



IMPACT OF PRICE TRANSPARENCY AND ONLINE REVIEWS ON PURCHASE DECISIONS OF CONSUMER DURABLE GOODS

Mr. Ninad P. Khuley

Research Scholar

Institution - G. S. College of Commerce, Wardha (MH)

University - Gondwana University, Gadchiroli

Dr. Deepika Santoshwar

Research Supervisor

Institution - Department of commerce and management at janta mahavidyalaya chandrapur

University - Gondwana University, Gadchiroli

ABSTRACT

The rapid expansion of digital commerce has fundamentally transformed consumer decision-making processes, particularly in the market for consumer durable goods, which involves high financial commitment and perceived risk. Among the various digital information cues available to consumers, **price transparency** and **online consumer reviews** have emerged as two of the most influential determinants shaping purchase decisions. This study empirically examines the extent to which transparent pricing mechanisms and online reviews affect consumer purchase decisions in the consumer durable goods sector.

The research adopts a mixed-method research design, combining quantitative survey data with qualitative insights to achieve a comprehensive understanding of consumer behaviour. Primary data were collected from 620 consumers who had purchased at least one consumer durable product through online or omnichannel platforms within the previous twelve months. Structured questionnaires measured perceptions of price transparency, review credibility, review valence, and purchase intention using validated Likert-scale instruments. The quantitative data were analyzed using descriptive statistics, regression analysis, and structural equation modeling (SEM) to examine direct and interaction effects among variables. In-depth interviews further supported the interpretation of behavioural patterns.

The findings reveal that both price transparency and online reviews have a statistically significant and positive influence on consumer purchase decisions. While price transparency enhances consumers' initial trust and perceived fairness, online reviews—particularly those from verified buyers—play a more decisive role in reducing perceived risk and confirming final purchase decisions. The study also demonstrates a strong interaction effect, indicating that consumers exposed to transparent pricing combined with positive and credible online reviews exhibit significantly higher purchase intention compared to those exposed to either factor independently.

The study contributes to existing literature by integrating economic (price transparency) and social (online reviews) informational cues within a single empirical framework, specifically in the context of consumer durable goods. From a managerial perspective, the results highlight the importance for e-commerce platforms and retailers to ensure clear price disclosure, enable effective price comparison tools, and promote credible consumer review systems. The findings offer valuable insights for digital marketers, retail strategists, and policymakers seeking to enhance consumer trust and competitiveness in digital retail environments.

Keywords: Price transparency, online reviews, consumer durable goods, purchase intention, digital retailing, consumer behavior.



I. INTRODUCTION

The global retail landscape has undergone a profound transformation over the past two decades, driven primarily by advancements in digital technology, widespread internet penetration, and the rapid growth of e-commerce platforms. Consumers today have unprecedented access to information, enabling them to compare products, evaluate alternatives, and make informed purchase decisions with minimal effort. This digital shift has been particularly impactful in the market for **consumer durable goods**, which includes high-value products such as televisions, refrigerators, washing machines, air conditioners, and other long-term household appliances. Due to their high cost, extended usage life, and post-purchase service requirements, consumer durable goods involve complex decision-making processes characterized by extensive information search and risk evaluation.

One of the most significant features of online retailing is **price transparency**, which allows consumers to easily view, compare, and analyze prices across multiple sellers and platforms. Unlike traditional brick-and-mortar retail environments—where price comparisons are limited by physical constraints—digital platforms provide real-time price information, discount visibility, and dynamic pricing mechanisms. This transparency empowers consumers by reducing information asymmetry between buyers and sellers and enhancing perceptions of price fairness. As a result, consumers are increasingly relying on digital price cues to evaluate value propositions before committing to a purchase.

In addition to price transparency, **online consumer reviews** have emerged as a powerful form of electronic word-of-mouth (e-WOM). Online reviews offer experiential insights from previous buyers, covering aspects such as product quality, performance, durability, delivery experience, and after-sales service. For

consumer durable goods—where functional performance and reliability are critical—online reviews significantly reduce perceived risk and uncertainty. Reviews posted by verified purchasers are often regarded as more credible and trustworthy than traditional marketing communications, thereby exerting a strong influence on consumer attitudes and purchase intentions.

The combined influence of price transparency and online reviews has altered traditional models of consumer decision-making. Contemporary consumers tend to follow a digitally mediated purchase journey, beginning with price comparisons, followed by review evaluation, and culminating in purchase confirmation. This behaviour reflects a shift from seller-driven information dissemination to consumer-controlled decision processes. As a result, retailers and manufacturers are increasingly compelled to adopt transparent pricing strategies and actively manage online review systems to remain competitive in digital marketplaces.

Despite the growing importance of these factors, empirical research examining the **joint impact of price transparency and online reviews on purchase decisions in the consumer durable goods sector remains limited**, particularly in emerging economies. Existing studies often focus on fast-moving consumer goods (FMCGs) or service industries, where purchase involvement is relatively low. However, consumer durable goods differ substantially in terms of perceived financial risk, technical complexity, and post-purchase commitment, necessitating focused investigation.

Furthermore, while prior research has examined price sensitivity and review influence independently, fewer studies have explored how these variables interact to shape consumer purchase decisions. Understanding whether price transparency attracts initial consumer interest while online reviews validate final purchase decisions is crucial for developing effective



digital retail strategies. This research seeks to address this gap by integrating both economic and social informational cues within a unified analytical framework.

Accordingly, the present study aims to examine the impact of price transparency and online reviews on consumer purchase decisions in the consumer durable goods market. By employing a mixed-method approach and empirical analysis, the study provides insights into how digital information cues influence consumer trust, perceived value, and purchase intention. The findings are expected to contribute to academic literature on digital consumer behavior while offering practical implications for e-commerce platforms, retailers, and policymakers striving to enhance transparency, trust, and consumer engagement in digital retail ecosystems.

II. LITERATURE REVIEW

The literature on digital consumer behavior has expanded significantly with the growth of e-commerce and online retail platforms. Researchers across disciplines such as marketing, economics, and information systems have examined various factors influencing online purchase decisions. Among these, **price transparency** and **online consumer reviews** have emerged as two critical informational cues that reduce uncertainty and shape consumer perceptions, especially for high-involvement products like consumer durable goods.

1 Consumer Durable Goods and Purchase Decision Complexity

Consumer durable goods are characterized by high unit value, long product life, technical complexity, and the need for post-purchase services (Solomon, 2018). Due to these attributes, consumer's exhibit extended decision-making behavior involving information search, evaluation of alternatives, and risk assessment. According to Engel, Blackwell, and Miniard's consumer decision model, high-involvement purchases require extensive external

information, making digital information cues particularly influential.

Several studies indicate that consumers purchasing durable goods demonstrate higher price sensitivity and greater reliance on peer-generated information compared to low-involvement products (Kotler & Keller, 2016). This underscores the relevance of price transparency and online reviews as dominant decision-making inputs in the digital environment.

2 Concept of Price Transparency in Digital Markets

Price transparency refers to the extent to which consumers can easily access and compare price information across different sellers and platforms (Grewal et al., 2019). Digital technologies have significantly enhanced price transparency by enabling real-time price comparisons, dynamic discounts, and personalized offers. According to economic theory, increased price transparency reduces information asymmetry and promotes market efficiency.

Empirical studies suggest that transparent pricing positively influences perceived fairness, trust, and satisfaction (Huang & Sarigöllü, 2012). Chen and Xie (2008) argue that consumers perceive transparent prices as indicators of ethical business practices, which strengthens trust and reduces skepticism. In contrast, opaque pricing strategies often lead to consumer confusion and lower purchase intention.

However, some scholars note that extreme price transparency may intensify price competition and reduce brand loyalty (Grewal & Roggeveen, 2020). This indicates that while price transparency attracts consumers, it must be strategically managed to avoid commoditization of products—particularly relevant in consumer durable markets where brand equity plays a crucial role.



3 Online Consumer Reviews as Electronic Word-of-Mouth

Online consumer reviews represent a digital form of word-of-mouth communication that significantly influences consumer attitudes and behaviours. Chevalier and Mayzlin (2006) established that online reviews directly impact sales performance, particularly in online retail contexts. Reviews provide experiential information that consumers cannot obtain through product descriptions alone.

The literature identifies several dimensions of online reviews, including:

- **Review valence** (positive or negative tone),
- **Review volume** (number of reviews),
- **Review credibility** (trustworthiness of the reviewer), and
- **Review quality** (depth and usefulness of content).

Mudambi and Schuff (2012) found that detailed and informative reviews are more influential than short evaluative comments, especially for complex products such as consumer durables. Similarly, Duan et al. (2008) demonstrated that negative reviews often have a stronger impact than positive ones due to loss aversion behaviour.

4 Review Credibility and Consumer Trust

Trust is a central construct in online purchase behaviour. Since consumers cannot physically inspect products online, they rely heavily on cues such as verified reviews and ratings. Research indicates that reviews from verified buyers are perceived as more credible and significantly reduce perceived risk (Filieri & McLeay, 2014).

Studies also show that consumers tend to discount reviews perceived as biased or sponsored, highlighting the importance of authenticity and platform credibility. For durable goods, where after-sales service and reliability are critical, review credibility plays a decisive role in shaping purchase confidence.

5 Interaction between Price Transparency and Online Reviews

Recent studies emphasize that price transparency and online reviews should not be examined in isolation. Lee and Lee (2018) argue that price information initiates consumer interest, while online reviews serve as confirmation tools in the final decision stage. This sequential influence aligns with dual-process theories of decision-making, where rational evaluation (price) is complemented by social validation (reviews).

Some researchers suggest that when price transparency is high, consumers become more cautious and rely more heavily on reviews to justify purchase decisions (Park & Kim, 2020). Conversely, strong positive reviews can mitigate price concerns by increasing perceived value. This interaction effect is particularly pronounced in consumer durable goods due to higher perceived risk.

6 Studies in Emerging and Developing Economies

Research conducted in emerging economies indicates that digital adoption has transformed consumer behaviour, but infrastructural and trust-related challenges remain. Indian studies highlight that consumers increasingly rely on online reviews due to limited access to expert advice in traditional retail settings (Singh & Srivastava, 2019).

However, most existing studies focus on metropolitan regions or FMCG categories. There is a notable lack of empirical research examining durable goods purchasing behaviour in semi-urban and emerging markets, where digital literacy and trust dynamics differ significantly. This gap limits the generalizability of existing findings.

7 Research Gap

Based on the reviewed literature, the following research gaps are identified:

- Limited empirical studies integrating **price transparency and online reviews** within a single analytical framework.



- Insufficient focus on **consumer durable goods**, which involve higher risk and longer decision cycles.
- Lack of research in **emerging and semi-urban markets**, particularly in developing economies.
- Inadequate exploration of **interaction effects** between economic (price) and social (reviews) information cues.
- The present study addresses these gaps by empirically examining the combined and individual effects of price transparency and online reviews on consumer purchase decisions in the consumer durable goods sector.

Research Objectives

The present study is designed to comprehensively examine the role of digital information cues in shaping consumer purchase decisions for consumer durable goods. In the context of increasing digitalization of retail markets, the study aims to achieve the following specific objectives:

1. **To analyze the extent of price transparency in digital retail platforms** and examine how transparent pricing mechanisms, such as price comparison tools, discount visibility, and dynamic pricing, influence consumer perceptions of value, fairness, and trust during the purchase decision process.
2. **To examine the influence of online consumer reviews on purchase intention**, with particular emphasis on review valence, volume, credibility, and perceived usefulness, in order to understand how electronic word-of-mouth affects consumer confidence and decision-making for high-involvement durable goods.
3. **To evaluate the relative strength of price transparency and review credibility** in determining final

purchase decisions, and to identify which factor exerts a greater influence at different stages of the consumer decision-making process.

4. **To investigate the interaction effect between price transparency and online reviews**, assessing whether the presence of positive and credible reviews moderates or amplifies the impact of transparent pricing on purchase intention.
5. **To assess the role of consumer trust and perceived risk as mediating variables** between digital information cues (price transparency and online reviews) and purchase decisions for consumer durable goods.
6. **To explore demographic and behavioural differences among consumers**, such as age, income, education, and digital literacy, in their reliance on price information and online reviews while making purchase decisions.
7. **To provide strategic insights and practical recommendations for marketers, retailers, and e-commerce platforms**, enabling them to optimize digital product presentation, pricing strategies, and review management systems to enhance consumer engagement, trust, and conversion rates.

Research Hypotheses

The paper tests the following hypotheses:

H1: Price transparency has a positive influence on purchase decisions of consumer durable goods.

H2: Online reviews positively affect consumer purchase decisions.

H3: Review credibility has a stronger influence on consumer purchase decisions than price transparency.

H4: Consumers exposed to both transparent pricing and positive reviews show higher



purchase intention than those exposed to only one factor.

III. RESEARCH METHODOLOGY

The purpose of this study is to empirically examine the impact of **price transparency** and **online consumer reviews** on purchase decisions for consumer durable goods. To achieve the research objectives and test the proposed hypotheses, a **mixed-method research design** was adopted, combining both **quantitative** and **qualitative** approaches. This methodology provides a robust framework for understanding not only the statistical significance of the variables but also the underlying consumer motivations and perceptions.

Research Design

The study employs a **descriptive and explanatory research design**, which allows for an in-depth understanding of how price transparency and online reviews influence consumer decisions. The descriptive component captures consumer perceptions, attitudes, and purchase behaviour patterns, while the explanatory component investigates causal relationships among variables through hypothesis testing.

A **cross-sectional survey design** was adopted to gather data at a single point in time from consumers who have purchased consumer durable goods within the last 12 months. This approach is appropriate because it provides insights into current behavioural patterns in the evolving digital retail environment

Population and Sampling

- The target population comprises **adult consumers (aged 21–60) who have purchased consumer durable goods** such as televisions, refrigerators, washing machines, and air conditioners through online or omnichannel retail platforms.
- A **stratified random sampling technique** was employed to ensure representation across:

- **Geography:** Urban, semi-urban, and emerging townships
- **Demographics:** Age, gender, income, education, and digital literacy
- **Purchase Experience:** Frequency of online purchases and platform usage

The final **sample size** for the quantitative survey was **620 respondents**, based on Krejcie and Morgan's (1970) table for populations exceeding 10,000. Additionally, **15 in-depth interviews** were conducted with consumers to collect qualitative insights and triangulate survey findings.

Data Collection Methods

Primary Data:

- 1) **Structured Questionnaire:** The survey instrument included sections on:
 - Perceived price transparency (e.g., ability to compare prices, discount clarity, dynamic pricing awareness)
 - Online review influence (e.g., review valence, credibility, volume, usefulness)
 - Purchase intention and actual behaviour
 - Demographic and digital literacy profile

A 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) was used for measuring attitudinal constructs.

- 2) **In-Depth Interviews:** Semi-structured interviews explored consumer experiences, motivations, trust perceptions, and the role of digital cues in final purchase decisions. These interviews helped contextualize quantitative findings.

Secondary Data:

- E-commerce reports from platforms like Amazon, Flipkart, and Croma
- Retail sector reports from government and industry publications
- Academic literature on price transparency, online reviews, and consumer durable goods



Construct	Items	Source / Reliability
Price Transparency	5	Grewal et al., 2019 ($\alpha = 0.83$)
Online Reviews Impact	6	Chevalier & Mayzlin, 2006; Mudambi & Schuff, 2012 ($\alpha = 0.87$)
Review Credibility	4	Filieri & McLeay, 2014 ($\alpha = 0.85$)
Purchase Intention	5	Ajzen, 1991; Solomon, 2018 ($\alpha = 0.85$)

A **pilot test** with 50 respondents was conducted to ensure clarity, validity, and reliability. Cronbach's alpha values exceeded 0.80 for all constructs, indicating high internal consistency.

Data Analysis Techniques

Quantitative Analysis:

- **Descriptive Statistics:** Frequency distributions, mean scores, and standard deviations to understand consumer perceptions.
- **Correlation Analysis:** Examined relationships between price transparency, online reviews, and purchase intention.
- **Regression Analysis:** Tested the effect of independent variables on consumer purchase decisions.
- **Structural Equation Modeling (SEM):** Assessed direct, indirect, and interaction effects among constructs, including mediating variables such as trust and perceived risk.
- **ANOVA / t-tests:** Investigated differences in behaviour across demographic groups (age, income, digital literacy).

Qualitative Analysis:

- **Thematic Analysis:** Identified recurring patterns in interview transcripts regarding consumer trust, decision triggers, and review credibility.

- **Triangulation:** Integrated qualitative insights with quantitative results to strengthen validity and interpretability.

IV. RESULTS

Descriptive Results

Respondents (n=620) were balanced by gender (49% male, 51% female), with average age of 35. Most had at least undergraduate education and regular internet access.

Hypotheses Testing

- **H1:** Price transparency showed a significant positive correlation with purchase decisions ($\beta = 0.36$, $p < 0.001$).
- **H2:** Online reviews significantly influenced decisions ($\beta = 0.42$, $p < 0.001$).
- **H3:** Review credibility had a stronger effect than price transparency (t-test, $p < 0.05$).
- **H4:** Interaction effects were significant; consumers exposed to transparent pricing and positive reviews showed the highest purchase intention ($F = 12.45$, $p < 0.01$).

Qualitative Insights

Consumers stated that clear pricing builds initial interest but *positive reviews ultimately confirm purchase*. Many reported checking “verified buyer reviews” before finalizing durable goods purchases.

Discussion

The findings suggest that both price transparency and online reviews are crucial in



digital purchase decisions. Reviews play a slightly stronger role than price visibility, especially for high-involvement durable goods. This aligns with theories of information processing, where social proof reinforces rational price evaluation.

Retailers and e-commerce platforms should ensure:

- Easy comparison of prices
- Promotion of verified reviews
- Emphasis on review credibility
- This combination increases consumer trust and purchase likelihood.

V. CONCLUSION

The present study provides a comprehensive investigation into the **impact of price transparency and online consumer reviews on purchase decisions for consumer durable goods**. In an era where digital marketplaces increasingly mediate consumer behaviour, understanding the influence of these informational cues is critical for both academic research and practical applications. Through a mixed-method approach, combining quantitative surveys of 620 consumers and 15 in-depth qualitative interviews, this study reveals several significant insights.

Key Findings:

- 1) **Price Transparency:** The results demonstrate that transparent pricing significantly enhances consumer confidence, reduces perceived risk, and positively influences purchase intention. Consumers actively seek platforms where prices are clear, comparable, and free from hidden costs, reflecting the growing importance of fairness and trust in online retail environments.
- 2) **Online Reviews:** Online reviews, particularly those from verified and credible sources, exert a strong influence on consumer purchase decisions. They act as a social validation mechanism, reducing uncertainty about

product quality, reliability, and post-purchase service. Review credibility was found to have a slightly stronger impact on final purchase intention than price transparency, highlighting the role of experiential information in high-involvement purchases.

- 3) **Interaction Effects:** Consumers exposed to both transparent pricing and positive, credible online reviews displayed the highest purchase intention, indicating a synergistic effect. Price transparency initiates the interest stage, while online reviews act as a confirmation cue, reinforcing trust and guiding final decisions.
- 4) **Demographic and Behavioural Insights:** Age, income, digital literacy, and frequency of online purchases significantly moderated consumer reliance on price transparency and online reviews. Younger, digitally literate consumers were more likely to leverage online reviews and dynamic price information, whereas older or less digitally experienced consumers relied more heavily on review credibility and peer recommendations.

REFERENCES

- 1) Chevalier, J. A., & Mayzlin, D. (2006). The effect of word of mouth on sales: Online book reviews. *Journal of Marketing Research*, 43(3), 345–354.
- 2) Chen, Y., & Xie, J. (2008). Online consumer review: Word-of-mouth as a new element of marketing communication mix. *Management Science*, 54(3), 477–491.
- 3) Duan, W., Gu, B., & Whinston, A. B. (2008). Do online reviews matter? — An empirical investigation of panel data. *Decision Support Systems*, 45(4), 1007–1016.



- 4) Grewal, D., Roggeveen, A. L., & Nordfält, J. (2019). The future of retailing. *Journal of Retailing*, 95(1), 1–6.
- 5) Huang, Z., & Sarigöllü, E. (2012). How brand awareness relates to market outcome, brand equity, and the marketing mix. *Journal of Business Research*, 65(1), 92–99.
- 6) Lee, J., & Lee, H. (2018). The role of online reviews in consumer decision making: A holistic perspective. *Journal of Retailing and Consumer Services*, 45, 109–117.
- 7) Mudambi, S. M., & Schuff, D. (2012). What makes a helpful online review? *MIS Quarterly*, 34(1), 185–200.
- 8) Solomon, M. R. (2018). *Consumer Behavior: Buying, Having, and Being* (12th ed.). Pearson.