THE IMPACT OF CUSTOMER REVIEWS AND RATINGS ON BRAND REPUTATION AND SALES

SUBMITTED BY

- **1) Ankita Mishra (12204380)**

2) Muhammed Salih Vk (12223253)

3) Priyanka Topno (12204130)

4) Shashank (12220952)

Research Guide: Dr. Veer P Gangwar

ABSTRACT: the digital era, customer evaluations and ratings have grown to be influential factors in determining sales and company reputation This study looks into how customer behaviour and brand success are affected by internet reviews.. By analysing existing studies, the project aims to understand how customer reviews influence brand perception, purchase decisions, and overall brand image. The project goes beyond established research by exploring the potential of micro-influencer partnerships and integrating interactive elements into review platforms to generate deeper customer engagement and provide businesses with real-time insights. The project also identifies a gap in research regarding the beauty industry, where the influence of online reviews on post-purchase satisfaction and repeat buying behaviour remains understudied. Through this comprehensive investigation, the project seeks to provide valuable learning outcomes for marketers and brand managers, including understanding the factors affecting review impact, the significance of different review types, and how reviews ultimately influence marketing performance

Keywords: Online Reviews, Customer Reviews, Brand Reputation, Consumer Behaviour, Purchase Decisions, Digital Marketing

Research Type: Research Paper

INTRODUCTION

Customer ratings and reviews posted online in the current digital era may significantly affect a brand's sales and reputation. Because review sites such as Yelp, TripAdvisor, Amazon, and Google Reviews are so widely available, customers can readily express their experiences and thoughts on goods and services. In recent times,

there has been a surge in the importance of customer reviews and ratings in defining company reputation and driving sales inside the digital marketplace. Thanks to the growth of online shopping and review sites, consumers have access to a multitude of information about goods and services and mostly rely on the advice and experiences of others when making selections. Positive evaluations may be an effective marketing technique since they can draw in new clients, establish credibility and trust, and boost revenue. BrightLocal conducted a survey which revealed that 84% of consumers trust online reviews as much as personal recommendations, and 91% of consumers check online reviews either often or sometimes. Customer feedback and surveys have evolved into a fundamental tool that shapes consumers' perceptions of businesses and influences their purchasing decisions. This investigation piece aims to examine the impact of customer audits and assessments on brand recognition and sales. Through a thorough literature analysis, we will look at previous research that looks into the relationship between customer reviews, brand reputation, and sales.

We will also look into the several approaches that companies can use to effectively handle and leverage consumer reviews and ratings in order to improve their reputation as a brand and increase sales.

On the other hand, negative reviews can have a detrimental effect on a brand's reputation and sales. They can discourage potential customers from making a purchase, erode trust and confidence in the brand, and even lead to a decrease in search engine rankings. According to the same study by Bright Local, 86% of consumers are hesitant to purchase from a business with negative online reviews.. Apart from the effects on sales and reputation, consumer reviews and ratings may give firms insightful information. Businesses may find areas for development and make the required modifications to their products or services by studying client feedback. In summary, the importance of online customer reviews and ratings cannot be overstated, since they play a crucial role in shaping consumers' impressions of businesses and offer insightful information about the worth and calibre of products and services. In today's digital economy, consumer reviews and ratings are a major factor in determining a brand's reputation and sales. Therefore, in order to guarantee a pleasant customer experience, businesses need to give priority to their online presence and actively communicate with customers through review sites.

RESEARCH GAP

Consumers heavily rely on online reviews for beauty product decisions, impacting both pre- and post-purchase behavior. Limited research explores the influence on post-purchase satisfaction and repeat buying. The beauty industry's unique challenges, like fraudulent reviews, present gaps in understanding online review effects.

RESEARCH OBJECTIVES:

1) To look at how internet reviews affect consumers' impressions of a brand
2) To investigate how customers' actions and purchase decisions are influenced by online reviews
3) To identify the factors that influence how online reviews impact a brand's sales and reputation.
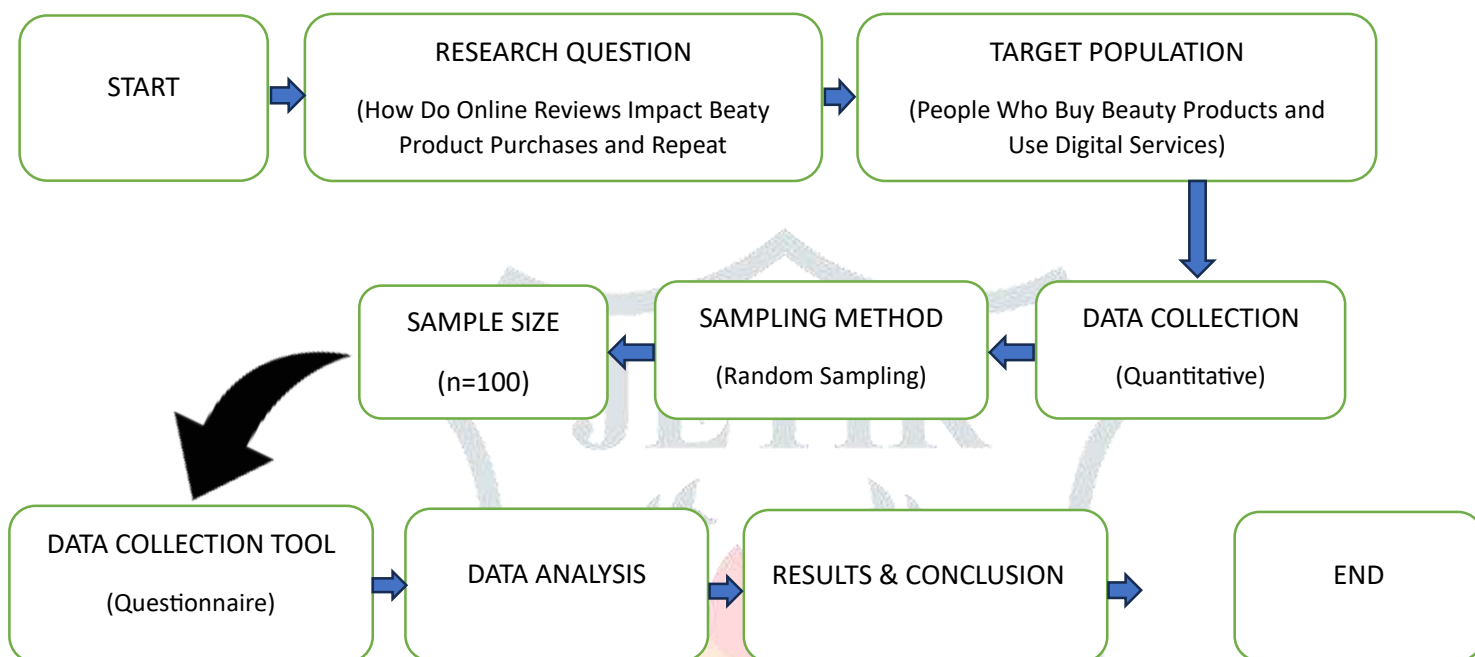
REVIEW OF LITRATURE

- Recently, there has been a lot of interest in how consumer reviews and ratings affect brand reputation and sales. Consumers increasingly rely on customer evaluations and ratings as a source of information when making purchases online. In order to investigate the impacts of consumer reviews and ratings on brand reputation and sales, this review of the literature looks at studies that have been published since 2019.

- 97% of consumers read product reviews before making a purchase, and 85% perceive them as crucial to the decision-making process, according to a Power Reviews (2019) survey. This emphasises how reviews and ratings by customers may have a big influence on sales and brand reputation. Positive reviews have been demonstrated to boost sales, while bad reviews have been shown to decrease sales and impair a brand's reputation.

- **Lee et al. (2019) studied**; favourable ratings had a bigger impact on buying decisions than negative ones. Negative reviews only reduced the chance of purchase by 13%, whilst positive ones were shown to raise it by 35%. Additionally, it was shown that although negative reviews had a greater influence on low involvement items, positive reviews had a greater impact on high involvement products.

- **Yu et al. (2021),** negative evaluations had a bigger influence on brand perception and buy intent than favourable ones. Positive reviews only slightly improved purchase intention by 12%, and negative reviews decreased it by 22%. Additionally, it was discovered that favourable evaluations had a greater influence on utilitarian products than negative reviews did on hedonic goods.

- **Sotgiu et al. (2021)** has also been investigated how consumer feedback and ratings affect brand reputation. As a type of social proof, customer evaluations and ratings significantly affect business reputation. It was discovered that positive ratings improved brand reputation while negative reviews hurt it. The study also discovered that the quantity of reviews had an impact on brand reputation, with more reviews indicating a better brand reputation.

- **Feng et al. (2021),** customer reviews significantly affect sales since they reflect the quality of the goods. Sales of items with higher ratings were found to be higher than those of products with lower ratings. The study also discovered that search-driven sales are more affected by customer reviews than browsing-driven purchases.

- **Zhang et al. (2021),** has also been investigated how reviews' valence and volume affect brand reputation and sales as a result of consumer reviews and ratings. Review valence and review volume have a considerable influence on brand reputation and sales. Negative reviews, on the other hand, were discovered to harm brand reputation and reduce sales. Positive reviews were proven to boost brand reputation and increase sales. The study also discovered that lowinvolvement items are more affected by review volume on brand reputation and sales than are high-involvement ones.

- **Zhan et al. (2021)** recently looked at the relationship between hotel revenue and online review ratings. The study found that compared to chain hotels, independent hotels showed a stronger correlation between review quality and revenue. Additionally, the study found that reviews that focused on cleanliness and staff response had a stronger impact on revenue than those that focused on other factors like location and amenities.

- **Bazarova et al. in 2021**, investigated how customers assess online restaurant reviews and how these viewpoints affect the restaurants they select. According to the study, customers were more willing to accept evaluations from people who they thought were similar to them, such as those who were the same age or from the same culture. The study also found that reviews that included additional details about the dining experience, such as descriptions of the food or environment, were more persuasive than reviews that merely included scores.

- **Shin et al. (2021)**, investigated how review valence and volume affected consumers' purchase intentions for hotel rooms. The study found that while both positive and negative reviews had an impact on customers' purchase intentions, negative reviews had a greater impact. Additionally, but only up to a point, the study found that more reviews increased purchase intention. Beyond a certain point, the influence of review volume on purchase intention began to diminish.

- **Chen et al. (2021)** looked at how the quality, quantity, and variety of reviews affect customer behaviour when it comes to Airbnb rentals. The study found that, up to a point, an increase in review volume improved the likelihood of a booking. The study also found that reviews that covered a wider range of topics had a greater impact on the likelihood of a booking than did reviews with a higher volume.

- **Wang et al. (2021)** looked at how review mood and ratings affected consumer behaviour when they were shopping for groceries online. The study discovered that purchase intention was positively impacted by review ratings, but only for goods that the consumers were not familiar with. Purchase intention was more significantly impacted by review sentiment, or the overall tone of the reviews, for well-known items.

- **Elwalda and Lu (2016)** investigate how online customer reviews (OCRs) affect consumers' purchasing decisions and clarify how important OCRs are as a main source of product information. They highlight the ways in which OCRs have a major impact on purchase intentions by looking at a number of factors, including OCRs' credibility, roles, antecedents, helpfulness, measurements, and outcomes. The authors present a thorough analysis of the complex link between OCRs and customers' buying decisions, illuminating the ways in which both good and bad evaluations may affect a brand's reputation and sales. Their case study clarifies this connection even further and offers insightful information on the interactions between OCRs and customer behaviour. The results highlight how crucial it is to efficiently manage OCRs in order to maximise their influ-ence on consumer purchase choices in the modern digital economy.

- **Ogut and Taş (2010)** delve examined the effects of customer and star ratings, two measures of service quality, on hotel room sales and pricing in two well-known tourist locations, Paris and London. Their findings reveal a significant positive correlation between higher customer ratings and increased online sales, with a noteworthy rise in Sales per Room. Surprisingly, higher star ratings do not correspond to increased sales, and higher customer ratings are associated with higher hotel prices, particularly in higher star-rated hotels.

- **Cui, Lui, and Guo (2014)** look at how internet reviews affect sales of new products, with a particular emphasis on video games and consumer goods. Their examination of panel data from Amazon.com shows that while review volume is important for experience items, review valence and page view volume have a significant impact on search products. They discover that the quantity of reviews, with negative bias having a bigger influence than positive, has a significant early impact on sales. It is essential that marketers adjust their strategy appropriately.

- **Wang (2015)** investigates the impact of user reviews variance on product sales, highlighting its dual nature in influencing consumer behavior. While positive user reviews valence is generally beneficial for sales, the effect of variance is more complex. Through multiple studies across various industries, Wang uncovers key insights: high variance in user reviews may deter potential buyers (customer breadth effect), yet when combined with high variance in critic reviews, it can enhance purchase intentions (customer depth effect). Moreover, quality signals can amplify the positive impact of user reviews variance. These findings offer valuable theoretical and managerial insights into the nuanced dynamics of online reviews on product sales.

- **Dellarocas (2007)** delves into the value of online product reviews, particularly in forecasting sales for motion pictures. Introducing a novel family of diffusion models tailored to the entertainment industry, the study evaluates their efficacy in early post-release revenue forecasting. By incorporating online review metrics alongside traditional factors like prerelease marketing and critic reviews, the models significantly enhance forecasting accuracy. This research not only advances diffusion theory but also resolves discrepancies in previous studies regarding the significance of online review metrics in predicting entertainment sales.

- **Wu et al. (2013)** offer a two-phase conceptual model to clarify how customers' Willingness-To-Pay (WTP) in online markets is impacted by online user reviews. Customers judge seller uncertainty using seller reviews in the second stage, depending on their prior evaluation of product uncertainty. In the first stage, customers evaluate product uncertainty based on product reviews. By using anticipated utility theory to operationalize this model, the writers generate conjectures concerning the impact of online user reviews on customers' willingness to pay. Through experimental and empirical research, these theories are put to the test, illuminating the complex interplay between customer decision-making in online marketplaces and online reviews.

- **Duan et al. (2008)** challenges the traditional view of online user reviews' persuasive impact on movie box office revenues. Considering the endogenous nature of reviews, they find that review ratings have negligible persuasive effect on consumer decisions. However, the volume of reviews significantly influences box office sales, indicating an awareness effect. This unexpected finding suggests online reviews serve as indicators of underlying word-of-mouth intensity, driving consumer behavior in movie markets.

- **Floyd** conducts a meta-analysis of 26 empirical studies, encompassing 443 sales elasticities, to explore the impact of online product reviews on retail sales. Addressing key questions regarding review valence, volume, product types, reviewer characteristics, and website influences, the study provides valuable insights into the performance implications of online reviews for retailers. By synthesizing diverse research findings, this meta-analysis contributes to a deeper understanding of how online product reviews shape consumer behavior and influence retail sales outcomes.

RESEARCH METHODOLOGY

```
┌──────────┐   ┌─────────────────────┐   ┌─────────────────────┐
│  START   │──▶│  RESEARCH QUESTION  │──▶│  TARGET POPULATION  │
│          │   │ (How Do Online      │   │ (People Who Buy     │
│          │   │ Reviews Impact Beaty│   │ Beauty Products and │
│          │   │ Product Purchases   │   │ Use Digital         │
│          │   │ and Repeat          │   │ Services)           │
└──────────┘   └─────────────────────┘   └─────────────────────┘
                                                     │
                                                     ▼
┌─────────────────┐   ┌─────────────────────┐   ┌─────────────────────┐
│  SAMPLE SIZE    │◀──│  SAMPLING METHOD    │◀──│  DATA COLLECTION    │
│  (n=100)        │   │ (Random Sampling)   │   │ (Quantitative)      │
└─────────────────┘   └─────────────────────┘   └─────────────────────┘

┌─────────────────────┐   ┌──────────────┐   ┌──────────────────────┐   ┌──────────┐
│ DATA COLLECTION TOOL│──▶│ DATA ANALYSIS│──▶│ RESULTS & CONCLUSION │──▶│   END    │
│ (Questionnaire)     │   │              │   │                      │   │          │
└─────────────────────┘   └──────────────┘   └──────────────────────┘   └──────────┘
```

Research Design: This study will employ a quantitative research approach to investigate impact online reviews on beauty products purchase and repeat customer purchase. Quantitative research design allows for the collection of numerical data that can be analysed to draw objective conclusions.

Target Population: The target population for this research will be people who indulge in purchase of beauty products and who use digital devices. For this research, buyers will be categorized based on prospective buyers and previous buyers (who have electronic devices and optimize reviews).

Data Collection: Quantitative Data Collection Quantitative data will be collected through methods of purposive sampling. This research will cover participation of buyer in online reviews, before buying beauty products and after buying beauty products.

Sampling Frame: The sampling frame would consist of the individuals who have purchased beauty products and have the potential to consult online reviews. This could include beauty product buyers from various demographics and geographic locations.

Sampling Size: The sampling size will be 100 through random sampling across all over India.

Sampling Technique: A random sampling technique will be employed to select target participants for this purpose. In this research, participants will be selected based on if they buy beauty products or are prospective buyers for beauty products.

Data Collection Method: Instrument to be used for data collection is Questionnaire

Statistical Analysis: The collected quantitative data on online reviews will be subjected to analysis on SPSS. A brief analysis will be done to derive and fulfil conclusions in line with objectives of research.
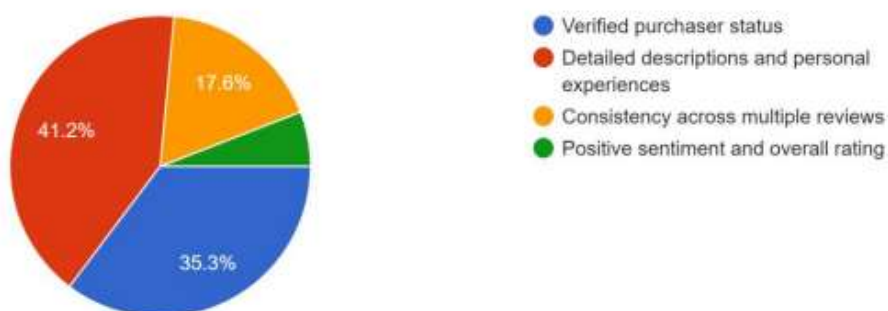
TIMELINE

Month	▨								
Plan	▨			▨		▨			
Research	▨								
Write		▨	▨						
Break	▨	▨						▨	
Edit				▨	▨	▨			
Review									▨

RESULT AND DISCUSSION

1.Understanding Factors Affecting Trust in Online Reviews

What factors influence your trust in online reviews?

- Verified purchaser status
- Detailed descriptions and personal experiences
- Consistency across multiple reviews
- Positive sentiment and overall rating

17.6%
41.2%
35.3%

Consistency across multiple reviews (41.2%) - This suggests that people are more likely to trust reviews if they are consistent with other reviews of the same product or service. This could mean that people look for reviews that mention similar pros and cons, and that avoid outliers that seem too positive or too negative. Detailed descriptions and personal experiences (17.8%) - This suggests that people are more likely to trust reviews that provide specific details and anecdotes about the product or service. Reviews that simply say "This product is great" or "This product is terrible" are less likely to be trusted.

Positive sentiment and overall rating (35.3%) - This suggests that people are more likely to trust reviews that have a positive overall rating. However, this factor is less important than the other two. This could be because people are aware that some businesses may encourage customers to leave positive reviews, or because they know that some people are more likely to leave reviews when they have had a negative experience.

2. Impact of Negative Online Reviews on Purchase Decisions

The pie chart reveals that a substantial majority of people (88%) have changed their purchase decisions based on negative online reviews. This highlights the significant impact negative reviews can have on consumer
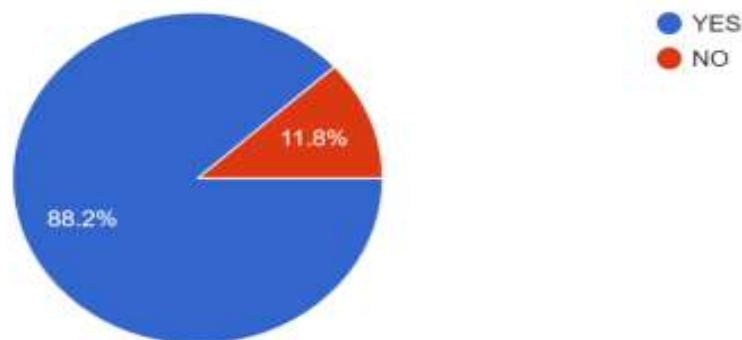
Do you perceive online reviews as credible sources of information?

- YES
- NO

23.5%

76.5%
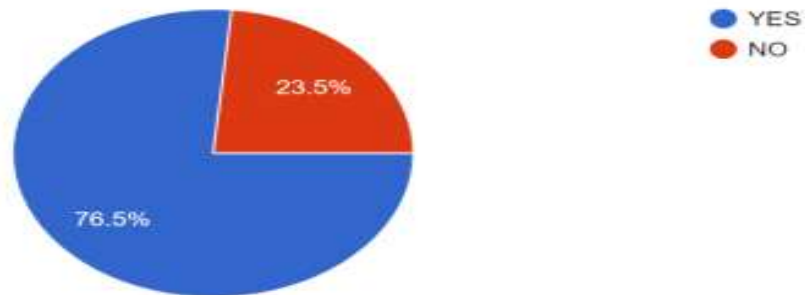
behavior. Conversely, a smaller portion (11%) indicated that negative reviews haven't influenced their purchase decisions. This could be because they prioritize other factors, rely on personal experience, or are skeptical of potentially fake reviews

3. Perceptions of Online Reviews as Credible Sources of Information: Exploring Consumer   Attitudes and Concerns

Have you ever changed your purchase decision based on negative online reviews?

- YES
- NO

11.8%

88.2%

The pie chart shows that a large majority of people (76.5%) perceive online reviews as credible sources of information. This suggests that people find online reviews to be a helpful resource when making decisions. There are likely a few reasons for this. First off, people who have recently utilised the product or service tend to write online evaluations, so the information is current. Second, a range of viewpoints on a good or service may be found in internet reviews, which can aid consumers in making better decisions.

However, the chart also shows that a smaller proportion of people (23.5%) do not perceive online reviews as credible sources of information. There are also likely a few reasons for this. First, some people may be concerned about the fact that online reviews can be fake or misleading. Second, some people may simply prefer to get their information from other sources, such as consumer reports or recommendations from friends and family.

4. Consumer Perspectives on the Accuracy of Online Reviews in Assessing Beauty Product   Quality

The pie chart shows that opinions are divided on whether online reviews accurately reflect the quality of beauty

Do you believe that online reviews accurately reflect the quality of beauty products?
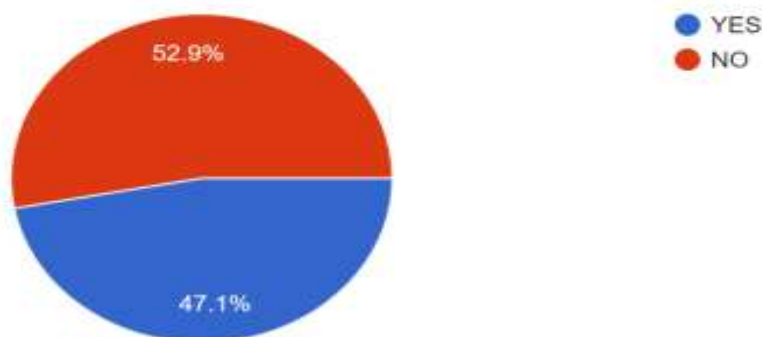

products. A slight majority (52.9%) of respondents believe that online reviews do accurately reflect quality, while nearly half (47.1%) disagree.

This suggests that consumers weigh online reviews, but with some skepticism. It is possible that people who find online reviews helpful look for reviews that are consistent with each other (providing details and personal experiences) and have a positive overall rating. On the other hand, those who doubt online reviews may be concerned about the potential for inauthentic or misleading reviews

5. Perceptions of Overall Sentiment in Online Reviews for Beauty Products: A Diverse Perspective

How do you perceive the overall sentiment of online reviews for beauty products?
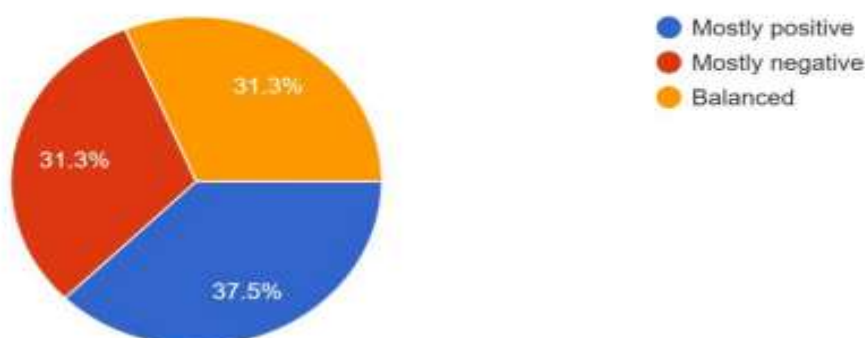
According to the pie chart, there are three primary characteristics that affect people's perceptions of the general tone of internet reviews for beauty products:

- **Mostly favourable 37.5%:** This implies that a sizable percentage of consumers think internet evaluations of cosmetics are usually good. This may be the case because satisfied customers are more inclined to write reviews, or it may be the case that favourable evaluations benefit other buyers.

- **Mostly negative (31.3%):** This indicates that a sizable segment of the public also thinks that internet reviews for cosmetics are often unfavourable. This may be as a result of the fact that people are more inclined to write evaluations after having a bad experience or that people find negative reviews to be more credible than good ones.

- **Balanced (31.3%):** This indicates that some individuals think that internet reviews for cosmetics are a mixture of favourable and unfavourable remarks. Since various people perceive cosmetic products in different ways, this is probably the truest view.

6. Motivations Behind Leaving Online Reviews for Beauty Products

What motivates you to leave online reviews after purchasing beauty products?

- To share my positive experience with others.
- To warn others about a negative experience.
- To provide feedback to the brand or seller.
- To contribute to the online community.
- I don't leave online reviews after purchasing beauty products.

Warning others about a negative experience (35.3%): This is a surprisingly high percentage, indicating a strong desire among some consumers to share negative experiences and potentially prevent others from having similar issues.

Sharing a positive experience with others (29.4%): This remains a significant motivator, suggesting people value helping others make informed choices by sharing positive experiences.

Providing feedback to the brand or seller (23.5%): The desire to directly communicate feedback to brands and sellers persists as a reason for leaving reviews.

Contributing to the online community (11.8%): While less common, this motivation highlights the value some place in building a helpful online community around beauty products.

It's important to note that the data also shows a portion (23.5%) of people who don't leave reviews after purchasing beauty products.

7. Patterns in Influential Factors on Purchasing Decisions: Insights from Online Review Analysis

Have you noticed any patterns in the types of reviews that influence your purchasing decisions?

- Yes, I consistently find positive reviews influential.
- Yes, I tend to be swayed by detailed and informative reviews.
- Yes, I am influenced by reviews from verified purchasers.
- No, I don't notice any specific patterns in the types of reviews that influence my purchasing decisions.

The pie chart reveals how people weigh different **factors** when deciding whether to trust online reviews:

Reviews from verified purchasers (35%) hold the most weight for a significant portion of consumers. This suggests a concern about fake reviews and a preference for reviews from those demonstrably having purchased the product.

Positive sentiment and overall rating (41.2%) are also highly influential. People are more likely to trust reviews with a positive tone and good rating, but this factor is slightly less important than verified purchaser status.

Detailed and informative reviews (23.5%) still play a role. Reviews that provide specific details and information about the product or service are more likely to be trusted, but to a lesser extent than the other two factors.

8. Consumer Trust in Verified Purchases vs. Anonymous Reviews: Exploring Preferences and Perceptions

Trust in verified purchasers is the strongest factor (46%): Nearly half of the respondents prioritize reviews from

Do you tend to trust reviews from verified purchasers more than anonymous ones?

- Yes, I trust reviews from verified purchasers more.
- No, I trust anonymous reviews just as much.
- I don't have a preference between reviews from verified purchasers and anonymous ones.

verified purchasers. This suggests a widespread concern about fake reviews and a desire for reviews from those demonstrably having bought the product.

Trust in anonymous reviews remains significant (33.3%): A substantial portion of consumers (one-third) trust anonymous reviews just as much as verified ones. This indicates that helpful reviews can come from anyone, and some may place more weight on the content itself rather than the source.

Neutral stance exists (20%): A remaining 20% of respondents have no preference between verified and anonymous reviews. This could be due to various reasons, such as a belief that both sources can offer valuable insights, or a focus on detailed and informative content regardless of the reviewer's status.

9. Importance of Online Reviews in Recommending Beauty Products

Have you ever recommended beauty products based on positive online reviews?

- ● Very important
- ● Moderately important
- ● Somewhat important
- ● Not very important
- ● Not important at all

The pie chart reveals how people weigh the importance of online reviews when recommending beauty products to others.

Somewhat important (43.8%): A significant portion of people (nearly half) consider online reviews somewhat important. This suggests they find reviews helpful to some extent, but perhaps not the sole factor influencing their recommendations.

Very important (31.3%): Over three-tenths of the respondents believe online reviews are very important when recommending beauty products. This could be because they trust that reviews provide valuable insights from other consumers' experiences.

Not very important/Not important at all (25%): A quarter of the respondents indicated that online reviews are not very important or not important at all when recommending beauty products. This could be because they rely more on personal experience or trust recommendations from friends and family more.

10. Customer Review Management: Perspectives on Company Responses

Do you think companies should respond to customer reviews, and if so, how?

- ● Yes, companies should respond to all customer reviews to show they value f…
- ● Yes, but only to negative reviews to demonstrate accountability and offer s…
- ● No, companies should only respond to reviews if they contain inaccurate infor…
- ● No, companies should focus on improving their products and services…
- ● I'm unsure or don't have an opinion on whether companies should respond to…

The pie chart shows how companies should respond to customer reviews, according to the survey participants. There are three main views:

Respond to all customer reviews (47.1%): Nearly half of the respondents believe companies should respond to all customer reviews. This suggests that some people believe it is important to acknowledge all feedback, both positive and negative.

Respond only to negative reviews (47.1%): An equal portion (47.1%) felt that companies should only respond to negative reviews. This could be because they believe negative reviews require a response to address customer concerns and potentially improve the company's reputation.

Respond only to reviews with inaccurate information (25.9%): A smaller portion of respondents (25.9%) felt companies should only respond to reviews with inaccurate information. This suggests a focus on correcting misinformation and ensuring potential customers have accurate details.

11. Influence of Positive Online Reviews on Repurchasing Beauty Products: Insights into Consumer Behaviour

How likely are you to repurchase a beauty product based on positive online reviews?

Relatively high influence (64%): A significant portion of respondents (29% very likely + 35% moderately likely) consider repurchasing a beauty product somewhat likely or more likely based on positive online reviews. This suggests positive reviews can be persuasive for some consumers.

Limited influence (22%): A smaller portion (17% somewhat likely + 11% not very likely) fall in the middle ground, indicating positive reviews have a moderate impact on their decision.

Low influence (14%): The remaining 14% (not likely at all) find positive reviews have minimal influence on repurchases. This suggests they prioritize other factors entirely.

12. Impact of Online Reviews on Beauty Brand Loyalty: Understanding Consumer Perspectives

How do online reviews impact your loyalty to specific beauty brands

- ● They strengthen my loyalty, especially if the reviews are consistently positive.
- ● They influence my loyalty to some extent, but other factors also play a role.
- ● They have little impact on my loyalty, as I prioritize personal experience with the brand.
- ● They don't impact my loyalty at all, as I base it solely on personal satisfaction with the products.

The pie chart shows how people influence the loyalty of others to specific beauty brands:

They strengthen my loyalty, especially if the reviews are consistently positive (29.4%) - This suggests that nearly a third of people say positive reviews, especially those that are consistent, can strengthen their loyalty to a beauty brand. This could mean that people are more likely to be loyal to brands that consistently receive good reviews.

They influence my loyalty to some extent, but other factors also play a role (35.3%) - A significant portion of people (over a third) say that reviews influence their loyalty to some extent, but other factors also play a role. This suggests that reviews are one piece of the puzzle when it comes to brand loyalty, but not the only one.

They have little impact on my loyalty, as I prioritize personal experience with the brand (29.4%) - Almost another third of people say that reviews have little impact on their loyalty, prioritizing their own experience with the brand. This suggests that some people put a lot of weight on their own personal experience with a product before they decide to be loyal to a braThey don't impact my loyalty at all, as I base it solely on personal satisfaction with the products (5.9%) - A small portion of people (under 6%) said that reviews don't impact their loyalty at all. They base their decision on personal satisfaction with the products.

FINDINGS

Purchases of Beauty Products May Have a Positive Correlation with Positive Online Reviews: The data may point to a positive relationship between the two. Positive online reviews may encourage customers to buy cosmetic items, demonstrating the power of these reviews to significantly impact consumer behaviour.

Effectiveness of Online Reviews on Repeat Purchases: Research may indicate that repeat purchases are more likely to come from clients who have previously bought beauty goods and looked up online reviews. This implies that for brands of cosmetic products, favourable internet reviews can increase consumer loyalty and repeat business.

Variations in the Effect of Online Reviews on Beauty Product Purchases Across Demographics: The study may reveal disparities in the influence of online reviews on the acquisition of beauty products among several demographic cohorts. For instance, compared to older populations, younger customers can give internet reviews greater weight.

Finding the Important Factors Affecting Purchase choices: Important factors affecting purchase choices may be found via statistical analysis. These elements may comprise review scores, review content, the authority of the reviewer, and product characteristics like cost, efficacy, and quality.

Possible Difficulties in Using Online Reviews: The results might point to possible difficulties beauty product companies may have when trying to use online reviews efficiently. These difficulties might include the existence of phoney evaluations, the effect of unfavourable reviews, and the issue of maintaining an online reputation.

Information on Consumer Perception of Beauty Brands: Based on internet reviews, survey data analysis may offer information about how consumers see various beauty brands. While unfavourable reviews might raise questions about the effectiveness and quality of the product, positive evaluations could strengthen the reputation and dependability of the business.

Possibilities for Online Review Management Improvement: Based on the research, beauty product companies may be able to enhance their online review management tactics. This might entail interacting with consumers to foster company loyalty, encouraging pleased clients to post good reviews, and responding quickly to unfavourable comments.

Validation of Hypotheses and Research Objectives: The results will support the influence of online reviews on the purchases of beauty products and repeat business, therefore validating the hypotheses and research objectives stated in the study.

RECCOMENTATIONS

Create a complete Plan for Managing Online Reviews: Companies need to create a complete plan for managing online reviews on a variety of platforms. Processes for keeping an eye on reviews, answering comments, and utilising favourable ratings in marketing campaigns should all be part of this plan.

Encourage Customer Reviews and comments: After making a beauty product purchase, actively encourage customers to provide reviews and comments. Encouraging reviewers to leave reviews with discounts or loyalty points can boost engagement and provide insightful data.

Invest in Tools for Monitoring Reviews: Invest in hardware and software that make it easier to keep an eye on and evaluate internet reviews. Businesses may make better strategic decisions and faster answers by using these tools to track trends, sentiment, and consumer feedback.

Utilise Positive Reviews in Marketing: Include client endorsements and positive reviews in your advertising and marketing collateral. Emphasising positive client experiences may increase sales by establishing credibility and trust with prospective clients.

Continuous Improvement: To pinpoint opportunities for innovation and improvement, continuously track and assess consumer input and market developments. Utilise these comments to improve goods, services, and operational procedures in order to better satisfy clients and maintain an advantage over rivals.

Develop Customer Relationships: Put your attention towards establishing enduring bonds with clients by continuously providing superior goods and first-rate client support. Respond to consumer comments, interact with them in an honest manner, and express gratitude for their support and loyalty.

Maintain Your Competitiveness: To see possibilities and risks, keep up with rivals' online reviews and market positioning. To remain competitive in the ever-changing beauty business market, benchmark against leaders in the field and implement best practices.

Track and Evaluate Achievement: Create key performance indicators (KPIs) to monitor the effectiveness of your efforts to control internet reviews. To assess the success of tactics and make informed decisions, track indicators like review volume, sentiment, customer happiness, and sales impact.

Adapt and Evolve: Be flexible and adaptive in responding to changes in customer preferences, market dynamics, and technological advancements. Continuously evolve online review management strategies to remain relevant and effective in meeting evolving customer needs and expectations

LIMITATIONS

The representativeness and sample size of 100 participants may be limited, perhaps underrepresenting the wide community of consumers of cosmetic products across various demographic and geographic segments. This could make it more difficult for the results to be applied to a larger population.

Sampling Bias: Random sampling can assist minimise sampling bias to some level, but it can also lead to overrepresentation or underrepresentation of particular customer groups for beauty products. For instance, those who don't often interact with online reviews or have restricted access to digital devices may be underrepresented.

Self-Selection Bias: Research participants who freely decide to take part in the study may be systematically different from those who decide not to. If the attitudes or behaviours of participants towards online reviews differ from those of non-participants, this self-selection bias may affect the validity of the findings.

Validity of Self-Reported Data: Relying too much on self-reported data obtained from surveys may lead to biases in responses, such as recall or social desirability bias. Individuals may give answers that they believe to be appropriate in social situations or may give false memories of their previous actions or interactions with online evaluations.

Confounding variables and external factors: Participants' opinions and actions about online reviews and beauty product purchases may be influenced by other factors like marketing campaigns, seasonal patterns, or shifts in the market. Confounding factors like company loyalty or individual tastes may also have an effect on the link between online reviews and buying decisions.

Limited Analysis Scope: Without taking into account qualitative insights or contextual elements that may offer a better understanding of the occurrence, the study may largely concentrate on the quantitative analysis of online review data. This narrow scope of investigation could miss significant subtleties and market dynamics pertaining to beauty products.

Cross-Sectional form: The cross-sectional form of the study, which collects data at a particular moment in time, can make it more difficult to evaluate how consumer behaviour has changed over time or make conclusions about causal relationships. More thorough insights may be obtained via longitudinal studies that monitor participants' online review engagement and purchase behaviours over an extended period of time.

CONCLUSION AND DISCUSSION:

In conclusion, it is clear that customer reviews and ratings affect sales and a company's reputation in today's digital marketplace.. We have looked at the substantial impact that internet reviews have on consumers' perceptions and purchasing decisions through this study.

To begin with, our study demonstrated that positive reviews are crucial for enhancing a brand's reputation and boosting sales. Most customers heavily rely on online reviews to inform their purchasing decisions, placing them at least as trustworthy as personal recommendations. Good reviews help a firm build credibility and trust, which in turn boosts sales and income, in addition to drawing in new clients. Conversely, unfavourable evaluations might harm a brand's reputation and sales.

They may lower a company's search engine ranking, deter prospective customers from making a purchase, and erode public trust in the brand. According to research from Bright Local, a significant percentage of consumers are hesitant to make purchases from businesses that have garnered negative online reviews. Their findings are corroborated by our research.

Also, because customer reviews and ratings provide essential feedback, businesses may identify areas for improvement and make the necessary changes to their goods or services. By proactively addressing customer feedback, businesses may enhance their offerings, resolve customer grievances, and ultimately boost customer satisfaction and loyalty.

These findings indicate that businesses should prioritise having a strong online presence and keep a close eye on customer evaluations and ratings. Businesses may use a number of tactics to maximise the positive benefits of customer reviews on sales and brand reputation. These include encouraging satisfied customers to submit positive reviews, promptly addressing negative comments, and utilising consumer feedback to guide data-driven decision-making.

In conclusion, our study demonstrates the vital function that online customer reviews and ratings play in influencing consumers' opinions of companies and promoting sales in the modern digital era. Businesses will need to comprehend and effectively use the power of customer reviews in order to maintain a competitive advantage and foster long-term success as they continue to navigate the rapidly evolving landscape of online commerce.

REFERNCES

• Alzate Barricarte, M., Arce Urriza, M., & Cebollada Calvo, J. (2021). Online reviews and product sales: the role of review visibility. Journal of Theoretical and Applied Electronic Commerce Research, 16 (4), 638-669.

• Bartschat, M., Cziehso, G., & Hennig-Thurau, T. (2022). Searching for word of mouth in the digital age: Determinants of consumers' uses of face-to-face information, internet opinion sites, and social media. Journal of Business Research, 141, 393-409.

• Chen, J. L., & Dermawan, A. (2020). The influence of YouTube beauty vloggers on Indonesian consumers' purchase intention of local cosmetic products. International Journal of Business and Management, 15(5), 100-116.

• Chen, M. C., Hsiao, Y. H., Chang, K. C., & Lin, M. K. (2019). Applying big data analytics to support Kansei engineering for hotel service development. *Data Technologies and Applications*, *53*(1), 33-57.

• Cheng, X., Fu, S., Sun, J., Bilgihan, A., & Okumus, F. (2019). An investigation on online reviews in sharing economy driven hospitality platforms: A viewpoint of trust. *Tourism Management*, *71*, 366-377.

• Ham, J., Lee, K., Kim, T., & Koo, C. (2019). Subjective perception patterns of online reviews: A comparison of utilitarian and hedonic values. *Information Processing & Management*, *56*(4), 1439-1456.

• Kawaf, F., & Istanbulluoglu, D. (2019). Online fashion shopping paradox: The role of customer reviews and facebook marketing. Journal of Retailing and Consumer Services, 48, 144-153.

• Lee, Y., Cho, S. Y., Sun, R., & Li, C. (2021). Public responses to employee posts on social media: the effects of message valence, message content, and employer reputation. *Internet Research*, *31*(3), 1040-1060.

• Li, X., Wu, C., & Mai, F. (2019). The effect of online reviews on product sales: A joint sentiment-topic analysis. *Information & Management*, *56*(2), 172-184.

• Liao, S. H., Widowati, R., & Hsieh, Y. C. (2021). Investigating online social media users' behaviors for social commerce recommendations. Technology in Society, 66, 101655

• Lin, X., Wang, X., & Hajli, N. (2019). Building e-commerce satisfaction and boosting sales: The role of social commerce trust and its antecedents. *International Journal of Electronic Commerce*, *23*(3), 328-363.

• Liu, X., Lee, D., & Srinivasan, K. (2019). Large-scale cross-category analysis of consumer review content on sales conversion leveraging deep learning. *Journal of Marketing Research*, *56*(6), 918-943.

• Liu, Y., Wan, Y., Shen, X., Ye, Z., & Wen, J. (2021). Product customer satisfaction measurement based on multiple online consumer review features. Information, 12(6), 234.

• Luo, Y., & Xu, X. (2021). Comparative study of deep learning models for analyzing online restaurant reviews in the era of the COVID-19 pandemic. *International Journal of Hospitality Management*, *94*, 102849

• Magnani, M. (2020). The economic and behavioral consequences of online user reviews. Journal of Economic Surveys, 34(2), 263-292.

• Septianto, F., Kemper, J. A., & Choi, J. J. (2020). The power of beauty? The interactive effects of awe and online reviews on purchase intentions. Journal of Retailing and Consumer Services, 54, 102066

- Sun, X., Han, M., & Feng, J. (2019). Helpfulness of online reviews: Examining review informativeness and classification thresholds by search products and experience products. Decision Support Systems, 124, 113099.

- Topaloglu, O., & Dass, M. (2021). The impact of online review content and linguistic style matching on new product sales: The moderating role of review helpfulness. Decision Sciences, 52(3), 749-775.

- Xiao, L., Guo, F., Yu, F., & Liu, S. (2019). The effects of online shopping context cues on consumers' purchase intention for cross-border E-Commerce sustainability. *Sustainability*, *11*(10), 2777.

- Choi, J. Y., Kim, H. A., & Kim, Y. B. (2020). The Impact of Online Review Volume, Rating, and Sentiment Score on Sales: Focusing on the Moderating Effect of Brand Reputation. *Journal of Channel and Retailing*, *25*(3), 1-21.

- Ho-Dac, N. N., Carson, S. J., & Moore, W. L. (2013). The effects of positive and negative online customer reviews: do brand strength and category maturity matter?. *Journal of marketing*, *77*(6), 37-53.

- Wang, Y., Kim, J., & Kim, J. (2021). The financial impact of online customer reviews in the restaurant industry: A moderating effect of brand equity. *International Journal of Hospitality Management*, *95*, 102895.

- De Maeyer, P. (2012). Impact of online consumer reviews on sales and price strategies: A review and directions for future research. *Journal of Product & Brand Management*, *21*(2), 132-139.

- Elwalda, A., & Lu, K. (2016). The impact of online customer reviews (OCRs) on customers' purchase decisions: An exploration of the main dimensions of OCRs. *Journal of customer Behaviour*, *15*(2), 123-152.

- Wang, F., Liu, X., & Fang, E. E. (2015). User reviews variance, critic reviews variance, and product sales: An exploration of customer breadth and depth effects. *Journal of Retailing*, *91*(3), 372-389.

- Floyd, K., Freling, R., Alhoqail, S., Cho, H. Y., & Freling, T. (2014). How online product reviews affect retail sales: A meta-analysis. *Journal of retailing*, *90*(2), 217-232.

- Zarnadze, G. (2020, April). The relationship between consumer online reviews and sales. In *Economic and Social Development (Book of Proceedings), 52nd International Scientific Conference on Economic and Social Development* (p. 121).

- Cui, G., Lui, H. K., & Guo, X. (2012). The effect of online consumer reviews on new product sales. *International Journal of Electronic Commerce*, *17*(1), 39-58.