



# A Study on Risk Impact on online Shopping Behaviour with special reference to Dhubri District of Assam

Achyut Krishna Borah

Assistant Professor

Department of Management

P. B. College, Gauripur

## **Abstract:**

*The World Wide Web has propelled in no small extent of changes in the attitude and behavior of people all over the world. Due to this blessing, online shopping has emerged which influenced the lives of ordinary citizens. Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. The study is undertaken in Dhubri district of Assam among urban population. The researcher tries to analysis through this study that how much risk element influences the attitude of consumers during online shopping. For that purpose the sample to be covered by the researcher was 150 respondents comprising of different age groups, and equal numbers of male and female category. A well structured questionnaire was used for data collection from the respondents. The researcher adopted the Simple percentage formula, ANOVA Test along with t test for better understanding of the results.*

**Keywords:** Online shopping, Risk, attitude, World Wide Web, e commerce, internet

## **INTRODUCTION**

Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Technology can be fun and exciting for those comfortable with it. It is facilitating a new global marketplace. In other words, a consumer may at his or her leisure buy from the comfort of their own home products from an online store. Online shopping attitude refers to consumers' psychological state in terms of making purchases on the Internet. According to Warner, consumer behaviour defines that "the study of the mental and physical activities performed by individuals or groups that result in decisions or actions associated with the purchase, use or disposal of

goods and services". Warner emphasized the consumption related behaviors are often undertaken collectively. For example, some activities performed by individuals but consumed by a family or group of people, similar as organization purchasing activities usually followed by group decisions. Beside this point, the consumer behavior is not just purchasing, but has usage and disposal the goods, this type of information always be useful for company to make marketing decisions.

Compare with the in-store shopping, the internet shopping has much higher risks during the purchasing process. As internet shopping is one of the non-store shopping formats, others such as mail order, telephone shopping and catalogue and so on, which have proved by recent studies shown that consumers perceive a higher level of risk. Even though the internet provides many functional advantages, but it still have some disadvantages, such as in the sections of security, privacy, trust and trustworthiness.

Due to the characteristics of internet, the information across the web could be lost or stolen quite easily, especially the customer's personal information and monetary details. In B2C E-commerce area, there are many web merchants are offering third-party privacy and security protection, such as encryption and password protections. Therefore, because of the third party verification, the customers considered this seal could make them more confident to provide their information to the site. Even some websites have secured certified by professional organization, but still have some customers lost their money through internet every year. These financial risks are mostly caused by customers themselves. The reasons could be widely, some customers have apparent sense of using credit card online in the insecurity way, such as public credit card details to unknown people or website, leave credit card in the public place where other people can easily reach, and internet shopping on the computer with virus. The security treats can be made through the network and data transaction, and also through unauthorized use. Thus, the Internet retailers have responsibility to keep monetary and personal details of customer's safety during the process of online shopping. To improve the effectiveness of the Internet shopping environment could benefit both sellers and buyers and make much convince to the customers.

Another type of risk that consumer will faced is **psychological risk**, such as disappointment and frustration of shopping online, which is mainly caused by the privacy information lost. On the Internet, the privacy information could be tracked and collected, and then it can be used to sharing with third parties, in order to send spam mails or emails.

## REVIEW OF LITERATURE

Mahammad et all, (2012) in their paper entitled "An analysis of factors affecting on online shopping behavior of consumers" analyzed the factors affecting on online shopping of consumers that might be one of the most important issue of e-commerce and marketing field. For this the researcher took some important variables as an independent as financial risk, product risk, convenience risk, non delivery risk, infrastructural variables, return policy, attitude, subjective norms, perceived behavioral control and domain specific innovativeness with two dependent variables such as attitude and online shopping behavior. For this study at first an online stores was selected and 30 questionnaires were sent to the consumers that had shopping from that online store. For the analysis of the data the researcher had done the regression analysis. Fear of losing money and financial details has negative effect on attitude towards

online shopping along with product and convenience risk. But infrastructural variables and return policy had no effect.

Y. E. Naiyi (2004) in his paper, “Dimensions of consumer perceived risk in online shopping” studied about the perceived risk in online shopping with a structural model of seven factors in China. For this study the researcher took 347 students as samples from the western university. For the study the researcher developed a seven likert scale with 36 questions. In this paper the researcher took the following risk as basis such as e retailer source risk, delivery risk, purchase process risk, time risk, financial risk, product performance risk, privacy risk etc. the researcher developed a structure model for measuring consumer perceived risk in online shopping. Research draws attention to consumer’s perception risk in internet shopping and provides the specifications about the dimensions of Chinese consumer’s perceived risk in the online context.

Dr. Achut P.Pednekar, (2014) in his paper entitled “empirical study of consumers preference towards online shopping” studied about the factors that influence the consumer to purchase online products and services, the influence of media on purchasing decision of online product and services and any difficulties faced by the consumer while shopping online. For the study the researcher used both primary sources as well as secondary sources. For the study the researcher used 50 samples at Maphsa city. Most of the respondents were male and within the age group of 20-25 years. Most of the respondents were service holders and majority of people spends more than 3 hours on the internet. Here one thing was found by the researcher that 92 percent of the respondents were visited online shopping websites. Most of the respondents were bought products for personal use and purchased items like books, clothing and gift items. Regarding payment systems most of the respondents were paid through Cash on Delivery modes and visited flipcart.com for online shopping. Majority of the respondents were give first priority on security, than privacy information and delivery risk.

## OBJECTIVES OF THE STUDY

1. To study about the impact of risk factor regarding online shopping of respondents.
2. To compare the influence of Risk between male and female respondents.

## RESEARCH HYPOTHESIS

**Hypothesis 1:** There is no significant Impact of perceived Risk on Online shopping Behaviour.

**Hypothesis 2:** There is no Significant Impact of Product Risk on Online Shopping Behaviour.

**Hypothesis 3:** There is no Significant Impact of Convenient Risk on Online Shopping Behaviour.

**Hypothesis 4:** There is no Significant Impact of Non Delivery Risk on Online Shopping Behaviour.

**Hypothesis 5:** There is no Significant Impact of Cyber Law Risk on Online Shopping Behaviour.

**Hypothesis 6:** There is no significant difference of Risk Impact on Online Shopping Behaviour between Male and Female Respondents.

### SCOPE OF THE STUDY:

Under the study the researcher tries to analysis about what type of risks impact the respondents in case of online shopping and how much. The researcher wish to compare between male and female respondents regarding impact of risk viz, perceived risk, product risk, convenient risk, non delivery risk and cyber law risk.

### RATIONALE OF THE STUDY:

Now a day the consumers were fully depends on door step services without going to traditional shopping. But some consumers have doubts regarding online shopping system because of which they are not engaging in online shopping activities. People purchases product and services based on level of trust. So the researcher wishes to study about influencing of different doubts or risks they have regarding online shopping.

### AREA OF THE STUDY:

The researcher undertook the study in Dhubri District of Assam.

### METHODOLOGY:

For the present study the researcher used exploratory type of research.

**Sources of Data:** Here the researcher used both primary as well secondary sources of data. Regarding primary data the researcher used a well structured questionnaire for collecting information from the respondents on risk influences on online shopping behaviour using likert 5 point scale. For secondary data the researcher collected information from books, magazines, articles and visits different websites.

**Sample design and Sample Size:** The Researcher used convenient sampling method and the number of sample size is 150 respondents of urban population of Dhubri district of Assam who bought products through online shopping.

**Technique of data Collection:** The data were collected through using the following techniques

- i. A well structured questionnaire
- ii. Personal interview.

**Technique of Data Analysis:** The data were analyzed with the help of SPSS version 16 using mean formula, percentage formula and index formula which are presented with the help of tables and diagrams. Along with these the researcher used index formula for impact of Risk on online shopping behaviour:

$$\text{Index of Risk Impact} = \frac{\text{Total Score}}{\text{Maximum Score}} \times 100$$

And the following ranges are developed for determining the level of impact of different risks towards online shopping:

1. 0% -20%===Very Low Impact
2. 20% -40%== Low Impact
3. 40%-60%===Moderate Impact
4. 60%-80%===High Impact
5. 80%-100%===Very High Impact

## ANALYSIS AND DISCTUSSION:

**Table: 1**

**Demographic Profile of the respondents**

Demographic Variables	Category	Frequency	Percentage
Age	15-25 years	30	20%
	25-35 years	60	40%
	35-45 years	45	30%
	45 & Above	15	10%
	<b>Total</b>	<b>150</b>	<b>100%</b>
Gender	Male	75	50%
	Female	75	50%
	<b>Total</b>	<b>150</b>	<b>100%</b>
Marital Status	Married	90	60%
	Unmarried	60	40%
	<b>Total</b>	<b>150</b>	<b>100%</b>
Educational Qualification	HS	60	40%
	Graduate	50	33%
	Post Graduate	30	20%
	Others	10	07%
	<b>Total</b>	<b>150</b>	<b>100%</b>
Occupation	Students	72	48%
	Home Makers	36	24%
	Services	28	19%
	Businessman	14	9%
	<b>Total</b>	<b>150</b>	<b>100%</b>

*(Compiled from field study)*

The table depicts in case of demographic profile of the respondents regarding age variables 20% of the respondents from 15-25 years, 40% from 25-35 years, 30% of the respondents from 35-45 years and rest 10% of the respondents from 45 & above age group. Regarding gender the researcher conducted this study in equal respondents about 75 each, regarding marital status category 60% of the respondents were married and rest 40% of the respondents were unmarried, regarding educational qualification about

40% of the respondents were HS passed, 33% of the respondents were Graduate, 20% of the respondents were Post Graduate and rest 07% of the respondents were have other qualifications like diploma, certificate courses. Regarding occupational pattern most of the respondents were students, followed by homemakers about 24%, 19% of the respondents were serviceman and rest 9% of the respondents were businessman.

**Table: 2**  
**Site visited mostly**

Site visited mostly	Frequency	Percentage
Flipkart	48	32%
Amazon	55	36%
Limeroad	20	13%
Shopclues	15	10%
Others	12	08%
<b>Total</b>	<b>150</b>	<b>100%</b>

*(Compiled from field study)*

The table depicts regarding online shopping site visited mostly most of the respondents visit Amazon about 36% of the respondents, followed by 32% of the respondents visit mostly Flipkart site, about 13% of the respondents visited Limeroad site, about 10% of the respondents visited Shopclues and rest 08% of the respondents visited other website for online shopping.

**Table: 3**  
**Have you ever getting wrong product**

Getting Wrong Product	Frequency	Percentage
Yes	45	30%
No	105	70%
<b>Total</b>	<b>150</b>	<b>100%</b>

*(Compiled from field study)*

The table depicts regarding getting wrong product most of the respondents says they were not getting wrong product about 70% of the respondents, but 30% of the respondents were says they getting wrong product in terms of quality, color, size etc.

**Table: 4**  
**Payment method preferred**

Payment Method Preferred	Frequency	Percentage
Credit Card	25	17%
Debit Card	30	20%
Cash on Delivery	75	50%
UPI/Phonepay/Paytm	20	13%
<b>Total</b>	<b>150</b>	<b>100%</b>

*(Compiled from Field study)*

The table depicts regarding payment method preferred most of the respondents prefer Cash on Delivery about 50% of the respondents, followed by Debit Card option about 20% of the respondents, 17% of the respondents prefer Credit Card option for payment on online shopping and rest 13% of the respondents prefer UPI/Phonepay/Paytm option for payment in online shopping.

**Table: 5**  
**Problems faced in returning Wrong Product**

Problem faced in return	Frequency	Percentage
Yes	30	20%
No	120	80%
<b>Total</b>	<b>150</b>	<b>100%</b>

*(Compiled from field study)*

The table depicts regarding problems faced in returning wrong product the researcher found almost 80% of the respondents were not facing any problems in returning wrong product and almost 20% of the respondents were facing problems in returning product.

**Table: 6**  
**Impact Index of Risk Element**

Particulars	Impact Index	Impact Level
Perceived Risk	<b>65</b>	High
Product Risk	<b>78</b>	High
Convenience Risk	<b>87</b>	Very High
Non Delivery Risk	<b>72</b>	High
Cyber Law Risk	<b>92</b>	Very High

*(Compiled from survey data)*

The table shows regarding levels of risk impact on online shopping behaviour it is found that in case of Perceived risk, product risk and non delivery risk there is high levels of risk impact and in case of convenience risk and cyber law risk there is very high levels of risk impact on online shopping behaviour of urban respondents.

Table: 7

## Risk Impact towards online shopping

Perceived Risk Impact				
Statements	Mean Score	S.D	T. Value	Sig.
Compromization and Misuse of Card Details	<b>3.85</b>	1.12	60.384	.000
Overcharging of Money	3.78	1.20	62.151	.000
Compromisation of personal information to third party	<b>3.61</b>	1.28	<b>55.391</b>	.000
<b>Overall Perceived Risk</b>	<b>3.75</b>	<b>0.89</b>	<b>89.125</b>	<b>.000</b>
Product Risk Impact				
Not Getting Product Ordered	3.60	1.21	33.504	.000
Getting Malfunctioning Product	3.86	1.10	<b>37.450</b>	.000
Difficulty to judge the quality	<b>3.22</b>	1.29	30.501	.000
<b>Overall Product Risk</b>	<b>3.56</b>	<b>0.72</b>	<b>65.021</b>	<b>.000</b>
Convenience Risk Impact				
Difficulty to get right product	<b>4.08</b>	1.07	<b>19.116</b>	.000
Waiting for arrival of product	<b>3.46</b>	1.27	13.899	.000
Physical examination is not possible	3.86	1.23	14.460	.000
Difficulty to settle dispute	3.88	1.14	15.810	.000
Not easy to cancel the product	4.00	0.95	20.971	.000
Difficulty to return the product	3.83	1.17	14.792	.000
<b>Overall Convenience Risk</b>	<b>3.85</b>	<b>0.68</b>	<b>42.235</b>	<b>.000</b>
Non Delivery Risk Impact				
Non delivery of ordered Product	3.63	1.24	57.505	.000
Shippers are not reliable	3.78	1.18	62.956	.000

and well equipped				
<b>Overall Non Delivery Risk</b>	<b>3.70</b>	<b>1.02</b>	<b>0.98</b>	<b>.000</b>
<b>Cyber Law Risk Impact</b>				
Shop in online with fear of losing information and hacking	3.85	1.15	42.210	.000
Overall Cyber Law Risk	3.85	1.15	42.210	.000

*(Compiled from survey data)*

The table shows regarding impact of risk element on online shopping behavior it is found that there is an impact on online shopping behavior of different risk viz, Perceived risk, product risk, convenience risk, non delivery risk and cyber law risk. The researcher found that the P value is less than the table value 0.05 in case of all elements. Thus it is found that all hypotheses are rejected. So

**Hypothesis 1:** There is a significant impact of Perceived risk on online shopping behaviour.

**Hypothesis 2:** There is a significant impact of Product risk on online shopping behaviour.

**Hypothesis 3:** There is a significant impact of Convenience risk on online shopping behaviour.

**Hypothesis 4:** There is a significant impact of Non Delivery risk on online shopping behaviour.

**Hypothesis 5:** There is a significant impact of Cyber Law risk on online shopping behaviour.

**Table: 8**

**Z – Test for Impact of Risk on Online Shopping Behaviour**

Particulars	Respondents		Z – Value
	Male (Mean Score) S.D	Female (Mean Score) S.D	
<b>Perceived Risk</b>	3.59 (1.50)	3.70 (1.51)	<b>-0.44</b>
<b>Product Risk</b>	3.79 (1.17)	3.40 (1.70)	<b>1.99</b>
<b>Convenience Risk</b>	3.48 (1.16)	3.80 (1.21)	<b>-1.64</b>
<b>Non Delivery Risk</b>	3.16 (1.36)	3.27 (1.47)	<b>-0.53</b>
<b>Cyber Law Risk</b>	3.32 (1.80)	3.19 (1.96)	<b>2.26</b>

*(Compiled from survey data)*

The table shows that the calculated z value is more than the table value in case of product risk and cyber law risk. So there is a significant difference between male and female respondents regarding impact of risk on online shopping behavior.

**The hypothesis is rejected in case of product risk and cyber law risk.**

But in case of perceived risk, convenience risk and non delivery risk it is found that the calculated z value is less than table value. So there is not a significant difference between male and female respondents regarding impact of risk element on online shopping behaviour.

**The hypothesis is accepted in case of Perceived risk, Convenience risk and non delivery risk.****MAJOR FINDINGS:**

1. Most of the respondents were from age group of 25-35 years.
2. In case of marital status variable most of the respondents were married.
3. Regarding educational qualification most of the respondents were HS passed.
4. Regarding occupation related demographic variable most of the respondents were from student category.
5. Regarding site visited for online shopping purpose most of the respondents visited amazon.in.
6. Regarding getting wrong product most of the respondents were says they were not getting any wrong product.
7. Regarding payment option most of the respondents prefer cash on delivery on online shopping.
8. Most of the respondents were not facing any problems in returning the wrong product.
9. There is a significant very high level of impact of risk element on online shopping behavior regarding convenience and cyber law risk.
10. There is a significant but high level of risk impact on online shopping behavior regarding perceived risk, product risk and non delivery risk.
11. There is a significant difference between male and female respondents regarding product and cyber law impact of risk on online shopping behavior but in case of perceived risk, non delivery risk and convenience risk there is no significant difference between male and female respondents.

**RECOMMENDATIONS:**

After going through a detail study about impact of risk element on online shopping behavior the researcher likes to give some suggestions base on findings:

1. Online company should established delivery office at remote areas then it will be very much beneficial for online company.
2. Some online shoppers face problems like getting wrong quality product and have problems of returning these to the online company. So the company should clearly mention the procedures of returning the product as well as to whom it will be return.
3. Many consumers lake the time to study privacy policies of internet marketer. Thus, consumer protection for online shoppers needs to move towards global standards.
4. Along with the above suggestions media owners have a responsibility to educate consumers on online shopping issues.

**CONCLUSION:**

Online shopping provides various facilities to the shoppers, they provide 24×7 services, and shoppers are able to order the product at home, they are able to compare different products at a time, and which are the most important facts encouraging the respondents for going to online booking due to busy schedule in their life. But a lot of risks are their which impact the behavior of the online shopping behavior of the respondents.

**BIBLIOGRAPHY**

1. Mahhammad and et all (2012) “an analysis of factors affecting on Online shopping behavior of consumer” *international journal of marketing studies* vol. 4 no 5 , published by canadian center of Science and edua=education , ISSN 1918-719X,pp-81-98.
2. Y E Naiyi (2004) “ dimensions of consumer’s perceived Risk in online shopping” *journal of Electronic Science and Technology of China* , vol. 2 no 3, pp-177-182
3. Dr. Achut P. Pendekar,(2014), empirical study of consumers preference towards online shopping” *journal of Commerce & Management thought*, October- December 2013, Vol. IV, ISSN- 0975-623X pp-136-147.
4. Vaishali Nikalje (2013) “to study that influence the attitude of consumers toward online shopping in city of Pune” *International Center for Business Research*, Issue- Vol. 2 pp-1-5.
5. Liang, T., & Lai, H. (2000). Electronic store design and consumer choice: an empirical study. *System Sciences Proceedings of 33rd International Conference in Hawaii*.
6. Kotler, P, Armstrong, G. Saunders , J & Wong, V (2001) principle of marketing, 3<sup>rd</sup> European edition, Pearson education Ltd, Harlow.