

**THE IMPACT OF ONLINE CONSUMER REVIEW TOWARDS  
PURCHASE INTENTION: A STUDY IN COSMETICS  
PRODUCTS IN NEPAL**

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## **RECOMMENDATION**

# **CERTIFICATION**

## **DECLARATION OF AUTHENTICITY**

I, Pooja Pudasaini, hereby declare that this GRP is my own original work and that it explicitly and fully acknowledges all sources from which it has been drawn. I am aware that any credits granted to me based on material that I supplied to SOMTU may be cancelled at any time if it is discovered that I materially misrepresented it.

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## **LIST OF ABBREVIATION**

CSR: Corporate Social Responsibility

E-wom: Electronic-Word of Mouth

KOL: Key Opinion Leaders

PCB: Perceived Control behaviour

SMI: Standard Media Box

TPB: Theory of Planned Behaviour

TRA: Theory of Reasoned Action

## **EXECUTIVE SUMMARY**

This graduate research project entitled “The Impact of Online Consumer Reviews on Purchase Intention: A Study in Cosmetics Product in Nepal” is the survey-based research study. The primary objective of this to study the impact of online consumer review on purchase intention. Based on the literature review, different variables were identified. These variables Source Credibility, Review Quality, Review Valance, Review Quantity, Influencer and Purchase intention.

The study was done to determine whether or not the independent variables impact on the dependent variable. This was accomplished by sending out questionnaires via electronic email, google form and physical distribution by researcher. Self-administered Questionnaire were distributed with six study variables and twenty-seven items questionnaire.

This study is based on descriptive research design. This study was conducted with a sample size of 384 respondents between the age of 15 to 60. Data were analysed through the use of Statistical Package for Social Science (SPSS), Correlation, Regression is used to determine the impact of independent variables on dependent variable. Likewise, Sobel Test is used to analyse the mediating effect of Influencer on independent variables towards dependent variable.

The study tested the connections and impacts of the independent factors on the dependent variable using correlation and regression analysis. According to the outcomes, there is a significant positive and negative connection between online reviews and customers' purchasing plans, as well as between online reviews and the influencer who can influence consumer purchase intentions. Additionally, regression research revealed that online review had both negative and positive effects on consumers' buying behaviour/purchase intention. The study result shows that there is a significant impact of review quality and review quantity on purchase intention. Similarly, source credibility, review valance and no significant impact on purchase intention. The study also shows that there is mediating effect of influencer on source credibility, review quality, review valance, review quantity towards purchase intention.

Brand influencer like as bloggers and celebrities also influence consumers' buying intention/behaviour. Influencers represent a product's brand, so it is crucial for marketing companies to carefully choose brand advocates because they have a substantial effect on potential customers' buy intentions.

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the study

Digitalization has altered consumer behaviour. With digitization, traditional word of mouth is substituted with electronic word of mouth (eWOM) (Beneke et al., 2015). The idea of consumer buying behaviour has been studied by the peddler all over the world to recognize the driving motives behind consumer behaviour. (Hussain & Ali, 2015; Chen et al., 2010). Consumer acts distinctively in various market place which is defined by the two theories; Theory of Planned Behaviour and Reasoned Action (Madden et al., 1992), These concepts connect two elements to the idea of customer buying purpose; influencer and online reviews (consumer) which influence the behaviour of purchaser.

Ouvrein et al. (2021) highlighted that influencers are those people who have a certain kind of connection to the public and can meet a target group's business requirements. In many cases, influencers are opinion leaders who customers and fans turn to for expert guidance and opinions on various goods (Huang, 2015). Influencers utilize a variety of media and platforms, but at this time, influencers have heavily embraced social media to advertise various goods and services to the target groups that make up their viewers (Saima & Khan, 2020). Numerous social media platforms are used by influencers such as Instagram, Facebook, YouTube, TikTok, and Snapchat where the viewers/purchaser subscribe to their content (Freberg et al., 2011). Studies have explained that one influencer can receive \$6.5 for every dollar that is put on marketing strategies. Instagram became most successful tool to reach to influencer (Freberg et al., 2011). In recent years, businesses and brands have benefited from influencer and social media platform growth and applied the same strategy to promote their goods to the target market. A well-known influencer does not work at their own; but in fact, they are hired by the various companies they push to increase sales of the complete company or particular goods.

In contrast, unlike influencers, online consumer review are always unbiased viewpoints about specific goods or companies that are made available to customers

through electronic medias (Zhu & Zhang, 2010; Chen et al., 2011). Influencer observe the online reviews and compare the same brand with other competitive brands within the market environment to provide feedback to customers. The concept of online reviews is fuelled by digitalization and particular brand sales strategy to boost distribution of product (Zhu & Zhang, 2010).

Online shoppers are increasing the gap between online and offline stores. Online reviews comes from various websites or electronic platform where consumer share their opinion about the product bought from the websites and is open to all the consumers who wanted to purchase from the particular websites (Freberg et al., 2011). Consumers seek comfort, redemption and surprise while expressing their thoughts, experiences, and complaints in a public forum, which has the potential to reach a big number of individuals.

Customers can express themselves in various forms, text, graphics where they can write their opinion regarding the product which can be viewed by other people (Cui et al., 2014). Online Reviews can also be in the form of stars where five stars indicate quality product while one star indicate poor quality products (Saumya et al., 2018).

Nieto et al. (2014) explained that customers believe in online reviews posted by anonymous people rather than the claim made by the manufacturer or seller. This trust can have a bigger impact on the purchasing intention of customers. Consumers look up to influencers who satisfy the marketing needs of target groups and advise and give opinions relating to various products (Saima & Khan, 2020). Online reviews help consumers to make a quick decision as they have less time and when they want to make the right choice. This makes digital reviews relevant. Online product reviews allow consumers to share their thoughts and experiences of a particular product. Customers seek for online reviews to understand the value of a brand, which unintentionally increases their desire to make a purchase (Chakraborty, 2019). Consumers find it very difficult to understand the concept of high-tech products and its value so, there is a high chance either consumer may delay the product purchase or abandon the product (Wu et al., 2021). Online reviews help to reduce function risks while purchasing a new product because they are

unfamiliar with the new launch brand/product and lack the framework to evaluate it (Robertson & Gatignon, 1986).

Google is regarded as the largest portal for online reviews. Online reviews are typically viewed as having no commercial bias and more trustworthy information as they are usually of personal source (Erkan & Evans, 2016). Online consumer reviews are a rich mine of legitimate customer reviews (Tang & Guo, 2015). Each day the number of people reading google reviews is increasing. Howarth (2023) explained on the report that the ninety three percent of users have made buying decisions based on online reviews. Sixteen percent of shoppers totally trust the third-party review sites for product review, while forty seven percent shoppers partially trust third party online reviews and eight percent need to believe the reviewer. Fifty percent of U.S adults depends on product online review/videos while purchasing products (Yin et al., 2021).

Likewise, Rana (2018) stated that Nepalese people are highly encouraged through word-of-mouth opinion presented by various Social Media users which directly effects on buying decisions. The electronic reviews given by expert; professionals are considered more in Nepalese society. Neupane (2020) conducted a pilot survey and explained that eighty percent of Nepalese customers check comments, views, opinions and ratings on a particular product. More than sixty percent were females which shows that female customers are more concerned about social media reviews. Thus, word-of-mouth given online, affects the purchasing behaviour of an individual (Kharel, 2018) and satisfied customers always give positive feedback (Magar & Lamichhane, 2020). Nepalese people do not trust opinions of family and friends rather they trust online comments (Rana, 2018).

Reviews can also be given in forms of stars. These stars rank the perceived level of fulfilment of consumer with the product/services they purchase (Saumya et al., 2018). Five stars reflect the high-quality products/services while one star reflects poor product/poor customer service. Similarly, online reviewers choose to review different products through YouTube (Gaillot, 2021). There exists a thin line difference between influencer and online reviewers. Influencer are generally hired



by companies and most often they do not always have unbiased perspective towards a product (Cui et al., 2012).

Thus, influencer and online reviews/ratings affect the various segmentation of market based on age in many and different ways with different marketing approaches. In recent years, younger generations interest on vlogging/blogging has emerged with the access to the internet, social media, and smart gadgets since childhood. Yet there haven't been any studies in developing countries that explains the effects of review accuracy and review relevance on purchase intention (Cheong et al., 2020). So, present study will study the impact of influencer, source credibility, review valance, review quality, review quantity on the online purchase intention.

## **1.2 Statement of the problem**

With the new era and technology, customers can publicly communicate their ideas, experiences, and complaints which have potential to reach a large number of people (Beneke et al., 2015). The primary factors that are speculated to impact customer purchasing behaviour are security, confidentiality, trust and the quality of the products. Trust is considered to be the most crucial of all these. Various businesses and countries now sell online. As the number of online companies has grown, so has the number of consumers. This is because, many people find it easy and convenient to get a lot of information about products from anywhere. Online reviews and influencer have been incorporated into various companies as a global marketing plan. (Sethi & Kapoor, 2021). However, the impact of these two variables on businesses or different brands using them in the customer attraction strategies is unknown (Pauliene & Sedneva, 2019).

Nepalese shoppers are still in the trial phase of electronic shopping, though, consumers continue to seek out more online companies and attempt to distinguish them from those found in physical shops. But in Nepal, no in- depth study has been done to understand how online review, influencer as a mediating variable affects the purchase intention of Cosmetics Products. E-commerce still has a lot of problems because people don't know enough about it or aren't aware of it. This paper makes an effort to integrate online reviews with purchase intention which will

contribute to wider understanding in the field of e-commerce and offers the promise of empowering the online selling and buying of products.

### **1.3 Research questions**

This study has examined to answer the following questions:

1. To what extent consumer online reviews (source credibility, review quality, review quantity, and review valence) on Purchase intention towards cosmetic products?
2. Is there any mediation effect of influencers in relation between online review and Purchase intention in consumers?

### **1.4 Objectives of the Study**

This study's main objective is to analyse the impact of customer online reviews on purchase intentions. The specific objectives are as follows:

1. To examine the effect of different dimensions of online customer reviews (source credibility, review quality, review quantity, and review valence) on purchase intention towards cosmetics products.
2. To analyse the mediation effect of influencers on online review (source credibility, review quality, review quantity, and review valence) and purchase intention.

### **1.5 Research Hypothesis**

Based on the objectives, the following hypotheses are formulated:

**H1:** The Source Credibility of online consumer review has a significant effect on Purchase Intention towards cosmetics products.

According to prior research by Bataineh (2015), source trustworthiness is a key factor for customers for information. Higher purchase intentions result from higher levels of trustworthiness; conversely, lower purchase intentions result from lower levels of believability. According to Park et al (2007) argument, online reviews messages may be less credible than conventional ones and recipients may find it challenging to verify the veracity of the messages' sources. Source credibility has

significant effect on purchase intention (Schepers, 2015; Sutanto & Aprianingsih, 2016)

**H2:** The Review Quality of online consumer review has a significant effect on Purchase Intention towards cosmetics products

According to Park et al. (2007) stated that customer online reviews is a crucial topic that has impact on how consumers receive information. High quality reviews are reasonable and can be compelling towards consumer and has significant impact on purchase intention. Lee and Youn (2009) explained that the more comments on a particular a product has, the more attractive to its customers. An abundance of evaluations provides more (helpful) knowledge that can be used to decide whether or not to make a purchase.

**H3:** The Review Quantity of online consumer review has a significant effect on Purchase Intention towards cosmetics products.

In the study of Park et al. (2007), the number of reviews determines whether a product is famous or not. The amount of internet customer reviews will raise the degree of buying desire. Sutanto and Aprianingsih (2016) stated that there is no significant relationship between quantity on purchase intention whereas, Schepers (2015) explained that there is significant relationship between review quality and purchase intention.

**H4:** The Review Valence of online consumer review has a significant effect on Purchase Intention towards cosmetics products.

According to the research conducted by Cheong et al. (2020) found that there is moderate significant impact of review valence on purchase intention. Similarly, Lin and Xu (2017) stated that one of the key elements influence the probability of purchasing product is review valence. Cheung and Thadani (2012) explained that valence has a convincing effect because consumer purchase intention depends on the positive or negative information or review provided. Thus, positive review will increase purchase intention while negative reviews decrease the purchase intention of a product (Doh & Hwang, 2009).

**H5:** There is significant mediation of Source Credibility on relation between Influencer and Purchase Intension towards cosmetics products.

**H6:** There is significant mediation of Review Quality on relation between Influencer and Purchase Intension towards cosmetics products.

**H7:** There is significant mediation of Review Valance on relation between Influencer and Purchase Intension towards cosmetics products.

**H8:** There is significant mediation of Review Quantity on relation between Influencer and Purchase Intension towards cosmetics products.

### **1.5 Scope of the study**

This research is practical and aims to have an effect on businesses or brands that operate online and use electronic commerce as a main way to get their products to the target market, which is mostly made up of young people. So, to be able to understand how these Online reviews affect consumer intentions to purchase which can lead to high/less sales and other good things for the whole brand or business organisation. So, the main aim of this research is to help people better understand the ideas of online customer reviews and influencers as they relate to different generations' buying intentions, which is regarded as one of the important thing's in businesses and these businesses have been trying to find out and understand the concept.

This study can help Nepal's E-commerce platform to know which particular product has quality, positive and trustworthy reviews while it helps customers which brand is suitable to purchase. This study adds to the body of research in the setting of Nepal, which is understudied. To understand how source credibility, review valance, quality, quantity influence purchase intentions on beauty products online however, a lot more research is required.

### **1.6 Limitations of the study**

The limitation of this research study is similar to those of all research studies. The first restriction is linked to the sample number. In order to perform future studies based on this study, the group number can be increased to 500 or more. Another

restriction is the single-time response gathering through the poll form. The study can be changed for future studies by incorporating experimental research design and continuous data gathering methods. Because influencer can have a large effect on consumer confidence and purchase plans, businesses gravitate to them in circumstances where the consumer is unfamiliar with the product or there are several comparable rival goods on the market.

Because this study is based on samples of various e-commerce sites selling cosmetics products online, its sample characteristics don't seem to accurately reflect the general population demographics of customers from across the entire nation. The data used in this study comes from a primary source, hence respondents' responses must be accurate for the study to be considered reliable. The technique of convenience sampling is applied; however, it doesn't provide results that are representative. The addition of a few more significant variables can aid in understanding the connection between influencer and buy desire. Similarly, future research can take into account socioeconomic factors of customers and their effect on buying desire. Similarly, academics can investigate the connection between a company's market image, CSR actions, and how SMI marketing influences purchasing behaviour.

### **1.7 Structure of the report**

Chapter I include the introduction section. It incorporates the background of the study, the problem statement, the study's objective, its hypotheses, its significance and limitations of the study.

Chapter II provides a summary of the literature on the topics and associated studies. The conceptual framework is built and provided on the basis of the study of the existing literature. It covers the empirical studies that have been conducted on topic, research gaps, and a conceptual framework.

Chapter III discuss the methods of research that formed the basis of this study. It includes research design, population and sample, sampling strategy, instrumentation, data gathering sources and methodologies, reliability and pilot study. It provides a clear roadmap of how the research will be conducted

Chapter IV presents the finding of the study. It is primarily concerned with the systematic representation of acquired data. To facilitate interpretation, information is presented in tabular form and diagrams. The analysis and judgments are made following the systematic representation.

Chapter V consists the discussion, conclusion, and implications. Throughout the discussion, we compare and contrast the study's findings with those of another research conducted in the same or similar fields. The conclusion summarizes the inference from the comparison. The implications section of the paper discusses how the study can be used in practice.

## **CHAPTER II**

### **RELATED LITERATURE AND THEORETICAL FRAMEWORK**

This chapter includes the theoretical background and much empirical research. The theoretical framework was also developed using the findings of the literature review. A literature review is a piece of writing that evaluates the most important current findings as well as major advances in theory and methodology on a certain subject. This section has an overview of the studies that have already been done.

#### **2.1 Background Theories**

##### **Theory of Planned Behaviour**

According to TPB (Ajzen, 1991), the strongest predictors of actual behaviour are behavioural intentions, which are affected by three things: attitude toward the relationship between behaviour, arbitrary standards, and apparent behavioural control. Attitude is how positive or negative a person thinks a behaviour is. Subjective norms describe how much social pressure a person feels to perform or refrain from performing a behaviour. Perceived behavioural control refers to how easy or difficult a person believes it is to perform a behaviour. Perceived behavioural control (PBC) can be assumed to be the consumer's favourable perception of how challenging it will be for consumer to exhibit the desired behaviour; the theory of planned behaviour is thus an extension of the theory of reasoned action by adding PBC as a determinant for behavioural intention (Posthuma, & Dworkin, 2000). Several research contexts have been thought of in relation to the idea of PBC, the consumer's perceptions of the propriety (i.e., perceived social standard) of having a drink in the present circumstance (either with friends for an enjoyable dinner or during a job interview) and her/his desire to adhere to those perceptions are also important.

##### **Theory of Reasoned Action**

TRA, on the other hand, focuses on how attitudes and subjective norms affect people's plans to act (Fishbein & Ajzen, 1975). It is assumed that behaviour intentions are influenced by both attitudes and subjective norms, which in turn

affect actual behaviour. All consumer decisions and intentions, according to Reasoned Action Theory, are not random but rather based on an individual's attitude and normative views (Madden et al., 1992). Exactly how customers feel about a product is defined by their attitude toward it. Consumers' perspectives are shaped by a variety of contextual factors. The consumer's normative social ideas may play a role in shaping the shopper's intention to engage in a particular behaviour. A customer may, for instance, have a positive outlook on ordering a drink before supper. However, the consumer's perceptions of the propriety (i.e., perceived social standard) of having a drink in the present circumstance (either with friends for an enjoyable dinner or during a job interview) and her/his desire to adhere to those perceptions are also important. Normative beliefs may influence the intention to actually order the drink (Hawkins et al., 2001).

In the context of the online review thesis, TPB and TRA can be used to figure out what makes people decide to write online reviews and what they plan to do with those reviews. For example, how someone feels about writing an online review may depend on how useful they think the product is, while subjective norms may be affected by pressure from friends or family to write a review.

## **2.2 Overview of variables**

### **Source Credibility**

Source credibility is defined as "a message receiver's perception of the credibility of a message source that is not related to the message itself " (Chaiken, 1980). Generally, people share their experience and opinions on a social group to a broad and geographically scattered group. Consumer perception about the data source trustworthiness is known as source credibility (López & Sicilia, 2014). Source credibility must be informative, credible, and trustworthy to the readers because it is an important factor which will create difficulty recognizing Brand Value (Park et al., 2007; Cheung et al., 2008). Bataineh (2015), found that consumers place a high value on sources' credibility after getting information. High credibility will lead to a higher buying intention; likewise, a low credibility will result in a lower buying intention. Park et al. (2007), explained that electronic mouth may have less



trustworthiness than traditional word of mouth/messages and that recipients may have difficulty recognizing the source's reliability and clarity.

### **Review Quality**

A review is considered to be of high quality if it is impartial, provides logical justifications, and contains clear, adequate, and pertinent details on a linked good or service (Park, Lee, & Han, 2007). According to customer perception quality might be different for all. Each review differs in review because customer judge the product on their level, subjective feeling and perception and these reviews are an important factor that affects the consumer's cognitive information processing. Easily interpretable and objective information are more effective and influential than emotional and subjective information (Petty & Cacioppo, 1984). Review's quality has a significant influence on a customer's decision to buy (Park et al., 2007). The study conducted by Bataineh (2015) revealed that consumers will be helped by clear information to evaluate products, which may then lead to the development of buy intentions.

### **Review Valance**

Positive or negative statement that occurred in product review is called as review valance (Cheung & Thadani, 2012). Lopez and Sicilia (2014) suggested customers combine positive or negative comments to evaluate products before buying. Additionally, Park and Lee (2009) found that the valence of reviews had an effect on consumer purchases. Cheung and Thadani (2012) came to the conclusion that valence is persuasive due to the fact that customers base their buying choices on whether or not they see a brand positively. Greater number of positive reviews than negative reviews will lead to an increase in brand purchase (Doh & Hwang, 2009). Review sentiment has a significant impact on prospective buyers' decisions (Lin & Xu, 2017). According to the findings of a large number of studies, positive assessments have a positive effect on the performance of a firm, but unfavourable reviews have the opposite effect (Pelsmacker et al., 2018). The phrase "positive reviews" refers to ratings that are favourable, material that is positive, and product

recommendations. Nevertheless, promoting other products is considered to be a poor evaluation (Somohardjo, 2017).

There have been reports with a variety of findings about the effect that review balancing has on customer reactions. King et al. (2014) reported a variety of findings about the effect that review balancing has on customer reactions. King et al. (2014) stated that effect that review balancing has on customer reactions. King et al. (2014) and Maslowska et al. (2016) suggested that positively valanced comments and review summaries lead to more favourable customer reactions and if the reactions are positive, it heightens purchase intentions (Lin & Xu, 2017; Chevalier & Mayzlin, 2018) and may ultimately lead to higher sales. These findings were gleaned from previous research that was published in academic journals. According to (Floyd et al., 2014), good product reviews have shown to be connected with more favourable product attitudes as well as better expectations about the quality of the product (Purnawirawan et al., 2015).

### **Review Quantity**

Many reviews are more noticeable among people (Cheung & Thadani, 2012). More reviews will have multiple views and information that a customer searches in order to make a purchase. Arora and Sharma (2018) found that reviews may provide information to decrease online purchasing uncertainties. Bataineh (2015) found out that consumers use the number of reviews to judge whether a product is popular and high-quality.

Park et al. (2007) noted that when the product has more reviews it can be said that a greater number of people have purchased it the more reviews a product has, which aids future buyers. According to Park et al. (2007), product popularity is based on reviews. Online customer reviews enhance buying intention. Greater number of reviews indicates that many people have used the product and its popularity (Park et al., 2007). More individuals have tried a brand with more reviews. Research found that more evaluations make a product more appealing to a community (Sutanto & Aprianingsih, 2016).

## **Influencer**

Influencer marketing is the promotion of products and services by those who take action to influence the purchasing habits of others. Influencer marketing can be compared to electronic word of mouth as buying influence depends on popularity, reputation and expertise of influencers.

Young people follow influencers and buy more of their items for many reasons. As indicated, influencers are the main factor for information seeking (Sohn et al., 2020). Youths go online to research a new topic and find an influencer's ad which adds up the urge to buy a particular brand online and influencer advertising a particular brand stimulates purchase intent. (Croes & Bartels, 2021).

A study conducted by Ouvrein et al. (2021) revealed that influencers are to satisfy a target audience's marketing demands. Opinion leaders often provide customers with product suggestions. Technology and communication networks have evolved those influences in recent times (Huang, 2015). Numerous people follow influencers on various social media channels (Freberg et al., 2011). Influencers utilise social media to promote goods and businesses to their followers in voice, video, and visual formats to their audiences (Saima & Khan, 2020).

Brands employ influencers to reach their consumers. Influencer marketing uses celebrities to advise prospective buyers about goods (Chaffey, 2017). Social media influencers are the modern third-party endorsement tools (Freberg et al., 2011). They provide product information and promotions to their online fans on Instagram, Facebook, YouTube, and Twitter. Social media influencers provide product updates with followers. Influencer endorsement, according to several organisations, ensures product information accuracy to customers (Amoateng & Poku, 2012). Due to this established practice, every company has sought endorsements on every social media site. Media Mix Marketing reports that over 70 percent of online buyers believe influencers are the best potential upholder to build their organisations (Digital Marketing Institute, 2021). All these figures demonstrate influencers' role in consumer purchase decisions. Influencer marketing estimates that 50% of firms have increased their budgets to support influencers who sell their goods (Digital

Marketing Institute, 2021). Influencers also provide realistic product demos to their massive follower bases (Tapinfluence, 2017).

### **Consumer Buying Behaviour**

Customers' willingness to purchase online comes from their readiness to buy from the internet (Kamalul Ariffin et al., 2018). Customers' intention is crucial to technology adoption and real purchase, and online buying intention is an indication of actual purchase (Dewi et al., 2020). (Huang et al., 2019) discovered that in the absence of direct online purchasing experience, online review tactile signals had a positive and significant influence on customer purchase intention. Positive e-WOM attitudes strongly influence behavioural intentions, such as purchasing intention (Abedi et al., 2020).

Prasad et al. (2019) found that electronic word of mouth and purchase intention are stronger if mediated by organizational brand reputation. The findings demonstrated that the impact of electronic word of mouth in social media is an important proposition for traders/purchaser because it can help them create and uncover new ways to advertise their message/product through social media platform while building good electronic word of mouth for the product and company. Consumer purchasing decisions include purchase intention. This technique appeals because consumers seek and analyse product information. Purchase intention is the likelihood a customer will buy a product (Fazli et al., 2009).

Search marketing, often known as search engine optimization or search engine marketing, may be a source of purchase intention measurement. Site data, points of sale, off-site actions, and customer relationship managers are further sources of client intent information (Lu et al., 2014). Data gathered via social networks, or "social data," may be very valuable. Social data/information are the most important factors that makes assure a successful company endeavour. Make a season if clients intend to purchase from a certain company, and this business will prosper. A company's success is inextricably related to customer intent (Morwitz, 2014). Online reviews and influencers could be the drivers of purchase intention, implying the necessity for this research. Customer loyalty may be maintained by instilling confidence in the organisation or brand. Thesis

## **Online reviews on Purchase Intention**

E-commerce sites/Platforms sell products online and they provide a dialogue box for the people who want to write down the comment or people who want to buy the product can go through the dialogue box and share their experience, talk about the products and make other people know about it too. Dialogue box is where people leave their experiences, reviews and comments about a particular product (Choshaly & Mirabolghasemi, 2020). These comments are called online reviews. Comments/Reviews build trust among consumer and business owners and increase the presence of media among people so it is regarded as a "Social proof tool" (Huang, 2015).

Thousands of people visit social sites and people get information from the comment or review sections. Many want to know more about a particular product they are willing to purchase (Zhang et al., 2020). Consumers make sure that they read reviews a couple of times before buying. Mainly people get attracted to the appealing language used by sites to see their products (Choshaly & Mirabolghasemi, 2020). Online reviews became the face of digital ads, which had a bigger impact on how people change their buying habits. (Zhang et al., 2020).

Online reviews have several advantages. One of them is that they help customers to find the right product and right business sites (Burton & Khammash, 2010). Internet facilities had changed the shopping pattern. Nowadays, people search products online and google takes all the data and shows pop-ups or ads with comments for customers with the same or related products. Consumer attention also gets shifted to related products and starts comparing them with the first product (Zhang et al., 2020). In buying process, reviews can make consumers shift their mind and go for related products and search for suppliers' numbers and call them for the delivery of the product.

The business of delivering things from house to house has taken off (Burton & Khammash, 2010). Customers can get the product or service they want delivered to their door by calling or texting the company that makes it. This way, they don't have to leave their home to seek for the product (Zhang et al., 2020).

## **Influencers on Purchase Intention**

Influencer marketing is being used to make more people aware of products, brands, and services than ever before among Gen Y and Gen Z (Belanche et al., 2021). In influencer marketing, endorsements and product review from influential people are posted on social media. Influencers are people who have built up a renown fame in a certain topic and regularly post about it on the social medias (Jarrar et al., 1970).

Social media, which came out around the same time as generation Y and generation Z, has had a big impact on how businesses interact with their customers. So, social media became the place where the two generations did most of their advertising (Jarrar et al., 2020). Companies had to change how they advertised their products to their customers because of this change. Now, they compete to find the key leaders, or "influencers," who can help them promote their products more.

These leaders make suggestions by using "electronic word-of-mouth" and virtual words to encourage the right people to buy the products of the company in question (Belanche et al., 2021). Many researchers have tried to figure out where the drive comes from that makes the target audience follow these influencers. The influencers are known to know a lot about their fields of expertise. By doing individualistic research, the stated literature gap will be better clear and understandable. (Belanche et al., 2021).

## **2.3 Empirical Evidence**

### **Online reviews on Purchase Intention**

Online reviews demonstrate how a person feels about the product and those reviews are seen through normative perspective (Chen et al., 2011). Buyer goes through online reviews to figure out the usefulness of the product: which particularly can change the opinion and can increase the buying intention. Reviews might be useful or irrelevant depending on how trustworthy products would be or reviews to target specific people (Liu et al., 2020). The buyer generally considers what kind of people have bought those products, language and evaluates them accordingly. These aspects influence the reader's purchase intention by determining how engaging and appealing the review is (Liu et al., 2020). Detailed reviews get favourable

comments, allowing buyers to better comprehend it, and vice versa (Zhong et al., 2021). Reviews containing visual information, such as photographs and videos posted by users, pique the interest of young people and improve their purchase intentions for a product/service. Thus, these type of favourable feedback boosts the purchasing confidence of the generation Y and Z young customers, since they are more concern with the usability of the product which they are looking/ searching for and provide positive/negative feedback at the end after using product as a conclusion of their purchases. (Wang et al., 2020).

Positive reviews positively impact the product while negative reviews can also positively impact the product (Luan, 2021). Negative reviews create hype, attention toward the product, and increase the awareness among people.

If a person/website owner knows how to deal with negative reviews then they make a more positive side in the advertising area (Pantano & Corvello, 2013). Frequent comments/reviews capture audience attention and comply with knowledge about the good and bad products. The generated awareness improves the unpopular brand's recall. The excitement caused by bad evaluations narrows attention, resulting in higher remembrance of the companies and their items/products. The review-valence memory might fade and detach at times. As a result of the lingering knowledge and awareness of the unpopular product or brand as a result of unfavourable evaluations, positive reversion occurs, providing a positive impact (Luan et al., 2021)

Sutanto and Aprianingsih (2016) conducted research to examine the effect of online consumer review towards consumer purchase intention of premium cosmetics in Indonesia. The author performed a multiple regression analysis using four independent online review variables and discovered that review quality, source trustworthiness, review number, and review valance have a favourable and substantial effect on buy intention. Review Quality being most influential factor.

Likewise, Schepers (2015) stated that factors timeliness, volume, valence, quality, source credibility and have indeed positive impact on the consumer buying decision. Thus, all five hypotheses are accepted. The factor valance has the highest influence on online reviews, while the volume has the lowest impact on the

consumer buying decision. According to the customer traits, some variations in the level of impact were also discovered. For instance, males were more affected than women by source trustworthiness and component quality.

### **Influencer on purchase intention**

The concept of an influencer may be subjective or objective, depending on whether a consumer judges the influencer's credibility based on their content or the amount of people who follow them on their platforms. Influencers (bloggers and vloggers) may impact product purchasing habits or people's purchasing intentions in a variety of ways, both favourably and adversely. Many variables contribute to the link between influencers and young people's purchasing intentions. Social identity is one of these variables. Different individuals describe themselves as belonging to a distinct group in social circumstances (Gazi & G, 1970).

In the context of marketing, social identity is a factor that determine a person's behaviour in society and is used by product marketers to increase sales through advocates in the context of marketing (Belanche et al., 2021). Influencers use this knowledge to increase the target population's confidence in, allegiance to, and usage of such companies because when a person aligns with a particular group, they are connected to particular goods bought by the group.

Influencers' social identity affects young people's purchasing behaviour. As a result, firms tend to be picky about the kind of influencers they utilise on various social networks based on their social standing (Chopra, 2021). Some young folks associate with famous persons or celebrities, which leads to their clicking on their internet advertising and increasing their frequency of online purchasing of the goods. Young individuals depend on influencers to get relevant information about certain items rather than doing their own research (Belanche et al., 2021). Hence, trust and trustworthiness are critical variables in influencing the purchasing intentions of young consumers (Saima & Khan, 2020). Influencers provide useful information on selected items, allowing interested parties to understand these goods' efficacy and durability. In fact, the information that influencer shares with the public or the way they introduce a new product may attract new customers (Saima & Khan, 2020). Hence, in reality, influencers connect their followers with a particular brand



and generate a genuine shopping experience for prospective buyers (Jiménez-Castillo & Sánchez-Fernández, 2019).

Magano et al. (2022) found that the notion that a specific digital influencer is connected to the experiences of fans in some way gives recognition, likeability, and validity to the influencer as someone worthy of credit, especially in terms of the value of the information provided. Such reliability and credibility provided through the information will reduce the risk and uncertainties faced by customer while purchasing a product or during purchase. Reliability and credibility influence the buying behaviour positively. Many products appear to be similar in a supply-dominated world, so the role of influencers is seen to be increasingly important, to differentiate products amidst the "noise". This finding is consistent with other empirical data that shows brand familiarity affects social media engagement, which in turn affects purchase intention, (McClure & Seock, 2020), attitudes toward a brand, and purchase intention, (Torres et al., 2019), as well as celebrity endorsement (Satria et al., 2019).

### **Online review on influencer**

Dwidienawati et al. (2020) showed that not all electronic word of mouth influences the purchase decision though celebrity endorsement favours purchase intention but electronic comments did not show any influence on purchase intention because trust. Trust is based on reliability, reliability on the source. Participated consumers from this research did not show reliability towards review. The ratio of 3.63 out of 6 showed slight trust towards reviews (Javed et al., 2021). The feeling of proximity encourages a solid bond between people, which boosts confidence. It appears from the results of this study that the "customers" were unable to form strong bonds with reviews or to the other customers who had written the reviews/evaluations; as a result, any information provided did not enhance their confidence enough to buy. Information provided in comments and its quality is regarded as the most important aspect affecting consumers' choices while purchasing online (Sokolova & Kefi, 2020). High-quality information helps buyers for better judgement. Review quality is often regarded as an issue in online purchase (Berhanu & Raj, 2020). Berhanu and Raj (2020) verified that a thorough, in-depth, and particular review boosts trust

and increase confidence level. Luxury stuff are expensive and require more information for purchase. Consumers want comprehensive information before spending a lot (Veirman et al., 2017). Veirman et al. (2017) confirmed that product kinds affect online buying habits. Customer risk increases with product price. Customer reviews are not adequate to eliminate consumer uncertainty.

**Table 1***Summary of Empirical Review*

Authors	Variables	Methodologies	Findings
Sutanto and Aprianingsih (2016)	Source Credibility, Review Quality, Review Quantity and Review Valance	Sample size: N=400 Multiple Regression analysis	All independent variables have significant relationship with consumer purchase intention. Study recommends to add another variable in the model. Other variable can be included in further research.
Kevin et al (2020)	Source Credibility, Review Quality, Review Quantity and Review Valance	Sample size N=190 Multiple linear Regression	All three variables except review Quality have significant effect on online reviews.
Mishra (2021)	Review Valance, Review Relevance and Review Accuracy	Sample Size= 251 Nepalese of Eastern side Structured equation Model	Review valance and relevance have no influence on purchase intension whereas Review accuracy showed significant impact

Schepers (2015)	Quality, Volume, Valance, Timeliness and Source Credibility	Sample size: 244 Dutch respondent	All five factors have significant impact on purchase intension
Marjerison et al (2020)	Blogger KOL, Celebrity KOL and Product attitude	Sample size: Three groups Experimental Research (45-day period)	Celebrity KOL influence on young female customers perception but popular Vlogger does not influence on young female customers perception
Mohammad (2022)	Different ethnics towards Credibility of social media influencer, Expertise of SMI, Trustworthiness For beauty products and Attractiveness	Sample size=234 Students Quantitative survey	Significant correlation exists between UCSI University students' intention to purchase beauty care products and their perception of the expertise, dependability and attractiveness of social media influencers. There is no statistically significant correlation between

their perception and their ethnicity.

Chin (2019)	Online Reviews and Influencer	Sample size=500 Gen Z and Y Deductive Research	There is positive impact of online reviews and influencer on purchase intension
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## 2.4 Research gap

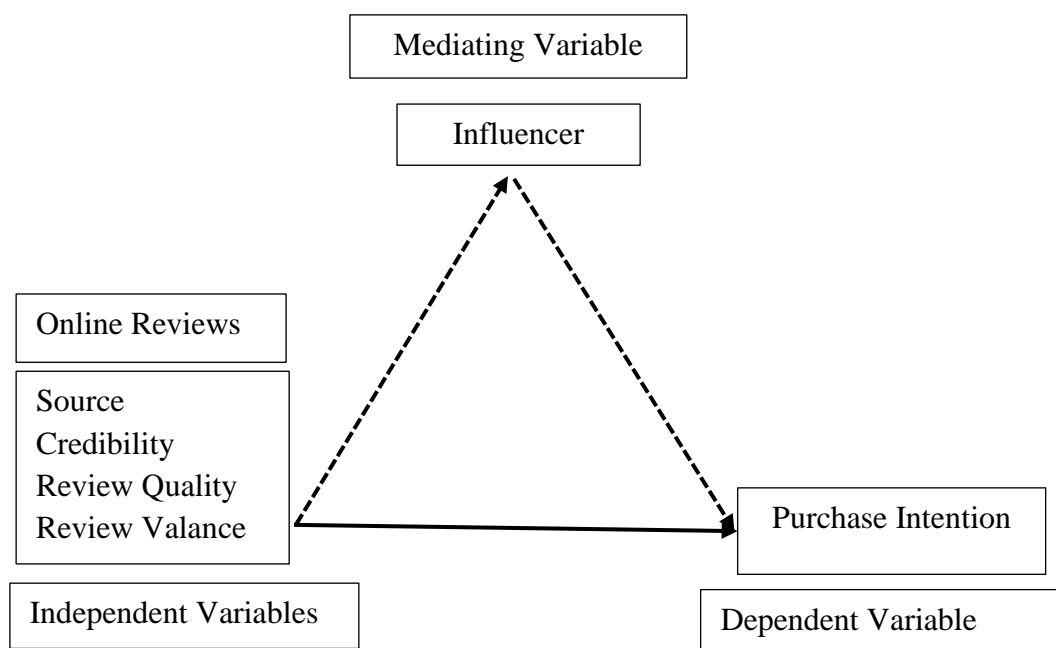
Based on the systematic review of the existing literature on online reviews on purchase intention on cosmetics products, no adequate studies have been done in Nepal to understand the relationship between online reviews on purchase intention with mediating variable influencer. Previous studies mainly focused on five dimensions of online reviews on purchase intention, some found significant relationships between and some didn't. Sutanto and Aprianingsih (2016) recommend adding other variables in the model and suggested going with a well-established job and mature females who have higher spending pattern as the applicant found that components of online consumer reviews are completely based on the finding of the literature review. Other factors of online consumer reviews that might have an influence on the consumer decision have not been tested. In one pilot survey consumers got attracted to stuff that they haven't tried before and is tried by influencers. The perception of influencers affects the purchase intention and that additional information from someone boosts trust and it is so easy to find products and services easily. So, this study tends to explore how influencers and online reviews on a product/services impact on purchase intention. Belanche et al. (2021) and Zhang et al. (2020) commented that there is no limit in the relationship between influencer and online reviews with youthful consumer buying behaviour; they allowed both relationships to link and suggested further study that examine the relationship. Returning to the issue of the effect of internet evaluations and advocates on product buy plans of customers. The structure that is defined in this study helps to analyse the nature/category of the relationship between these

variables. This study's focal point is on variables that have already been investigated by many researchers/authors, as it was brought up in the literature review, and tries to build on what prior research has previously studied using the deductive approach.

## 2.5 Theoretical Framework

**Figure 1**

*Theoretical Framework*



Source: Sutanto & Aprianingsih (2016) and Dwidienawati et al. (2020)

The four variables are adopted from Sutanto & Aprianingsih (2016) because they are deemed to be the most relevant or influential factors for the research question at hand. The decision to include variables is being guided by the objective of the framework and has explained the phenomenon being studied.

## 2.6 Operational Definitions

### Source Credibility

The consumer's viewpoint of the information's source's legitimacy is referred to as source credibility (López & Sicilia, 2014). Source credibility must be informative, credible, and trustworthy to the readers because it is an important factor which will

create difficulty recognizing Brand Value (Park et al., 2007; Cheung et al., 2008). The measuring constructs used for source credibility were: I believe that reviews left by people about a product of specific makeup brands are trustworthy, I believe that reviews left by people who about a product of specific makeup brand's is reliable. I believe that the individuals who wrote reviews about a specific makeup brand's products are reliable. I believe on reviews that are left by an individual after using product of specific makeup brands.

### **Review Quality**

Easily interpretable and objective information are more effective and influential than emotional and subjective information (Petty & Cacioppo, 1984). Review's quality has a significant influence on a customer's decision to buy (Park et al., 2007). The measuring constructs used for review quality were: The product review for a specific luxury makeup brand is clear, the reviewers provided detailed information about a specific luxury makeup product, The information about a specific luxury makeup brand's product is pertinent to my search, The review about specific luxury makeup brand's product is objective, Review about specific luxury makeup brand's is understandable, An online comments/reviews of a specific luxury makeup product is beneficial and helpful.

### **Review Valance**

Review valence is defined as the frequency of positive or negative statements in a given product review (Cheung & Thadani, 2012). Positive comments/reviews have a positive effect on the performance of a firm, but unfavourable reviews have the opposite effect (Pelsmacker et al., 2018). The measuring constructs used for review valance were: Negative feedback reduces my interest about the product, many negative comments have prompted me to search out another premium makeup brand, Reviewers give a favourable rating to a specific luxury makeup brand's product, Reviewers always suggest a specific luxury makeup brand's product.

### **Review Quantity**

The number of online comments is known as review quantity. Review quantity works as a social proof that product/brand are famous and purchased more. It also

states that the more the merrier (Arora and Sharma, 2018). Bataineh (2015) found out that consumers use the number of reviews to judge whether a product is popular and high-quality. The measuring constructs used for review quantity: The amount of product information from a specific luxury makeup brand reviews is large, Large number of reviews/comments suggest that a specific luxury makeup brand's product is well-liked, Large number of comments/reviews suggest that the product of a specific luxury makeup brand is of high quality, The amount of information available about a specific luxury makeup brand's product is adequate to meet my information-seeking requirements.

### **Influencers**

Influencers are the main factor for information seeking (Sohn et al., 2020). Youths go online to research a new topic and find an influencer's ad which adds up the urge to buy a particular brand online and influencer advertising a particular brand stimulates purchase intent. (Croes & Bartels, 2021). The measuring constructs of influencers were: If one of my favourite influencers suggests a brand or product that I haven't tried before, I'm more apt to try it, I gather information about online shop from the influencer I follow, I find the information about the online store helpful to me which was gathered by following the influencers, The influencers that I follow are reliable.

### **Purchase Intention**

Purchase intention is the likelihood a customer will buy a product (Fazli et al., 2009). (Huang et al., 2019) discovered that in the absence of traditional purchasing experience, online review tactile signals had a positive and significant influence on customer purchase intention. The measuring constructs of Purchase intentions were: My intention to purchase cosmetics from the particular brand is high after watching video about the brand, My desire to buy a specific luxury makeup brand is strong after reading the online reviews/comments, I am willing to buy the product after reviewing the comments of specific cosmetic brand, In the future, I'll prioritize the products mentioned in the online platforms with comments and remarks, Based on online reviews, I plan to keep buying products from a premium cosmetics brand.



## **CHAPTER III**

### **RESEARCH METHODS**

This chapter is about the research methods that were used to reach the goals of the study. It shows how the researcher plans to do his or her overall research. This chapter also talked about how to decide on the sample size, sampling methods, study tools, data sources, and how to manage the data. This chapter has gone into detail about the study's research design and the methods used to gather and look at the data. It also says how the study was done and how the hypothesis was tested so that the study's goals could be met.

#### **3.1 Research design**

For the purpose of this study, descriptive research design was adopted. A descriptive survey design was utilised to understand the impact of influencer and online reviews on cosmetics purchase intention

#### **3.2 Population and Sample**

The population size is unknown for the research so, the sample size is selected between the age of 15 to 60 years. This age group was selected as a sample for the research because, these are the people who use the cosmetics product and, are selected because they are analytical and more convenient in using social media.

Since, the population of the study and the degree of variability is unknown sample size formula by Cochran (1977) was used to decide the minimum sample size. Since the degree of variability is not known, the maximum variability is assumed which is 0.5 ( $p = 0.5$ ). Moreover, a 95 % confidence interval with +- 5% precision is taken for determining the minimum sample size for the studying.

The Cochran equation is used to calculate the representative sample size.

$$n = \frac{z^2 * p * q}{e^2}$$

Where,

n= Sample size

$p$  = Population proportion with given characteristic

$q = 1-p$

$z$  = Z value (e.g., 1.96 for 95% confidence level)

$e$  = Error margin

The suggested value of  $p$  and  $q$  for the unidentified population is 50% for each. At a 95% level of confidence, the  $z$  value is 1.96 and the sampling error  $e = 5\%$ . Since, the total number of people that prefer buying premium cosmetics products online over traditional purchasing of cosmetics products is unknown. So, the researcher has used the sample size of 384 according to the formula by Cochran (1977).

$n = 50*50*(1.96)^2 / 0.05^2 = 384$

### **3.3 Sampling technique**

The core data for this study came from a self-administered, closed-ended questionnaire, and the researchers relied on a convenience sample strategy. A total of 384 responses were collected from google forms. Convenient sampling basically relies on primary data for the research without any additional requirement. In convenient sampling all people are allowed to participate which make researcher a convenient to collect and gather samples. Therefore, this study uses convenient sampling due to the need of smaller but readily accessible pool of respondent who are using cosmetic products.

### **3.4 Sources of Data**

The primary data used for this research was gathered by researcher using a standardized questionnaire. A survey was given to the people who cosmetics products online from various parts of Nepal. Data was collected by sending questionnaire via email, google forms and physical distribution by researcher. Six study variables and a total of twenty-seven items were included in the questionnaire that was made available to participants. All of the questions had definite answers, which made it simpler for the respondent to react.

### **3.5 Instrumentation**

Questionnaire Design

The aim of this research was to evaluate the impact of online consumer reviews on purchase intention of cosmetics product. For this structured questionnaire has been used by the researcher. At first, few questionnaires were sent to respondents through online Google form and while remaining were distributed by the researcher herself according to the ease of distribution. With reference to the present studies, the questionnaire had been adopted from Sutanto & Aprianingsih, (2016) and Belanche et al., (2021) which every study in this one reported that the instrument's validity and reliability were adequate. Further, the data was analysed using statistical tests such as correlation, regression, mean, and standard deviation, and SPSS and Microsoft.

### 3.6 Reliability analysis

Cronbach's Alpha was computed to determine the tool dependability following the data gathering from the interviewees. This research used Cronbach's alpha as a method to examine dependability. According to Guilford's (1965) proposal, the internal coherence is greater the higher the Cronbach's alpha number. The Cronbach's alpha test is the most widely used measure for inter-item consistency dependability and works best for multipoint scale items.

**Table 2**

*Reliability Analysis*

Variables	No. of Statements	Cronbach's Alpha
Source Credibility	4	0.792
Review Quality	6	0.788
Review Valance	4	0.725
Review Quantity	4	0.742
Influencer	4	0.730
Purchase Intension	5	0.765

Internal consistency is usually related to reliability data, and its value varies from 0 to 1. Cronbach's Alpha coefficients of less than 0.6 are regarded as bad, greater than 0.6 but less than 0.8 are regarded as adequate, and greater than 0.8 are regarded as excellent.

The table shows Source Credibility, Review Quality, Review Valance, Review Quantity, Influencer, Purchase Intension with reliability statistics of 0.792, 0.788, 0.725, 0.742, 0.730 and 0.765 respectively. All the variables Cronbach's alpha is near and above to 0.70. Therefore, the scales are considered to be reliable and consistent to measure the respective variable.

### **3.7 Pilot Study / Testing**

A pilot study is an initial, smaller-scale exploratory study conducted before a larger-scale quantitative inquiry to determine the reliability and validity of the scale to be used. A pilot study is performed to identify any issues with the measurement tools. A pilot test with 20 participants were conducted before distributing the final questionnaire to determine the instrument's validity. The reliability of the context has been measured using Cronbach's alpha. After conducting a pilot study with 20 samples, it was found that every variable had a Cronbach alpha value greater than 0.7. With this outcome, the construct has not changed, and neither have any questions on the Likert scale been added or removed. The researcher's supervisor also gave the scale's content validity his approval. The questionnaire was then distributed to all eligible respondents.

### **3.8 Data Measurement Model/ Data Analysis**

Collected and filtered data is analysed through the SPSS (Statistical Package for the Social Sciences) software and MS excel. The study makes use of IBM SPSS to analyse the descriptive data to evaluate the impact of online reviews on purchase intension of cosmetics product. Beside of that the different table, pie-chart, histogram has been used for the better present. In the case of the finding core objective, the regression and correlation are used explore strength among the variable and to explore the relationship among the variables. Here, Shapiro-Wilk test is used to test the normality. Finally, Sobel test is used to analyse mediation effect of influencer on source credibility, review quality, review valance, review quantity.

The data was analysed using both MS Excel and SPSS. Tools for descriptive and inferential analysis include simple regression analysis, factor analysis, factor

reliability analysis, correlation analysis, and descriptive statistics. Descriptive statistics is used to measure response frequency, reliability analysis checks the Checks for the instrument's internal consistency and factor analyses the instrument's validity, and factor analysis checks the sampling adequacy of the study. The definition of the linear regression model is

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

Where,

Y = Dependent variable

$\beta_0$  = Y- intercept

$\beta_1$  = Slope of independent variable

X1 = Independent variable

$\epsilon$  = Random error.

**Table 3***Expected Sign Between Variables*

Variables	Expected Sign	Reference
Source Credibility on Purchase Intention	Positive	Sutanto, M. A., & Aprianingsih, A. (2016).
Review Quality on Purchase Intention	Positive	
Review quantity on Purchase Intention	Negative	
Review Valance on Purchase Intention	Positive	
Source Credibility on Purchase Intention	Positive	Kevin, A., Wahab, Z., & Shihab, M. S. (2020).
Review Quality on Purchase Intention	Positive	
Review quantity on Purchase Intention	Negative	
Review Valance on Purchase Intention	Positive	
Review Valance on Purchase Intention	Negative	Mishra, U. (2021).
Review Relevance on Purchase Intention	Negative	
Review Accuracy on Purchase Intention	Positive	
Quality on Purchase Intention	Positive	Schepers, M. (2015).
Volume on Purchase Intention	Positive	
Valance on Purchase Intention	Positive	
Timeliness on Purchase Intention	Positive	
Source Credibility on Purchase Intention	Positive	

**3.9 Ethical Consideration**

Ethics and standards are kept during both the survey's execution and the report's drafting. Care has been taken to uphold the moral standards of conduct that guide moral decisions in order to ensure that no one is harmed or suffers as a result of this study work. No unethical behaviour on the part of the researcher or writer occurred during the course of conducting the poll or writing the report. The proper care of

respondents was ensured all through the study by providing a clear and concise explanation of the study's goals and how respondents could contribute to the study. Nobody was forced to fill out the survey and everyone who was asked was offered the option to fill or not to fill up the questionnaire.

Respondents were guaranteed that their information would remain confidential and that it would not be shared with any third parties before they provided it to the researcher. Also, they were reassured that their data would be used exclusively for academic research. The investigator also promises that all citations and references were used properly and that there was no chance of plagiarism. The sources have been clearly cited in order to respect the authors of the ideas and concepts that have been discussed in this research.

## **CHAPTER IV**

### **ANALYSIS AND RESULTS**

This chapter's goal is to analyse and evaluate the study's data collection, as well as to show the questionnaire survey's findings. The primary goal of this research study is anticipated to be achieved with the help of the conclusions drawn from the data analysis. The testing of the theories that were developed in the prior chapter is also covered in this chapter. This part is split into two additional sub-sections. The respondent's background is covered in the first section. It provides personal data on the interviewees, including gender, age group, marriage status, employment status, weekly family revenue, and many other factors. Through the association of dependent and independent factors, the second section analyses and explains the data that was gathered. The review of the findings is included in the concluding section.

Microsoft Excel and other programs like the Statistical Package for Social Sciences (SPSS) were used to quantitatively analyse the gathered data. SPSS is a scientific and analysis program that is used to arrange data, find important connections, and distinguish between and among various groups of users. In order to achieve the goals of the study, summary statistics, dependability analysis, correlation analysis, and regression analysis were carried out.

#### **4.1 Demographic Profile of Respondents**

Table 4 provides respondents demographic information. Through physical distribution and an online questionnaire, a total of 384 responses were collected. According to their gender, age, marital status, profession, time of review, frequency, purchasing platform, minimum spending respondents are sorted into various categories.

Table 4 shows that majority of respondents are female than male. With 61.5 percent female overtake the male. The largest age group which buys cosmetics is between 15-30 age group with 58.1 percent followed by 30-35 and 40 to 55 with 28.6 percent and 13.3 percent. Unmarried people tend to purchase more cosmetic products. Majorly people who are Entry level job purchase more cosmetics product with 28.6



percent as most of entry level people are youngsters, followed by student 23.7 percent. Out of 384 respondent's 24.7 percent people spend less than Rs. 1000 in a month while other 24 percent, spend Rs. 1000-Rs.5000 in a month. 43 percent of people tends to buy cosmetics product once in a month while 28.4,17.2,11.5 tends to buy once in 1-3 month, once in 4-5 months and once in more than 5 months.

Table 4 indicates that 51.8% of respondents read or viewed the premium cosmetic review one to three times. This result demonstrated that respondents were aware of and interested in reading online reviews. Respondents have a variety of sites to choose from to obtain superior makeup reviews for perusing or watching. Based on the data, social media is the most popular channel with 103 respondents, and TikTok may be more intriguing to examine. 216 respondents read or viewed the premium cosmetic review prior to every purchase. This is due to the fact that respondents wish to identify the best brand among the many available options. Because cosmetics products are expensive, 134 respondents desired to avoid taking any risks when purchasing them; consequently, they intend to purchase more products recommended by friends and family followed by product endorsed by high celebs and products which are advertised more.

**Table 4***Demographic Profile of Respondents*

	Frequency	Percent
<b>Gender</b>		
Male	148	38.5
Female	236	61.5
<b>Age</b>		
15-30	223	58.1
30-45	110	28.6
45-60	51	13.3
<b>Marital status</b>		
Married	180	46.9
Unmarried	204	53.1
<b>Profession</b>		
Student	91	23.7
Housewife	45	11.7
Entry-level	103	26.8
Mid-level	86	22.4
Senior Level	59	15.4
<b>How much do you spend on premium cosmetics product monthly?</b>		
Less than Rs 1000	95	24.7
Rs.1000 -Rs 5000	92	24.0
Rs.5000- Rs.10000	77	20.1
Rs.10000- Rs.15000	57	14.8
Rs. 20000 above	63	16.4
<b>How frequently you buy Premium Cosmetics Product?</b>		
Once in a month	165	43.0

Once in one - three months	109	28.4
Once in four - five months	66	17.2
Once in more than five months	44	11.5
How many times you view reviews before buying Premium cosmetics products?		
1 to 3	199	51.8
3 to 6	92	24.0
Above 6	93	24.2
Which platform you choose to obtain premium cosmetics review?		
Web site Ecommerce	96	25.0
You Tube	82	21.4
Social Media	103	26.8
Blog/forum	28	7.3
Peers/Family	75	19.5
At what time you view the Premium Products review?		
Every time new product is released.	168	43.8
Before Choosing a brand (I have to buy Foundation, but don't know which brand to buy)	216	56.3
Which cosmetics product you intend to buy more?		
Those premium products which are endorsed by High profile Celebrities. (If this celebrity is endorsing LA girl Lipstick that I never tried, I feel the urge to try it too, simply because I like her).	128	33.3
Those you are suggested buy peers/Family.	134	34.9
Those which are advertised more.	122	31.8

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## 4.2 Descriptive Statistics of the Variables

**Table 5**

*Descriptive statistics of Source Credibility*

Statement	Items	Mean	SD
I believe that reviews left by people about a product of specific makeup brands are trustworthy.	SC1	3.01	1.38
I believe that reviews left by people who about a product of specific makeup brand's is reliable.	SC2	3.08	1.28
I believe that the individuals who wrote reviews about a specific makeup brand's products are reliable.	SC3	3.23	1.21
I believe on reviews that are left by an individual after using product of specific makeup brands.	SC4	3.27	1.18
<b>Source Credibility</b>		<b>3.14</b>	<b>1.26</b>

Table 5 displays the extent to which respondents agreed and disagreed with different Source Credibility. Four items were adapted to measure the Source Credibility that facilitates the purchasing intention of cosmetics products. The mean values for believing the reviews left by individual after using product is 3.27. This shows people mostly trust proximity reviews related towards experiences. An analysis of standard deviation tells us that responses obtained are consistent throughout. The highest standard deviation with SC1 of 1.38. This explains that reviews left by people about premium cosmetics product are trustworthy. This can explain how different review writing style can affect the buying perception of cosmetics product.

**Table 6***Descriptive statistics of Review Quality*

Statements	Items	Mean	SD
The product review for a specific luxury makeup brand is clear.	RQ1	3.06	1.21
The reviewers provided detailed information about a specific luxury makeup product.	RQ2	3.11	1.16
The information about a specific luxury makeup brand's product is pertinent to my search.	RQ3	3.18	1.19
The review about specific luxury makeup brand's product is objective.	RQ4	3.19	1.17
Review about specific luxury makeup brand's is understandable.	RQ5	3.12	1.27
An online comments/reviews of a specific luxury makeup product is beneficial and helpful.	RQ6	3.23	1.21
<b>Review Quality</b>		<b>3.14</b>	<b>1.20</b>

Table 6 displays the extent to which respondents agreed and disagreed with different Review Quality. The mean values for specific premium brand products reviews are helpful and beneficial (RQ6) is 3.23. This result shows that people tend to seek online reviews and found them helpful. With mean 3.23 most people agreed to the statement. The analysis of standard deviation reflects bigger deviation of responses in constructs RQ 5 and RQ 2. Similarly, RQ 1 and RQ 6 showed same deviations in responses. The analysis shows that most respondents were either neutral or agreed that review about the product are understandable, objective and is pertinent to the search.

**Table 7***Descriptive statistics of Review Valance*

Statements	Items	Mean	SD
Negative feedback reduces my interest about the product.	RV1	3.67	1.17
Many negative comments have prompted me to search out another premium makeup brand.	RV2	3.72	1.13
Reviewers give a favourable rating to a specific luxury makeup brand's product.	RV3	3.62	1.16
In general, reviewers always suggest a specific luxury makeup brand's product.	RV4	3.63	1.13
<b>Review Valance</b>		<b>3.66</b>	<b>1.15</b>

Table 7 displays the extent to which respondents agreed and disagreed with different Review Valance. All four constructs of Review valance showed agreement and facilitates the purchase intension with overall mean and standard deviation. The mean values of all items are greater than 3. RV4, which talks about the argument that many negative comments have prompted to search another make up brand has the highest mean value of 3.72. This shows that negative reviews drag more attention and it can shift the buying/purchasing decision of an individual. All items had a standard deviation value between 1.13 to 1.17 than 1.17, suggesting uniformity of responses throughout the study. The analysis shows that most respondents agreed to the statements used in the construct and there wasn't any huge deviation in their responses.

**Table 8***Descriptive statistics of Review Quantity*

Statements	Items	Mean	SD
The amount of product information from a specific luxury makeup brand reviews is large.	RQN1	3.04	1.23
Large number of reviews/comments suggest that a specific luxury makeup brand's product is well-liked.	RQN2	3.17	1.23
Large number of comments/reviews suggest that the product of a specific luxury makeup brand is of high quality.	RQN3	3.01	1.25
The amount of information available about a specific luxury makeup brand's product is adequate to meet my information-seeking requirements.	RQN4	3.03	1.17
<b>Review Quantity</b>		<b>3.06</b>	<b>1.22</b>

Table 8 shows extent to which respondents agreed and disagreed with different Review Valance. All four constructs of Review quantity showed agreement and facilitates the purchase intension with overall mean and standard deviation. The mean values of all construct in between 3.00 to 3.17. while analysing mean values, large number of reviews on luxury brands are well liked by people has highest mean of 3.17. this means that more the number of reviews the merrier and better for buy and sell purpose. The standard deviation is quite similar to each other. The highest standard deviation is of RQN3 of 1.25 which make an individual believe that large number of comments means the product/brand is of high quality.

**Table 9***Descriptive statistics of Influencer*

Statements	Items	Mean	SD
If one of my favourite influencers suggests a brand or product that I haven't tried before, I'm more apt to try it.	I1	3.06	1.26
I gather information about online shop from the influencer I follow.	I2	3.19	1.18
I find the information about the online store helpful to me which was gathered by following the influencers.	I3	3.18	1.21
The influencers that I follow are reliable.	I4	3.22	1.16
<b>Influencer</b>		<b>3.16</b>	<b>1.20</b>

Table 9 displays the extent to which respondents agreed and disagreed with different Influencer. The analysis of all mean values of the items shows that I4 returned the highest mean value of 3.22. This shows a strong mediating impact of influencer that people follow for reviews/comments. I2 and I3 showed similar mean values of 3.19 and 3.18. Similarly, an analysis of standard deviation shows moderate amount of deviation in the responses.



**Table 10***Descriptive statistics of Purchase Intention*

Statements	Items	Mean	SD
My intention to purchase cosmetics from the particular brand is high after watching video about the brand.	PI1	3.16	1.23
My desire to buy a specific luxury makeup brand is strong after reading the online reviews/comments.	PI2	3.15	1.22
I am willing to buy the product after reviewing the comments of specific cosmetic brand.	PI3	3.13	1.25
In the future, I'll prioritize the products mentioned in the online platforms with comments and remarks.	PI4	3.25	1.13
Based on online reviews, I plan to keep buying products from a premium cosmetics brand.	PI5	3.28	1.15
<b>Purchase Intension</b>		<b>3.19</b>	<b>1.20</b>

The mean values for keep on purchasing premium cosmetics brand online is 3.28. This shows people are willing to purchase online cosmetics. An analysis of standard deviation tells us that responses obtained are consistent throughout. The highest standard deviation with SC1 of 1.25. This explains that people will buy product after reviewing the comments/reviews of specific brands.

**Table 11***Total Descriptive Statistics of Variables*

	Mean	SD
Source Credibility (SC)	3.14	1.26
Review Quality (RQ)	3.14	1.20
Review Valance (RV)	3.66	1.15
Review Quantity (RQN)	3.06	1.22
Influencer (I)	3.16	1.20
Purchase Intension (PI)	3.19	1.20

Table 11 shows the overall mean score and standard deviation of the variables. Review Valance has highest mean of 3.66. This means that reviews are perceived mostly before buying. The frequency of positive and negative reviews changes the perception of an individual. The standard deviation of all six variables is consistent and review quality, influencer, purchase intention has same standard deviation of 1.20 which explains uniformity of responses throughout the study.

### 4.3 Normality Test

**Table 12***Shapiro-Wilk Test*

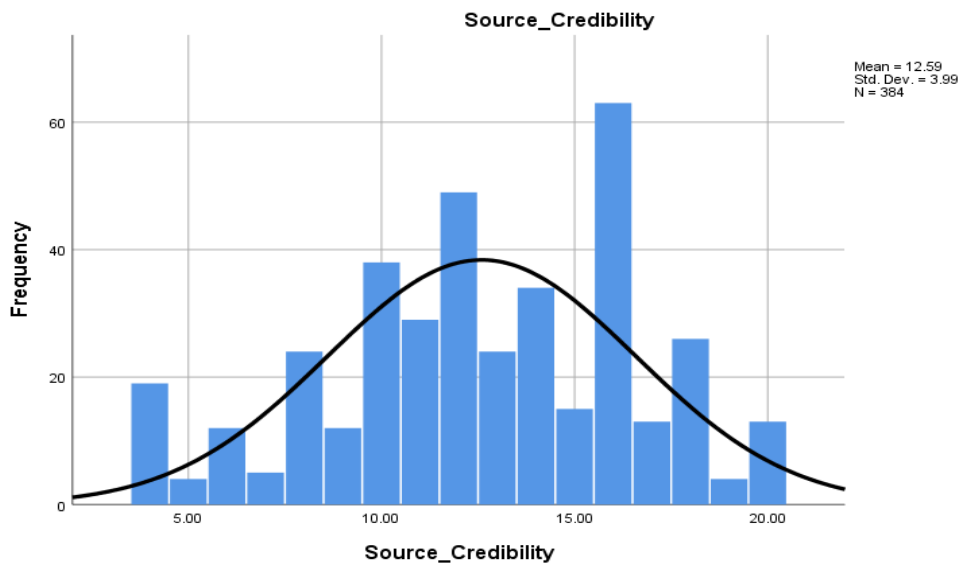
Variables	Statistic	df	Sig.
Source Credibility	0.968	384	0.000
Review Quality	0.979	384	0.000
Review Valance	0.952	384	0.000
Review Quantity	0.982	384	0.000
Influencer	0.976	384	0.000
Purchase Intention	0.974	384	0.000

Table 12 illustrates the Shapiro-Wilk test to determine whether the data are normal or not. The analysis findings demonstrate that the test is significant, (i.e., p value <0.05) proving that the data are not normally distributed.

#### 4.4 Normality Test

**Figure 2**

*Normality of Source Credibility*



The figure 2 shows that the data of the respondents are not normally distributed. Although some of the items are over the bell shape of normal distribution and skewed towards the right side.

**Figure 3**

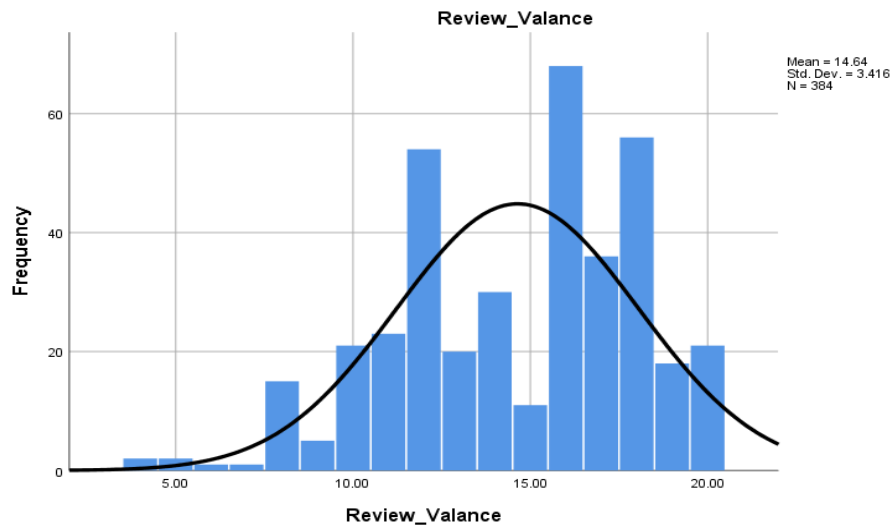
*Normality of Review Quality*



The figure 3 shows that the data of the respondents are not normally distributed. Although some of the items are over the bell shape of normal distribution and skewed towards the left side.

**Figure 4**

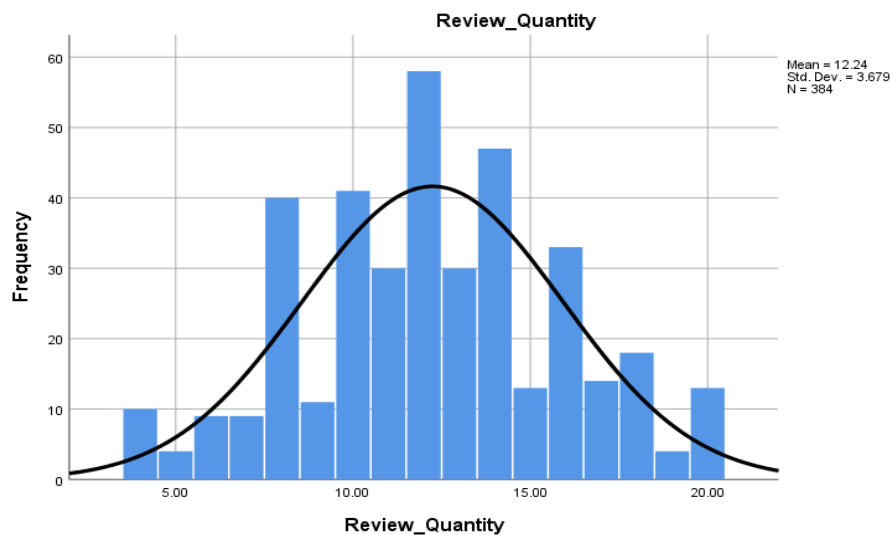
*Normality of Review Valance*



The figure 4 shows that the data of the respondents are not normally distributed. Although some of the items are over the bell shape of normal distribution and skewed towards the right side.

**Figure 5**

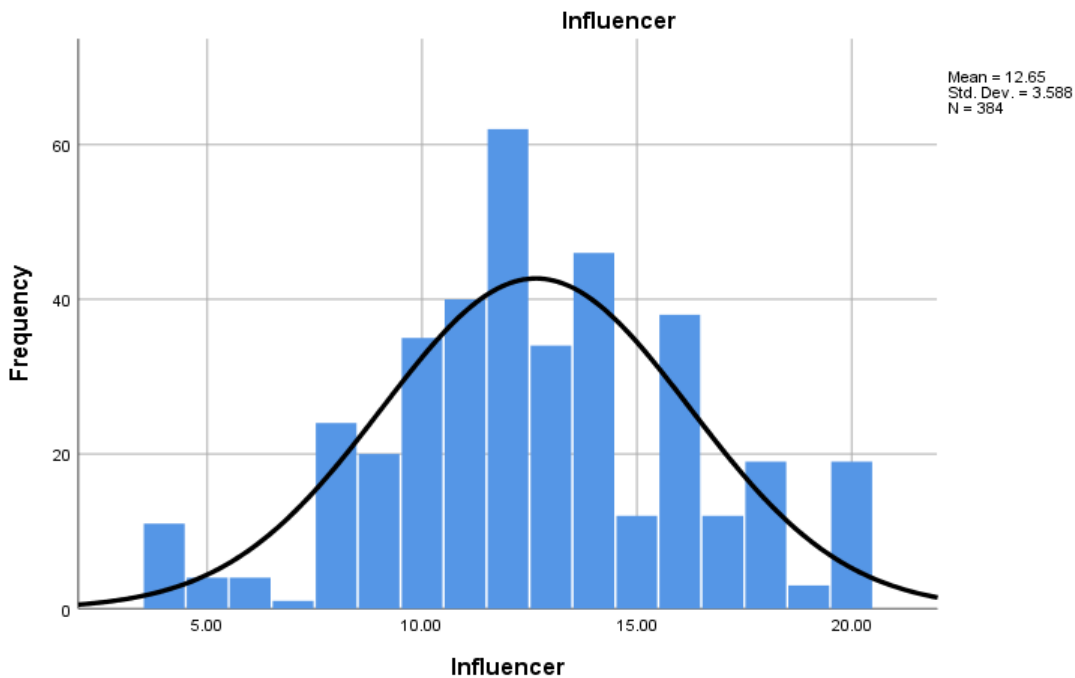
*Normality of Review Quantity*



The figure 5 shows that the data of the respondents are not normally distributed. Although some of the items are over the bell shape of normal distribution and skewed towards the right side.

**Figure 6**

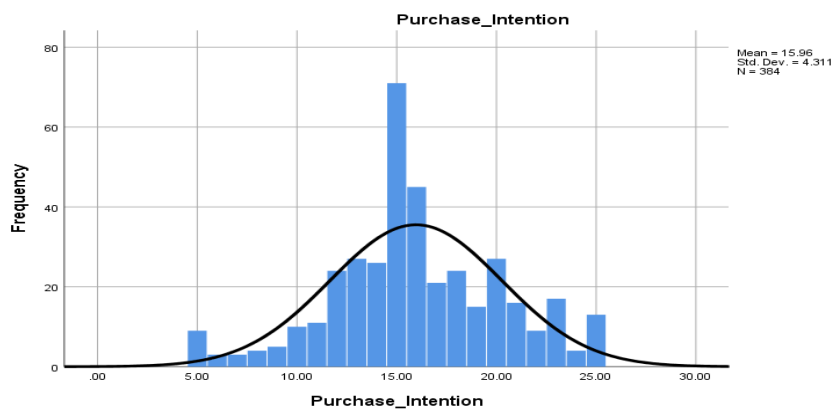
*Normality of Influencer*



The figure 6 shows that the data of the respondents are not normally distributed. Although some of the items are over the bell shape of normal distribution and skewed towards the left side

**Figure 7**

*Normality of Purchase Intension*



The figure 7 shows that the data of the respondents are not normally distributed. Although some of the items are over the bell shape of normal distribution and skewed towards the left side.

#### 4.5 KMO'S and Bartlett and Collinearity test

The Kaiser-Mayer-Olkin and Bartlett's Test of Sphericity were applied to assess the coherence and suitability of the collection as well as the intercorrelations between the variables. KMO is used to determine whether the data can be used for factor analysis and to determine which factors need to be eliminated in order to solve the multicollinearity issue. Its range is 0 to 1, with numbers over 0.60 showing that there is enough information to perform a component analysis. If many goods' anti-image ratings are less than 0.60, they can be eliminated from consideration (Lubem & Dewua, 2020).

**Table 13**

*KMO and Bartlett's Test*

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.797
Bartlett's Test of Sphericity	Approx. Chi-Square	537.895
	Df	15
	Sig.	0

Table 13 demonstrates KMOS value 0.797 which is higher than 0.60 which suggests that sample data are adequate to illustrate the connection between the factors and data are also appropriate for conducting the factor analysis.

**Table 14***Variance Inflation Factor (VIF)*

Model	VIF
Source Credibility	1.49
Review Quality	1.501
Review Valance	1.201
Review Quantity	1.369
Influencer	1.306

Multicollinearity is a statistical concept that describes the correlation of several independent variables in a model. The table above indicates whether there is multicollinearity with VIF. Multicollinearity is being investigated because it has the potential to alter the research findings. Table 14 demonstrates that there is no multicollinearity between the factors because VIF is less than 5 (James et al. 2013). Beside of that there is supportive R square with the significant t ratios which also proves that there is no multicollinearity

An analysis of multi-collinearity in this paper shows that all variables are moderately correlated with each other. The highest level of multi-collinearity is with Review Quality. The table 14 shows that the VIF value is less than 5, hence there is no presence of multicollinearity.

#### **4.6 Relationship between Online Reviews, Purchase Intention and Influencer**

Correlation analysis measures the strength and the direction of a link between two variables. The strength of a variable's influence or relationship to another is measured by its correlation. The correlation also shows the degree of the impact or strength of the one variable to another variable. A greater correlation value indicates a closer relationship between the two sets of data. When the correlation is 1 or -1, there is a perfectly linear relationship between the two variables. When the correlation is zero, there is no relationship between the two variables. A positive relationship exists when the correlation is greater than zero, and a negative relationship exists when the correlation is lower than zero. If the p-value is less than

or equivalent to 0.05, the correlation coefficient is significant; otherwise, there is no correlation

**Table 15**

*Correlation Analysis*

	Purchase Intention	Source Credibility	Review Quality	Review Valance	Review Quantity	Review Influencer
Purchase Intention	1					
Source Credibility	.294**	1				
Review Quality	.393**	.506**	1			
Review Valance	.262**	.370**	.298**	1		
Review Quantity	.427**	.344**	.388**	.255**	1	
Review Influencer	.548**	.300**	.355**	.214**	.428**	1

\*\* Correlation is significant at the 0.01 level (2-tailed).

**4.6.1 Correlation with independent variables and influencer**

Table 15 shows that Source Credibility, Review Quality, Review Quantity have a moderate positive correlation ( $r = 0.300$ ,  $r = 0.355$ ,  $r = 0.428$ ) on Influencer. It indicates that increase in Source Credibility and Review quality will lead to moderate increase in Influencer while purchasing cosmetics products. However, Review Valance shows a weak positive correlation with ( $r=0.214$ ).

**4.6.2 Correlation between independent variables and purchase intention**

Table 15 indicates that Source Credibility, Review Valance ( $r=0.294$ ,  $r= 0.262$ ) have a weak but positive correlation with Purchase Intension. Likewise, Review Quality, Review Quantity have moderate positive correlation( $r=0.393$ ) ( $r=0.427$ ) on Purchase Intention.



### 4.6.3 Correlation between influencer and purchase intention

Table 15 indicates that Influencer have a strong positive correlation ( $r=0.548$ ) with Purchase Intension. It suggests that increase in Influencer while purchasing cosmetics products is associated with strongly increase in Purchase Intention.

### 4.7 Impact of Online Reviews on Purchase Intention

Regression analysis is used to ascertain the connections between a dependent variable and one or more independent factors. It is employed to forecast results and describe a connection. The relationship between the dependent variable (Purchase Intention) and the independent factors was determined using linear regression analysis. (Source Credibility, Review Quality, Review Valance, Review Quantity). Due to its simplicity, clarity, acceptance by academics, and accessibility, linear regression is more suitable and widely used.

**Table 16**

*Model summary of regression analysis*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.614a	0.377	0.369	3.42444

Table 16 shows the model summary generated from regression analysis through SPSS. The correlation coefficient (R) shows the relationship between dependent and independent variables. The value of R is at 0.614 suggesting that there is a strong positive relationship between dependent and independent variables as a whole. In addition, the value of R-square is 0.377. This suggests that only 37.7% of the variation in the study is explained by the use of the variables considered through this study.

**Table 17***ANOVA Table*

		Sum of	Mean			
Model		Squares	df	Square	F	Sig.
1	Regression	2686.763	5	537.353	45.823	.000
	Residual	4432.727	378	11.727		
	Total	7119.49	383			

The ANOVA table 17 shows that the model used is effective and significant. A significance level of 0.000, which is lower than the p-value of 0.005 shows significant linear relationship between the variables. In addition, the F-Value of 45.823.547 shows that the model is effective.

**Table 18***Coefficient Table of Independent and Dependent variables*

	Unstandardized		Standardize		
	B	Std. Error	Beta	t	Sig.
(Constant)	3.268	0.972		3.363	0.001
Source Credibility	0.006	0.054	0.005	0.104	0.917
Review Quality	0.134	0.043	0.156	3.143	0.002
Review Valance	0.106	0.056	0.084	1.897	0.059
Review Quantity	0.202	0.056	0.172	3.63	0.000
Influencer	0.48	0.056	0.399	8.608	0.000

Table 18 represents the coefficient and p-value of the purchasing intention. It can be observed that all the variables have the p value below the threshold of significance of 0.05. As a result, table 24 shows that there is significant relationship between review quality, review valance, review with purchase intention. Hence, hypothesis of these variables is accepted. However, source credibility (sig=0.917), review valance (sig=0.059) shows that there is no significant relationship with purchase intention.

### Mediation effect of Influencer on Online Reviews and Purchase Intention

The Sobel test is used to determine whether a variable transmits (or carries) an independent variable's impact to the dependent variable, or the result of interest. A figure based on the indirect effect must be contrasted with its null sampling distribution to ascertain the statistical importance of the impact. The Sobel test calculates a t statistic by comparing the indirect effect's size to its expected standard error of measurement.

$$t = (\tau - \tau') / SE \quad \text{OR} \quad t = (\alpha\beta) / SE$$

Where SE is the pooled standard error term and  $SE = \sqrt{\alpha^2 \sigma^2\beta + \beta^2 \sigma^2\alpha}$  and  $\sigma^2\beta$  is the variance of  $\beta$  and  $\sigma^2\alpha$  is the variance of  $\alpha$ .

This t statistic can then be compared to the normal distribution to determine its significance. Alternative methods of calculating the Sobel test have been proposed that use either the z or t distributions to determine significance, and each estimates the standard error differently

**Table 19**

*Sobel Test for Mediation*

Sobel test	T value	Test statistics	P-value
Source Credibility	6.144	5.477	0.000
Review Quality	7.416	6.503	0.000
Review Valance	4.287	4.040	0.000
Review Quantity	9.258	7.349	0.000

Table 19 shows the results obtained from Sobel Tests. The results were obtained after calculating the coefficients through regression analysis between independent variables and mediating variable and the mediating variable and dependent variable. These results were entered in a Sobel Test Calculator which gave us the p-values for the Sobel Test. Hence, All P-values are below the significance level which is 0.05 so it suggests that there is a mediation effect of Influencer on Purchase

Intention. Influencer can mediate the relationship between independent and dependent variable.

#### 4.8 Summary of Hypothesis

**Table 20**

*Summary of Hypothesis*

Hypothesis	Statement	P value	Result
H1	The source credibility of online consumer review has a significant effect on Purchase Intention towards cosmetics products.	0.917	Not Supported
H2	The review quality of online consumer review has a significant effect on Purchase Intention towards cosmetics products	0.002	Supported
H3	The review valance of online consumer review has a significant effect on Purchase Intention towards cosmetics products	0.059	Not Supported
H4	The review quantity of online consumer review has a significant effect on Purchase Intention towards cosmetics products.	0.000	Supported
H5	There is significant mediation of source credibility on relation between influencer and purchase intension towards cosmetics products.	0.000	Supported

H6	There is significant mediation of review quality on relation between influencer and purchase intension towards cosmetics products.	0.000	Supported
H7	There is significant mediation of review valance on relation between influencer and purchase intension towards cosmetics products.	0.000	Supported
H8	There is significant mediation of review quantity on relation between influencer and purchase intension towards cosmetics products.	0.000	Supported

#### 4.9 Major Findings

The major findings of the research are as follows:

- In terms of demographic profiles, majority of respondents are female than male. With 61.5 percent female overtake the male. The largest age group which buys cosmetics is between 15-30 age group with 58.1 percent. Unmarried people tend to purchase more cosmetic products. Majorly people who are Entry level job purchase more cosmetics product with 28.6 percent as most of entry level people are youngsters, followed by student 23.7percent.
- As pre knowledge assessment was used to understand respondents' tendency where finding came out that 24.7 percent people spend less then Rs. 1000 in a month. 51.8 percent review the cosmetics product 1 to 3 times before buying. 26.8 percent choose Social Media platform to obtain premium cosmetics review and 56.3 percent of respondents view the premium Cosmetics Review before choosing a brand and intend to buy those cosmetics product which are endorsed by high profiles and advertised more.

- An analysis of descriptive variables for source credibility showed that the mean values for believing the reviews left by individual after using product is 3.27 which shows people mostly trust proximity reviews related towards experiences. Similarly, the mean values for specific premium brand products reviews are helpful and beneficial (RQ6) is 3.23. This result shows that people tend to seek online reviews and found them helpful.
- An analysis of descriptive variables for review valance showed the argument that many negative comments have prompted to search another make up brand has the highest mean value of 3.72. This shows that negative reviews drag more attention and it can shift the buying/purchasing decision of an individual while review quantity showed large number of reviews on luxury brands are well liked by people has highest mean of 3.17. this means that more the number of reviews the merrier and better for buy and sell purpose.
- While looking at the mean values for content of the influencer, all mean values of the items shows that I4 returned the highest mean value of 3.22. This shows a strong mediating impact of influencer that people follow for reviews/comments. Likewise, purchase intention's mean values for keep on purchasing premium cosmetics brand online is 3.28. This shows people are willing to purchase online cosmetics.
- The Shapiro-Wilk test was conducted to see whether the data was normal or not. It returned negative results suggesting the data was not normally distributed. Due to this,
- Similarly, KMO and Bartlett's test was used to check validity and reliability. Both indicators were positive suggesting that the collected sample was reliable and the constructs used for the study was valid.
- To take the data forward and ensure that there was no influence of multi-collinearity in regression, a multi-collinearity test was conducted. The variance of influence was considered and all values of VIF were less than 5 and between 1. This suggests that while there is multi-collinearity it could be neglected for the purposes of this research.

- Pearson Correlation was considered to check the initial relationship between the variables and their intensity. While source credibility, review valance showed weak but positive correlation towards purchase intention whereas review quality and review quantity showed moderate but positive relation with purchase intention. Source credibility, review quantity, review quality is moderately correlated with influencer whereas review valance is weakly correlated.
- Regression analysis showed that there was a direct impact of review quality and review quantity to that of purchase intention. This echoes the results from descriptive analysis and correlations analysis.
- Similarly, Sobel test showed mediating roles of influence on purchase intention and online review. However, there was mediating effect of influencer in the relationship between online reviews and purchase intention.
- As a result of the analyses, H1 and H3 were not supported by the study and H2, H4, H5, H6, H7 and H8 were supported/accepted in the study.

## CHAPTER V

### DISCUSSIONS, CONCLUSIONS AND IMPLICATIONS

The discussion, conclusion, and implications of the study are covered in this chapter. This chapter also looks at the findings and suggest future implications for this topic and research area.

#### 5.1 Discussions

The study on impact of online reviews on purchase intention focused on analysing the impact of online reviews on purchase intention with mediation effect of influencer. The study's of goal is to examine whether source credibility, review quality, review valance, review quantity has a substantial impact on purchase intention on cosmetics product and whether influencer mediate the relationship between source credibility, review quality, review valance, review quantity and purchase intention.

Schepers (2015) and Sutanto and Aprianingsih (2016) stated that all factors such as timeliness, quality, volume, source credibility and valance have indeed an impact on the consumer buying decision. While in this study Hypothesis 1 states that source credibility has no significant impact on purchase intention. This study rejected the statement that source credibility has significant impact on purchase intension which explains that people don't believe the reviews left on web platform and people don't not think reviews are reliable, credible and trustworthy may be because of sample size and change in geography.

Hypothesis 2 states that review quality has significant impact on purchase intention on cosmetics product. The study supported that reviews of premium cosmetics product is clear, objective and understandable and reviewers give all detail information about the product. The study shows the significant impact of review quality and this is in-line with the result of Kevin et al. (2020), Schepers (2015) and Sutanto and Aprianingsih (2016).

Hypothesis 3 states that review valance has no significant impact on purchase intention on cosmetics product. This hypothesis is supported by Mishra (2021)



where review valance, review relevance showed the negative relationship with purchase intention while review accuracy showed significance on purchase intention. Similarly, the findings are consistent with Pantano and Corvello (2013), who discovered that stress from unfavourable feedback causes a shortening of interest, resulting in an improved remembrance of the brands and goods. The review mood memory can diminish and separate at times.

Hypothesis 4 states that review quantity has significant impact on purchase intention on cosmetics product. This hypothesis supported that large number of reviews indicate brand is good and those reviews satisfied the respondent need of searching the information. This study supports the hypothesis with Sutanto and Aprianingsih (2016) and Kevin et al. (2020).

Hypothesis 5 to Hypothesis 8 shows that there is significant mediation of source credibility, review quality, review valance and review quantity on relation between Influencer and Purchase Intension towards cosmetics products. The results are consistent with the findings of Sohn et al., (2020), who discovered proof that the product being promoted triggers the purchasing desire. It also supports the studied literature that internet evaluations raise the likelihood of subsequent purchases. The results are match with those of Choshaly and Mirabolghasemi (2020), who observed that evaluations are well-known for their capacity to motivate consumers' interest in purchasing specific products or services. Without a question, online evaluations have emerged as the front line of digital advertising, where they are more accountable for how consumers' purchasing behaviour changes (Zhang et al., 2020).

Simultaneously, the results are steady with those of Zhang et al. (2020) and Markethub (2016), who uncover that influencers play an important role in marketing or promoting product information and modern present-day promotions to their online followers are done via various social media platforms such as TikTok, Facebook, Instagram, YouTube, and Twitter. Furthermore, these results are consistent with current businesses figures, which specify that approximately fifty percent of companies have increased their budget allotment to accommodate to influencers.

## 5.2 Conclusion

The outcome of this study provides important information about the relationship between the different factors of online reviews (source credibility, review quality, review valance, review quantity) with purchase intention that helps to understand which factor of online review or influencer increases the individual purchasing behaviour of cosmetics products. This research finds out that both male and female use cosmetics product and before it is used to say that cosmetics products are only for females but now the percentage of male showing interest on cosmetics products are increasing.

This research finds out that source credibility, review quality, review valance, review quantity has a substantial impact on purchase intention. This result answers the first research question about to what extent source credibility, review quality, review valance, review quantity has impact on purchase intention. Review quality, review quantity has a significant effect on purchase intention while source credibility, review valance has no significant effect on purchase intention which explains that respondents don't believe in review and experiences are reliable left by customer. Negative reviews make people think about other products and negative reviews decrease the interest towards any product.

Similarly, the result finds out that influencer mediates the relationship between source credibility, review quality, review valance, review quantity has impact on purchase intention respectively. And, the result also demonstrates that there is mediation effect of influencer between source credibility, review quality, review valance, review quantity on purchase intention respectively. This answers the second research question how influencer mediates the relationship between source credibility, review quality, review valance, review quantity has impact on purchase intention

The primary goal of the study was to determine what impact that online reviews and influencer have on consumers' plans to buy makeup products online. The study tested the connections and impacts of the independent factors on the dependent variable using correlation and regression analysis. According to the outcomes, there is a significant positive and negative connection between online reviews and

customers' purchasing plans, as well as between online reviews and the influencer who can influence consumer purchase intentions. Additionally, regression research revealed that online review had both negative and positive effects on consumers' buying behaviour/purchase intention.

Therefore, based on these results, it can be stated that online reviews have a significant influence on prospective consumers' buy plans. Likewise, a positive online review of a product through a recommendation will increase the likelihood that future customers will intend to purchase it online. Any negative review in the form of a low ranking of a product hamper or lowers the trust of a potential consumer.

### **5.3 Implications**

The study's results contribute to a larger body of knowledge about the factors that influence consumers' decisions to purchase premium cosmetics products. By employing the theory of reasoned action and theory of planned behaviour. The study is done on source credibility, review valance, review quantity, influencer and review quality in order to identify the major determinants of purchase intention of consumers in Nepal. So, businesses should base their online/digital marketing campaigns on these fundamentals. Similarly, the study shows the importance of influencer in purchasing intention on premium/branded products. Since, both male and female use cosmetics products and will not compromise on quality. So, online sites must outperform its conventional counterparts and provide benefits without sacrificing quality, price, convenience or performance. Similarly, positioning the product in the market and highlighting the web sites are main important factor.

Various impacts are recognized which are acquired due to implication of different strategies on online reviews and influencers. These strategies on online reviews and influencer are useful in decision making process and determining the suitable way to sell/market a product or different danger situation that are avoided by marketers while developing marketing strategies, 7p's. these strategies help to achieve success in a given market environment/possibilities. The capacity to assess the effectiveness of these marketing strategies is crucial to ensure that they can be optimized in order to maximize their benefit within the corporate structure or the development of brand

awareness or anything else inclined toward the influence of generation Y and Z purchase intention (Wymer, 2011).

The following policy recommendations are put forward for implementation for the organization based on the derived conclusion:

- i. Influencer are well known to everyone but organization's brand management division should choose influencer who not only can promote the brand or product but also have a positive image among people. The positively imaged influencer can sell more and can influence and increase consumer purchase decision on a particular product.
- ii. In order to prevent bad reviews/references about their goods, companies should use online review sites that can filter out and delete or disable negative reviews.

#### **5.4 Implication for future research**

The study examines the impact extent source credibility, review quality, review valance, review quantity on purchasing intention on premium cosmetics products. The present research offers important relationships insights between buying intention and influencer which has major impact in Nepal. The current study provides important insights into the effect of purchase intention and the influencer of consumers in Nepal. It has limitations that provide opportunities for future research. Firstly, the study applied the convenience sampling method to select the respondents and the data were collected through questionnaire which increases the chances of the study being susceptible to sampling and social desirability bias. Probability sampling and multiple data gathering techniques could be used in future studies to increase the external validity of the findings. Secondly, the results of the study are limited to consumers between age 15 to 60 in Nepal, thus the findings of the study may not adequately represent the respondent using cosmetics products.

In order to increase the generalizability of the results, it would be instructive to investigate the factors that influence consumers' decisions to purchase premium cosmetics products by using a more diverse sample frame that includes consumers from different generations. Similarly, the unsupported hypothesis between source

credibility, review valance with purchase intention respectively also provides an avenue for future study.

Businesses or brands depends on the online environment to fulfil their purpose of selling as marketing tools, online reviews are always challenging to determine for those companies or brands who don't have an online footprint. There has always been conflict between the current generation and future generation. Generation success or achievement are criticized in terms of jealousy, threats, arrogance and also lack of understanding. New generations are educated in these new contexts, which means they are unlike earlier young generations so, the world of current generations is changing rapidly, including scientific-technical variables like cultural connections. It can be challenging for parents, educators, and decision-makers to embrace new concepts and understand novel behavioural patterns.

Despite all the advantages that influencer has for digital marketing, they still have some negative impacts on the sensitive younger generation's purchasing behaviour. Future research can examine the long-term detrimental effect of influencers on buying choices since young fans tend to see them as inspiring factors whenever they promote/support a product or services. Future research can examine the promotes' long-term negative impacts on buying choices. The study relied on a primary method for obtaining data, so it was susceptible to the problem of questionnaire filling-in bias. However, this was resolved by outlining the goal of the questionnaire before data was collected. Future research can concentrate on how advocates and internet evaluations affect company allegiance and perception among groups Y and Z.

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## Appendix

Dear Respondents,

I am Pooja Pudasaini, student of Tribhuvan University, currently pursuing the master program of Master of Business Administration (MBA) at School of Management. As part of the requirements to complete my program, I am collecting the data for my MBA graduate research project “The Impact of Online Consumer Review on Purchase Intention: A Study in Cosmetics Product in Nepal”. I would like to invite you to participate in this research project by completing this questionnaire. Your responses will be kept strictly confidential and will be used for the academic purpose only.

### Section I: Demographic Profile

1. Gender:

- Male
- Female
- Other

2. Age (Years):

- 15-30
- 30-45
- 45-60

3. Marital Status

- Married
- Unmarried

4. Profession

- Student
- Housewife
- Entry level
- Mid-level

- Senior Level
5. How much you spend on Premium cosmetics in a month?
- Less than 1000
  - Rs 1000-5000
  - Rs. 5000-10000
  - Rs. 10000-15000
  - Rs. 15000 Above
6. How frequently you buy Premium Cosmetics Product?
- Less than once in a month
  - Once in 1-3 months
  - Once in 4-5 Months
  - Once in more than 5 months
7. How many times you view reviews before buying Premium cosmetics products?
- 1-3
  - 3-6
  - Above 6
8. Which platform you choose to obtain premium cosmetics review?
- Web site Ecommerce
  - You Tube
  - Social media
  - Blog/ forum
  - Peers/Family
  - Others
9. At what time you view the Products review?
- Every time new product is released.

- Before Choosing a brand (I have to buy Foundation, but don't know which brand to buy)

10. Which cosmetics product you intend to buy more?

- Those products which are endorsed by High profile Celebrities. (If this celebrity is endorsing LA girl Lipstick that I never tried, I feel the urge to try it too, simply because I like her).
- Those you are suggested buy peers/Family.
- Those which are advertised more.

**Section 2:** Please read each statement carefully and select the level of agreement for the following statement (5 represent strongly agree, 4 represent agree, 3 represent neutral, 2 represent disagree and 1 represent strongly disagree).

#### Source Credibility

I believe that reviews left by people about a product of specific makeup brands are trustworthy.	1	2	3	4	5
I believe that reviews left by people who about a product of specific makeup brand's is reliable.	1	2	3	4	5
I believe that the individuals who wrote reviews about a specific makeup brand's products are reliable.	1	2	3	4	5
I believe on reviews that are left by an individual after using product of specific makeup brands.	1	2	3	4	5

#### Review Quality

The product review for a specific luxury makeup brand is clear.	1	2	3	4	5
The reviewers provided detailed information about a specific luxury makeup product.	1	2	3	4	5
The information about a specific luxury makeup brand's product is pertinent to my search.	1	2	3	4	5
The review about specific luxury makeup brand's product is objective.	1	2	3	4	5
Review about specific luxury makeup brand's is understandable.	1	2	3	4	5
An online comments/reviews of a specific luxury makeup product is beneficial and helpful.	1	2	3	4	5

#### Review Valance

Negative feedback reduces my interest about the product.	1	2	3	4	5
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Many negative comments have prompted me to search out another premium makeup brand.	1	2	3	4	5
Reviewers give a favourable rating to a specific luxury makeup brand's product.	1	2	3	4	5
In general, reviewers always suggest a specific luxury makeup brand's product.	1	2	3	4	5

#### Review Quantity

The amount of product information from a specific luxury makeup brand reviews is large.	1	2	3	4	5
Large number of reviews/comments suggest that a specific luxury makeup brand's product is well-liked.	1	2	3	4	5
Large number of comments/reviews suggest that the product of a specific luxury makeup brand is of high quality.	1	2	3	4	5
The amount of information available about a specific luxury makeup brand's product is adequate to meet my information-seeking requirements.	1	2	3	4	5

#### Influencer

If one of my favourite influencers suggests a brand or product that I haven't tried before, I'm more apt to try it.	1	2	3	4	5
I gather information about online shop from the influencer I follow.	1	2	3	4	5
I find the information about the online store helpful to me which was gathered by following the influencers.	1	2	3	4	5
The influencers that I follow are reliable.	1	2	3	4	5

#### Purchase intention

My intention to purchase cosmetics from the particular brand is high after watching video about the brand.	1	2	3	4	5
My desire to buy a specific luxury makeup brand is strong after reading the online reviews/comments.	1	2	3	4	5
I am willing to buy the product after reviewing the comments of specific cosmetic brand.	1	2	3	4	5
In the future, I'll prioritize the products mentioned in the online platforms with comments and remarks.	1	2	3	4	5
Based on online reviews, I plan to keep buying products from a premium cosmetics brand.	1	2	3	4	5