IMPACT OF REVIEW AND RATINGS ON CONSUMER PERCEPTION OF AUTOMOBILES

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Abstract - In today's digital age, online reviews and ratings have become powerful tools influencing consumer decision-making, especially in the automobile sector. This study focuses on understanding how customer reviews and ratings impact consumer perception, brand image, and purchase intentions of automobiles. With the growing reliance on digital platforms, consumers often evaluate vehicles based on the experiences and feedback shared by previous buyers. The study aims to analyze the relationship between online reviews, ratings, and factors such as trust, satisfaction, and brand credibility. Primary data is collected through surveys to identify patterns in consumer behavior, while secondary data from automotive websites and review portals support the analysis. The findings of this research highlight that positive reviews and high ratings significantly enhance consumer confidence, whereas negative feedback can deter potential buyers. This paper concludes that online reputation management and customer engagement are essential for automobile brands to sustain competitiveness in the digital marketplace.

Key Words: Consumer perception, Online reviews, Ratings, Automobiles, Purchase intention, Brand image

1.INTRODUCTION

In the modern digital era, consumer decisions are increasingly shaped by online information rather than traditional advertising. The automobile industry, being one of the most dynamic and competitive sectors, is greatly influenced by consumer perceptions built through online platforms. With the widespread use of the internet, potential car buyers rely heavily on reviews and ratings shared by existing users to evaluate vehicle performance, reliability, and overall satisfaction. These online opinions act as a form of electronic word-of-mouth (e-WOM), helping consumers reduce uncertainty and make informed purchase decisions.

Automobile reviews and ratings provide valuable insights into product quality, design, comfort, and after-sales service, which directly impact a brand's reputation and market demand. Positive reviews enhance trust and brand loyalty, while negative feedback can discourage potential buyers and damage brand image. As consumers have access to multiple digital channels such as automotive websites, social media, and review forums, their perceptions are continuously shaped by the shared experiences of others.

This study aims to examine the extent to which online reviews and ratings influence consumer perception and buying behavior in the automobile sector. It also seeks to identify key factors that motivate consumers to rely on online feedback and how automobile companies can strategically manage their digital reputation to build trust and sustain competitiveness in the market.

Objectives of the Study

- To study the demographic factors influencing consumer perception toward online reviews and ratings of automobiles.
- To examine the level of trust consumers place in online reviews compared to traditional advertisements and brand promotions.
- To identify the types and sources of reviews (expert, customer, social media, etc.) that most influence automobile purchase decisions.

REVIEW OF LITERATURE

Online reviews have emerged as a critical factor in shaping consumer perceptions and purchase decisions in the digital era. As consumers increasingly rely on internet-based platforms for product evaluation, researchers have explored how electronic word-of-mouth (e-WOM) influences buying behavior across different industries, including the automobile sector.

Chevalier and Mayzlin (2006) were among the first to recognize online product reviews as a modern extension of traditional word-of-mouth communication. Their study demonstrated that positive online reviews significantly boost product sales, whereas negative feedback discourages potential buyers. This finding underscored the growing influence of digital platforms on consumer decision-making. Expanding on this perspective, Park and Lee (2009) examined the role of online ratings in shaping brand image and consumer trust. They

found that higher star ratings enhance perceived product quality and reliability, making them a quick yet powerful indicator for consumers assessing purchase options.

In a similar vein, Forman, Ghose, and Wiesenfeld (2008) emphasized the importance of review credibility in determining consumer responses. Their research revealed that reviews from verified or experienced users are perceived as more trustworthy compared to those from anonymous sources, thereby exerting a stronger influence on purchasing intentions. Complementing this, Lee, Park, and Han (2008) highlighted the asymmetric effect of review valence, showing that negative reviews tend to have a more pronounced impact on consumer perceptions than positive ones. Consumers exposed to unfavorable feedback often perceive greater risk and exhibit increased caution before making purchase decisions.

Moving into the automobile context, Kumar and Pandey (2019) discovered that consumers place substantial reliance on online reviews and ratings before buying vehicles. Given that automobiles represent high-involvement and high-cost products, potential buyers actively seek detailed user experiences and expert opinions before finalizing their brand choice. Smith (2020) further observed that the rise of social media platforms and automobile review websites has revolutionized the way consumers gather product information. Video reviews, influencer endorsements, and comparison blogs have become major sources of awareness, reflecting the evolution of digital engagement in purchase behavior.

Focusing on the Indian market, Rao and Shankar (2021) conducted an empirical study among young Indian consumers and found that digital reviews and online ratings exert a strong influence on automobile purchase decisions. Their findings indicate that e-WOM has surpassed traditional advertising methods, emerging as a dominant factor in shaping consumer awareness and brand preference in the automobile industry.

Collectively, these studies highlight the transformative role of online reviews and ratings in influencing consumer behavior. The literature consistently suggests that both the credibility and valence of reviews are crucial determinants of consumer attitudes, particularly in high-involvement sectors such as the automobile market.

Research Methodology

Nature of the Study

The nature of the study is descriptive research . It aims to describe and analyze how online reviews and ratings influence consumer perception, satisfaction, and automobile purchase decisions. Descriptive research helps in understanding the relationship between consumer opinions and their buying behavior.

Data Collection Method

The data for this study was collected through a structured online questionnaire distributed via digital platforms such as Google Forms and social media. The survey included both demographic questions and perception-based questions related to reviews, ratings, and automobile brands.

Primary Data

The primary data was collected directly from automobile owners and potential buyers belonging to different age groups, genders, and income categories. Respondents provided their views and experiences regarding online reviews, ratings, and their impact on purchase decisions.

Secondary Data

Secondary data was gathered from published journals, research articles, websites, company reports, and automobile review platforms to support the primary data findings and provide background information.

Sampling Design

A non-probability sampling design, specifically the convenience sampling method, was used. Respondents were selected based on their accessibility and willingness to participate through online platforms.

Sample Size

The total sample size for this study was 90 respondents, who actively participated in the online survey. The research instrument used for this study is a structured questionnaire designed to collect both demographic data and consumer perception information related to online reviews and ratings of automobiles.

- Section A: Demographic details such as age and occupation.

- Section B: Consumer Perception and behavior to study brand perception, satisfaction, and advertising influence.

Data Analysis Tools

The collected data is analyzed using percentage analysis and represented through charts for clarity. Statistical tools used to

identify relationships between online reviews, ratings, and consumer perception and satisfaction levels toward automobiles.
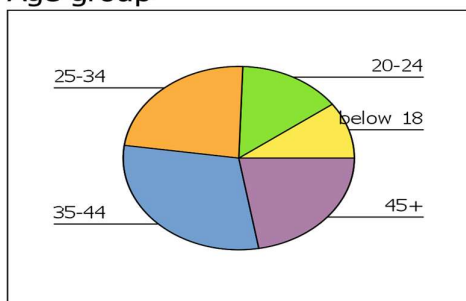
Data Analysis and Interpretation

PERCENTAGE ANALYSIS

Percentage analysis is used to describe the demographic characteristics of the respondents and to understand their perceptions toward online reviews and ratings in the automobile sector. It helps in identifying the level of awareness, trust, satisfaction, and buying behavior of consumers toward various automobile brands based on online feedback and ratings.

Percentage Analysis of Age

Percentage analysis of age among respondents
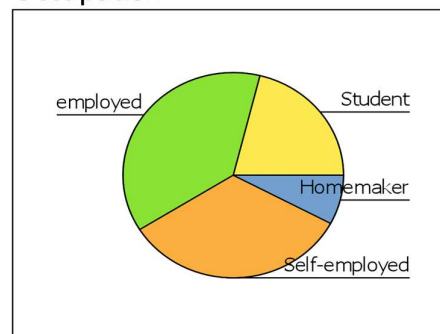

Age group

Inference:

The table shows the distribution of respondents across different age groups. Out of a total of 90 respondents:

- The largest group belongs to the 35–44 years category, making up 30% of the total sample.
- The second largest group is 25–34 years with 23.3%, followed by 45+ years at 22.2%.
- The 20–24 years group represents 14.4%, while the below 18 group has the lowest representation at 10%.

Percentage Analysis of Occupation

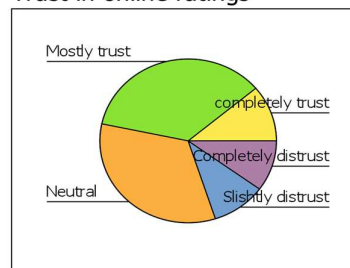Percentage analysis of occupation among respondents

Occupation

Inference:

From the above table and chart, it is observed that the majority of respondents are employed (37.8%), followed by self-employed individuals (33.3%), and students (21.1%). A smaller proportion of respondents are homemakers (7.8%).

This indicates that most participants in the study are working individuals, suggesting that the opinions and perceptions collected reflect the views of people with active income and purchasing power in the automobile market.

PERCENTAGE ANALYSIS OF ONLINE RATINGS:

Trust in online ratings

Inference:

The inference from the data shows that most respondents (36.7%) consider online reviews slightly important, while 28.9% find them moderately important. This indicates that the majority of consumers pay attention to online reviews to some extent when making decisions, showing that reviews influence but do not solely determine their purchasing behavior.

TOOLS AND ANALYSIS

CHI-SQUARE ANALYSIS

The Chi-square (χ^2) test is a non-parametric statistical tool used to determine whether there is a significant association between two categorical variables. In this study, the test examines the relationship between gender and types of reviews most influential in automobile purchase decisions.

Test Statistics

	Chi-square	df	Asymp. Sig.
Gender	1.11	1	.292
Types of reviews most influential	61.56	4	.000

Hypotheses

Null Hypothesis (H_0):

There is no significant association between gender and the types of reviews most influential in automobile purchase decisions.

Alternative Hypothesis (H_1):

There is a significant association between gender and the types of reviews most influential in automobile purchase decisions.

Inference

- p-value for gender (0.292) > 0.05 → No significant association between gender and review influence.
- p-value for types of reviews (0.000) < 0.05 → Significant association between types of reviews and consumer perception.
- Customer reviews and star ratings have the strongest impact on automobile buying decisions.

CORRELATION ANALYSIS

Correlation is a statistical tool used to measure the strength and direction of the relationship between two variables. In this study, correlation is used to examine the relationship between satisfaction with the current brand and aspects most satisfied with.

Correlations

		Satisfaction with current brand	Aspects most satisfied with
Satisfaction with current brand	Pearson Correlation	1.000	.376
	Sig. (2-tailed)		.000
	N	90	90
Aspects most satisfied with	Pearson Correlation	.376	1.000
	Sig. (2-tailed)	.000	
	N	90	90

Hypothesis

Null Hypothesis (H_0):

There is no significant relationship between satisfaction with the current brand and aspects most satisfied with.

Alternative Hypothesis (H_1):

There is a significant relationship between satisfaction with the current brand and aspects most satisfied with.

Inference:

- Since the p-value (0.000) < 0.05, the null hypothesis is rejected.
- There is a significant positive relationship between satisfaction with the current brand and aspects most satisfied with.

This indicates that higher satisfaction with key aspects of the automobile leads to greater overall brand satisfaction.

ANOVA ANALYSIS

ANOVA (Analysis of Variance) is a statistical tool used to determine whether there are any significant differences between the means of three or more groups.

In this study, ANOVA is used to analyze whether different promotional offers significantly influence purchase decisions of automobile consumers.

Hypothesis

H_0 (Null Hypothesis): There is no significant difference in the influence of various promotional offers on purchase decisions.

H_1 (Alternative Hypothesis): There is a significant difference in the influence of various promotional offers on purchase decisions.

ANOVA

		Sum of Squares-	df	Mean Square	F	Sig.
promotional offers influencing purchase	Between Groups	5.83	4	1.46	.72	.582
	Within Groups	172.57	85	2.03		
	Total	178.40	89			

Inference

- Since the p-value (0.582) > 0.05, the null hypothesis is accepted.
- This indicates that there is no significant difference in the impact of different promotional offers on consumers' automobile purchase decisions.
- Hence, promotional offers have a similar level of influence on consumer purchasing behavior across all groups.

Findings

The study on the Impact of Reviews and Ratings on Consumer Perception of Automobiles reveals that most respondents are young, educated, and belong to middle-income groups, indicating that tech-savvy consumers are the primary audience influenced by online information. The findings show that online reviews play a crucial role in shaping buying decisions, as the majority of participants consider them very important when choosing a car. Among various sources, customer reviews and YouTube videos are found to be the most influential, while advertisements are viewed with skepticism. Consumers generally trust online ratings but believe that advertisements often exaggerate product features compared to real user experiences. Negative reviews have been shown to discourage potential buyers from purchasing certain brands, whereas positive reviews significantly enhance brand image and loyalty.

Most respondents are satisfied with their current automobiles, particularly with factors such as design, performance, fuel efficiency, and overall brand reputation. Furthermore, online reviews and ratings not only influence pre-purchase decisions but also affect post-purchase satisfaction and recommendation behavior. The findings also indicate that YouTube, social media, and automobile review websites are the main sources of brand awareness, while promotional offers such as discounts, free insurance, and low-interest EMIs attract considerable attention. Overall, the study concludes that online reviews and ratings have a strong and direct impact on consumer perception, satisfaction, and decision-making in the automobile sector.

Suggestion:

Based on the study findings, it is suggested that automobile companies should strengthen their online presence and actively engage with customers on review platforms and social media. Encouraging customers to share genuine reviews and feedback can help build trust and transparency. Companies should also respond promptly to negative reviews and address complaints effectively to maintain a positive brand image. Ensuring honest and realistic advertising that aligns with actual product performance is crucial to avoid misleading consumers.

Further, automobile brands should focus on improving product quality, after-sales service, and fuel efficiency, as these factors greatly influence satisfaction and ratings. Collaborating with authentic YouTubers and expert reviewers can help create credible content and strengthen consumer trust. Highlighting positive customer testimonials and showcasing high ratings in promotional materials can attract new buyers. Offering attractive promotional schemes like discounts, free insurance, and extended warranties can also increase purchase intention. Finally, companies should conduct regular market research to monitor changing consumer preferences and feedback, ensuring continuous improvement and long-term customer loyalty.

Conclusion

The study concludes that online reviews and ratings have a significant influence on consumer perception and buying behavior in the automobile industry. Most consumers, particularly the younger and more educated segment, rely heavily on online platforms to gather information before making purchase decisions. The findings highlight that positive reviews and high ratings enhance trust, satisfaction, and brand loyalty, while negative feedback can strongly discourage potential buyers. Consumers tend to believe real user experiences more than promotional advertisements, indicating a major shift toward peer-driven decision-making.

It is evident that reviews and ratings not only affect pre-purchase decisions but also shape post-purchase satisfaction and recommendation behavior. Therefore, automobile companies must prioritize transparency, product quality, and active online engagement to maintain credibility and attract consumers. By valuing customer feedback and addressing it effectively, brands can build long-term trust and sustain their competitive position in the market. Overall, online reviews and ratings have become a vital element in shaping consumer perception and influencing automobile brand success.

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