

The Influence of Online Reviews on Customer Purchase Decisions (A Study at Theta Zero)

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Abstract

In today's digital marketplace, online reviews, ratings and testimonials have become a central source of information that shapes what customers buy. This study examines the influence of online reviews on customer purchase decisions, with Theta Zero, a digital marketing and data analytics company, as the context. The study focuses on how much customers rely on reviews, which elements of a review (rating, recency, detail and reviewer credibility) matter most, how demographic factors affect this reliance, and how businesses can use review data to strengthen trust and drive sales.

Descriptive research was carried out for this study using primary and secondary data. A structured questionnaire covering 25 statements on a five-point scale was distributed among 50 respondents selected through the convenience sampling technique. Secondary data were drawn from journals, research articles, industry reports and reputed websites on online reviews, e-commerce and consumer behaviour. The data were analysed using percentage analysis, mean scores, cross-tabulation with the Chi-Square test, and one-way ANOVA. The findings show that online reviews have a considerable, above-neutral influence on purchase decisions (overall mean = 3.87), that age is significantly associated with the habit of reading reviews before purchase, and that respondents remain moderately cautious about review authenticity, underlining the need for businesses to encourage genuine reviews and respond actively to customer feedback.

Keywords

Online Reviews, Consumer Behaviour, Purchase Decision, Consumer Trust, Rating, E-commerce, Data Analytics.

Introduction

Nowadays, when people want to buy something, they usually check what other buyers have to say. Online reviews, ratings and testimonials are as important as recommendations from friends or family in shaping purchase decisions. The growth of e-commerce and social media has changed how people evaluate products and services: a single product page can carry hundreds or thousands of reviews, ratings and photos that influence buyers within minutes.

Understanding reviews is crucial for businesses that want to stay competitive. Positive reviews build trust and increase sales, while negative reviews, if ignored, can harm a brand's reputation. Businesses that analyse feedback systematically can identify problems, highlight strengths, and make better decisions about product development, marketing and customer service.

This study looks at how online reviews influence customer purchase decisions with Theta Zero, a company offering online reputation management, review analysis and business intelligence services, as the context. It explores how much customers rely on reviews, what elements of a review matter most, and how businesses can use this understanding to improve customer satisfaction and drive sales.

Review of Literature

Rahmawati et al. (2025) found that online consumers rely on a combination of product ratings, review quality and reviewer credibility to judge whether a product meets their needs.

Rachmiani et al. (2024) reported that online reviews strongly shape purchasing decisions because they help

consumers perceive products as trustworthy based on the real experiences of others.

Kee et al. (2023) explained that purchase decisions are shaped not just by reviews but also by perceived risk, trust and product expectations working together.

Ahn and Lee (2024), in an experimental study of 267 U.S.-based participants, found that the effect of review ratings on purchase intention was mediated by perceived diagnosticity and a sense of belongingness.

Chen, Samaranayake, Cen, Qi and Lan (2022), using eye-tracking methodology, found that consumers pay significantly more attention to negative comments than positive ones, and were often unable to identify false comments despite this affecting their browsing and purchase behaviour.

Research Methodology

The study adopts a descriptive research design to understand how online reviews influence customer purchase decisions, using Theta Zero as the organisational context. Both primary and secondary data were used.

Primary Data: Primary data were collected through a structured questionnaire from 50 respondents who shop online and read customer reviews before purchasing. The questionnaire covered demographic profile and 25 statements, measured on a five-point scale (Strongly Disagree = 1 to Strongly Agree = 5), relating to review-reading habits, trust in reviews, and the influence of review characteristics on purchase decisions. Respondents were selected using the convenience sampling technique.

Secondary Data: Secondary data were gathered from journals, research articles, books, industry reports and reputed websites relating to online consumer reviews, e-commerce and consumer purchase behaviour.

The collected data were analysed using percentage analysis, mean scores, cross-tabulation with the Chi-Square test, and one-way ANOVA, to understand respondents' perceptions of, and reliance on, online reviews.

Data Analysis and Interpretation

1. Age and the Habit of Reading Online Reviews before Purchase

HYPOTHESIS

H_0 (Null Hypothesis): There is no significant association between age and the habit of reading online reviews before purchasing a product.

H_1 (Alternative Hypothesis): There is a significant association between age and the habit of reading online reviews before purchasing a product.

Test	Chi-Square Value (df = 6)	p-value
Age × Reading reviews before purchase	17.693	0.007

INTERPRETATION

The Chi-Square significance value is 0.007, which is less than 0.05. Therefore, the null hypothesis is rejected, and the alternative hypothesis is accepted. There is a statistically significant association between age and the habit of reading online reviews before purchasing, with respondents below 20 years and between 21–30 years being more likely to read reviews before buying.

2. Gender and Overall Reliance on Online Reviews (One-Way ANOVA)

HYPOTHESIS

H_0 (Null Hypothesis): There is no significant difference in the overall reliance on online reviews (composite score across all 25 statements) between male and female respondents.

H_1 (Alternative Hypothesis): There is a significant difference in the overall reliance on online reviews between male and female respondents.

Source of Variation	F Value
Between Groups (Male / Female)	4.392

INTERPRETATION

The one-way ANOVA result shows a statistically significant difference in overall reliance on online reviews between male and female respondents ($F = 4.392$, $p = 0.041 < 0.05$). Female respondents (mean = 4.17) reported a somewhat higher overall reliance on

online reviews than male respondents (mean = 3.81). As the sample is heavily skewed towards male respondents (82%), this finding should be treated as indicative and explored further with a more balanced sample.

Findings

- Online reviews have a considerable, above-neutral influence on customer purchase decisions, with an overall composite mean score of 3.87 out of 5 across all 25 statements.
- Reading reviews before purchase (mean = 4.22) is almost a universal habit, and reviews are strong enough to actually change a purchase decision (mean = 4.16), not just inform it.
- Respondents compare reviews across different websites (mean = 4.04) and prefer brands that respond to reviews (mean = 4.04), showing that credibility and engagement matter as much as the review content itself.
- Trust in the honesty of reviews (mean = 3.84) and in verified-buyer reviews (mean = 3.62) is comparatively weaker, pointing to some underlying scepticism about review authenticity.
- Age is significantly associated with the habit of reading reviews before purchase (Chi-Square = 17.693, $p = 0.007$), while income, occupation and educational qualification showed no significant relationship with the attitudes tested.
- Gender showed a statistically significant difference in overall reliance on reviews ($F = 4.392$, $p = 0.041$), with female respondents reporting somewhat higher reliance than male respondents.

Suggestions

- Businesses should actively encourage customers to leave genuine reviews after purchase, since most consumers read reviews before buying.
- Companies should respond promptly to customer reviews, especially negative ones, as customers prefer brands that acknowledge and address feedback.
- Review platforms should strengthen verification systems to identify fake or

misleading reviews, given the only moderate trust shown in verified-buyer reviews.

- Businesses should encourage detailed reviews with photos or videos, as these are considered more useful than short reviews.
- Marketing strategies should pay particular attention to younger consumers, since age significantly influences the habit of reading reviews before purchase.

Conclusion

The study concludes that online reviews have become an essential source of information for consumers and an important strategic tool for businesses. With an overall mean score of 3.87, online reviews were found to significantly influence purchase decisions, and age emerged as the key demographic factor affecting review-reading behaviour. Companies such as Theta Zero should continue to monitor, analyse and manage customer reviews effectively to strengthen brand reputation, build customer trust, and support better business decision-making.

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Web Links

- Google Reviews – <https://www.google.com/maps>
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- Statista – <https://www.statista.com>
- Google Scholar – <https://scholar.google.com>
- Bazaarvoice – <https://www.bazaarvoice.com>