



UNIVERSITI
TEKNOLOGI
MARA

Fakulti
Pengurusan
dan Perniagaan

FBM INSIGHTS

UNIVERSITI TEKNOLOGI MARA CAWANGAN KEDAH

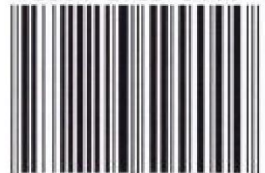
Volume 3

2021

e-ISSN 2716-599X

UiTM *di hatiku*

eISSN 2716-599X



9 772716 599000

TABLE OF CONTENTS

Editorial Board	iii
Rector's Message	iv
From The Desk Of The Head Of Faculty	vi
1. JAWHAR AND WAQF DEVELOPMENT IN MALAYSIA	1
<i>Dahlia Ibrahim, Zuraidah Mohamed Isa & Norhidayah Ali</i>	
2. INTRODUCTION TO MICROCREDIT INDUSTRY IN MALAYSIA	3
<i>Zuraidah Mohamed Isa, Dahlia Ibrahim, & Norhidayah Ali</i>	
3. UNDERSTANDING WOMEN'S EMPOWERMENT	5
<i>Nurul Hayani Abd Rahman & Zuraidah Mohamed Isa</i>	
4. GRIT AND SUCCESS. A BRIEF OUTLOOK	7
<i>Azfahanee Zakaria & Syed Mohammed Alhady</i>	
5. AN OVERVIEW OF FOOD DELIVERY BUSINESS	10
<i>Azyyati Anuar, Zainuddin Mohd Piah & Siti Noor Syalwani Mustapa</i>	
6. FOOD DELIVERY BUSINESS: A NEW TREND IN 2020	13
<i>Siti Noor Syalwani Mustapa, Azyyati Anuar & Zainuddin Mohd Piah</i>	
7. EMOTIONAL INTELLIGENCE AND WOMEN ENTREPRENEURS	16
<i>Shazwani Mohd Salleh, Berlian Nur Morat & Sitti Aminah Baharuddin</i>	
8. USAGE OF ANIMATIONS AS ADVERTISING TOOLS	20
<i>Baderisang Mohamed & Malawanis Mohd Noor Kamal</i>	
9. THE INFLUENCE OF SERVICESCAPE UPON RETAILERS ON CUSTOMER VALUE IN MALAYSIA	23
<i>Baderisang Mohamed & Aliaa Adriana MohdDamanhuri</i>	
10. ONLINE CUSTOMER REVIEWS AS A POWERFUL MARKETING TOOL	27
<i>Baderisang Mohamed & Nor Fitrah Anaik Ali</i>	
11. IMPACT OF COVID-19 ON AIRLINES INDUSTRY	31
<i>Baderisang Mohamed & Maryam Nabila Muhammad</i>	
12. DIGITAL MARKETING IN ONLINE SHOPPING	34
<i>Baderisang Mohamed & Aimy Zatul Akhmar Muhamad Nor Azeri</i>	
13. STRATEGIC MANAGEMENT ON MANUFACTURING INDUSTRIES IN MALAYSIA	37
<i>Baderisang Mohamed & Nurul Nisa Mat Jamail</i>	
14. DIVERSIFICATION AS AN EFFECTIVE BUSINESS STRATEGY	41
<i>Baderisang Mohamed & Siti Nurhidayu Sharin</i>	
15. PEST FORCES ON AGRICULTURE SECTOR	44
<i>Baderisang Mohamed & Nurul Najiha Azhar</i>	

16	MISSION AND VISION IN INDUSTRY DEVELOPMENT <i>Baderisang Mohamed & Nurul Amira Ahmad Murad</i>	47
17	DO WE RECOGNISE THE HALAL LOGO? <i>Sitti Aminah Baharuddin, Shazwani Mohd Salleh & Berlian Nur Morat</i>	51
18	VOLUNTARY PARTICIPATION IN RESIDENTS ASSOCIATION: A PROPOSED STUDY AT A MATURED TOWNSHIP <i>Mahadzir Ismail, Junaida Ismail, ETTY Harniza Harun & Muna Abdul Jalil</i>	62
19	ECONOMIC WELL-BEING AND QUALITY OF LIFE IN THE ERA OF COVID-19 PANDEMIC: A PRELIMINARY REVIEW <i>Mahadzir Ismail, Jamilah Laidin & Siti Qurratuaini Mahadzir</i>	66
20	THE DIGITAL ERA: WILL YOU TRUST ME? <i>Norhidayah Ali, Zuraidah Mohamed Isa & Dahlia Ibrahim</i>	70
21	WORKPLACE HAPPINESS MATTERS <i>Rosliza Md Zani & Shuhaimi Samanol</i>	72
22	POWER DISTANCE AND EMPLOYEE SILENCE: A REVIEW IN THE SUPERIOR SUBORDINATES RELATIONSHIP <i>ETTY Harniza Harun, Hasni Abdul Rahim, Musdina Mohamad Salleh & Junaida Ismail</i>	75
23	COVID-19 AND JOB STRESS <i>Rosliza Md Zani & Shuhaimi Samanol</i>	79
24	PARADIGM SHIFT: ONLINE DISTANCE LEARNING (ODL) <i>Norhidayah Ali & Azni Syafena Andin Salamat</i>	81
25	BUSINESS FAILURES AND PROBLEMS IN MALAYSIA <i>Law Kuan Kheng & Wan Irham Ishak</i>	83
26	WOMAN IN AVIATION, REALLY? <i>Yong Azrina Ali Akbar, Syahirah Atikah Mohd Sabri & Siti Liyana Yusrizan</i>	89
27	ORGANIZATIONAL LEARNING AND ORGANIZATIONAL EFFECTIVENESS: A BRIEF INSIGHT <i>Azfahanee Zakaria & Syed Mohammed Alhady</i>	92
28	UNTOLD HEALTH ISSUE: COMPUTER VISION SYNDROME <i>Mohd Fazil Jamaludin, Mohd Shafiz Saharan & Khairul Azfar Adzahar</i>	94
29	COMPARATIVE STUDY ON FINANCING LIMIT, MARGIN OF FINANCING AND SAFEKEEPING FEES AMONG AR RAHNU OPERATORS <i>Mohd Shafiz Saharan, Mohd Fazil Jamaludin, Khairul Azfar Adzahar & Norwahida Wagiran</i>	96
30	A COMPARISON OF TRADITIONAL VERSUS ELECTRONIC WORD OF MOUTH AS MARKETING TOOLS <i>Ramli Saad & Rosliza Md Zani</i>	100
31	THE ROLES OF SOCIAL MEDIA AS A PLATFORM FOR CUSTOMER ENGAGEMENT <i>Ramli Saad & Wan Shahrul Aziah Wan Mahamad</i>	103

ONLINE CUSTOMER REVIEWS AS A POWERFUL MARKETING TOOL

Baderisang Bin Mohamed
baderi038@uitm.edu.my

Faculty of Business and Management, Universiti Teknologi MARA Cawangan Kedah

Nor Fitrah Binti Anai Ali
nf.norfitrah@gmail.com

Faculty of Business and Management, Universiti Teknologi MARA Cawangan Kedah

ABSTRACT

Social media are becoming a more popular option for companies and brands to market their product and services as it is proven by previous research that marketing is more effective on these platforms, especially if the product is segmented towards the youngsters. Besides the hard work brands pull off to market their products, reviews from consumers are considered a huge success factor in online marketing. This article aims to analyze various aspects on how online customer reviews contributes as a powerful marketing tool and influence purchase decision.

Keywords: Online product reviews; online word of mouth; online marketing; retail platforms

INTRODUCTION

Customer review is a review of a product or service made by a customer who has purchased, used and had experience with the product or service (Marchand, Hennig-Thurau, & Wiertz, 2017). Customer review is also a form of customer feedback on electronic commerce and retail platforms (Petrescu, O'Leary, Goldring, & Ben Mrad, 2016). With the growing popularity of social media and retail platforms in the recent years, online product reviews are now becoming an important determinant in customer purchasing decisions to ensure they reach the desired satisfaction level for their purchases. A survey on importance of online review has reported that (Saleh, 2016).

Online reviews can be divided into two categories which are genuine customer reviews and paid reviews (also referred as influencer marketing). Genuine customer reviews are usually written willingly by customers based on their real experience towards the products or services. This type of review can often be found at retail platforms such as Shopee, Zalora and Lazada. Recently, these retail platforms have started to incentivize their customers to post a review about their purchases. This is because these retail platforms have acknowledged how powerful a customer review can be. Customer reviews on retail platforms play a major role to build potential customer's trust, confidence and willingness to purchase the product. This type of review is often more appealing to potential customers as they are considered more trustworthy. On the other hand, paid reviews are usually presented by social media influencers that brands hire to enhance product awareness and features. Influencer marketing today has undeniably enhanced social media marketing. Paid reviews can often be seen on YouTube or Instagram, depending on the suitability for marketing the product. However, because these influencers are being paid to talk about the product they were given as public relations or "PR", some customers may perceive their review as less trustworthy than a genuine customer review.

THE IMPORTANCE OF ONLINE CUSTOMER REVIEWS

In this digital age, product review videos on YouTube, retail platforms and review sites such as Trip Advisor can play an important role in consumers' purchase decision. This type of user contribution content should be given greater exposure by marketers because people rely more on the opinion or experience of the third party to develop their attitudes towards products and brands. Statistics suggest that most online customers read reviews before making any purchasing decisions (Anderson, 2018).

Furthermore, customer reviews today not only have the power to influence other potential customer decisions, but they can also enhance the reputation of a brand. Today's customer reviews have the power to build customers' trust and attract customers to engage with the brand. Ultimately, customer engagement contributes to increased profitability for companies. In the U.S., 68% of online shoppers are more likely to engage with businesses that have positive reviews (Bright Local, 2020) and 93% determine whether a business has a good reputation based upon the available reviews.

In 2018, Anderson reported that 92% of consumers hesitated to make a purchase if there weren't any customer reviews, and 97% say customer reviews are one of the factors into of buying decisions (Anderson, 2018). A survey on the website "Marketing Land" has also reported that 90% of customers say that what they decide to buy is influenced by positive online reviews, and 94% will use a business with at least four stars (Amy, 2013). Therefore, it shows the importance of review and its usefulness for brands in aspects such as sales.

Good reviews are also proven to have a positive impact on sales as customers nowadays are very reliant towards product reviews (Zhu & Zhang, 2010). Hence, brands must always be aware of reviews of their products being posted online. For instance, if negative reviews are being detected, companies must assist the customer complaints and take the commentary as constructive criticism to improve their product quality. Moreover, assisting unsatisfied customers can actually lead to repeat business, and up to 70% of complaining customers will give the business another shot if their concerns are resolved (Cory, 2018).

THE INFLUENCE OF CUSTOMER REVIEWS ON PURCHASE DECISION

Reviews have changed the way consumers make purchase decisions. Currently, there are even more than one way for online shoppers to acquire product information. As many customers rely on reviews today when searching for products or services, good reviews can have a significant effect on customer purchasing decision. According to a Bright Local survey, 85% of customers read online reviews before making a purchase decision (Bright Local, 2020). In a study conducted (McGowan-Watson, 2012), it was found that 42% of adults searched businesses on the internet before doing business with them and 45% changed their minds about doing business with a company due to something they discovered about a business online. However, less than 10% of consumers don't read online reviews and 40% of people make a purchasing decision after reading about one to three reviews (Truthfinder, 2017). When purchasing a product, customers usually want information from someone they can trust or someone they can relate to. Hence, many customers nowadays reach for available reviews on Google, social media and online shopping sites.

Online reviews have significantly influenced purchasing decision, particularly in the recent years. Product reviews are often more beneficial to potential buyers as reviews from previous consumers are perceived as more trustworthy and may reduce customer's risk of purchasing an unsatisfactory product. Prior research has suggested that information created by consumers, such as online reviews, is more convincing than information provided by marketers, since

consumers do not have a vested interest and are therefore independent and more reliable (Reimer & Benkenstein, 2018).

Furthermore, a prior research has proven that online customer reviews are interrelated with customer purchasing decision (Marchand et al., 2017). Customers tend to look up reviews on products that they are interested in before actually purchasing the product. However, if several reviews from previous customer were unsatisfactory, it might affect the potential customer intention to purchase the product. A study was carried out in 2016 that discusses consumer motives for researching online reviews prior to purchase. The findings of the study showed that consumer search for online reviews before purchasing a product to seek for information about the product they are considering, to reduce risk of making a bad decision, to analyze product benefits and drawbacks, and to understand and contribute to a virtual community (Constantinides & Holleschovsky, 2016). Moreover, when it comes to making purchase decisions, consumers often make emotional decisions and can easily be swayed by convincing and positive online reviews to make their first purchase from a brand. When they've had a positive experience, it is much easier to persuade them to make repeat purchases. Hence, online customer reviews are considered as one of the important determinants in customer purchasing decision in this era.

CONCLUSION

To sum up, customer reviews are important to businesses today and it is becoming more important as time goes on. Reviews from customers, especially those which are publicly available are considered as marketing has many forms and serves several purposes in e-commerce. Hence, the importance of online reviews should never be underestimated. Although there are times when businesses receive negative reviews, it can always be turned into a good review later in the future. This article has shown that customer reviews do affect purchasing decision and contributes as marketing tool.

REFERENCES

- Amy, G. (2013). *90% Of Customers Say Buying Decisions Are Influenced By Online Reviews*. <https://marketingland.com/survey-customers-more-frustrated-by-how-long-it-takes-to-resolve-a-customer-service-issue-than-the-resolution-38756>
- Anderson, J. (2018, November 28). *Why Are Customer Reviews So Important?* Retrieved from Revain:<https://medium.com/revain/why-are-customer-reviews-so-important-185b915d4e5d>
- Bright Local. (2020). *Local Consumer Review Survey 2020*. Retrieved from Bright Ideas: <https://www.brightlocal.com/research/local-consumer-review-survey/#q1>
- Constantinides, E., & Holleschovsky, N. I. (2016). Impact of online product reviews on purchasing decisions. *WEBIST 2016 - Proceedings of the 12th International Conference on Web Information Systems and Technologies*, 1 (Webist), 271–278. <https://doi.org/10.5220/0005861002710278>
- Cory, C. (2018). *Online Reviews Are The Best Thing That Ever Happened To Small Businesses*. Forbes. <https://www.forbes.com/sites/forbestechcouncil/2018/04/11/online-reviews-are-the-best-thing-that-ever-happened-to-small-businesses/?sh=e0bf4fd740a0>
- Marchand, A., Hennig-Thurau, T., & Wiertz, C. (2017). Not all digital word of mouth is created equal: Understanding the respective impact of consumer reviews and microblogs on new product success. *International Journal of Research in Marketing*, 34(2), 336–354. <https://doi.org/10.1016/j.ijresmar.2016.09.003>

- McGowan-Watson, E. (15 October, 2012). *National Study Shows How Much Our Personal Google results Affect our everyday relationships*. Retrieved from Brand Yourself: <https://brandyourself.com/blog/brand-yourselfcom/national-study-shows-how-much-our-personal-google-results-affect-our-everday-relationships/>
- Petrescu, M., O'Leary, K., Goldring, D., & Ben Mrad, S. (2016). Incentivized reviews: Promising The Moon For A Few Stars. *Journal of Retailing and Consumer Services*, 41, 288–295
- Reimer, T., & Benkenstein, M. (2018). Not just for the recommender: How eWOM incentives influence the recommendation audience. *Journal of Business Research*, 86(August 2016), 11–21. <https://doi.org/10.1016/j.jbusres.2018.01.041>
- Saleh, K. (2016). *The Importance of Online Customer Reviews*. Investp. <https://www.invespcro.com/blog/the-importance-of-online-customer-reviews-infographic/>
- TruthFinder Reviews. (2017). *How Online Reviews Influence Consumer Purchase Decisions*. <https://www.truthfinder.reviews>
- Zhu, F., & Zhang, X. (2010). Impact of online consumer reviews on Sales: The moderating role of product and consumer characteristics. *Journal of Marketing*, 74(2), 133–148. <https://doi.org/10.1509/jmkg.74.2.133>