

A study on Impact of Consumer Reviews on Consumer Behavior with reference to Restaurants in Bengaluru

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ABSTRACT

The current generation has seen a major increase in usage of restaurants which has given birth to applications which let the consumers rate the restaurants on a scale of 1 to 5. This rating is letting the other consumers to know where they are putting their money. This sudden increase in the Restaurant industry and due to the availability of ratings of the restaurants consumers buying behavior has been affected in a tremendous way. This paper aims at analyzing the role of consumer reviews on the buying behavior of consumers, the perception of the consumers on various review platforms and to study a qualitative impact of consumer reviews on restaurants.

1. Introduction

As Social media usage is growing rapidly, the restaurant industry has also seen a significant growth and impact of social media on consumers in terms of usage and reliability. The very fact that social media is giving people a platform to voice their opinions in terms of restaurant experience, proves the point that the world is going through a major shift in selection of a restaurant by consumers. The impact of consumer feedback and reviews are rising significantly especially in the restaurant business. Restaurants are hiring people and spending a lot of money to take care of the same. Expenditure done on this purpose is not considered to be an expense but rather to be an investment in the long run. Food delivery applications like Zomato which lists restaurants and let the consumers rate the restaurants as per their experience are changing the market for the restaurant industry. This study aims at understanding whether or not the reviews and feedbacks given by consumers make a significant impact on the buying behavior of other consumers with reference to restaurants in Bengaluru.

2. Literature Review

Online Reviews

The consumer review plays a significant role in influencing the purchasing behavior of consumers. There are many studies done by various scholars on the impact of reviews on consumer buying behavior. To decide quickly and the best product with various options and competition, consumers rely on various reviews such as ratings, description, picture reviews, additional reviews, which allows consumers to take a quick decision in a short time. (Zan Mo, 2015). Social media allows consumers to investigate, label and criticise which impacts other consumers (Elisabeta Ioanas, 2014). Along with the online reviews, brand reputation, restaurant atmosphere, and brand character plays a significant role to bring positive feedbacks and reviews which impact the consumers behaviour ((Tung-Ju Wu & Wu, 2015). The online reviews include many attributes which have different implications in consumer behaviour. Attributes such as Food quality, service quality,

price and many other attributes has a different implications (Reviews) in consumer buying decision (Gunden, 2017). The studies have consistently found that the characteristics of online reviews (i.e., star ratings, review richness, and valence of reviews) (Beverley A.Sparks, 2011) and of review providers (i.e., identity disclosure and level of expertise) (Ivar E.Vermeulen, 2009) have positive influences on purchase decision.

Word of Mouth Marketing

Word of Mouth marketing (WOM) has come up tremendously in the recent ages. There are many researches done on the same to analyse the impact of word of mouth marketing on the sales of restaurants. Consumer nowadays largely consider online reviews as a form of E-WOM (Electronic Word of Mouth) in decision making process. Online reviews enable people to obtain trustworthy and credible information as compared to information provided by marketers which might be viewed with scepticism and possible disbelief. (Juan Luis Nicolau, 2015). E-WOM is more influential than traditional WOM, which than extends far beyond from the members of physical communities (Anish Parikh, 2014)

3. Objective

1. To analyze the role of consumer reviews on buying behavior of consumers with reference to restaurants.
2. To study the perception of consumers on various review platforms
3. To study the factors that influence restaurant selection by consumers.

4. Data and methodology

This study takes both quantitative and qualitative approach to address the proposed research questions. The main purpose of the paper is to examine how consumer reviews influence the buying behavior of consumers with reference to restaurants and to study the ranking of various

consumer reviews platform and ranking of various factors of restaurant which affects the selection of a restaurant.

The target population for this paper were the residents of Bengaluru who have visited restaurants and also who check reviews for restaurant selection. The online survey was created in Google Forms and the forms were forwarded. The survey received 288 responses.

For the purpose of data analysis, SPSS was used to analyze the data. For checking the validity of the responses collected, Cronbach's coefficient alpha was used. This paper

used frequency tables to analyze the responses and then further ahead Crosstabs is used on the responses.

5. Results and inferences

5.1 Reliability test results

The overall value of Cronbach's alpha for this study was calculated and it was 0.91 and hence it was considered reliable.

5.2 Frequency Tables

Table 1: Frequency of Respondents on the basis of frequency of dining at a restaurant

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Last week	205	71.2	71.2	71.2
	Last month	58	20.1	20.1	91.3
	3 months ago,	10	3.5	3.5	94.8
	6 months ago,	5	1.7	1.7	96.5
	More than a year ago	3	1.0	1.0	97.6
	I haven't been at a restaurant	7	2.4	2.4	100.0
Total		288	100.0	100.0	

The aim was to find how many consumers had dined in restaurants in a certain stipulated time period. The results

establish the fact that a lot of people regularly dine in restaurants which can be confirmed from Table1.

Table 2: Frequency of Respondents on the basis of checking reviews before dining

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	177	61.5	61.5	61.5
	No	111	38.5	38.5	100.0
	Total	288	100.0	100.0	

The aim was to find the number of respondents who check reviews before dining in a restaurant.

The results establish the fact that a majority of people (61.5%) check online reviews before dining at restaurants, whereas 38.5% do not check reviews before dining at restaurants.

Table 3: Frequency of Respondents on the basis of frequency of checking review

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sometimes	34	11.8	19.2	19.2
	Half of the time	27	9.4	15.3	34.5
	Most of the time	89	30.9	50.3	84.7
	Always	27	9.4	15.3	100.0
	Total	177	61.5	100.0	
Missing	System	111	38.5		
Total		288	100.0		

The aim was to identify how frequently the respondents check reviews before dining.

Hence it implies that reviews are significant for consumers and restaurants.

- The results suggested that majority of the respondents check reviews most of the time before dining in a restaurant.

Table 4: Frequency of Respondents on the basis of trusting other dinner's reviews

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	62	21.5	35.0	35.0
	Agree	99	34.4	55.9	91.0

	Strongly Agree	16	5.6	9.0	100.0
	Total	177	61.5	100.0	
Missing	System	111	38.5		
Total		288	100.0		

The aim was to find the level of trust which consumers tend to show on the reviews provided by other consumers in terms of dining in restaurants. Five options were given to the respondents to choose from a) Strongly Agree b) Agree c) Neutral d) Disagree and e) Strongly Disagree. It was found that

all the respondents agreed or strongly agreed to trusting other consumer reviews as we can see on Table 4.

This establishes the fact that people do rely and trust other consumer reviews before dining at a restaurant.

Table 5.1: Frequency of Checking Reviews and Age

Count		Age				Total
		Less Than 18	18 to 24	25 to 34	34 and beyond	
Data-Do you check reviews	Yes	10	161	2	4	177
	No	15	79	5	12	111
Total		25	240	7	16	288

Table 5.2: Chi-Square Test on checking reviews and age.

	Value	df	
Pearson Chi-Square	20.240 ^a	3	.000

Null Hypothesis (H₀) – No Significant impact of age on responses to “Do you check reviews?”.

- The Significance of Pearson Chi-Square gives a P value of .0001 i.e. less than 5% which indicates there

is some significant impact of Age on Checking Reviews (Table 5.2.)

- Therefore, it can be implied that age does influence on Checking Reviews.
- Therefore, Null Hypothesis was rejected.

Table 6.1: Frequency of Trusting other dinner's Reviews and Residential Status

Count		Resident		Total
		Yes	No	
I trust other diner's reviews about restaurants	Neutral	20	42	62
	Agree	11	88	99
	Strongly Agree	5	11	16
Total		36	141	177

Table 6.2: Chi-Square Test on Trusting other dinner's Reviews and Residential status.

	Value	df	
Pearson Chi-Square	11.815 ^a	2	.003

Null Hypothesis (H₀) – There is no significant impact of being a permanent resident and responses to “I trust other diner's reviews about restaurants”.

Analysis-

- The Significance of Pearson Chi-Square gives a P value of .003 i.e. less than 5% which indicates there is

some significant impact of being a resident on “I trust other diner's reviews”. (Table 6.2.)

- Therefore, it can be implied that being a resident does influence consumers perception on trusting other diner reviews information.
- Therefore, Null Hypothesis was rejected.

Table 7: Frequency Food Quality Ranking and Age.

Count	Ranking [Food Quality]	Age				Total
		Less Than 18	18 to 24	25 to 34	34 and beyond	
	Most Important	6	101	2	2	111
	Important	1	13	0	0	14
	Neutral	1	4	0	0	5

	Less Important	0	7	0	1	8
	Least Important	2	36	0	1	39
Total		10	161	2	4	177

The aim was to find the significance of Food Quality factor for a consumer before deciding to dine at a restaurant: -

- It suggests that among all the factors given, food quality was considered and preferred as the most

important factor by consumers while selecting a restaurant.

Table 8: Frequency Service Quality Ranking and Age.

Count		Age				Total
		Less Than 18	18 to 24	25 to 34	34 and beyond	
Ranking [Service Quality]	Most Important	0	6	0	1	7
	Important	2	79	1	2	84
	Neutral	4	43	0	1	48
	Less Important	2	30	1	0	33
	Least Important	2	3	0	0	5
Total		10	161	2	4	177

The aim was to find the significance of Service Quality factor for a consumer before deciding to dine at a restaurant: -

- It suggests that among all the factors given, service quality was considered and preferred as an important

factor by a consumer but not as much as food quality while choosing a restaurant.

Table 9: Frequency Atmosphere Ranking and Age.

Count		Age				Total
		Less Than 18	18 to 24	25 to 34	34 and beyond	
Ranking [Atmosphere]	Most Important	0	14	0	0	14
	Important	3	25	1	1	30
	Neutral	5	83	1	2	91
	Less Important	1	29	0	0	30
	Least Important	1	10	0	1	12
Total		10	161	2	4	177

The aim was to find the significance of Atmosphere (Ambience) factor for a consumer before deciding to dine at a restaurant: -

- It suggests that atmosphere was neither considered important nor not-important while choosing a restaurant by a consumer.

Table 10: Frequency Number of Online Reviews Ranking and Age.

Count		Age				Total
		Less Than 18	18 to 24	25 to 34	34 and beyond	
Ranking [Number of Online Reviews]	Most Important	2	16	0	1	19
	Important	3	23	0	0	26
	Neutral	0	14	0	0	14
	Less Important	1	54	1	2	58
	Least Important	4	54	1	1	60
Total		10	161	2	4	177

The aim was to find the significance of Number of reviews as a factor for a consumer before deciding to dine at a restaurant: -

- It suggests that number of online reviews do not play a significant role among all the factors before dining.

Table 11: Frequency of overall Restaurant Rating Ranking and Age.

Count	Ranking [Overall Restaurant Ratings]	Age				Total
		Less Than 18	18 to 24	25 to 34	34 and beyond	
	Most Important	2	24	0	0	26
	Important	1	21	0	1	23
	Neutral	0	17	1	1	19
	Less Important	6	41	0	1	48
	Least Important	1	58	1	1	61
	Total	10	161	2	4	177

The aim was to find the significance of Overall Restaurant Rating as a factor for a consumer before deciding to dine at a restaurant: -

- It suggests that number of Overall Restaurant Rating does not play a significant role among all the factors before dining.

Table 12: Frequency of Word of Mouth Rating and Age.

Count	Rating [Word of Mouth]	Age				Total
		Less Than 18	18 to 24	25 to 34	34 and beyond	
	No Usage	1	13	0	0	14
	Very Low	1	17	1	0	19
	Low	3	18	1	0	22
	Neutral	1	18	0	0	19
	High	1	40	0	2	43
	Very High	3	55	0	2	60
	Total	10	161	2	4	177

The aim was to find the impact of Word of Mouth as a factor for influencing a consumer to visit a restaurant.

- It suggests that Word of Mouth was an important consideration for any restaurant as many people rely

on word of mouth and prefer it above other modes of media.

- Hence it implies that even though there are so many modes of online and offline reviews, Word of Mouth was still more relied upon.

Table 13: Frequency of Food Application Rating and Age.

Count	Rating [Food Applications]	Age				Total
		Less Than 18	18 to 24	25 to 34	34 and beyond	
	No Usage	0	8	0	1	9
	Very Low	1	19	1	0	21
	Low	0	14	0	0	14
	Neutral	2	38	0	1	41
	High	3	39	1	1	44
	Very High	4	43	0	1	48
	Total	10	161	2	4	177

The aim was to find the impact of Food Applications as a factor for influencing a consumer to visit a restaurant.

- It suggested that Food Application was an important consideration for any restaurant. It implies that many

respondents check food applications and rely highly on food application before making a decision to visit a restaurant.

Table 14: Frequency of Online Platform Rating and Age.

Count	Rating [Online Platforms]	Age				Total
		Less Than 18	18 to 24	25 to 34	34 and beyond	
	No Usage	0	10	1	2	13
	Very Low	1	14	0	0	15

	Low	2	33	1	0	36
	Neutral	3	54	0	2	59
	High	2	35	0	0	37
	Very High	2	15	0	0	17
Total		10	161	2	4	177

The aim was to find the impact of Online Platforms as a factor for influencing a consumer to visit a restaurant.

- Online Platform here includes Restaurant websites, Social media platforms (Facebook, Instagram).
- It suggests that Online platform stands in a neutral position where some consumers gets influenced by

the ratings and reviews whereas some do not get influenced.

- It also implies that even though it is a neutral factor, many respondents do consider it as an important factor.

Table 15: Frequency of Food Blogs and Vlogs Rating and Age.

Count	Rating [Food Blogs and Vlogs]	Age				Total
		Less Than 18	18 to 24	25 to 34	34 and beyond	
	No Usage	1	34	0	3	38
	Very Low	0	26	2	0	28
	Low	4	42	0	0	46
	Neutral	1	31	0	1	33
	High	2	17	0	0	19
	Very High	2	11	0	0	13
Total		10	161	2	4	177

The aim was to find the impact of Food Blogs and Vlogs as a factor for influencing a consumer to visit a restaurant.

- It suggests that Food Blogs and Vlogs do not significantly influence the consumers.

- It also implies that consumers don't really visit Food Blogs and Vlogs currently to rely on the restaurant information and reviews as compared to other modes of media.

Table 16: Frequency of Newspaper Review Usage Rating and Age.

Count	Rating [Newspaper Reviews]	Age				Total
		Less Than 18	18 to 24	25 to 34	34 and beyond	
	No Usage	5	69	1	2	77
	Very Low	3	37	0	0	40
	Low	0	15	1	0	16
	Neutral	0	17	0	0	17
	High	1	15	0	1	17
	Very High	1	8	0	1	10
Total		10	161	2	4	177

The aim was to find the impact of Newspaper Reviews as a factor for influencing a consumer to visit a restaurant.

- It suggests that Newspaper reviews are considered not very important by most of the respondents.

6. Limitations of the study

1. This study does not analyze the impact of food prices on consumers.
2. The study was limited only to Bangalore City.

7. Conclusion

It was found that restaurant consumers rely heavily on reviews and then take decisions on dining based on these reviews. Our analysis yields that majority of people check reviews before selecting a restaurant.

The results suggested that majority of respondents frequently check reviews. It was also found 56% respondents trust other consumer reviews before dining in at restaurants.

The study found that there is no significant impact of age on the frequency of checking reviews. The study also found that a significant impact of Age existed on checking reviews. It was also found that there is no significant impact between of age on trusting other diner's reviews.

The study concluded that there is no significant impact of resident in frequency of checking reviews. It was found there is some significant impact of being a resident and trusting other diner reviews.

It was found that there is no significant impact of being a resident and checking online reviews.

It was found that consumer ranked food quality as most important before dining in at a restaurant followed by Service Quality where consumer ranked it important, followed by Atmosphere. The respondents rated Number of online reviews and Overall restaurant ratings as least important factor as compared to other attributes.

It was found that Word of mouth has the highest rating and was the most preferred medium by consumers before selecting a restaurant followed by Food Applications. Whereas online platforms have found to have a neutral impact on selecting a restaurant. Food Blogs and Vlogs were found to have a very low rating in terms of usage. Respondents rated Newspaper Reviews as the least important.

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