

Impact of Credence claims, Price and Customer Reviews on the purchase of Personal Care Products in E-Shopping.

Authors:

Anjan Bharali

Assistant Professor

Don Bosco college, Golaghat

Assam, India

Email Address: bharalianjan28@gmail.com

And

Ankita Kotoky

Research Scholar, Dibrugarh University

Assam, India

Email address: ankitas391@gmail.com

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Abstract

Behavioural Psychology is being used in Marketing and understanding of consumers in recent times. In this paper, we study Credence Claims and its subsequent effect on the Consumer's Expectation before purchase. The study also tries to find out if external attributes in Credence Good like Price and Customer Reviews which may affect Consumer Expectation. The study is designed by selecting brands from the same Category of Products having a similar set of claims and ingredients. The brands though have similarity in claims and ingredients but have a difference in some characteristics like Price and Customer Reviews. These characteristics are used as a tool for shaping the study. The study tries to show that consumers when fed with different attributes of a brand may have a change in the attitude towards the product. The attributes if present or absent may affect differently leading to an alteration of the expectation level. This ultimately has an impact on the purchase decision. For the present study, 51 respondents were selected using non-probability convenient sampling method and online questionnaire were served to fill up voluntarily. The study gave us a series of information on how the consumers develop expectations regarding a credence good after going through the claims and other external attributes. These attributes when present and in some cases absent did alter the level of expectation of a consumer towards credence goods.

Keywords: Consumer Behaviour Research; Behavioural Psychology; Credence Claims; Consumer Expectation; Consumer Involvement;

1. Introduction:

Endless products and services are floating around the business world, which we need and continue using it to our fulfilment. Some though are products that we measure the efficiency as how they have worked. But some are those products that we use in our daily lives without undergoing the fact whether we have or we will get the said benefits or not. The customer accepts the product because of his/her trust on the seller. These products which a customer cannot testify or verify independently, the claims the product or service is declaring are known as 'credence claims'. The products and services boast of traits and attributes that the customer accepts but unable to verify them. Most of the

times, they add an edge over the competitor's products. For example, using claims such as "extra virgin olive oil", "paraben-free", "environment friendly", "free from chemicals", "added minerals", can make a product perceived as a better choice.

A consumer takes a buying decision after recognising a need and then finding out alternatives. At the same time, he is getting stimuli from possible options and product claims. Expectations also play an essential role in the purchase decision. Expectancies can be moderated by different factors (Shiv, Carmon and Ariely, 2005). Consumers form expectation from purchase experiences and even after getting exposed to marketing stimuli. The study also tries to find if credence claims can alter the expectations of the customer based on the factors of price and reviews of the product. It will try to generate more ideas into the concept of credence goods and credence claims leading to better literature in the field of consumer behaviour.

2. Research methodology:

1. Data has been collected through Primary and Secondary source. Based on non-probability sampling method, 51 consumers were requested to complete the structured questionnaire on voluntary basis.
2. One category of Personal care product is chosen for the survey, i.e. 'Haircare'. Under 'Hair Care'¹ the type of Hair Oil having the base ingredient as 'Onion Oil' is selected. The choice has been made based on data from Google Trends as a product having search queries in an increasing rate in the last 12 months in India. It has been widely claimed by most of the personal care brands as effective in hair-fall and hair growth.
3. Four brands are selected for the data collection. Two brands have been chosen in the 'Onion Oil for Hair' category based on their popularity in Google trends data as well as in a popular e-commerce website 'Flipkart.com'. The website has been selected as these two brands have the highest number of Customer reviews than any other e-commerce website. One brand has been intentionally chosen as a 'Higher Priced brand' with 'No customer reviews' for the same quantity as other selected brands. One brand has been selected as a 'Lower Price brand' with 'No Customer Reviews'. This manipulation has been done intentionally for fulfilling the objectives.
4. The products chosen for the study are:
 1. Mamaearth Onion Oil for Hair Regrowth & Hair Fall Control Hair Oil (150 ml)
This product is considered as the most searched product in the Onion Hair Oil category of google trends data in the last 12 months. The product has certain credence claims which were passed on to the respondents. The product is sold at a competitive price with its competitors and also has a good number of customer reviews. The objective of selecting this product is to see whether the having a good price along with extensive reviews along with credence claims can alter the quality expectations towards the product or not.
 2. WOW Skin Science Onion Black Seed Hair Oil (200ml)
This product has been particularly chosen because of having a large number of customer reviews with a competitive price along with credence claims. This will be conveyed to the respondents and their attitude towards the expectations towards the product will be measured.
 3. PreVeda Khadi Red Onion Scalp Scrub Oil for Anti Hair Fall Hair Oil (100 ml)
This product has been selected because of its higher price than the competitors' products and having no customer reviews in the particular E-commerce website. Here, the notion of Higher Price-Higher Quality (Rao, 2005) will be analysed if this notion work in the same way for credence goods.
 4. Sheldon Onion Hair Growth Oil (100 ml)
This product has been selected because of its lower price than the competitors and also having no customer reviews in the particular website. The objective is to understand whether the customer act rationally not considering the claims of the product and goes for cheaper priced product. This data will be compared to the previous product having High price-No reviews.

¹Hair Care products is a term used for cosmetology and hygiene involving hair.

3. Research Problem:

The field of consumer behaviour is getting wider and with-it newer fields of study are emerging. Consumers are often prone to different attributes in the marketing environment and make decisions differently in alternate scenarios. The study tries to find out if the consumer's pre-purchase expectations have any effect after being fed with credence claims of different brands in a particular category of product. Various studies have suggested that external attributes of a product do have influence on the expectations as well as purchase decision of a customer. Keeping that notion in mind, the study also tries to find out if credence claims when added with other features of a brand like Price, Customer reviews of the customer have any effect whatsoever on the purchase decision. This study will help to understand if the behaviour of a consumer changes with the changes in the marketing scenario.

Theoretical Framework based on reviews

4.1 Credence attributes and Expectations

Credence goods are those goods whose qualities cannot be ascertained even after purchase. They have attributes that are displayed by the sellers having absolute importance which benefits the customer or makes their product or service better than competitors. For example, medical procedures or dietary supplements or repairs are often termed credence goods. In case of personal care product segment marketers often uses. Credence attributes and claim about their product through the use of keywords such as, '100 per cent pure', 'natural ingredients', 'environmentally friendly', 'organic' etc. Previous studies have suggested that specific attributes act as a mediator on the formation of a consumer's attitude and thus leading to buying decision. It has been defined as an indirect effect (Dentoni, 2009). The claims might create a belief which might act as a placebo that ultimately shapes the expectations and change the effectiveness of a product or service (Shiv, Carmon and Ariely, 2005). In this study, we try to find if credence claims in the personal care segment can alter the expectations as a result of attitude formation. So, the first objective of the study is:

O₁: To observe whether credence claims in the personal care segment can alter the expectation due to formation of Attitude.

The formation of the objective leads us to explore the following research question:

RQ₁: Does credence claims alter the consumer expectation?

Consumer satisfaction often depends on the actual performance with the expectations. That is why the marketers should be conscious while creating expectations through their product claims. Although when a consumer cannot measure a product's efficacy even after consuming, then the expectation mostly depends on the belief to be good or bad. In this case, the claims might act as a placebo which activates expectations. Previous studies have used external attributes such as 'brand name', 'price', 'discounts' by mediating them as placebos and their effect on expectation and satisfaction. (Fell and Eisend, 2013; Shiv, Carmon and Ariely, 2005; Rao 2005). In this study, we hypothesize that credence claim is an external attribute and as such, has the power to alter the expectations.

A vital factor to remember is that overstating claims can lead to the loss of the marketer. Misleading or faulty credence attributes might lead to building up of higher expectations which in turn might be higher than the actual performance. It may lead to the Nocebo Effect (Learned and Erdman, 2009). Nocebo effect leads to contradicting effect on the consumer who after using a certain product may feel that the attributes as claimed are not true. The attributes when matched with the generated expectations may fall short sometimes and then it may lead to a negative effect on the consumer, thus leading to dissatisfaction.

Expectations are connected with purchase decisions and so also connected with consumer satisfaction or dissatisfaction. Expectations lead to formation of beliefs and attitudes which guide the post purchase behaviour. (James 1890, 1950) gave the notion of "ideomotor mechanism" which describes how merely thinking about a behavioural outcome increases the belief that an outcome will occur. This is directly relational with the consumers search for a product, interpreting the claims and thus creating an expectation that this outcome might occur. Thus, creating a belief and making the decision. The post purchase behaviour of a consumer is dependent on how the consumer has defined the outcome. After comparing the set standard of an outcome with the actual performance, he or she decides how much satisfaction has been derived from the product. Hence attributing the claims in a positive or negative sense.

4.2 Price as a cue for Purchase decisions!

Price has always been termed as a quality cue. Many studies have proved that price is considered as a cue for measuring effectiveness and satisfaction. (Shiv, Carmon and Ariely, 2005) have discussed through their paper that price can alter the quality perception of a product and thus having an impact on the performance. They have also suggested that non-price factors may also alter the same performance. In this paper, we try to find out if this notion of price can alter the purchase decision when put alongside credence claims in the category of Hair care products. So, the second objective of the study:

Q₂. To find out if Price can have any effect on the consumer expectation for credence goods.

The formation of the objective leads us to explore the following research question

RQ₂: Does price of credence goods have any effect on the consumer expectation?

We hypothesize that Higher price of a product along with credence claim can create higher expectations and lead to higher probability of purchase. The price when combined with other attributes of a product may act differently. The convenience goods are a category where consumers buy the products regularly and are also readily available on the store. The consumer behaviour towards this category will be different from other goods having a longer life span or usability. (Shiv, Carmon and Ariely, 2005) has suggested that automobiles purchased at lower prices are tend to be taken as lesser quality products and are thus more accident prone. This is a connection of Price-quality perception.

4.3 Customer Reviews as a mediator of Purchase decision

In the recent years' customer reviews in the form of online word-of-mouth has growing importance in reducing the uncertainty regarding purchase. They are basically a form of experience sharing which helps a customer to inspect before purchase and judge on the attributes, processes. At least two-thirds of the customers read reviews while taking purchase decision according to a survey done by Delloitte's Consumer Products group (Delloite 2007). Among these consumers reading reviews 82 percent of them have accepted to be influenced by the reviews and thus have passed on their reviews to their peer groups. Thus, leading to amplification of their impact (Delloite 2007). In this paper we try to find out if customer reviews are having any effect on customer expectation when annexed with credence claims.

The consumers when shown products with or without customer reviews may act differently. As previous studies have suggested positively about the relationship of Customer reviews on purchase decisions, we hypothesize that customer reviews have an effect on forming expectations. So, the third objective of the study is:

Q₃: To find out if Customer Reviews can have any effect on the consumer expectation for credence goods.

The formation of the objective leads us to explore the following research question:

RQ₃: Does Customer Review of credence goods have any effect on the consumer expectation?

Our study has been based on comparing the evidences of the willingness to buy and the expectations a customer forms after provided with customer reviews. We have measured if there is any change in the expectations for credence goods and how they react with other factors such as price. Li and Hitt, (2010) has suggested in their study that Price has a considerable effect on the customer reviews in some category of products. Credence goods may have a tendency of affecting the behaviour of customers differently. Thus, this study will also try to add the element of price with customer reviews to see if one component in the absence of other can create an impact on the customer's expectations.

5. Analysis and Interpretation:

1. Concerned about buying/ using Hair care products?

96% of the respondents accepted that they are concerned while buying hair-care products. Only 4% of the respondents negated to be concerned while choosing hair-care products.

2. Time spend to buy or plan for purchase of Hair care products.

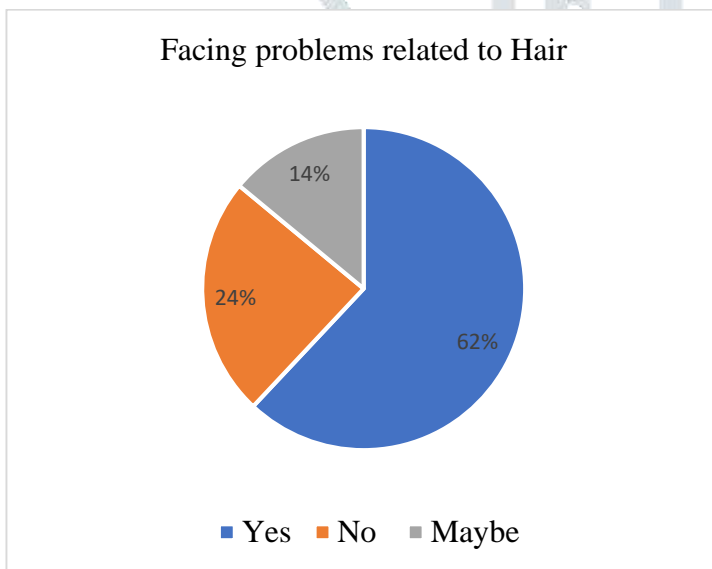
33% of the respondents agree to have spent time in research for hair-care products. 17% of the respondents didn't accept to have spent time in research for such products.

3. Impulse purchase for Hair-care Products



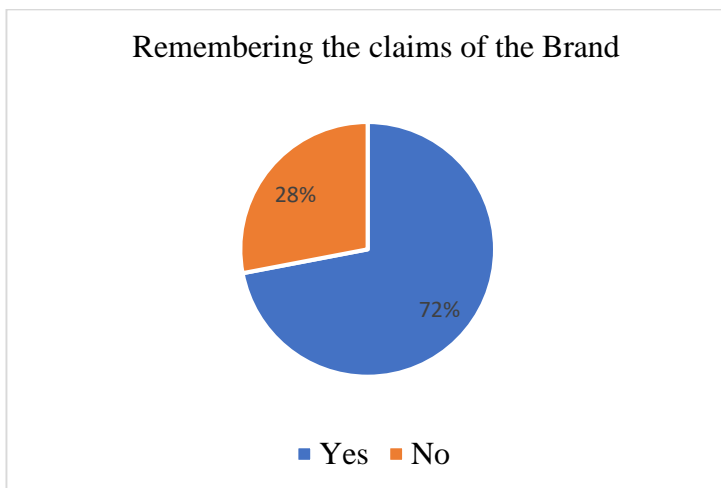
Interpretation: 32% of the respondents have accepted not doing impulse purchase for hair-care products. 18% have accepted of making impulse purchase for such products.

4. Respondents facing problem regarding Hair.



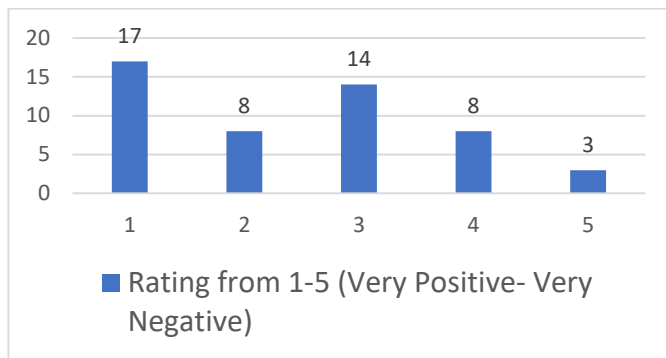
Interpretation: 62% of the respondents accepted of having hair related problems. 24% of the respondents negated having any such problem. 14% of the respondents are unsure.

5. The respondents remembering the claims of the brand.



Interpretation: 72% of the respondents accepted to remember the claims of a particular brand. 28% of the respondents exclaimed not remembering the claims of a brand.

6. Attitude towards Onion Oil as an important ingredient for good hair. (1-5; 1 being Very Positive and 5 being Very Negative)



Interpretation: 17 respondents felt Highly Positive about Onion Oil as an important ingredient for good hair. 8 respondents were also on the positive side. 14 respondents were neutral with their choice. 11 respondents in total were on the Negative side about their attitude about Onion Oil as an important ingredient for good hair.

From the data it can be interpreted that the consumers were more concerned while buying Hair-care products as they have agreed to spend enough time in research for the brand suitable for them. It was found that the intensity of impulse buying in this segment is very less as consumers take weighted decisions while purchasing brands of Hair-care products. As it can be directly related to the higher number of consumers agreeing to hair related problems. The advertising claims of the brands are also remembered and it leads to a creation of a positive attitude towards the Onion Oil category of product.

7. Responses regarding the Brands:

7.1 Mamaearth Onion Oil for Hair Regrowth & Hair Fall Control Hair Oil (150 ml)

Claims from the brand: Contains Onion seed oil, Redensyl, Almond Oil, Bhringraj Oil, 100% natural, free of chemicals and toxins, Boosts hair Growth. Price: Rs. 350. More than 25000 reviews. Customer rating- 4.1.

- 47% (23) Respondents were on the positive side of buying the product of this brand. 28% (14) respondents though were neutral in their choice.
- 67.5% (27) Respondents termed 'Customer review' as the motivating factors for the intention of Purchase. 55% (22) Respondents also accepted 'Belief in claims and ingredients' as another motivating factor of their intention of Purchase.
- 69% (16) respondents exclaimed that they may not buy the product of this brand as they are unsure of the "Claims and ingredients".
- 55% (27) respondents believed that the price is satisfactorily priced.
- 85.7% (42) respondents exclaimed that the customer reviews do give them confidence while buying.
- 79.6% (39) respondents expected changes in their hair after buying or using the product from this brand.
- 46.6% (21 respondents) rated their Expectation level after using the product on the Higher side. 31% (14) rated their expectation on the neutral side.

7.2 WOW Skin Science Onion Black Seed 200mL Hair Oil (200 ml)

Claims from the brand: Pure Cold pressed oil blend, no mineral oil, silicones or synthetic fragrance, Contains Onion Black seed oil, Almond oil, Jojoba oil and castor oil, Rich in Vitamins and Antioxidants. More than 50500 reviews. Customer Rating: 4.2.

- 39.6% (19) Respondents were on the positive side of buying the product of this brand. 33.3% (16) respondents though were neutral in their choice.
- 62.9% (22) Respondents termed 'Belief in claims and ingredients' as the motivating factors for the intention of Purchase. 48.6% (17) Respondents also accepted 'Customer review' as another motivating factor of their intention of Purchase.

- Few respondents exclaimed that they may not buy the product of this brand as they are unsure of the “Claims and ingredients” and “high price”.
- 66% (31) respondents believed that the price is not satisfactorily priced.
- 83.3% (40) respondents exclaimed that the customer reviews do give them confidence while buying.
- 70.8% (34) respondents expected changes in their hair after buying or using the product from this brand.
- 48.9% (21 respondents) rated their Expectation level after using the brand on the Higher side. 25.6% (11) rated their expectation on the neutral side.

7.3 PreVeda Khadi Red Onion Scalp Scrub Oil for Anti Hair Fall Hair Oil (100 ml).

Claims from the brand: Sulphate Free, Paraben Free, Natural and Herbal Oil. Price- Rs. 809. No customer reviews.

- 32% (14) Respondents were on the positive side of buying the product of this brand. 27.3% (12) respondents though were neutral in their choice. 27.3% (12) respondents were not interested in buying the product.
- 76.9% (20) Respondents termed ‘Belief in claims and ingredients’ as one of the motivating factors for the intention of Purchase. 34.6% (9) Respondents also accepted ‘Brand name’ as another motivating factor of their intention of Purchase.
- 53.3% (16) respondents exclaimed that they may not buy the product of this brand because of the “high price” and also few respondents were not interested because of ‘less customer reviews.
- 37.8% (17) respondents were on the positive side of changing their opinion on buying the product if it had more customer reviews. 17.8% (8) said No to changing their opinion on buying the product even if there are more customer reviews. 44.4% (20) respondents were also unsure of making such change.
- 37% (17) respondents disagreed the notion of ‘Higher the price-Higher the quality’ regarding this brand. 29% (13) respondents agreed to ‘Higher the price-Higher the quality’ regarding this product.
- 62.8% (27) respondents agreed to expect changes after using the product
- 37.5% (15) respondents agreed to have the expectation level on the positive side. 15 respondents were neutral on their expectation level. 25% (10) respondents exclaimed to have lower expectation level.

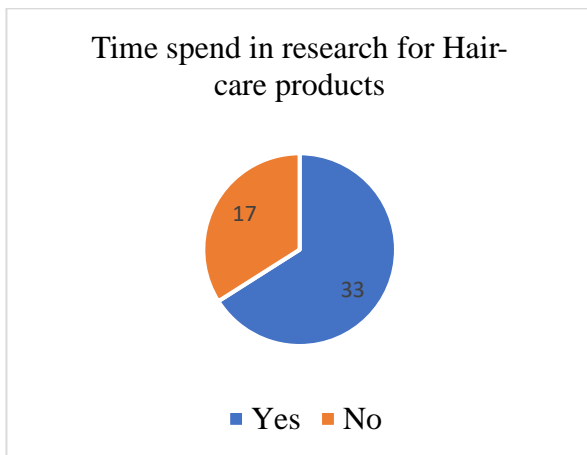
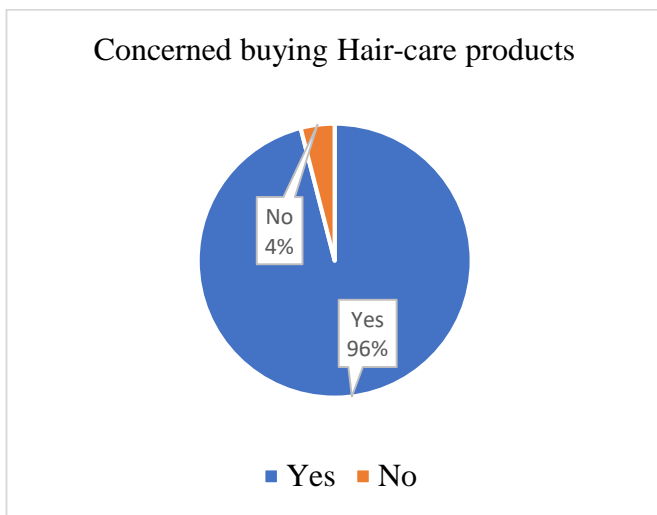
7.4 Sheldon Onion Hair Growth Oil (100 ml).

Claims from the brand: Complete Hair Treatment with Argan, Bhringraj, Sesame, Amla, Sweet Almond, Olive and more Hair Oil. Contains No mineral and Paraben. Price Rs. 99. No Customer Reviews.

- 36% (16) Respondents were on the positive side of buying the product of this brand. 31.8% (14) respondents though were neutral in their choice. 32% (14) respondents were not interested in buying the product.
- 64.5% (20) Respondents termed ‘Belief in claims and ingredients’ as one of the motivating factors for the intention of Purchase. 29% (9) Respondents also accepted ‘Less Price’ as another motivating factor of their intention of Purchase.
- 36.4% (16) respondents were on the positive side of changing their opinion on buying the product if it had more customer reviews. 25% (11) said No to changing their opinion on buying the product even if there are more customer reviews. 38.6% (17) respondents were also unsure of making such change.
- 83.3% (40) respondents exclaimed that the customer reviews do give them confidence while buying.
- 42.3% (19) respondents agreed that lesser price than competitors might affect the quality regarding this brand. 22.2% (10) respondents disagreed that lesser price may affect the quality regarding this product.
- 60% (27) respondents agreed to expect changes after using the product.
- 33.3% (13) respondents agreed to have the expectation level on the positive side. 14 respondents were neutral on their expectation level. 30.8% (12) respondents exclaimed to have lower expectation level.

6. Discussion

1. The results shows that the consumers are very much concerned and evaluative while searching for Hair-care products. They spend more time on research and it is directly related with their acceptance of facing the problem of hair-fall. The charts below depict the consumer’s concern and involvement.



The consumers have already established certain attributes that they intend to see in a hair-care product. Some of these attributes later can be matched with the claims of the selected brands too. The claims of such products are remembered by the consumers and the credence claims regarding Onion Oil is also taken positively. Thus, this leads to addressing the RQ₄ that credence claims are accepted by the consumers who have undergone problems which the brand claims to solve. Here, the consumers who were not having hair-related problems were not searching for any product. They again were not that positive in accepting the claims. Hence, the consumer involvement leads to a decision for the consumer whether to accept the credence claims or not.

2. The consumers were interested in buying the first brand (Mamaearth) and second brand (Wow) because of the brand name, belief in the claims and ingredients. The price too was accepted as competitive and satisfactory for the first brand but little overpriced for the second brand. The customer reviews also gave confidence in the both brands. The expectation level formed was also on the positive side in both brands.

Most of the consumers were not interested in buying the third brand (PreVeda Khadi). Though some were accepting the brand name and also believed in the claims and ingredients but were reluctant because of the high price. The consumers totally rejected the notion of “High Price-High Quality”. They were not satisfied with the smaller number of customer reviews which even if there was more, couldn't have change the opinion of the consumers. The expectation level is also mostly on the positive and neutral side.

The consumers were not much interested in buying the fourth brand (Sheldon), The interest however less maybe was because of the claims and less price. But they were more worried about the customer reviews. The customers agreed to have a positive change in opinion if there were more customer reviews along with the price. The consumers mostly agreed to the notion about the quality being hampered because of the less price (Low Price-Low Quality).

This addresses the RQ₂ and RQ₃ that Price and Consumer Reviews has an impact on the credence goods. The products when competitively priced cannot make any impact on the consumers but when the brands try to extensively reduce or increase prices it makes an impact. The consumers feel reluctant to trust and accept. Consumer reviews also boosts the confidence of the consumer while taking the purchase decision. The price and consumer reviews are attributes which work positively in case of credence claims when annexed together. The common notion of High Price means

High Quality is totally rejected in case of credence claims in the absence of Customer reviews. Even the lower priced brand was not accepted because of the lack of customer reviews.

3. The four brands were from the same category of Onion Oil whose claims included Onion Oil as the main ingredient. The consumers in all the four brands have accepted the claims and ingredients and accepted that they expect changes positively in their hair after using the product. The Expectation level of the consumer was mostly similar in all the four brands but there was a higher level of expectation in the first and second brand. This is because of the acceptance of the other attributes of price and customer reviews as satisfactory. The third and fourth brand initiated a lower but positive expectation because of the lesser acceptance of Price and customer reviews as satisfactory. This answers the RQ₁ that credence claims do alter the expectation of the consumer but should recognise attributes which have a direct relation with the level of expectation being formed.

7. Conclusion

The study was focused on understanding the consumer behaviour regarding credence goods. The data collected gave us a series of information on how the consumers develop expectations regarding a credence good after going through the claims and other external attributes. From the study we find out that credence claims can alter the expectation level of the consumers towards the product. The importance of understanding and accepting the claims of a product category is very helpful for the brands dealing in selling that product. In the study the category we have chosen was Hair-Care and Onion Oil has been widely accepted as an important ingredient for solving Hair-related problems. Thus, the brands selling products containing Onion Oil can easily benefit from the established acceptance of the consumers towards Onion Oil. The consumer's involvement prior to purchase also affects the acceptance of credence claims. A consumer who is actively searching for a product has also determined some of the features before purchase and if those features are found in the credence claims leads to a positive acceptance of the product. The external attributes like Price and customer reviews of credence goods also affects the consumer expectations. We found that one attribute in the absence of another may not have the power to alter the expectation level highly. In fact, consumer's expectation level was high when both price and customer reviews were present for a credence good. The expectation of the consumer was not high even getting a highly priced product in the absence of customer reviews. Same way, the consumer's expectation level was also not high even when getting a cheaper priced product in the absence of customer reviews.

There is scope for further research in the field of consumer behaviour and also for credence goods. We suggest future researches on credence claims in the service industry. This will improve the gamut of information we have for credence goods and its relation with consumer behaviour.

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