

INFLUENCE OF ONLINE REVIEWS & CUSTOMER TESTIMONIALS ON RESTAURANT BUSINESS: A STUDY ON CUSTOMER DECISION-MAKING PROCESSES

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ABSTRACT

The swift advancement of technology coupled with increased communication channels has resulted in customers use the internet and web tools more frequently. The success of the restaurant industry is greatly dependent on restaurant reviews. They provide restaurants with the chance to monitor patron feedback in a manner not achievable through traditional word-of-mouth marketing. Potential buyers believe these reviews, which can encourage them to test an outlet out of curiosity or excitement. Customers have the chance to independently review firms thanks to the review. Reviews boost conversion rates—the proportion of website visitors who become leads or leads who become customers—in addition to increasing your revenue. It is undeniable that internet reviews have a significant impact on a restaurant's profitability. Customer decision-making is greatly influenced by it; favourable evaluations can boost patronage and loyalty while unfavorable reviews can harm a restaurant's brand and bottom line. Testimonials from previous clients are crucial in altering their perceptions. The study will be useful in figuring out how much weight young people attach to internet evaluations and customer input when choosing a restaurant.

INTRODUCTION

People rely heavily on online restaurant reviews to help them choose wisely when it comes to where to eat. Potential diners can determine whether a specific restaurant or its online ordering system is worth their time and money by reading about previous customers' experiences. This offers insightful information that may help prospective clients avoid bad encounters or find hidden treasures. A restaurant's reputation is vital for drawing in new business and keeping hold of its current clientele. Reviews have a big influence on this. Consumers can provide digital feedback about your goods and services online in the form of customer reviews. Good evaluations have the potential to be an extremely effective marketing strategy since they build credibility and trust with prospective clients. Positive reviews increase the likelihood that customers will consider the restaurant as a respectable and trustworthy business and may even encourage them to try it. Positive evaluations might also entice current patrons to come back, as they are inclined to do so when they had a good experience at a restaurant.

By increasing traffic to the restaurant, positive evaluations can promote customer loyalty, draw in new business, and raise income. When there are more good evaluations, patrons feel more assured that their eating experience will be enjoyable, which increases restaurant revenue. Negative reviews, on the other hand, have the power to harm a restaurant's reputation and turn away patrons. Customers who read bad reviews could think the restaurant is unreliable, unprofessional, or of low quality, and they would be less inclined to eat there. In addition to taking any required action to resolve the issues brought up in the review, restaurant owners should react to unfavorable evaluations in a courteous and professional manner. They can demonstrate to prospective patrons that they appreciate criticism and are dedicated to raising the Caliber and standard of their restaurant's offerings by doing this.

Reviews are just as credible to potential customers as word-of-mouth referrals from friends. A customer's testimonial is also very important in influencing and reframing the perspective of prospective buyers. Testimonials are a type of social proof that increases the legitimacy of your brand and the trust of your audience. a letter or written statement of recommendation that attests to the excellence, value, or other attributes of something, or to the character, conduct, or qualifications of a person. something done or given out as a token of appreciation, thanks, or regard. Customers used to ask for referrals from other people, thus this is a big change from the past. Customers can learn about the ambience and hospitality services in addition to the food through online reviews and testimonies. Getting customer input is a crucial component of running a successful restaurant. Chefs, managers, and restaurant owners can all benefit from this knowledge. They can find out what aspects of their restaurant, such as the menu, customer service, and overall operations, patrons enjoy and find objectionable. They can make the required adjustments to enhance the overall consumer experience with the aid of this information. Restaurants can change and grow in response to the evolving requirements and tastes of their patrons by considering the input they receive. Increased client satisfaction, loyalty, and eventually success can result from this. The restaurant can also use the feedback it receives to pinpoint areas in which it is succeeding, enabling it to build on these areas and set itself apart from rival establishments.

Reacting to reviews and testimonials from patrons demonstrates to them that the restaurant is attentive to their input and values their opinions. Additionally, it improves customer happiness and retention, draws in new clients, and fosters strong relationships with existing ones. Acknowledging specific criticism and expressing gratitude in response to favourable reviews can help clients feel valued and entice them to come back. It is possible to show that a restaurant is dedicated to resolving any concerns and enhancing the patron experience by responding to unfavorable reviews with compassion and a desire to help. This can also serve to lessen the negative effects of a poor review and demonstrate to prospective patrons that the restaurant values their opinions. Owners of restaurants must so actively seek to improve their establishments by paying attention to customer feedback.

REVIEW OF LITERATURE

Surendra Rawat, 2022, In the age of the internet, social media is crucial. The Internet is used by a lot of companies and organizations to grow. The study demonstrates the extent to which reviews can affect customer decision-making and business. It was discovered that customers regard reviews differently; some of them don't depend on them at all. Simultaneously, entrepreneurs leverage social media and reviews to enhance and grow their businesses. It was acknowledged that, when managed appropriately, poor social media evaluations don't always have a negative impact on a company's operations; on the other hand, negative reviews offer companies an opportunity to clarify any misunderstandings. Positive reviews can help change the perception of an enterprise, while unfavorable ones can cost businesses money. Considering this, social media in the restaurant business needs to be handled seriously. The restaurant business is being revolutionized by social media.

Muhammad Asghar Ali, Ding Hooi Ting, Muhammad Ahmad-ur-Rahman, Shoukat Ali, Falik Shear, and Muhammad Mazhar, 2021, The study's findings demonstrate the significance of gender, perceived congestion, and online review ratings in influencing consumers' restaurant preferences and purchase intentions when they are in a foreign area. Additionally, perceived crowding has a moderating effect and favourably raises the impact of online review ratings on a customer's propensity to buy. Additionally, the association between perceived congestion and purchase intentions is moderated by gender, with a stronger relationship for males than females. Gender plays a negligible moderating influence in the association between review ratings and customers' desire to purchase dining experiences. Gender has little bearing on the association between internet reviews and purchase intentions when it comes to restaurant selection. This study's conclusions have theoretical and practical ramifications.

Codruta Adina Baltescu, 2020, Online reviews are a major source of information for the younger generation. Since the Internet radically altered consumers' perceptions of speed, convenience, cost, product details, and service, online evaluations and recommendations serve as a barometer of visitor

happiness and offer pertinent information to prospective travellers. Because the younger generation of today, who are reliant on smartphones and other such gadgets, will eventually grow up to be the more mature generation, the significance of online evaluations will only increase. A key component of restaurants' management processes will be their desire to receive positive and high-ranking internet evaluations.

Akash Goyal, Rahul Bhagtani, Udei Pratap Singh & Prof Natchimuthu N, 2019, It was discovered that patrons of restaurants place a great deal of stock on reviews and base their dining choices accordingly. According to analysis, most consumers look up restaurant reviews online before choosing one. The most significant factor that patrons considered before dining at a restaurant was the food quality, which was followed by environment and service quality. In comparison to other qualities, the respondents considered the quantity of internet reviews and the overall restaurant ratings to be the least significant. It was discovered that customers favoured word-of-mouth recommendations over food applications when choosing a restaurant, with the former having the highest rating. On the other hand, it has been discovered that online platforms have no influence on choosing a restaurant. When it comes to utilization, food blogs and vlogs received a very poor rating. Newspaper reviews were ranked as the least significant by respondents.

Adebusoye Shedrack Oluwafemi, Omkar Dastane, 2016, A person's choice of restaurant may be influenced by their reliance on these offline and particularly online social networks, as word-of-mouth recommendations from friends in the same social group can strongly influence others to check out the establishment. According to the research, restaurant managers who want to run word-of-mouth campaigns should push marketers to be enthusiastic and passionate about what they have to offer since customers would react favourably to such communications. To ensure marketing and business success, restaurant management and marketing organizations should emphasize the emotional appeal in any word-of-mouth implementation.

OBJECTIVES OF THE STUDY

1. To determine the impact of area and gender on reliance on online reviews/feedback while selecting a restaurant
2. To determine the behavioural aspects of youth with respect to online reviews/feedback on selection of a restaurant

HYPOTHESIS

H0: age and reliance on online reviews/feedback while selecting a restaurant are independent.

H1: age and reliance on online reviews/feedback while selecting a restaurant are dependent.

H0: gender and reliance on online reviews/feedback while selecting a restaurant are independent.

H1: gender and reliance on online reviews/feedback while selecting a restaurant are dependent.

H0: area and reliance on online reviews/feedback while selecting a restaurant are independent

H1: area and reliance on online reviews/feedback while selecting a restaurant are dependent

METHODOLOGY OF THE STUDY

1. Primary and secondary data are used in the research.
2. Primary data is gathered from students via questionnaires, while secondary data is gathered from published publications, journals, websites, etc.
3. Respondents are chosen using a convenient sampling technique.
4. Appropriate statistical tools, such as graphs and tables are used for analysis and interpretation using excel software.

SCOPE OF THE STUDY

The study will be helpful in determining the importance given to the online reviews/customer feedback by the youth while selecting the restaurant. It will also determine the areas they consider while taking

the review and under what conditions the reviews are determined? The study will provide vital suggestions to the management and the owners of the restaurants.

LIMITATIONS OF THE STUDY

1. The study is limited to Mumbai and Thane region. This study is catering only to youth between the age group of 15-25 years.
2. Information was collected from 119 respondents due to a lack of time and other resources.

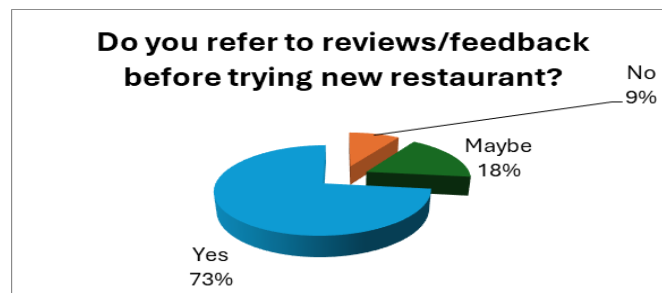
ANALYSIS & INTERPRETATION

Demographic findings of the respondents

- 46 percentage of the respondents were male while 54 percentage were female
- 69 percentage of the respondents were from Mumbai region and 31 percentage were from Thane region

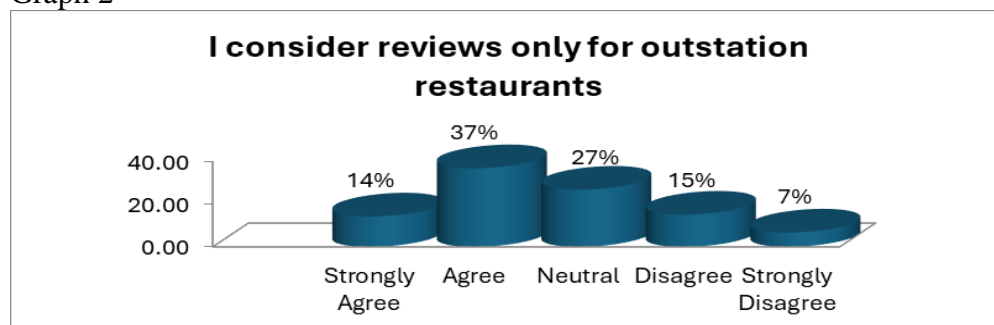
Other important findings

Graph 1



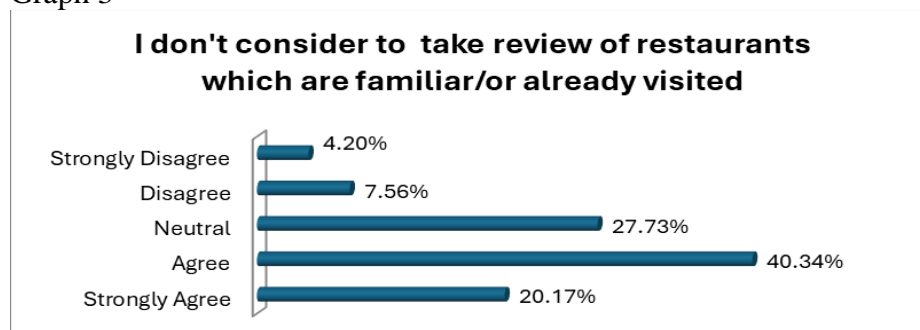
It was observed that 73 percentage of the respondents does refer to the feedback before trying a new restaurant.

Graph 2



More than 50 percentage of the respondents rely heavily on online reviews before visiting a new outstation restaurant.

Graph 3

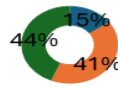


More than 60 percentage of the respondents don't believe in taking reviews of restaurants already visited or which are familiar.

Graph 4

Do you believe/trust the reviews provided on the website or on online platform with respect to new restaurant?

■ No ■ Maybe ■ Yes



15 percentage of the respondents don't trust the reviews provided on the website.

Table 1

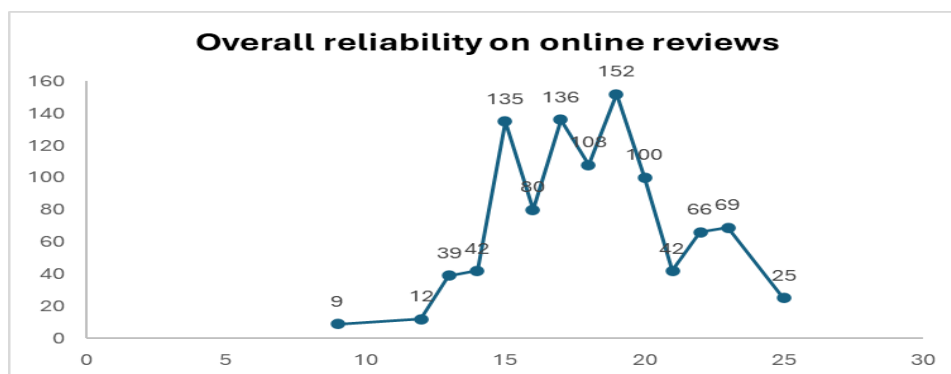
Preference of the respondents in terms of number with respect to the various aspects reviewed before selection of a new restaurant

Frequency	reference	online reviews or feedback	tangibles(ambiance, crowd, location, etc)	offers	brand image	advertisements
Everytime	56	40	54	28	70	24
Sometime	12	86	45	56	80	60
Never	15	52	39	56	85	204

Source: Primary data

It was observed that majority of the respondents (70 responses) prefer to go with brand image every time while selecting a new restaurant. Sometimes, majority of them opted for online reviews or feedback (86 responses) and majority of the respondents never believe the advertisements while selecting a restaurant (204 responses).

Graph 5



It was observed from the sum of the responses of the five questions asked to the respondents that they rely on online reviews and many a times the reviews match with their post purchase feedback about the restaurant. The highest score is 25 by 25 respondents, neutral score is 15 given by 80 respondents and lowest score is 5 not scored by any one.

The questions asked are as follows

- The review provided on the sites are reliable
- I always take review before trying new restaurant
- I have observed that reviews are always reliable
- I have witnessed that negative reviews on the site were true
- My feedback (Post purchase) on the restaurant aligns with the reviews on the site

HYPOTHESIS TESTING

H0: gender and reliance on online reviews/feedback while selecting a restaurant are independent

H1: gender and reliance on online reviews/feedback while selecting a restaurant are dependent

Table 2

Chi-Square result on gender and reliance on online reviews

Chi-Square value	df	Critical value	Decision
7.18	2	5.99	Since Chi-Square value > Critical value
			Accept H1

Source: Primary data

It is proved that there is an association between gender and reliance on online reviews/feedback while selecting a restaurant.

H0: gender and trust on online reviews/feedback while selecting a restaurant are independent

H1: gender and trust on online reviews/feedback while selecting a restaurant are dependent

Table 3

Chi-Square result on gender and trust on online reviews

Chi-Square value	Df	Critical value	Decision
18.13	2	5.99	since Chi-Square value > Critical value
			accept H1

Source: Primary data

It is observed that there is an association between gender and trusting online reviews/feedback while selecting a restaurant.

H0: area and reliance on online reviews/feedback while selecting a restaurant are independent

H1: area and reliance on online reviews/feedback while selecting a restaurant are dependent

Table 4

Chi-Square result on area and reliance on online reviews

Chi-Square value	df	Critical value	Decision
0.47	2	5.99	since Chi-Square value < Critical value
			Fail to reject H0

Source: Primary data

It is observed that there is no association between area and reliance on online reviews/feedback while selecting a restaurant.

SUGGESTION AND RECOMMENDATION

The restaurant's brand image holds significant importance for young patrons when choosing a new eating spot; therefore, owners must uphold the commitments made to customers, especially the young ones. Women tend to prioritize gathering feedback through online reviews and customer input more than men. Additionally, research indicates that when visiting in groups or with family, individuals heavily rely on online reviews and customer feedback while choosing restaurant. The primary reason for seeking out these online reviews and feedback is to assess the restaurant's ambiance and tangible aspects. As a result, management should be particularly attentive to reviews concerning these elements. It has also been noted that once a restaurant's image is established, customers may not actively seek out further reviews. Therefore, establishing a positive image in the minds of customers and maintaining it is crucial for long-term sustainability.

CONCLUSION

Online reviews or customer feedback can effectively attract consumers, especially when they are based on factual experiences rather than solely used as a marketing tactic. However, a concern is reported about the prevalence of marketing agencies offering reviews for payment, and organizations often exchanging sponsorships for testimonials on their websites.

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