressing their experience with it are called Online Consumer Reviews. It is also referred to as the User Generated Content. Online Consumer Reviews are equivalent to E- WOM and have a significant influence on the purchase intention. [2] Now a days online reviews have become a part of marketing campaigns. Online reviews can increase the confidence in a brand or a product.

B. *Perceived Benefits of Online Reviews.*

Literature suggests that consumers socially interact with one another on various online review forums where they share their experiences with product. Thereby help make an informed purchase decision. [1] Online reviews have attracted significant research lately. Much of the existing research focuses on effect of online reviews and opinion of consumers on online reviews. However very less has been done to

understand the influence of community on the willingness to give online reviews.

III. CONCEPTUAL MODEL AND HYPOTHESES DEVELOPMENT.

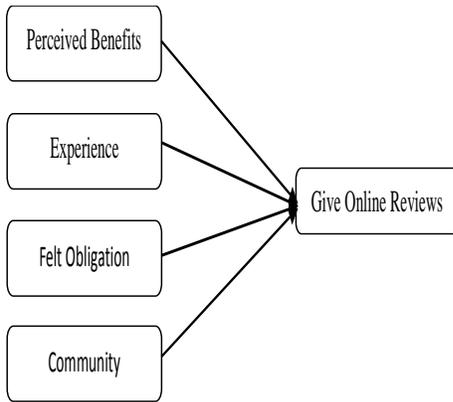


Figure 1 - Conceptual Model

A. Perceived Benefits

With the use of online reviews there comes a lot of advantages with it such as timeliness of feedback, a learning opportunity for the giver and the receiver of review and also helps in building community feeling. [3] By giving constructive feedbacks on each other's post it contributes to each other's learning process and also achieves greater involvement and encouragements from peer group. Literature suggests that people not only look for benefiting out of receiving feedback but also consider the benefits of giving peer feedback. [4] Hence the first hypothesis is as follows.

H1: Higher the perceived benefits of giving online reviews, higher is the willingness to give review.

B. Community Feeling

Literature suggests that club identification influences the viewer's expectations. A study conducted by Wann & Branscombe (1993) [5] suggests that students who had high identification with the club also had high hopes of the future of the team. Some studies have also looked at the club identification's effect on perceived performance. It was discovered that viewers who have high identification with the club have evaluated the performance more favorable. [6] Hence the hypothesis is as follows:

H2: Higher the community feeling, higher is the willingness to give online reviews.

C. Felt Obligation

Felt obligation refers to perceiving that one is expected to behave in a certain way towards others and one of such type of behavior being considered as helping others. [7] Felt obligation to help others can be theorized as an aspect of

unselfishness which is referring to a motivational state directed at enhancing other's welfare. Literature suggests that a genuine concern for the welfare of others with the aim to lessen their suffering and to support their success, offers a basic insight regarding the processes through which greater felt obligation to help others can aid as an asset in the surface of functional decline [8]

Hence the hypothesis is:

H3: Higher the felt obligation, higher is the willingness to give online reviews.

D. Experience

Many times the online reviews posts demonstrate the experience the user has had with the product/ service. The experience can be positive or negative. Positive experience leads to positive online reviews and bad experience leads to negative online reviews. Common beliefs and oneness of community are the pathways for successful online portals [9]. The paper also found that obligation to the society and the community impacts the usage of online portals. Hence the forth hypothesis is as follows:

H4: Higher the experience in purchasing a particular kind of product, higher is the willingness to give an online reviews.

E. Age and Gender

The increasing literacy of women is leading them to be independent and to take in charge of things. Also the propensity to take action varies with age. The response towards an event may differ for both men and women which may also vary also across different age groups.

Hence the hypothesis is as follows:

H5: Gender impacts the willingness to give online reviews.

H6: Younger consumers are more willing to give an online reviews when compared to older consumers.

IV. METHODOLOGY

A. Questionnaire Development and Measures

In this study, survey research was the predominant methodology used. The measurement device included in the research model were taken from various studies. The measurement device was aimed at determining the variables that affect the user's behavior and the relationship between these variables in multidimensional manner. Standardized scales were used to measure perceived benefits, felt obligation, experience and community feeling. The items were measure using 5 point likert scale ranging from "Strongly Agree" to "Strongly Disagree".

B. Data Description

The sample size is 130 which include people from various age groups and various locations. The sample were collected across the country including Tier1 and Tier2 cities. The following describes the sample collected across the cities.

	Male	Female	Total
Young	43	31	74
Old	32	25	57
	75	56	131

Table 1 - Data Description

V. RESULTS, DISCUSSION AND FUTURE RESEARCH

In accordance with the hypothesis, factors like **age** have a significant impact on the willingness to post an online reviews. This implies that younger people are more willing to post an online reviews when compared to older people.

Gender on the other hand did not show a significant impact on the willingness to post an online reviews.

Variables	Co Efficient	P-Value
Perceived Benefits	-2.49	0.013
Community	2.80	0.004
Felt Obligation	-1.02	0.307
Experience	2.03	0.042
Gender	0.38	0.704
Age	-3.06	0.002

Table 2 - Results

Literature suggests that if the **perceived benefits** are high the consumers are more likely to appreciate and give peer feedback. There is significant impact of the Perceived benefit on the willingness to give online reviews. Thus, higher the perceived benefits, higher is the willingness to give an online reviews.

In this study the impact of **felt obligation** was not in accordance with that in the literature. This implies that felt obligation does not have a significant impact on the willingness to give an online reviews.

Studies show that if consumer is interested in the product, they have high willingness to give the feedback. Higher involvement showed a significant positive impact on the willingness to give online reviews. Thus, higher the community feeling higher is the willingness to post online reviews.

The study also reveals that the impact of **experience** was in accordance with that in the literature. This implies that experience with the product or a service has a significant impact on the willingness to give an online reviews. Thus, higher the experience in purchasing a particular kind of product, higher is the willingness to give an online reviews.

The current study contradicts the significant of felt obligation as per the literature, but this variable can be taken into consideration for further research to understand such an effect.

Also, a further study could be focused on understanding and finding various factors that could have an impact on the community feeling. This could help various online portals to develop a strategy so as to develop a community feeling resulting in more online reviews thereby forming a part of marketing campaign.

VI. LIMITATIONS.

This study focuses on the impact of various variables on the willingness to give an online reviews. Such a variable is community feeling. However a detailed study can be conducted to understand various factors that could have an impact on the community feeling. Also a study could be conducted to find out which community works best for posting online reviews such as family, friends or colleagues. This could help the online portals improve on their strategy to increase the community feeling that can form a part of their marketing campaign.

VII. CONCLUSIONS

The study indicates that consumers who look for benefits are more likely to give online reviews. Community feeling also showed a significant impact on the willingness to post an online review. However felt obligation did not have an impact on the willingness to post an online review. This variable can be studied with a larger sample size to see the effect. Other factors like the experience with the product and Age of the consumer also seemed to have an impact on the willingness to give online reviews.

VIII. ACKNOWLEDGEMENT

I am immensely grateful to Prof. Dr Deepak Gupta, Amrita School of Business and the respondents for the support and motivation received throughout the completion of this study.

IX. REFERENCES

- [1] Gretzel, U., & Yoo, K. H. (2008). Use and impact of online travel reviews. *Information and communication technologies in tourism 2008*, 35-46.
- [2] Hu, N., Pavlou, P. A., & Zhang, J. (2006, June). Can online reviews reveal a product's true quality?: empirical findings and analytical modeling of Online word-of-mouth communication. In *Proceedings of the 7th ACM conference on Electronic commerce* (pp. 324-330). ACM.

- [3] Awad, N. F., & Ragowsky, A. (2008). Establishing trust in electronic commerce through online word of mouth: An examination across genders. *Journal of Management Information Systems*, 24(4), 101-121.
- [4] Ware, M. (2008). Peer review: benefits, perceptions and alternatives. *Publishing Research Consortium*, 4.
- [5] Branscombe, N. R., Wann, D. L., Noel, J. G., & Coleman, J. (1993). In-group or out-group extemity: Importance of the threatened social identity. *Personality and Social Psychology Bulletin*, 19(4), 381-388.
- [6] Bateman, P. J., Gray, P. H., & Butler, B. S. (2011). Research note—the impact of community commitment on participation in online communities. *Information systems research*, 22(4), 841-854.
- [7] Rhoades, L., Eisenberger, R., & Armeli, S. (2001). Affective commitment to the organization: the contribution of perceived organizational support. *Journal of applied psychology*, 86(5), 825.
- [8] Shore, L. M., & Barksdale, K. (1998). Examining degree of balance and level of obligation in the relationship: A social exchange approach. *Journal of organizational behavior*, 731-744.
- [9] Novak, T. P., Hoffman, D. L., & Yung, Y. F. (2000). Measuring the customer experience in online environments: A structural modeling approach. *Marketing science*, 19(1), 22-42.