

ONLINE SHOPPING IN INDIA- AN INDEPTH ANALYSIS OF PERCEIVED RISKS AND BENEFITS**P. Sinha¹ and S. Singh²**Department of Management Studies, Indian School of Mines,
Dhanbad- 826004 India¹Sinha.priyanka09@gmail.com, ²Saumya.ism@gmail.com**ABSTRACT**

This paper aims to explore various dimensions of risks and benefits that consumers perceive in an internet shopping and impact of those risks and benefits on consumer's attitude towards online shopping. A survey method administered via e-mail to Indian consumers was used to identify consumer's perception regarding online shopping. The study has identified that consumers perceive five types of risks in online shopping namely product performance risk, delivery risk, financial risk, privacy risk and convenience risk, however only product performance risk, delivery risk and financial risk are found to have significant negative impact on consumer's attitude towards online shopping. Findings also suggest that consumers perceive five types of benefits namely cost saving, convenience, comfort, enjoyment and selection in online shopping but only selection has an impact on consumer's attitude towards online shopping. This paper claims that sub dimensions of risks and benefits should be treated independently to retain their characteristics.

Keywords: Online shopping, Perceived risks, Perceived benefits, Consumer's perception, Consumer's attitude, Developing economy.

Introduction

Marketing strategies of any industry is always dynamic in nature. Various factors contribute to push this dynamism. Technology is on the hot seat driving the market. Indian market is witnessing fast paced change due to inclusion of technology from all corners. This macro environmental factor is changing the rule of the game because customers are responding in their own way. Customers have their own preconceived notions to react. Although emergence of web as a shopping medium has recently gained momentum in India, it has been observed that Indian online users are still uncertain about using internet technology for shopping purpose. The acceptance rate of online shopping in retail/consumer goods segment has been observed to be significantly low. Although this new shopping media provides a totally different and convenient shopping environment, all the benefits of online shopping are not equally enticing. Similarly online shopping is associated with various types of risks but consumers may be willing to take some of those to avail the shopping

benefits. Identifying the dimensions of risks and benefits associated with online shopping that impacts consumer intention to shop online is therefore important for online marketers to develop better marketing strategies and to reach to the wider segments of the developing country like India.

Various researchers in the past have considered perceived risks or perceived benefits as an important factor in understanding consumer's intention to shop online purchase (Bhatnagar et al.,2000; Bhatnagar and Ghose, 2004a; Huang et al.,2004; Park et al., 2004; Pavlou,2003; Pires et al., 2004). However researchers contradict themselves in their findings in the context of relationship between perceived risk and intention to shop online. A group of researchers claims that perceived risk negatively influence consumer intention to shop online (Clemes et al., 2013; Doolin et al.,2005; Liu and Wel, 2003; Pavlou 2003) while one other group claims no significant impact of perceived risk on online shopping adoption/intention (Corbitt et al., 2003; Jarvenpaa et al.,1999; Kim et al., 2000).

One of the major reasons behind this difference in opinion is that most of the research lacks conceptual logic in its operations. Most of the researchers have considered perceived risk as a single construct and has used summated mean score value of all its dimensions to study perceived risk's impact on attitude or intention to purchase online. It has also been mentioned by various researchers that consumer's perception of risk is multidimensional (Claudia, 2012; Cumingham 1967; Forsythe et al., 2006; Jacoby and Kaplan 1972; Jahankhani, 2009; Westbrook and Black 1985). If perceived risk is considered as a single construct, it can be inferred that a change in perceived risk will result in change in perception of all its dimensions, but in actual practice consumers perceive different levels of sub dimensions of risk in single purchase decision (Bhatnagar and Ghose, 2004 Brosdahl and Almousa, 2013; Zhao et al 2002), which makes it important to evaluate impact of each dimension of risk on attitude and intention to shop online.

Similarly perceived benefit in online shopping is also considered to be multidimensional by various researchers (Dabhade,2008; Forsythe et al. 2006; Lian and Lin, 2007; Ramus and Nielsen, 2005). Researchers have also proved a significant positive impact of perceived benefit on attitude towards online shopping (Kim et al., 2000; Lee et al., 2003; Swaminathan et al., 1999) but going with the same logic as for perceived risk mentioned above considering benefit as a single factor and ignoring its various sub dimensions is inappropriate. Consumers can have different motive to shop online and similarly all the sub dimensions of perceived benefits may not be equally important in predicting attitude towards online shopping.

Identification of this research gap has lead to design the following two objectives for this paper.

1. First objective is to explore different dimensions of risk and benefit that consumers perceive in online shopping.
2. Second one is to analyze relationship between different dimensions of perceived risk and perceived benefit on attitude towards online shopping.

This section is followed by Literature Review which is subsequently followed by Research Methodology, Data Collection and Findings.

LITERATURE REVIEW

Dimensions of Perceived Risk

In the words of Cox and rich (1962, p,33) perceived risk is "the nature and the amount of risk perceived by a consumer in contemplating a particular purchase decision". Every purchase decision that a consumer make will lead to some consequence in future and therefore consumers always attempts to reduce this uncertainty by gaining more information (Taylor, 1974). In a non store shopping format, there is no dynamic interaction between product and consumers and no immediate possession of product. It makes consumers more uncertain about future consequence and increases their perception of risk.(Bhatnagar et al., 2000; Spence et al., 1970; Torkzadch & Dillion, 2002).

Forsythe & Shi (2003) through their research tried to identify the type of perceived online risk that differentiates internet browsers from online shoppers when contemplating on a particular online purchase. He observed product performance risk, financial risk, time/ convenience risk and privacy issues were the top concerns among the 18 potential risks that prevent internet users from shopping online. Security, privacy and source risks were the other important dimensions of risks perceived in online shopping (Jarvenpaa & Todd 1996; Torkzadch & Dillion, 2002)

Naiyi, 2004 studied Chinese consumer's perception of risk in online shopping and identified seven factors as dimensions of

consumer's perceived risk. Those factors are e-store source risk, delivery risk financial risk, time loss risk, product performance risk, privacy risk and asymmetric information risk.

Claudia (2012) conducted semi structured interviews on Romanian consumers to gather qualitative data of consumer's fear in online shopping. He classified online risk perception according to their intensity and claimed that financial risk that is the risk due to credit card fraud is the biggest fear of respondents. The fear that product will not perform as promised was the second most common fear among respondents. Time loss in waiting for the product to reach the destination or in returning of product that has failed to perform as promised was rated as the third common fear among consumers. Risk of non delivery, privacy risk, psychological risk and social risk was rated thereafter as per their intensity.

Karim (2013) in his research on UK consumers identified that online payment system, personal privacy or security issues, delay in delivery, product mixing up at delivery time, product return policies and lack of personal control are the main inhibitors of online shopping. However delivery risk and risk in online payments were considered as the most important among them.

Researchers have also tried to identify impact of various sub dimensions of perceived risk on attitude towards online shopping. Table 1 indicates a summary of previous researches on impact of various sub dimensions of perceived risk on attitude or intention towards online shopping.

Dimensions of Perceived Benefits

Sheth (1983) claimed that functional and non functional motives are the two determinants that shapes consumer shopping behavior in a traditional store format. Functional motive reflects utilitarian functions or task related functions (Batra & Ahtola, 1990) such as convenience, product quality, variety of product offered and price

required possessing that product. Non functional motives include satisfaction of social and emotional needs. They are often termed as hedonic motives and include enjoyable or interesting shopping experience (Bhatnagar & Ghose, 2004; Menon & Kahn, 2002). However in context to online shopping environment there is a huge difference in opinions and findings of researchers. Researchers like Bhatnagar and Ghose 2004a; Childers et al. 2001; ; Eastlick & Feinberg, 1999; Januz, 1983 and Reynolds, 1974 claimed that online shopping is goal oriented and hence derived by functional motives of consumers. However a second group of researchers (Dabholkar,1996; Kim and Shim, 2002; Mathwick et al., 2001; Wolfinbarger and Gilly, 2001) claimed that the experiential value of online shopping that includes enjoyment and aesthetic are important motivators for online consumers.

Childers et al. (2001) observed that although hedonic aspects of online shops are appreciated, utilitarian aspects like convenience and flexibility in navigation plays a critical role in online shopping. Similar findings were also supported by Bridges and Florsheim (2008) who suggested that utilitarian aspects of websites plays more critical role in increasing online sales rather than hedonic aspects. The research done on college students claimed that online shoppers who have utilitarian goals are more likely to buy online particularly when they are satisfied with their past online shopping experience and feel that they can accomplish their functional goals efficiently.

On the contrary, Wolfinbarger and Gilly (2001) claimed that consumers shop for both utilitarian as well as hedonic values in online as well as offline environment. Consumers like to have both the benefits of convenience and enjoyment at the same time. Similar findings were supported by Kim and Shim (2002) who suggested that online shopping is done not only for information gathering or purchasing

products but also consumers attempt to satisfy their needs of experience and emotion. Karim (2013) on his research on UK consumers found that 90 % of the respondents go shopping online as they found it to be convenient. While 77 % respondents of the research said that it is easy and exciting to navigate the websites of online shops. Lian and Lin (2007) through their study on Taiwan adults (who have Internet shopping experience) concluded that consumers with utilitarian motivations, give maximum weightage to convenience, followed by cost saving, information availability and selection. While those with hedonic motives look for adventure, authority and status.

On the basis of the above research findings it can be inferred that perceived benefits in online shopping includes various dimensions. These dimensions include utilitarian benefits like product offerings (Jarvenpaa & Todd 1996; Machlis 1999), convenience (Bhatnagar and Ghosh, 2004; Swaminathan, et al., 1999) cost savings (Miller 2000; Su and Huang 2011) and enjoyment or playfulness aspects (Forsythe et al., 2006, Hoffman and Novak,1996;) in his scale to measure perceived benefits in online shopping have identified four dimensions of perceived benefits, they were shopping convenience, product selection, ease or comfort of shopping and hedonic/enjoyment. Ramus and Nielsen, (2005) further added information availability, social aspects, personal service, and price/bargains to the four dimensions of Forsythe et al. scale. Dabhade (2008) suggested that items under shopping convenience and ease or comfort of shopping by forsythe et al. (2006) can be combined under single component while dimensions like product selections identified by Forsythe et al., (2006) and range of availability of products, information about product and the bargain shopping identified by Ramus & Nielsen, (2005) can be clubbed into one component. Thus the research identified three

components of perceived benefits namely shopping convenience, product and price offering and enjoyment/hedonic.

Previous studies have tried to explore the impact of perceived benefits on attitude towards online shopping. Table 2 indicates previous studies exploring relation between various sub dimensions of perceived benefits and attitude or intention towards online shopping

RESEARCH METHODOLOGY

Instrument development

A self administered questionnaire was developed based on literature review and expert opinion. Most of the items in the questionnaire were adopted from previous researches (Forsythe et al.(2006) and Swinyard & Smith (2003))) and were used without any modification, while few of the items were modified to match the special need of the study. . Each item was on a scale of 1 to 5, rating from “strongly disagree” to “Strongly agree”. At the top of the questionnaire an instruction was mentioned that says to mark the statements on the basis of level of agreement for online purchase of products other than financial products and travel products. This instruction ensures exclusion of travel and financial products in measuring intention towards shopping online. The questionnaire was divided into 3 sections. The First section comprises of questions about their demographic profile, second section was to measure their perception of risks and benefits in online shopping. Third section consists of questions to know their intention to shop online.

Data Collection

The data was collected In India via e-mail using convenience sampling method. E-mail ensured that all the respondents to the survey are users of internet. The e-mail send to the participants contained detailed information regarding the purpose of the survey and contained a URL that linked them to a web based survey tool.

Approximately 800 potential respondents were contacted using mail and various social networking sites. Follow up mails were given after every 15 days to increase response rate. The survey was open from 25th March 2014 to 31st May 2014. 365 responses were obtained during this period,

which was then visually scrutinised to check for duplicity and blank responses. A total of 352 complete and usable responses were thus obtained indicating a response rate of 44 %. The descriptive statistics of the respondents is mentioned in Table 1.

Table 1: Descriptive Statistics

Criteria	Frequency	Percentage	Criteria	Frequency	Percentage
<u>Age</u>			<u>internet usage (per day)</u>		
Less than 20	22	6.2	Never	0	0
20-25	161	45.7	Less than 1 hr	59	16.7
25-30	76	21.5	1-5 hours	164	46.5
30-35	31	8.8	5-10 hours	107	30.3
35-40	34	9.6	>10 hours	22	6.2
40 above	28	7.9	<u>Ability to use the Internet</u>		
<u>Monthly Income</u>			Don't use	0	0.0
Rs 0-Rs20000	141	40.05	Not skillful	35	9.9
Rs20000-40000	110	31.25	Somewhat skillful	85	24.1
Rs 40000-60000	39	11.07	Skillful		
Rs 60000-80000	36	10.2	very Skillful	135	38.5
Above Rs 80000	26	7.3		97	27.5
<u>Gender</u>			<u>Online buying</u>		
Male	202	57.3	Online buyers	225	63.9
Female	150	42.6	Non buyers	127	36.0

DATA ANALYSIS

Exploratory factor analysis

Due to limited published research work on dimensions of perceived risks and benefits that Indian consumer perceive in online shopping, an exploratory factor analysis was conducted with 19 item scale of risk and 13 item scale of benefit. In order to ensure appropriateness of data for factor analysis, a series of statistical tests were conducted. Results indicated that most of the correlation matrix for perceived risk and perceived benefit was greater than 0.04.

Kaiser-Meyer-Olkin value was high both for perceived risk (0.794) and for perceived benefit (0.677) also Barlett's test of sphericity was significant at 0.000 level of significance for perceived risk and perceived benefit. Statistical tests indicated that the data is appropriate for factor analysis. Principal component analysis with varimax rotation reduced 19 item perceived risk scale into five dimensions and 13 items perceived benefit scale into 3 dimensions explaining 62.2% and 61.8 % of the variance respectively and is mentioned in table (2) and table (3).

Table 2: Factor Analysis for Perceived Risk

	Factor Loading	Variance Explained	Cronbach's Alpha
Factor 1:- After Sales Service		16.5	.743
There is no after sales service for products purchased from online stores	0.620		
In online shopping it is very difficult to return a damaged or non functioning product	0.758		
It is difficult settling disputes with an online retailer	0.578		
In online shopping, It is very difficult to return a product purchased inadvertently	0.791		
Factor 2- Time/Convenience risk		12.2	..653
In online shopping I find it too complicated to place order	0.882		
Images of the products takes too long to come up	0.728		
Sudden breakdown of webpage during payment or ordering irritates me	0.640		
Factor 3:- product performance risk		11.7	.692
Online shopping is risky as I will not be able to examine the actual product	0.543		
Non standardized products e.g. fashion products, furniture and other non branded products available on online media are of inferior quality	0.745		
The product description available on online sites may be exaggerated and different from the products that is delivered	0.756		
Factor 4:- Financial Risk		11.3	.559
In online shopping I will have to bear various extra charges. e.g. shipping and handling charges, payment gateway charges etc.	0.900		
I am concerned about the temporary or permanent monetary losses due to failure in transactions	0.659		
The products I ordered may not be delivered in the time period promised by the Internet retailer.	0.523		
In online shopping I am concerned that the online retailer may misuse my credit card information or bank details	0.689		
Factor 5-Delivery Risk		10.5	.612
I may receive a defective product in online shopping	0.777		
The quantity of the product that I may receive from an Internet retailer may be different from what I ordered	0.767		
In online shopping I may not be delivered the product at all	0.637		

Items rejected:- *It is not easy to cancel orders in online shopping*
I am concerned that online retailers may use my personal information like e- mail id or phone number for unauthorized purposes.

Table 3: Factor Analysis for Perceived Benefit

Item	Factor loading	Variance Explained	Cronbach's Alpha
Facot 1:- Economic benefit		22.9	.667
Online shopping allow me to buy same or similar products at a cheaper price compared to traditional retail stores	0.667		
Online shopping saves my money as I don't have to pay transportation costs.	0.783		
In online shopping I don't feel embarrassed if I don't buy	0.598		
Factor 2:- Product variety		21.5	.712
Online shopping provides me with broader selection of products.	0.633		
Through online shopping, I can buy products that are not easily available	0.782		
I enjoy browsing across various online sites and gathering information about new products.	0.742		
Factor 3:- Convenience		17.4	.891
It takes little time and effort to make a purchase through an Internet	0.746		
Internet shopping saves my time for other important activities	0.593		

Rejected:- I can buy items from all over the world through online shopping

It is exciting to receive a package

Online shops allow me to custom design a product

I can buy on impulse in response to adds.

I don't have to wait to be served.

Confirmatory factor analysis

Confirmatory factor analysis was used to validate the constructs of perceived benefits and perceived risk scale.. The Model for CFA was designed with the help of findings of EFA. A 14 item 5 dimensions factor model to measure perceived risk and a 15 item five dimension model to measure perceived benefit was administered for

confirmatory factor analysis. The CFA was conducted using AMOS-21 In order to measure overall fit of the two scales the index of χ^2 (Chi -square), CFI (Comparative fit index) and RMSR (Root Mean Square Residual) was analyzed. The value of the above is mentioned in Table (4).

Table 4: Results from CFA

	Perceived Benefit	Perceived Risk
χ^2	61.128	78.030
χ^2 /df	44	67
P value for χ^2	0.045	0.168
Comparative fit index (CFI)	0.938	0.963
Root mean square error of approximation (RMSEA)	0.06	0,040

As per the data mentioned in Table (4), it can be inferred that the overall model fit for perceived risk is quite good. The Chi-square test gives a value of 78.03 with 67 degree of freedom and p- value of 0.168. The p- value is too high (criteria:->0.50) to reject the model. Adding to it, the RMSEA is also below 0.05 (Hair et al.,1998). Therefore both the tests confirm that the model for perceived risk is a good fit to the data and do not require any further modification.

For perceived benefit scale CFA results indicated some modifications as the significance level for Chi square test was very low to meet the criteria (0.05). The RMSEA was also above the criteria of (0.06). Therefore in order to improvise the model two items with low item loading were deleted. Thus the 11 items 5 dimension perceived benefit scale had a good model fit with Chi-square value 61.128 (p- value close to criteria value of 0.05) at degree of freedom 44. Standardised regression weight obtained through CFA for each item is mentioned in table (2) and Table (3) above.

Conceptual Framework

This paper emphasizes on the concept that dimensions of perceived risks and perceived benefits should be treated independently in order to retain their characteristics. In the context of online shopping, consumers may perceive various risks or benefits but all the dimensions of risk or benefit may not have equal impact on his attitude/intention to shop online. On the basis of literature review mentioned above following

hypothesis and conceptual framework (Figure 1) has been designed.

Multivariate analysis

Following factor analysis, a binomial logistic regression was used to test the model designed to understand Indian consumer's online shopping intention. Intention to shop online, the dependent variable of this study is dichotomous in nature and therefore binary logistic regression is used to analyse the impact of dimensions of risks and benefits on the dependent variable. In the words of Garson, (2010), logistic regression is one of the most popular techniques for models with dichotomous dependent variable. The logit model for the study is

$$P(\text{online shopping}) = y(x) = \frac{e^{g(x)}}{1 + e^{g(x)}}$$

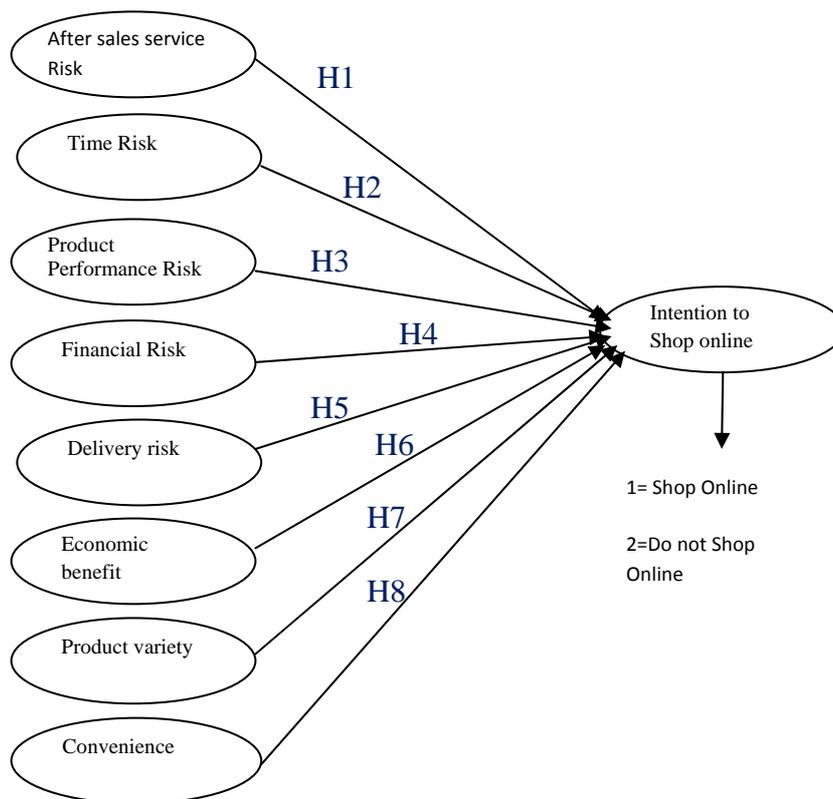
Where $y(x) = 1$ if individual x has purchased any product other than ticketing or banking from the internet, $y(x) = 0$ otherwise. Also $g(x)$ represents independent variables of the study.

Consumer intention to shop online is hypothesized to be a function of following factors and can be implicitly written under the general form as

$$P(\text{online shopping}) = f(\text{SR, TR, PPR, FR, DR, EB, PV, C})$$

Where SR is service risk, TR is time risk, PPR is product performance risk, FR is financial risk, DR is delivery risk, EB is economic benefit, PV is product variety and C is convenience.

Figure (I) Conceptual Framework



Results

Binary logistic regression was used to identify the factors that motivates or de-

motivates consumers to shop online. Results so obtained are mentioned in table 5 and table 6.

Table 5: Model Summary

No. of observations	352
Chi-Square	39.468 (p-.000)
-2 log likelihood	293.3
Cox & Snell R Square	.109
Nagelkerke R Square	.177

Table 6: Result of Multiple Regression Analysis

		B	S.E.	Sig.	Marginal effect
Step 1 ^a	SR	-.564	.268	.035	-0.249
	TR	.215	.197	.274	0.154
	PPR	-.787	.223	.000	-0.549
	FR	-.641	.278	.021	-0.487
	DR	-.647	.227	.004	-0.492
	EB	.167	.255	.512	0.024
	PV	.277	.294	.046	0.112
	C	.085	.242	.725	0.002

Findings

Logistic regression was used to test the relationship between different dimensions of risks and benefits and online shopping intention. As evident from the results displayed in table (7), Chi-square is 39.4 at a p-value less than .000 indicating a good model fit. Table (7) suggested acceptance of H1, H3, H4 and H5 indicating that after sales service risk (p value-.035), product performance risk (p value-.000), financial risk (p value-.021) and delivery risk (p value-.004) has a significant negative impact on intention towards online shopping. This is in accordance with the findings of Doolin et al.(2005) who claimed that service risk and product performance risk are closely associated with online purchase behavior. Similar findings were also given by Biswas and Biswas (2004), Moshrefjavadi et al.(2012) and Claudia (2012) who claimed that fear of non delivery and financial risk has significant impact on intention to shop online.. Hypothesis H2 was not supported indicating no significant impact of time risk on intention towards online shopping. Similar findings were suggested by Moshrefjavadi et al.(2012), and Sinha (2010) who claimed that there is no significant impact of time or convenience risk on attitude towards online shopping. However this result contradicts findings of various other researchers (Biswas and Biswas, 2004; Claudia 2012 and Forsythe and Shi(2003) in the past who have claimed a significant relationship between convenience risk and attitude towards online shopping.

For perceived benefits, the study could identify only one sub dimension that is product variety, that has a significant positive impact on intention to shop online suggesting acceptance of hypothesis H7.. Consumers prefer online shopping because they perceive that online stores have huge variety and offer them broad range of products. This is in accordance with the findings of Jarvenpaa & Todd (1996) and Machlis (1999) who have also identified

variety offered as one of the major motive in bringing consumers online. Other dimensions like Convenience, Cost saving shows no significant impact on intention to shop online thus rejecting the hypotheses H6 and H8.. However these findings has some contradiction with previous researches like Swaminathan et al. (1999) and Lee et al.(2003), Su and Huang (2011) and Forsythe et al.(2004) who claimed that convenience, cost saving and ease of shopping significantly impact attitude towards online shopping. However these researches were conducted in developed countries like United States and Hong Kong and consumers perception and attitude varies with country and culture (Brosdahl & Almousa, 2013; Javenpaa and Tractinsky, 1999).

Implications

This research offers some valuable insights in understanding factors that motivates or de-motivates consumers to shop online. This information has great implication to E-retailers in designing the appropriate strategies and make crucial technological advancement to trap the emerging market of the developing economy. The research helps online retailers to understand their consumer and to present their goods in a desirable manner.

The research primarily focuses on the concept that perceived risk and perceived benefit are multidimensional and the characteristic of risk or benefit should be taken into consideration while studying its impact on any variable, intention to shop online, in this context. The consumers may think that there are various risks in online shopping but all those risks may not be equally effective in preventing them from shopping, or they may be willing to take some of these risks. Similarly consumers may understand that online shopping has several benefits but all these benefits may not be equally important in changing their attitude towards online shopping or in bringing them online.

This research reveals that Indian consumers majorly perceive five types of risks in online shopping, namely, after sales service risk, time risk, product performance risk, financial risk and delivery risk. Among them product performance risk, delivery risk, financial risk and after sales service risk were found to have a significant negative impact on consumer's shopping intention. Online retailers need to make suitable risk reducing strategies to strengthen consumer's trust into them. The Familiarity with the product, brand or proper and complete information about the product reduces consumer's apprehensions regarding product to some extent (Mieres et al., 2005; Yeang et al., 2010). Offering sample or trail products to the consumers can further reduce uncertainty regarding product performance. (Kunze and Mai, 2007). Adding to it an order checking system and proper customer care service can help in reducing delivery concerns (Jahng et al., 2007). The results indicates that financial risk is the third most important concern that impacts consumer attitude, understanding this marketers should try to provide offline payment facilities to reduce the concern of credit card frauds. Retailers also need to improve their image or can use authorization seal from some reputed agency to increase consumers trust (Pan and Zinkhan, 2006). after sales service risk in shopping online and negatively influence consumer's online shopping intention. Strategies like easy return policies or cash on delivery may play an important role in mitigating such a risk. It is also evident from the study that consumers in developing countries perceive time risk in shopping online but these concerns have no much impact on their attitude towards online shopping. One of the reasons behind this can be that consumers may perceive it to decrease with experience. Also most of our respondents were in the age group 20-30 (75 %) who are willing to put effort to learn or try something new (Schiffman and Kanuk, 2003).

Indian consumers perceive various benefits in online shopping like cost saving, convenience, and broader selection of products. However results indicate that they go for online shopping for broader range of products availability. All the other benefits have very meager impact on consumer's attitude towards online shopping. This might be because consumer's in developing economies are still in a habit of traditional shopping. Moreover in most of the families in developing countries, ladies are homemakers Thus they have ample of time to go to the shops and look for the products they want. In other words online retailers instead of attracting consumers on the basis of other benefits of online shopping should emphasize on range of product and brand availability.

Conclusion

This study provides an insight towards understanding of types of risks and benefits perceived in online shopping by consumers of developing countries and impact of these risks and benefits on online shopping intention. The paper identified five types of risks namely after sales service risk, time risk, product performance risk, delivery risk, and financial risk and three types of benefits namely cost saving/economic benefit, product variety and convenience that consumers perceive in Internet shopping. The Findings of this research reveals that although consumers perceive different types of risks and benefits in Internet shopping, these risks or benefits may not impact intention to shop online in a similar manner. A logistic regression was conducted to explore the impact of these factors on online shopping intention. The Findings suggests that product performance risk is the most important concern in the mind of consumers which is followed by financial risk, delivery risk and after sales service risk respectively. For perceived benefit, the study could find only wide availability of products to have a positive impact on consumer's attitude towards online shopping. All other types of benefits

perceived by consumers do not impact their intention to shop online. This research provides valuable information about

consumers perception and the factors that motivates or de-motivates consumers to shop online.

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