

RESEARCH CONNECTION

Influence of social media and online reviews on university students' purchasing decisions

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Why this research is important

This research attempts to fill a gap in the literature by determining the consumers' information adoption from online reviews through developing a new conceptual model based on previous studies and employing new factors, including information adoption and risk-taking, and their impact on purchasing decisions.

How the research was conducted

The study develops a multidimensional model that incorporates information adoption, risk-taking, and demographic traits to examine the influence of online rating websites and social media on students' purchasing decisions. A survey was developed to assess how respondents approached and applied online reviews and social media platforms with the view of adopting information from different dimensions, including quality and quantity of information such as information

What you need to know

The main purpose of this study is to investigate and gauge the influence of rating websites and social media on consumers' purchasing behaviour and their choices. The present research considers a comparison between choosing a university and a restaurant by students based on using social media platforms and online reviews.

timeliness, information accuracy, and information quantity, to make purchasing decisions. All questions pertaining to the hypotheses were set up on a 7-point Likert-type scale (1=entirely disagree to 7=entirely agree). After receiving ethical approval from the institution, the survey was placed on the RedCap (Research Electronic Data Capture) website and left active for approximately one month. The study used a convenient non-probability sampling technique to collect primary data from respondents. The sample population consisted of 150 students at a mid-size Canadian university. Excel, SPSS (Statistical Package for the Social Sciences), and SmartPLS (Partial Least Squares Structural Equation Modeling) software were applied to treat the collected data and test the 15 proposed hypotheses.

What the researchers found

The results reveal that information adoption and risk-taking are important factors in consumer purchasing

decisions. However, there is no significant relationship between demographic traits and consumer purchasing decisions based on the proposed model and findings. Moreover, the study confirms that long-term benefits outweighed the expediency of a decision when respondents were consulting rating websites.

How this research can be used

This study is an attempt to fill the gap in the literature by confronting respondents with two decisions of marked importance. On the one hand, students spend an incredible amount of time selecting a university, hoping that it will make a difference in their career path. For young people, that decision is almost larger than life, as they network through social media and scrutinise website reviews to make the best-informed decision, whether rational or not. Social media are of strategic importance in just about every aspect of our personal and professional life when it comes to making choices either of products, services, etc. Businesses should adapt their business strategies to customers' demands and preferences, and employ social media platforms to connect with their current and potential customers and build lasting relationships. According to the research outcomes, information quality and quantity influence as information adoption dimensions impact students purchasing decisions, and it could lead to choosing different services based on the various information provided to them. In addition, the study discloses that risk-taking influences consumer purchasing decisions, and people behave differently when choosing a service depending on the level of importance of the service and its short and long-term outcomes. The results of this research unveil that online reviews are important to students and impact their purchasing decisions. Based on the overall findings of the study, it is important for organisations like universities to recognise how consumers perceive and evaluate the reliability of online reviews, and particularly, to know what factors determine review credibility from the consumers'

point of view. These consumer-oriented visions are of particular importance to businesses with a strong market orientation.

About the researchers

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Keywords

consumer purchasing decisions, electronic word-of-mouth (e-WOM), information adoption, online reviews, risk-taking, social media, university students

Publications based on this research

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Torabi, M. (2020, June 14). *Influence of online reviews on purchasing decisions*. [Paper presentation]. Virtual National Conference of the Administrative Sciences Association of Canada (ASAC).

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