

Do we really buy those 'Top-Rated' deals when we shop online? New study says rankings matter but how so may surprise you

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Anyone who shops online is familiar with those 'top-rated' products or services that rise to the top of their search on e-commerce intermediary

sites like Amazon or Expedia. So, do those rankings really help those products or services get sold?

According to a new study, the answer is, "yes" and "no."

Raluca M. Ursu, of the Stern School of Business at New York University, conducted the research for the study, "The Power of Rankings: Quantifying the Effect of Rankings on Online Consumer Search and Purchase Decisions," which is published in the July edition of INFORMS journal *Marketing Science*.

The study found that products with high online rankings have a causal effect on what [consumers search](#), but those rankings do not necessarily affect purchase decisions directly. Search intermediaries like Amazon and Expedia use rankings to influence purchases but only secondarily to their search decisions. The article emphasizes the importance of optimizing the search process, distinguishing it from assumptions that consumers are likely to make purchase decisions solely on a product's or service's high rankings.

In conducting her research, Ursu analyzed rankings and search data from a field experiment at Expedia, where she sought to clarify the causal effect of rankings on consumer search and [purchase decisions](#). She then sought to quantify the effect of rankings on consumer search costs, and in the end, to show how rankings built on her research model's estimates can benefit consumers in the future.

"Constructing relevant rankings requires understanding of their causal effect on consumer choices," said Ursu. "For search intermediaries like Amazon and Expedia, measuring the causal impact of the ranking and separating it from the intrinsic quality of the product ranked, allows them to place relevant products at the top of the [ranking](#), rather than ones that were chosen more frequently merely because of their past

rank."

"This helps consumers find better-matching products more quickly, which in turn, benefits the search intermediary (Amazon or Expedia) through increased conversions and a higher probability of repeat visits."

More consumers than ever are shopping online, and as they do, e-commerce sites are working to enhance and optimize the online shopping experience through the use of model predictions based on optimal search order, data patterns, and data sets that use randomized control experiments to reveal the causal effect of variables of interest.

Consumers may notice this when intermediary sites inform them that, "Customers who bought this item also bought..." or "People who searched for this item also searched for..."

"The search for a product or a service can be very costly in terms of time and money for any consumer," said Ursu. "That is where online search intermediaries have found their greatest value, helping to efficiently match consumer needs with the most relevant product or service they are seeking. The goal of this research is to help identify the factors that can be used by intermediaries to provide even greater consumer benefit in the future."

More information: Raluca M. Ursu, The Power of Rankings: Quantifying the Effect of Rankings on Online Consumer Search and Purchase Decisions, *Marketing Science* (2018). [DOI: 10.1287/mksc.2017.1072](https://doi.org/10.1287/mksc.2017.1072)

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