RISK FACTORS INFLUENCING E-SHOPPING BEHAVIOUR OF CONSUMERS AND THEIR DECISIONS

1. Dr.Krishan Kant Pandey
Associate Professor,
TSM School of Business Management,
T.S. Mishra University, Lucknow, India
Email id :pandey.kkmba@gmail.com
2. Dr. Neeta Bhatla
Associate Professor,
School of Management Sciences Lucknow, India
Email id:neetabhatla889@gmail.com
3. Dr Prabhat Srivastava
Associate Professor
Shri Ramswaroop Memorial College of Management, Lucknow, India
Email id: professor.prabhat.srivastava@gmail.com
4. Dr Mahendra Pratap Singh
Associate Professor
Shri Ramswaroop Memorial College of Management, Lucknow, India
Email id:drmpsingh67@gmail.com
5. Dr Smita Verma
Assistant Professor
ICCMRT, Lucknow,India
Email id:smitaverma26@gmail.com
6. Dr Aashi Rastogi
Assistant Professor
T.S.Mishra University,Lucknow, India
Email id:aashi.cgps@gmail.com
7. Dr Meetu Pandey
Associate Professor
Department of Management, Babu Banarasi Das Institute of Technology and Management, Lucknow, India
Email id:meetupandey3@bbdnitm.ac.in

Abstract

This study explains about various factors that influencing e-shopping behaviour of consumers that is deemed to be an important aspect of digital buying. Further, various studies had discussed this aspect, but very limited literature available in Indian perspective for e-shopping behaviour as it was at nascent stage especially in non-metro cities. The primary objective of the research paper is to investigate the variables that influence e- consumers' behaviour especially in Lucknow region. Moreover, the paper is followed by a research model (Figure 1) that investigating the influence of perceived risk factors, return policy variables and non-delivery risk factors on behaviour fore-shopping. To analysing the influence of these factors on e- shoppers' behaviour, hypotheses were constituted in present study. For the analysis, 260 questionnaires were distributed through online mode (google form) among the respondents of different age levels in Lucknow. Majority of respondents were there from university and college students who have done shopping online at least once in a year and were randomly selected. Moreover, for hypothesis testing, regression analysis was used with SPSS (24.0) to understand the relationship of factors in the research study.

After analysis, the study stated that perceived risks, such as-financial risks, convenience with product risks and return policy issues have significant influence on e-shopping behaviour. Also, Analysis indicated that non-delivery risks had no significant influence on e-shopping *consumer behaviour. At last, the research paper made other researchers and corporate enable to understand the consumer behaviour towards-shopping and its importance with issues for their prospects and further research work.*

Keywords: *E- shopping, Consumer shopping behaviour, perceived risk, product risk, non-delivery risk, Regression Analysis, etc.*

1. Introduction

In the current scenario, with the growth of internet access, there has been an increase in we broom users, new technologies and also consumers are interacting through new digital platforms. Hence, the influence is evident among the web shoppers who have started e-shopping where they can get more and better information about the products which symbolize their pre-purchase and post purchase behaviour (Teo & Yu, 2005). At these e-market platforms, consumers use computer and mobile phones with the Internet but some of them use it only for browsing information and others may intend to buy online (Poel & Buckinx, 2004). It is also seen that the kind of consumers who only browse the Internet (non-web shoppers) might be concerned about the security of the web site or their profile information could be stolen by hackers, and also their credit card information might be misused by online fraud (Liebermann & Stashevsky, 2002). Consumers, who tend to purchase online rather than just search for information, usually have experience purchasing online before and they are confident to performing online purchase (Koyuncu & Lien, 2003).

E-shopping behaviour (also termed as Online purchase behaviour) is the procedure of shop goods and services over the Internet. In the typical e-shopping behaviour where shoppers recognise a need for certain goods or services also follows a specific procedure. For this process, shoppers start to access the websites or apps and search for need-related information. Moreover, after active search, they seek alternatives to shop that suited to their need. The consumers then evaluate alternatives and choose the best one among all. Finally, they process for transaction is happened and later post purchase behaviour is started.

In e-shopping environment, trust and privacy on digital stores play an important role in moderating shoppers' attitude towards e-shopping. Sometimes shoppers hesitate to make internet shopping due to the fear of stealing personal information, hacking, security issues, lack of touch and feel and trust on e-retailers (Choudhary &Kacmar, 2002; Kaur & Quareshi, 2015). These factors de-motivate shoppers from shopping online. On the other hand, quality of information, quality of online store site, easy use and convenience, etc. motivates shoppers to buy from online stores (Park & Kim, 2003; Aldas-Manzano & Sanz-Blas, 2008; Jayawardhena& Wright, 2009). Moreover, there are another section of consumers who are still hesitant to shop online, even though they would like to buy products via online store but they are concerned about product quality and also the time of delivery (Chang, Cheung & Lai, 2005). On contrary, some other consumers shop online because of its convenience, time saving and competitive prices involved.

The present research study follows certain objectives to study, analyse and find the influence of major risk factors which have been also examined in earlier studies on e-shopping and consumer behaviour. The objectives are:

1) To study the demographic variables influencing e- shopping behaviour.

2) To study and analyse several perceived risk factors, such as-financial risks, product risk, convenience risk and non-delivery risk and its influence on E-shopping.

3) To analyse the influence of return policy issues on E-shopping behaviour.

4) To find the significance of stated factors towards E-shopping behaviour.

The results drawn from analysis in this research paper create understanding about e-shopping behaviour by examining the mentioned above exogenous risk factors. The findings also justified some previous research studies to had an influence on digital shopping behaviour.

Further, to meet the objectives of the present study, it has been done the review of various literatures available on e-shopping and the factors influencing e-shopping behaviour of consumer's .Later, the paper is followed by the research methodology and the analysis has been made. At last, the Findings, limitations, conclusion and future research and managerial implication part have been discussed.

2. Literature Review

2.1. E-shopping and consumer buying behaviour

With the growing internet users and their changing shopping patterns, there are various factors that motivate and also hinder the e-shopping preferences. Many studies have been reviewed that conducted globally for investigating the factors influencing digital shopping behaviour.

Phau & Poon (2000) studied the factors that were based on variety of products. They found that e- shopping was appropriate for those goods which have low involvement and that were repeatedly bought. The research study was conducted on consumers of Singapore and inferences were made that consumers were not ready to buy expensive products online, such as- automobiles, refrigerators, TV, and music system etc., as these products involved high financial and quality risk.

Moreover, e-shopping has its benefits and also disadvantages as in physical outlets. One side at online store outlets, shoppers cannot see, hear, taste and touch while they search and buy products; on other hand, they have benefits of price, variety, convenience, etc. During e-shopping, consumers have vast options to buy but might show low trust and perceive about risk of transaction and quality. Further, Javedi et al. (2012) has focused on the factors which influenced negatively the consumers' shop behaviour. They analysed the factors influencing e-shopping behaviour of consumers in Malaysia and Iran. Results showed that financial risk i.e. fear of money loss, non-delivery risk etc. So, there are few perceived risks which are studied below-

2.2Perceived Risks

With reference to risk factors, Cox and Rich (1964) have discussed that "Perceived risk refers to the nature and amount of risk felt by a consumer in completing a particular purchase decision". Before buying any product, customers used to consider about various risk factors associated with shopping at online platform. The various types of risks are defined to as perceived or anticipated risk. Various researches described that shoppers usually prefer to use e-commerce for purchasing goods that do not require physical inspection (Peterson *et al.*, 1997).But due to higher perceived risk, the shoppers might have a shift to physical stores for their usual buying process. On other hand, where the risk is lower, higher the frequency of shopping at online platform (Tan, 1999).

2.2.1. Financial risks

Financial risk, such as- 'Debit/credit card/UPI information safety' and financial transactions used is the most discussed risk factors associated with e- shopping.

2.2.2. Product risks

The issue, like-product risk as the product having the different look and quality as shown on web store' is also an important variable.

2.2.3. Convenience factor and risks

Majority of research studies have suggested that convenience is a leading variable for e-shopping but it is suggested as risk too (e.g., 'Sometimes I could not understand how and when to order and to return the shopped item').

2.2.4. Non-Delivery risks

This factor is related with the delivery issues, like- 'What can I do if the product is undelivered?' It is dissonance incurred in consumer behaviour before and after the e-shop (Bhatnagar *et al.*, 2000).

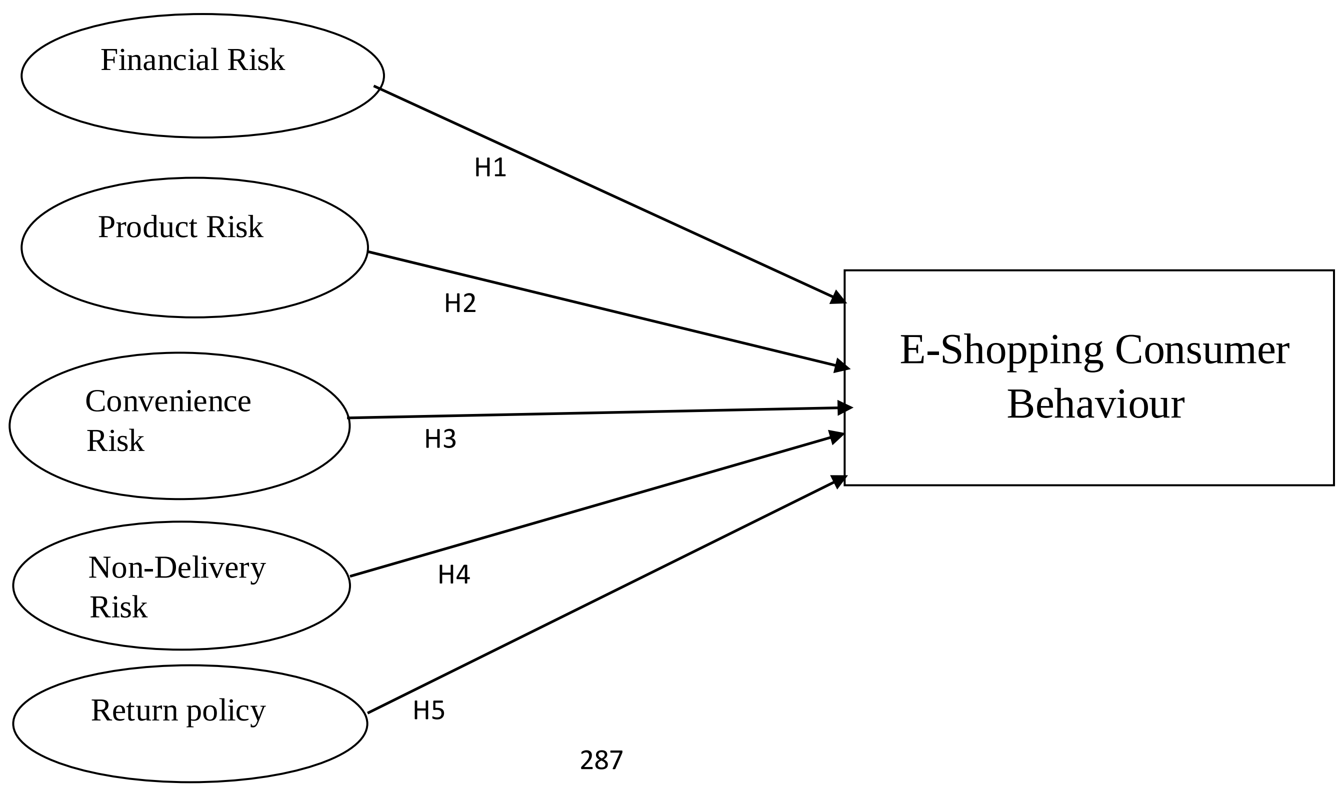
2.2.5. Return facility/policy

As per the Wen et al., (2014), purchase decisions are also related to delivery of the product and returning of the product if any discrepancy was found. At this level, customers seek for the reliability, accuracy, professionalism and timely return of the items from the online store.

3. Research Framework Model

Researcher has framed a model based of various studies reviewed in this research paper and developed the relationship between independent (exogenous) and dependent(endogenous)variables to examining the e-shopping consumer behaviour in Lucknow, India. (Figure 1)

Figure 1. ResearchFramework Model



(Source: Researcher's study)

4. Research Methodology

***2.2**. Objective of Research*

The main objective of the present research study is to analysing the factors influencing e-shopping behaviour of consumers in Lucknow, India. Further, hypothesis has been made for justifying the objectives taken above in the paper.

Exogenous variables in this research study are:

- Financial risks
- Product risks
- Convenience risk
- Non-Delivery risk
- Return policy

Endogenous variable:

- E- shopping consumer behaviour

In present research study, the statistical software SPSS (ver. 24) is used and regression analysis was applied for hypothesis testing. The prerequisites required for applying regression analysis are as follows:

1). It should not have any correlation between errors where means error should be independent.

2). Errors should be normally distributed.

For checking independence of errors, Durbin-Watson measure (DW) has been used. Here, the value is 2.3[a] (should be between 1.5 and 2.5) that is sufficient for rejection of correlation between errors. Finally, hypothesis tested were having the DW threshold values as stated above and also with independent means errors.

***2.3**. Data sampling and methods*

To test the hypothesis in the research study, researcher has conducted an online survey through questionnaire. Researcher has adopted questions and also framed himself from similar studies for collection of data for analysing the hypothesis. The questionnaires were distributed to the respondents of Lucknow city. For reliability checking of questions, Cronbach's Alpha statistic was used and it is seen that all of items tested were having value 0.823(above threshold value i.e.0.7) as shown in table below which shows good reliability of the parameters. All questions were scaled on five-point Likert scale from "strongly disagree" (1) to "strongly agree" (5).

Reliability Statistics

Cronbach's Alpha	No. of Items
0.823	18

***2.4**. Sample size and date collection*

260 questionnaires were distributed online randomly among respondents of Lucknow, city of Uttar Pradesh, India. There were majorly university students as respondents but few were

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from other demography too. Out of 260 distributed questionnaires, 210 responses were acceptable and useful for analysis. Among all respondents, there had been27.6% female and 72.4% male (as shown in Table-1).

Table (1). Demographic profile of Respondents (n=210)

Variables		Frequency	Percentage (%)
Gender	**Male**	152	72.4
	Female	58	27.6
Age (Years)	**Below 20**	12	5.71
	21-30	141	67.14
	31-40	42	20.00
	Above 40	15	7.14
Education	**Below Graduation**	5	2.38
	Graduation	40	19.05
	Post-graduation	143	68.10
	Ph.D.	22	10.48
Occupation	**Services**	40	19.06
	Business Person	12	5.71
	Student	158	75.24
Family Monthly Income	**Less than 50,000**	110	52.38
	50,000-1 Lakh	42	20.00
	1Lakh-1.5 Lakh	35	16.67
	1.5Lakhand above	23	10.95
Marital profile	**Married**	58	27.62
	Unmarried	152	72.38

5. Data Analysis and Interpretation

In this research study, for the hypothesis testing, regression analysis was used by SPSS software to measure the influence and relationship among different predictors (exogenous variables and the dependent or endogenous variables). For this purpose, following hypothesis statements are formulated below:

Hypothesis H1: The financial risks (risk of transactions and debit/credit card/UPI details issue) have significant influence on digital shopping behaviour.

Hypothesis H2: The product risk (quality issue) will be having significant influence on e-shopping behaviour.

Hypothesis H3: Convenience risk factors have significant influence on e-shopping behaviour.

HypothesisH4: Risks of non-delivery will have significant difference with e-shop behaviour.

Hypothesis H5: Return policy issue would have significant influence online- shopping behaviour.

It is seen from the results stated below that overall analysis denoted the final results of relationships among variables.

Here results evident that among all the variables, like- influence of financial risks, product risks, convenience and also return policy risk towards e-shopping behaviour were significant at the 0.05 level (as p-value < 0.05). Hence, Hypothesis *H1*,*H2*,*H3*and *H5*are supported (as referred in Table II, III, IV and VI), whereas *H*4(non-delivery) issue was not having significant influence on online behaviour of consumers at the 0.05 level (As p-value>0.05) and finally rejected (as Referred in Table V).

Table (II). Financial risk vs E-shopping consumer behaviour

Predictor	items	α	B	t-value	p-value
Financial Risk	3	0.714	-0.171	-2.147	0.036**

Notes: ** Denotes significance at the 0.05 level

Table (III). Product risk vs E-shopping consumer behaviour

Predictor	items	α	B	t-value	p-value
Product Risk	3	0.712	-0.180	-2.408	0.027**

Notes: ** Denotes significance at the 0.05 level

Table (IV). Convenience risk vs E-shopping consumer behaviour

Predictor	items	α	B	t-value	p-value
Convenience Risk	6	0.765	-.048	-2.136	0.034**

Notes: ** Denotes significance at the 0.05 level

Table (V). Non-delivery vs E-shopping consumer behaviour

Predictor	items	α	B	t-value	p-value
Non-Delivery Risk	3	0.693	-0.127	-1.146	0.412

Table (VI).Return policy vs E-shopping consumer behaviour

Predictor	items	α	B	t-value	p-value
Return Policy	3	0.776	-0.24	-2.563	0.026**

Notes: ** Denotes significance at the 0.05 level

6. Findings

It has been evident in analysis that majority of respondents were university students (Refer table 1). Further, the demographic profile in this study showed that majority of respondents were male and having age of ‘21-30’ years. Since majority of responses were drawn from students at college level, so more respondents were unmarried.

From analysis, it has been found that *H1*, *H2*, *H3* and *H5* were significantly supported. Therefore, for H1 i.e. fear of money issues, UPI and card details have significant influence on e- shopping consumer behaviour .That means risk associated with transactions and credit/debit card details influences the purchase of consumers.

Further, the results from the hypotheses testing, *H2*,*H3*and H5 described that effect of product risks, convenience risk and return policy issues significantly influences e-shopping pattern. The results drawn in the present paper were described as same and also in contrast as previous research studies, such as-Biswas and Biswas(2004) with Sinha (2010)where product and convenience risks are important and significant factors but not discussed fore-shopping. But the possibility of these might be significant in Indian scenario due to risk fear nature of respondents for online platform.

Also, it is shown in analysis from testing of the hypothesis *H4*, non-delivery risk is not main issue that influence the online shopping behaviour of consumer. It suggested that the issue with late delivery as independent predictor and e-shopping behaviour as dependent variable has shown no significant relation with each other.

7. Conclusion

This research study has analysed various risk variables influencing e-shopping of consumers from Lucknow region. For this purpose, a research model was framed in order to assess the influence of variables to e-shopping by using regression analysis method. After analysing the stated hypothesis, inferences were drawn. Further, results indicated that except non-delivery risk (no significant influence on e-shopping behaviour),rest of mentioned factors had shown very significant influence on behaviour of web shoppers. Moreover, inferences would enable e-retailers to understand the influence of risk predictors so that they might enhance and improve it to satisfy customers. E-retailers must also assure their customers for easy access and better return facility so that customers could be able to frequently shop without any fear of non-delivery and stop money loss. At final stage, it was found that still e-shopping is used more by youngsters and much scope is left for e-retailers to grab these opportunities.

8. Limitations of Research Study

Following are the limitations in this research study:

1) There can many other factors be considered that influencing-shopping consumer behaviour. But study has taken only few risk factors due to time constraints.
2) Questionnaires were distributed through google form link for fast data collection in Lucknow only.
3) Majority of respondents were students from university level. There could also be other categories for further researches.
4) Sample was limited after screening all inappropriate responses that may have limited reliability to show overall consumer shopping behaviour.
5) In this research study, only one method was taken for analysis i.e. regression analysis that may restrict the inferences drawn.

9. Future Research and Managerial Implications

Here research study will support and facilitate further studies. Few implications are as follows:

1) The research study has discussed five risk factors only and provided demography profile of respondents associated with e-shopping behaviour. Other researchers might use more variables to know the effect on e-shopping behaviour in future studies.
2) For further studies, other cities can be taken also for measuring the online consumer behaviour for shopping.
3) The research framework model used here can enable other researchers to understand the relationship among several variables.
4) The research study will not only be beneficial for shoppers but also for the retailers so that they can improve their services and remove the obstacles.
5) E-commerce companies and other corporate will be able to know the issues faced by consumers so that they could take appropriate measures.

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