

A Comparative Study of Online Shopping Behaviour: Effects of Perceived Risks and Benefits

Sajid Nazir Wani*, Sheeba Malik**

ABSTRACT

This study investigates the role of perceived risks and benefits in influencing the consumer's purchase decision process during online shopping in UK and India. The purpose of this research is 1) to examine the relationship between consumer's beliefs (British and Indian) regarding online shopping risks and benefits and their attitude towards online purchase of products, 2) to study the relationship between consumer's attitude and intention of online purchase of products, and 3) to explore differences between British and Indian consumers in terms of the perceived benefits and risks towards online shopping. The study revealed support for the significant relationships for both Indian and British consumers between perceived risks and benefits and attitude towards online shopping. Significant differences in perceived risks and benefits associated with Internet shopping between Indian and British consumers were also observed. While Indian consumers perceived more risks than British consumers the benefits of Internet shopping perceived by Indians were found to be significantly less.

Keyword: Risks, Benefits, British, Indian, Online Shopping, Attitude

INTRODUCTION

Internet as one of the most successful innovations has shown tremendous growth in both its applications and number of users. Its unique characteristics of flexibility, interactivity, and personalisation have provided enormous opportunities for innovative business strategies. One unique and revolutionary transformation brought forward by the Internet, "*online shopping*", has become a source of increasing competition to the traditional shopping channels, such as retail stores, mail stores catalogues especially those associated with product areas of books and music. Online shopping has cannibalised into the in-store shopping as consumers are becoming more familiar with online shopping and in many cases are giving preference to online shopping("Malls going to walls", 2010). While the traditional "*brick and mortar*" stores have the drawbacks of limited time and space where the customers need to reach the product, the Internet has decreased the time and efforts consumer spend in shopping, by providing a concept of boundary-less stores

where the product reaches the consumers (Bhatnagar, Misra and Rao, 2000). Further Internet makes an unlimited range of products and services available to the consumers (Bhatnagar and Ghose, 2004, Forsythe and Shi, 2003) and people can buy and sell anything, anywhere at any time.

For this reason Saimee (2001) declared Internet to be "one of the most significant and perhaps the greatest marketing tools for the global marketing place".

BACKGROUND

In spite of the considerable and optimistic growth of online shopping, the use of Internet for shopping is a widely varied phenomenon. While the online shopping is booming in the western world especially in countries like UK, USA, it has not seen such a growth in countries like China, India etc. The US is the leading e-commerce economy with online sales of \$176.2 billion which are expected to reach \$278.9 billion in 2015 (Mulpuru, 2011). In Europe the number of online buyers is expected

* Student, School of Business Management and Economics, University of Sussex, United Kingdom. E-mail: sajidnazir@rediffmail.com

** Research Scholar, Business School, University of Kashmir, Jammu & Kashmir, India. E-mail: sheebamalik434@yahoo.co.in

to grow from 157 million to 205 million and total sales all forecasted to reach \$190 billion by 2015. While people in countries like Korea spend more time online and China has the most number of online users, China's online market however stood only at \$49 million in 2010 (Wigder, 2010).

The major reason for people not adopting online shopping has been connected with the perceived risks which people associate with it (Bhatnagar et al., 2000; Forsythe et al., 2006; Torkzadeh and Dillion, 2002), while the significant benefits which online shopping medium offers, which are not available in traditional shopping have been attributed towards adoption of online shopping medium (Alba, Weitz, Janiszewski, Lutz and Wood, 1997; Bhatnagar and Ghose, 2004; Bhatnagar et al., 2006, Forsythe and Shi, 2003; Hoffman and Novak, 1996).

Majority of researches on online shopping behaviour have explored the role of perceived risks and benefits at the individual level but very few studies have been conducted at country level. Some of the early researchers found that Internet users throughout world are similar (Quelch and Klein, 1996) and perceive similar benefits and risks toward online shopping, but later studies have increasingly pointed out to differences in perceived benefits and risks, Internet innovativeness across different countries (Park and Jun, 2003). Nonetheless, a cross country research on perceived risks and benefits of online shopping behaviour has been an underdeveloped field of study

In this study UK was selected for a comparative analysis with India because enormous differences in e-commerce figures between the two countries provide a critical environment to do a cross-country study. In UK e-retailing has shown tremendous growth with Internet sales being expected to grow year on year basis by 6% over the coming six years and online sector expected to break \$ 92 billion mark in 2014 (Thomson, 2009), however in India with its 60 million users of Internet –which however represents only 12% of the population, e-commerce figure stands out just \$ 51 million as against the total retail industry of \$410 million.

As it is estimated India would have the third largest number of Internet users by 2013 (Times of India, 2010), it becomes more important for marketers and businesses to find out whether the perceived benefits and risks associated with online shopping are same which people associate with online shopping in countries like UK. As

e-commerce offers one of the biggest channels for doing business in future, it is imperative that both national and international marketers and businesses must have a complete understanding of the factors which will encourage online shopping by the Indian consumers.

LITERATURE REVIEW

Perceived Risks

Internet stores are free from physical boundaries and allow consumers to shop from remote locations (Bhatnagar et al, 2000), however people are apprehensive of buying on the Internet due to perceived risks associated with online shopping (Bhatnagar et al, 2000; Fram and Grandy, 1997). Researchers have identified various risks associated with online shopping behaviour: financial, product performance, psychological, physical and time/convenience loss. Furthermore components such as privacy and security loss risk (Jarvenpaa and Todd, 1996; Vijayasarthy, 2004) and source risk (Torkzadeh and Dillion, 2002) have been associated with online shopping. A table of comparison of prior studies associated with perceived risks associated with online line shopping is given in Table 1.

Financial risk in online context is related to the risk of losing money in online transactions by providing credit card or bank account information over the Internet (Fram and Grady, 1997; Lee, Park, and Ahn, 2001). Financial risk is more commonly associated with Internet shopping than with in-store shopping (Bhatnagar et al., 2000) because credit card fraud is a major concern to online consumers (Lee et al., 2001). Researchers also have attributed financial risk associated with online shopping to the lack of trust in the retailer and fear of purchasing wrong products by mistake, not receiving the purchased product and credit card being overcharged (Forsythe et al., 2006).

Financial risk may, however, be reduced with increased shopping experience on the Internet as the consumer acquires more knowledge about the e-retailer (Bhatnagar et al., 2000). Product performance risk in context of online shopping has been associated with the risk that the product may not function as expected (Bhatnagar et al, 2000; Jarvenpaa and Todd, 1997; Tan, 1999; Vijayasarthy and Jones 2000; Forsythe et al 2006; Torkzadeh and Dillion, 2002) and the feeling of not being able to return

Table 1: Dimensions of Perceived Risk in the Literature

<i>Risk</i>	<i>Conceptual Definition</i>	<i>Traditional Shopping Context</i>	<i>Online Shopping Context</i>
Financial Risk	Risk Related to the loss of money	Derbaix (1983); Horton (1976)	Lee, Park and Ahn (2001); Fram and Grady (1997); Forsthye and Shi (2003); Torkzadeh and Dillion (2002); Sweeney, Soutor, and Johnson (1999)
Product Performance Risk	Risk related to the fundamental aspect of the product	Festervand, Synder, Tsalikis (1986); Horton (1976); Jacoby and Kaplan (1972); Spence, Engel, Blackwell (1970)	Simpson and Lakner (1993); Fram and Grady (1997); Torkzadeh and Dillion (2002); Forsythe et al. (2006)
Psychological risk	Risk related to the dissatisfaction and mental stress caused due to purchase	Jacoby and Kaplan (1972)	
Time loss risk	Risk related time-lost in the buying or retaining the product	Roselius (1971); McClorke (1990)	Forsythe et al. (2006); Forsythe and Shi (2003)
Privacy Security risk	Risk related to credit card and personal information being stolen		Benassi 1999); Bhatnagar et al. (2000); Miyazaki and Frenandez (2001); Javernppa and Todd (1996); Vijayasarthi (2004)
Source risk	Risk related to the existence of the company		Torkzadeh and Dillion (2002)

the product if it fails to meet the expected parameters (Jarvenpaa and Todd, 1997; Vijayasarthi and Jones, 2000). The issue of not being able to touch and feel the product (Bhatnagar et al, 2000; Forsythe et al, 2006; Torkzadeh and Dillion, 2002) and physically not being able to examine the product increases the risks. The level of product performance risks have been identified with the type of objects; where books and software which are more standardized are associated as low risks products (Bhatnagar et al, 2000) products like fashion goods; where touch and feel are considered important before purchase are considered as high risks. The apprehensions of the consumer in sharing his personal information and credit card information while shopping online has been classified as privacy and security risk. The possibility of credit card fraud is one of the common risks associated with online shopping (Bhatnagar et al., 2000; Jarvenpaa and Todd, 1997; Vijayasarthi and Jones, 2000). The fear of misuse of personal information (Jarvenpaa and Todd, 1996) or the apprehension of personal information being passed on to third parties by the shopping websites, risks of card details being stolen during the transaction (Lim, 2003) add to the perceived risks of online shopping. The loss of time and inconvenience faced by consumer in navigating and browsing for placing an order and/ or find appropriate websites or loss of time because of slow download speed of webpages (Forsythe et al., 2006)

has been identified as one of the risks associated with online shopping. Apprehensions of possible delays in the delivery of purchased items from online store are a concern for some online shoppers. Time loss has also been related with time lost in returning and exchanging goods which do not meet expectation or do not fulfil desired criteria or have been delivered which don't match the specifications of the products ordered. The perceived psychological risk in the online context has been referred to disappointment frustration and shame experienced if one's personal information is disclosed (Forsythe and Shi, 2003). The frustration of answering questions like filling of personal information which websites ask for prior to completion of transaction increases the psychological risks. Perceived psychological risk reflects concern about the psychological discomfort and tension that may arise because of making a transaction (Hassan et al., 2006). The more difficult to find the identity of the trader and that reputable vendors are more likely to commit good behaviour and hence tend to reduce the perceived source risks (Resnick et al., 2000). Reputation signals the trustworthiness of the seller and consumer sees lesser of risks of buying products from those websites which are reputable (Resnick et al., 2000). A positive reputation is inferred as the trustworthiness of the selling party.

Perceived Benefits

In contrast to offline/ physical shopping, Internet shopping represents relative new way of shopping. Alba et al. (1997) classified access to selection as one of the primary motivations/ benefits consumers associate with online shopping. Convenience, information, customization, (Ghosh, 1998) and time efficiency (Morganoskyand Cude, 2000; Verhoef and Langerak, 2001) have been identified as the primary factors of online shopping. While Keeney (1999) identified ten fundamental values of motivation for shopping online out of which nine were related to utilization motives, very few researches have been done to identify hedonic motivation in online shopping.

While Internet shopping provides service which is not limited by time, space, and weather (Burke, 1997), convenience due to the time and effort saved by shopping from one's own place rather than visiting physical stores has been suggested by various researchers (Bhatnagar and Ghosh, 2004; Forsythe et al, 2006; Eastlick and Feinberg, 1999) as perceived benefits of online shopping. Online shopping is also associated with hassle-free shopping i.e. it helps consumers at their convenience without any shame for not buying anything and just browsing the products (Forsythe et al, 2006). Further online shopping has been related to low cost and savings, as consumers are able to get same quality products at a lower cost due to the cost saved on rent, store installation, decoration which are generally borne by the owners of the retail stores and are passed on to the consumers (Miller, 2000).

Online shopping enables consumers to acquire large amount of information about product specifications, stores, promotion etc. (Wolfenbarger and Gilly, 2001). Online shopping empowers consumers to access review and use the information in an easy and effortless manner when compared with traditional "brick and mortar" retail stores (Alba et al, 1997; Lynch and Ariely, 2000). Consumers can receive abundant information from the website directly rather than from the salesperson (Van den Poel and Leunis 1999) with a few clicks of the mouse.

The hedonic motive to seek pleasure and enjoyment by experiencing new things while shopping online (Forsythe et al., 2006) has also been associated with benefits of online shopping. As consumers browse through the wide variety of products on the Internet, they can also obtain competitive prices on merchandise and eye-catching

promotional deals (Jarvenpaa and Todd, 1996). Online shopping provides consumers with the flexibility to select and evaluate merchandise across stores. The broad selection of products from different brands and retailers with detailed information available may be viewed as a significant benefit of online shopping helping the consumer's decision-making, which is likely to provide an important motive for online shopping (Forsythe et al., 2006; Menon and Kahn, 1995).

RESEARCH HYPOTHESIS AND QUESTIONS

The Theory of Reasoned Action (TRA) (Ajzen and Fishbein, 1980) serves as the theoretical framework of this study.

In the present study, the belief-attitude-behavioural intention link postulated by TRA was used to predict both Indian and British consumer's attitude and purchase intention towards online purchase through their beliefs regarding risks and benefits they hold in their mind. According to the theoretical framework presented in Figure 1, consumer's beliefs such as their perceived risks and benefits associated with online apparel shopping are conceptualized as possible antecedents of the consumer's attitude towards purchasing products online, which in turn determines their online purchase intentions for products. Therefore, based on this conceptual framework, the following hypotheses were developed.

H1: Perceived risks are negatively related to attitude towards online shopping of consumers (India and UK).

H2: Perceived benefits are positively related to attitude towards online shopping of consumers (India and UK).

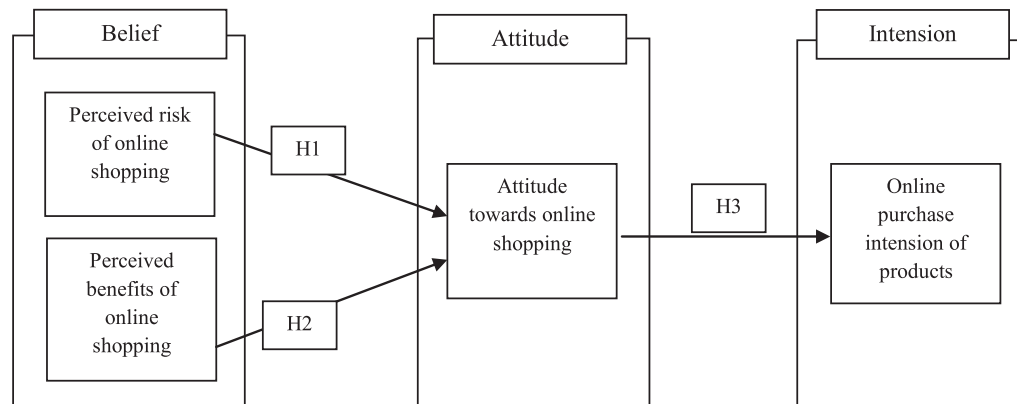
H3: Attitude towards online shopping is related to consumer's (India and UK) online buying intention.

Lastly the research focussed on bringing out differences in perceived risks and benefits towards online shopping. For this part the following exploratory research question was developed.

RQ1: Are there any significant differences in perceived risks, benefits towards online shopping between Indian and British consumers?

METHODOLOGY

Both online and mail based survey methods were used for data collection The guidelines for conducting the survey

Figure 1: Theoretical Framework

N.B Each of the hypothesis and research question was tested separately for UK and Indian consumers. RQ1 not included in this figure. RQ1 addressed the differences between perceived risks and benefits of UK and Indian online shoppers (based on TRA, Ajzen and Fishbein, 1980)

were adapted from Dillman (2000) and for UK data, a self administered questionnaire was distributed among 200 shoppers at supermarkets like Asda, Sainsbury, Aldi, Taj located in Brighton. An online survey link was also created and the link was mailed to people known to the researcher.

For collecting data in India an online questionnaire was developed and an e-mail was sent to 200 respondents known to researcher, asking them to visit online site (www.qualtrics.com). Prior to collection of data a pilot study was conducted to test and identify any flaws in the survey format and to ensure validity and reliability of measures. A convenience sample size of 15 friends, who had access to the Internet and had used Internet for online shopping, was used for UK and India. On the basis of feedback the necessary correction and refinement of the questionnaire were done.

Questionnaire Design

For the study, a self administered questionnaire was designed, using scales developed from previous researches (Appendix A.1). The questionnaire consisted of six parts, the first part was related to people's familiarity with use of Internet while the second and third sections related to the perceived risks and benefits of online shopping. The fourth and the last section addressed the attitude, purchase intention, and demographic parameters of the respondents respectively.

The first section included general questions related to length of Internet use, duration of Internet usage, and purpose of using Internet.

The second section of the questionnaire was related to risks perceived with online shopping behaviour and 15 items were used from existing literature such as Forsythe et al. (2006) and Torkzadeh and Dillion(2002). The items consisted of constructs such as financial risks, example "My credit card number may not be secure", time/convenience risk, example "It's difficult to find out appropriate website", and product risk, example "I am not able to touch and feel the item". The items were again rated on a 5 point Likert Scale with 1 being strongly disagree and 5 strongly agree.

For benefits related to online shopping items from existing literature, Forsythe et al. (2006) and Ramus and Nielsen (2005) were used. The items addressed construct of online shopping benefits such as, shopping convenience, example "I can shop in the privacy of my home", product selection, "Items from everywhere are available", ease/ comfort of shopping example "I won't be embarrassed even if I don't buy" and hedonic/ enjoyment example "Internet shops make shopping fun" were used.

In the third section attitude towards buying products online was measured using 5 point semantic differential scale consisting of three pairs of bipolar descriptive "Bad-Good", "Unpleasant-Pleasant", "Unfavourable-Favourable" and an incomplete sentence, "I ----- buying products from the Internet", which were adopted from items used to measure attitude construct by Anand and Sternthal (1990), Gill, Gossbarth and Laczniak(1998), Holbrook and Batra (1987) and MacKenzie and Lutz (1988). Further intention of buying through Internet was also measured using five point semantic differential

item consisting of three bi-polar descriptives: “*Unlikely –Likely*”, “*Improbable-Probable*” and “*Impossible – Possible*”. The bipolar descriptors were adopted from existing literature used to measure purchase intention such as Chattopadhyay and Basu (1990); Lim, Darley and Summers (1994); MacKenzie, Lutz and Belch (1986). As with the existing literature a higher point indicated a more positive response.

The last section consisted of demographic information with items such as gender, age, occupation, and country of residence.

Data Source

For UK based survey 93 of the distributed questionnaires were returned while 15 responses were collected online. Among the 93 returned questionnaires 4 were excluded from data analysis as 80% of the questions in them were unanswered. Thus an overall 104 usable responses were collected by means of both mail survey and online link. UK sample consisted of 45.7 % males and 52.4% females. 28.6% of the respondents in age group 16-25 yrs formed the largest group. Similarly 30.8% of the respondents were working full time and represented the biggest category.

An overwhelming 88.5 % respondents had been using Internet for more than 5 years whereas most of the respondents were using Internet for more than 5 hours per week.

Amongst the respondents checking e-mail was the most frequent reason for using the Internet while 82.7 % of the respondents had shopped online.

For India based survey 110 people responded by filling up the online survey set up on www.qualtrics.com. Among the 110 responses 13 were excluded from the data as around 80% of the data was missing in them. The sample consisted of 64.9 % males and 27.8 % females, 54.6% of the respondents were working full time and represented the biggest group in income category. 88.5% respondents had been using Internet for more than 5 years, while 82.5% of the respondents were using Internet for more than 5 hours per week. While checking e-mail was the most frequent reason for using the Internet with 94.8% of the respondents agreeing with the statement, only 47.4% of the sample surveyed had shopped online.

RESULTS

As perceived risks and benefits have multiple dimensions, a multiple regression was performed for testing hypothesis H1 and H2 whereas attitude towards online shopping and innovativeness had only one dimension and hence a simple regression was performed for H3. One way analysis of variance (ANOVA) was used for RQ1 to find out whether any significant difference exists between perceived benefits and risks towards online shopping between British and Indian consumers.

Construct Validity and Reliability

To test the reliability and dimensionality of the perceived benefits and risks, exploratory factor analysis and internal consistency tests were employed for both samples sets of data separately. The factor analysis for both sets of data produced four factors for perceived benefits (Shopping convenience, Product selection, Ease and Comfort and Hedonic/Enjoyment benefit) solution for both the data sets. Owing to high cross loading 4 items out of the 19 items were eliminated (“*I can find special products not available elsewhere*” and “*I won’t be embarrassed even if I don’t buy*”, “*It is exciting to receive a package*” and “*I can try new experience*”). Internal consistency of the factor was also calculated as shown in Table 2 a and b.

Similarly exploratory factor analysis for both sample sets produced 4 factor (time convenience/ financial/ privacy/ product and channel risks) solution for both data sets, as 4 items out of the 19 items were eliminated owing to high cross loading across multiple factors (I can’t trust the online company. I may purchase something by accident. I might be overcharged. It is difficult to return the product.)

Each factor was examined for mutual consistency and mean scores were calculated for each factor as shown in Table 3 a and b.

HYPOTHESIS TESTING

The relationships proposed in the hypotheses and research questions were tested by performing a series of regression analysis to identify and explain independent variables variances on the dependent variable.

Table 2a: Factor Analysis for Perceived Benefits (UK Sample)

<i>Items</i>	<i>Factors</i>			
	<i>Shopping Convenience</i> $\alpha = 0.86$ $M = 4.21$	<i>Product Selection</i> $\alpha = 0.80$ $M = 4.01$	<i>Ease and Comfort</i> $\alpha = 0.82$ $M = 3.88$	<i>Hedonic/ Enjoyment</i> $\alpha = 0.71$ $M = 2.82$
I don't have to leave home	.897			
I can shop whenever I want	.856			
I can shop in privacy of home	.823			
I can save the effort of visiting stores	.656			
I can avoid the hassle of driving and parking	.610			
Items from everywhere are available		.757		
I can get good product information online		.752		
I can get a broader selection of products		.712		
I can access many brands and retailers		.681		
I don't have to wait to be served			.739	
I don't get any busy signal		.529	.633	
I don't have to deal with pushy salesperson on Internet		.492	.620	
Internet shops make shopping fun				.806
I can buy in impulse in response to ads			-.460	.796
I can custom-design product.				.756

Table 2b: Factor Analysis for Perceived Benefits (India Sample)

<i>Items</i>	<i>Factors</i>			
	<i>Shopping Convenience</i> $\alpha = 0.885$ $M = 3.75$	<i>Product Selection</i> $\alpha = 0.82$ $M = 3.58$	<i>Hedonic benefit</i> $\alpha = 0.78$ $M = 3.20$	<i>Ease and Comfort</i> $\alpha = 0.81$ $M = 3.61$
I don't have to leave home.	.827			
(B)I can shop in privacy of home.	.796			
I can save the effort of visiting stores.	.795			
I can avoid the hassle of driving and parking.	.754			
I can shop whenever I want.	.721	.426		
I can get good product information online.		.796		
I can get a broader selection of products.		.774		
I can access many brands and retailers.		.750		
Items from everywhere are available.		.717		
I can buy in impulse in response to ads.			.816	
Internet shops make shopping fun.			.799	
I can custom-design products.			.758	
I don't get any busy signal.				.874
I don't have to deal with pushy salesperson on Internet				.743
I don't have to wait to be served.		.431		.654

Figure 2: Regression Results for UK Respondents (Perceived Risks, Benefits, Attitude and Purchase Intension)

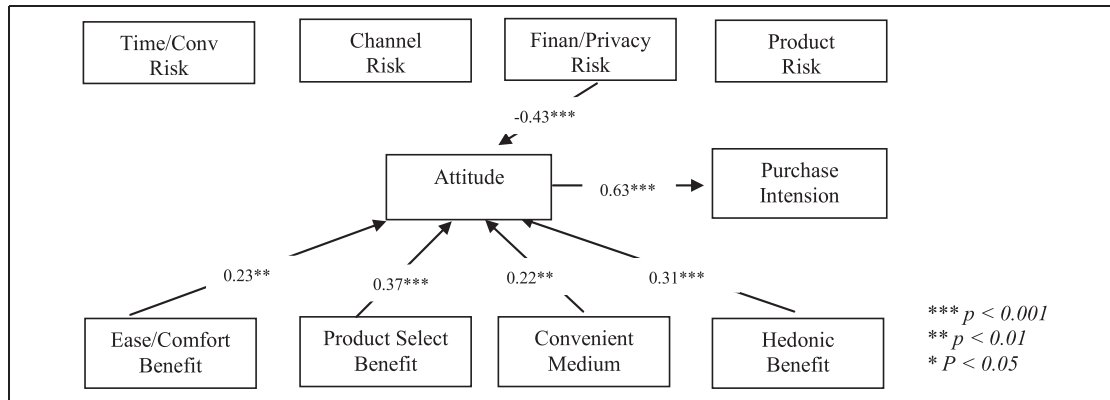


Figure 3: Regression Results for Indian Respondents (Perceived Risks, Benefits, Attitude and Purchase Intension)

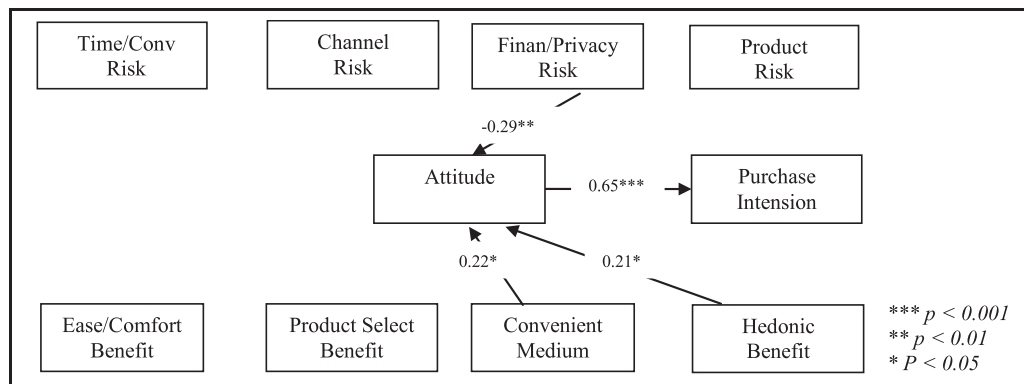


Table 3a: Factor Analysis for Perceived Risks (UK Sample)

Items	Factors			
	Time/Convenience Risk $\alpha = 0.83$ $M = 2.26$	Financial/Privacy Risk $\alpha = 0.71$ $M = 2.90$	Product risk $\alpha = 0.73$ $M = 4.13$	Channel Risk $\alpha = 0.70$ $M = 3.65$
It is too complicated to place order	.890			
It is difficult to find appropriate websites	.834			
Pictures take too long to come up	.676			
I may not get the product		.856		
I may not get what I want.		.736		
My credit card number may not be secure		.614	.406	
My personal information may not be kept		.380		
I can't examine the actual product.			.867	
I am not able to touch and feel the item			.809	
I must pay for shopping and handling				.837
I must wait for merchandise to be delivered.				.831

Table 3b: Factor Analysis for Perceived Risks (India Sample)

Items	Factors			
	Financial/privacy risk $\alpha = 0.81$ $M = 3.31$	Time/convenience risk $\alpha = 0.76$ $M = 2.84$	Product risk $\alpha = 0.90$ $M = 4.14$	Channel risk $\alpha = 0.73$ $M = 3.5$
My credit card number may not be secure.	.837			
My personal information may not be kept.	.741			
(R)I may not get the product.	.736			
I may not get what I want.	.699			
It is too complicated to place order.		.828		
It is difficult to find appropriate websites.		.819		
Pictures take too long to come up.		.755		
I am not able to touch and feel the item.			.928	
I can't examine the actual product.			.883	
I must wait for merchandise to be delivered.				.872
I must pay for shopping and handling.				.852

H1: Perceived risks are negatively related to attitude towards online shopping of consumers.

A multiple regression showed a partial direct influence of perceived risks and attitude towards online shopping for both UK ($R^2 = 0.242, p < 0.001$) and Indian sample ($R^2 = 0.09, p < 0.01$). Financial/ privacy risk showed a negative influence on attitude for both the UK ($\beta = -0.431, t =$

$-4.878, p < 0.001$) and Indian sample ($\beta = -0.28, t = -2.86, p < 0.01$) as shown in Table 4 a and b.

H2: Perceived benefits are positively related to attitude towards online shopping of consumer.

The results of multiple regression analysis ($R^2 = 0.34, p < 0.001$) support that all perceived benefits of online shopping: Shopping/convenience benefit ($r = 0.22, p =$

Table 4(a): Influence of Perceived Risks on Attitude Towards on Line Shopping(UK)

Model	B	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		Std. Error	Beta			
1	(Constant)	-.017	.088		-.191	.849
	time convenience risk	-.162	.090	-.160	-1.804	.074
	financial privacy risk	-.429	.088	-.431	-4.878	.000
	product risk	-.076	.088	-.076	-.856	.394
	channel risk	.167	.091	.163	1.839	.069

Dependent Variable: Attitude $R^2 = 0.242, p = 0.000$

Table 4(b): Influence of Perceived Risks on Attitude Towards on Line Shopping(India)

Model	B	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		Std. Error	Beta			
1	(Constant)	-.016	.100		-.163	.871
	financial privacy risk	-.285	.100	-.289	-2.862	.005
	time convenience risk	-.183	.102	-.182	-1.800	.075
	product risk	-.136	.101	-.136	-1.349	.181
	channel risk	.030	.101	.030	.295	.769

Dependent Variable: attitude $R^2 = 0.09, p = 0.01$

Table 5a: Influence of Perceived Benefits on Attitude towards on Line Shopping (UK)

Model	B	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		Std. Error	Beta			
1	(Constant)	.000	.082		.000	1.000
	shopping convenience benefit	.224	.082	.224	2.732	.007
	product selection benefit	.375	.082	.375	4.576	.000
	ease and comfort benefit	.235	.082	.235	2.868	.005
	hedonic benefit	.306	.082	.306	3.734	.000

Dependent Variable: Attitude $R^2 = 0.340$, $p = 0.000$

Table 5b: Influence of Perceived Benefits on Attitude towards on Line Shopping (India)

Model	B	Un-standardized Coefficients		Standardized Coefficients	t	Sig.
		Std. Error	Beta			
1	(Constant)	-.012	.102		-.119	.906
	shopping convenience benefit	.224	.104	.220	2.144	.035
	product selection benefit	.052	.101	.054	.521	.604
	hedonic benefit	.210	.103	.209	2.030	.045
	ease and comfort benefit	.087	.104	.086	.839	.404

Dependent Variable: attitude $R^2 = 0.103$, $p = 0.050$

0.01), Product selection benefit ($r = 0.37$, $p = 0.01$), Ease/ Comfort benefit ($r = 0.235$, $p = 0.05$) and Hedonic benefit ($r = 0.306$, $p = 0.01$) are positively related to attitude towards online shopping for the UK sample while for the Indian sample perceived benefit on attitude towards online shopping was partially supported ($R^2 = 0.10$, $p < 0.05$) and only Shopping convenience ($\beta = 0.22$, $p < 0.05$) and Hedonic benefits ($\beta = 0.22$, $p < 0.05$) showed positive influence on attitude towards online shopping. (Table 5 a and b).

H3: Consumer's positive attitude towards online shopping can lead to online buying intention of products.

Both British ($\beta = 0.63$, $R^2 = 0.04$, $p < 0.001$) and Indian consumer's ($\beta = 0.646$, $R^2 = 0.417$, $p < 0.01$) attitude towards online shopping as predictor of their intention to purchase online was supported as shown in Table 6 a and b.

RQ1: Are there significant differences in perceived risks, benefits towards online shopping between consumers in India and UK?

No statistically significant differences were found in the overall perceived risks of UK and Indian respondents.

However Indian online shoppers felt a higher level of perceived risks in terms of financial/privacy risk and time/ convenience risk than their UK counterparts (Table 7).

UK respondents perceived significantly higher overall benefits of online shopping as compared to the Indian counterparts. While UK online shoppers felt significantly higher level of perceived benefits of online shopping in terms of shopping/ convenience benefits and product selection benefits, Indian online shopper felt significantly higher hedonic benefits (Table 8).

SUMMARY

The research was conducted to understand perception of risks and benefits which consumers associated with online shopping in India and UK. The findings lend support to the fact that online shopping is still viewed as risky proportion instead of its substantial benefits. The findings also reveal that with increased usage of Internet for online shopping (75% of the British respondents had shopped online as compared to 46% of the Indian respondents), the consumers appreciate the benefits of online shopping more.

In our study Indian consumers showed higher perceived risks in all the four constructs, however only two

Table 6a: Relationship between Attitude and Online Buying Intension (UK)

<i>Model B</i>		<i>Un-standardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>t</i>	<i>Sig.</i>
		<i>Std. Error</i>	<i>Beta</i>			
1	(Constant)	.000	.076		.000	1.000
	attitude	.635	.077	.635	8.265	.000

Dependent Variable: Buying intension $R^2 = 0.403$, $p = 0.000$

Table 6b: Relationship between Attitude and Online buying Intension (India)

<i>Model B</i>		<i>Un-standardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>t</i>	<i>Sig.</i>
		<i>Std. Error</i>	<i>Beta</i>			
1	(Constant)	.000	.081		.000	1.000
	attitude	.646	.081	.646	7.930	.000

Dependent Variable: intension to buy $R^2 = 0.417$, $p = 0.000$

Table 7: Perceived Risks of Online Shopping between UK and Indian Respondents

	<i>Total respondents (N=201)</i>	<i>UK Respondents (N=104)</i>	<i>Indian Respondents (N=97)</i>	<i>t-test for Equality of Means</i>		
				<i>t</i>	<i>df</i>	<i>Sig. (2-tailed)</i>
Perceived Risk Index	3.34	3.23	3.45	0.119	196	N.S
Financial/ privacy risk	3.10	2.90	3.31	-3.672	196	.000
Time /convenience risk	2.55	2.26	2.85	-3.699	196	.000
Product risk	4.13	4.13	4.14	1.465	196	N.S
Channel risk	3.57	3.64	3.5	1.115	196	N.S

A 5 pt Likert scale was used to measure each item of the above constructs ranging from 1 (strongly disagree) to 5 (strongly agree) with 5 representing the highest perceived risk

Table 8: Perceived Benefits of Online Shopping between UK and Indian Respondents

	<i>Total respondents (N=201)</i>	<i>UK Respondents (N=104)</i>	<i>Indian Respondents (N=97)</i>	<i>t-test for Equality of Means</i>		
				<i>t</i>	<i>df</i>	<i>Sig. (2-tailed)</i>
Perceived Benefit Index	3.64	3.74	3.56	3.501	196	.001
Shopping convenience benefit	3.99	4.22	3.76	3.923	196	.000
Product selection benefit	3.79	4.01	3.58	3.488	196	.001
Ease and comfort benefit	3.78	3.88	3.69	1.366	196	N.S
Hedonic benefit	3.01	2.82	3.21	-4.760	196	.000

A 5 pt Likert scale was used to measure each item of the above constructs ranging from 1 (strongly disagree) to 5 (strongly agree) with 5 representing the highest perceived benefit.

constructs, financial/privacy and time/convenience risks were significantly higher. This implies that Indian consumers perceived higher risks towards online shopping as compared to UK counterparts. In case of perceived benefits Indian consumers assigned significantly higher value for hedonic dimension than UK counterparts, however in terms of shopping and product selection

benefits, British consumers had significantly more positive view of the online shopping benefits.

IMPLICATIONS

As in the previous researches (Bhatnagar et al., 2000; Jarvenpaa and Todd 1997; Jones and Vijayarathy, 2000),

this study also identifies that trust and security are the big concerns which impede online shopping. The study also points out that though same risks (financial/ security, product risk) are perceived by both British and Indian consumers, the online sales are \$42 billion as compared to Indian figure of 51 million (Forrester, 2010). It thus is important for marketers to develop a strategy for enhancing benefits of online shopping rather than only laying stress on improving security of e-commerce in the Indian context.

The study also brings out the observation that the Indian Internet users do not feel that the medium offers variety and easy access to the wide range of merchandise, thus an important remedy to increase e-consumer base will be to provide users with online product variety to match the variety available in retail stores such that it leaves Indian consumers with no reason to turn to the “*brick and mortar shops*”. The study also points out that while the UK respondents agreed that Internet offered greater product information like prices, than in-store prices, Indian respondents did not feel the same. This can be related to the fact that in nations like UK various discounts are offered for online buyers and generally consumers turn to Internet in search of cheaper goods. Popular brands also offer the facility of instalments thus enabling the middle class to afford branded merchandise. As such provisions are absent in the Indian online market, the provision of such features by marketers will help to attract Indian consumers to online shopping.

Since Indian consumer does not significantly recognise time/convenience benefit associated with online shopping, Indian marketers/managers should focus on making website easier and user friendly and should look to reduce the user website navigation time by not asking information (e.g. personal details) which are not important.

The findings that Indians use Internet for the purpose of social interaction/networking (88%) greater than UK counterparts (77.9%) implies that Internet marketers need to encourage Indian Internet users to become the Internet buyers. Internet marketers should develop marketing strategies which lead Indian consumers from communities of fantasy, relationship and interest toward communities of transactions (Armstrong and Hagel, 1996).

Further as also observed by Taylor et al., (1997) the study also points out to the fact that cultural differences lead to differences in internet usage particularly relating to online

shopping. In other words, people from different cultures have different motivations for shopping online and show different preference for certain product at online stores. Therefore it is suggested that Internet marketers should consider cultural differences in their global marketing websites when dealing with consumers all over the world.

LIMITATIONS AND FURTHER RESEARCH

This study has some limitations which need to be taken into consideration while understanding the findings. First and the most important limitation of the study is its statistical limitation. A linear regression analysis was used to test each of the hypothesis and research questions which obviously had led to shortcoming of the research not being able to explore the structural relationship among variables. A structural equation model (SEM) is needed to attempt to identify the exact causal relationship among variables. Future researchers should use SEM model to test the hypotheses and research questions to understand the structural relations among the variables.

Due to limitations of time and budget, the sample sizes (India and UK) were kept small and an elaborate and detailed research could not be carried out. To remove any discrepancies which might have arisen due to these limitations, it is suggested that future research should increase the sample size and also look at the wider spectrum of the society.

Secondly, only limited variables namely perceived risk and benefits were considered during the research. The influence of demographic and personal variables such as gender, life style, occupation, income, perceived social support on attitude towards online shopping was omitted. Further research could examine the relationship of these variables on online shopping behaviour.

Thirdly, the study doesn't look at the influence of product categories on attitude towards online shopping. As some of the previous researchers have shown (Kargonkar, Girard, Silverblatt, 2003) purchase preferences for online shopping significantly differ by product category, further research can look into that dimension also.

Fourthly, the research doesn't look at the relationship between Internet usage and buying behaviour.

Lastly, the research is based on exploring country based online shopping differences and does not consider effect of cultural dimensions such as power distance, uncertainty

avoidance, individualism / collectivism and masculinity/ femininity (Hofstede, 1984), on online shopping behaviour. Therefore, future research may consider the effects of such variables also.

In spite of its limitations, the study is an exploratory attempt to examine differences in perceived risks, and benefits associated with online shopping between two cultures/countries. A growing understanding of the above relationships will hopefully serve to make Internet more user friendly, easy to understand and viable global shopping medium in the future.

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