Risk, Trust, Shopping Enjoyment and Consumer Online Shopping Intention

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ABSTRACT

Online consumer behaviour is an extensive and appealing area of study that can promote firms involved in marketing and selling the products online. Now days, consumers from non metro and tier II and tier III are also showing their interest in buying products. It is very essential to study that how consumers behave in online shopping which help out the retail organizations in targeting consumers and framing online marketing strategies. The purpose of this study is to examine consumers' online shopping behaviour with a specific focus on the influence of shopping enjoyment, perceived risk and trust. Most of the past researches in this area have been conducted in the context of developed countries. However, examining consumers' perceived Risk, shopping enjoyment and trust with online purchasing Indian context is very limited. The results of study of perceptions of 518 online consumers in Gujarat reveal that perceived risk online has an inverse relationship with consumers' attitude and that attitude has a positive influence on intentions to continue purchasing online. On the other hand the shopping enjoyment and trust have a positive relationship with consumer’s attitude and that attitude has a positive influence on intentions to purchase online. In this study data is analyzed using AMOS 20 with the help of structural equation modeling.

Keywords--- Risk, Trust, Shopping Enjoyment, Online Shopping, Intention

I. INTRODUCTION

The invention of the Internet has created a paradigm shift of the traditional way consumers buy the products or services. It is not now necessary that consumers buy product from specific locations and time. Consumers can become active at virtually any time and place and buy products or services. The Internet is a relatively infant tool for communication and exchanging information in country like India. The numbers of Internet users are constantly increasing in the countries which also show that online shopping is promoting (Joines et al., 2003). Online shopping is the process consumers go through when they decide to shop on the internet. The Internet has developed into a new distribution channel (Hollensen 2004). Constantinides (2004) identifies that the first step is to study certain influencing aspects when shopping online.

Online shopping can be considered a sub-category of e-commerce as it predominantly refers to business-to-consumer transactions such as online retail or online auctions. Online shopping also refers to online purchases from bricks-and-mortar retailers or from online retailing corporations such as Amazon.com and others.

The study compiled by Google India along with TNS in the year 2012 proposed that online shopping has hit a tipping point and will see exponential growth in coming time. Online shopping in India saw 128% growth in the year 2012 while same was only 40% in the year 2011. It is observed that apparels and accessories are emerged as the second biggest product category after consumer electronics and are expected to become bigger than consumer electronics in current year. Other popular products categories to be purchased online include books, beauty & personal care, home & furnishings, baby products and healthcare. This signifies the change of inclination of online shoppers towards online shopping.

According to Managing Director and Vice President, Google India, approximately 8 million Indians are involved in shopping online in the year 2012. Online shopping industry in India is growing rapidly. It is expected that coming time will be for strong growth for players who focused on categories like apparels & accessories, baby products, home furnishings and health-nutrition. It is observed that growth of online shopping could come from outside of the top cities of the country.
 Consumers are highlighted some barriers that deter them from shopping online i.e. the leading factors are inability to touch and try the goods before purchase, fear of faulty products, fear of posting their personal and financial details online, the inability to bargain and not on time delivery of product.

II. OBJECTIVES OF THE STUDY

The main objective guiding our study is to examine consumers’ online purchase behaviour and to determine whether and how constructs related to perceived risk, shopping enjoyment and trust can influence online purchase intention.

III. REVIEW OF LITERATURE

Perceived Risk

Perceived risk is a well established concept in consumer behaviour (Bauer, 1960). Consumer perceptions of risk have been shown to shape purchase decisions to varying degrees and therefore influence consumer behaviour (Mitchell, 1999). It is clear that consumers continue to perceive that using the internet for purchasing is risky (Bourlakis et al., 2008). Moreover, Forsythe et al., 2006 demonstrated that these perceptions can have a significant and inverse relationship with attitudes and intentions even though a person has purchased online.

Online Trust

Trust can be defined as an individual’s reliance on another party under conditions of risk and dependence. The consumer’s prior experience and trust in the computer medium is likely to influence his amount of trust in online shopping. Trust is an important factor in online shopping (Jarvenpaa and Tractinsky, 1999). Trust makes consumers comfortable sharing personal information, making shopping, and acting on online retailer’s advice, all of which are behaviors vital to extensive adoption of online shopping. Bianchi and Andrews (2012) pointed out that trust positively influence the attitude of consumer towards online shopping.

Shopping Enjoyment

Childers et al., (2001) found enjoyment to be a consistent and strong predictor of attitude toward online shopping. If consumers enjoy their online shopping experience, they have a more positive attitude toward online shopping, and are more likely to adopt the Internet as a shopping medium. Online shopping enjoyment positively affected either attitude toward purchasing or intention to purchase or both (Koufais 2002).

Consumer attitudes and intentions towards purchasing online

Consumer attitude relates to the extent to which an individual makes a positive or negative evaluation about performing behaviour (Fishbein and Ajzen, 1975). For this study, consumer attitude towards online purchasing is defined as the extent to which a consumer makes a positive or negative evaluation about purchasing online. Intentions are regarded as a suitable proxy of actual behaviour when it is not possible to measure such outcomes. However, participants in our study have all purchased online at least once and so their measured intention relates to continuing to purchase online. Previous studies suggest that attitude is a predictor of intentions to purchase online (Doolin et al., 2005).

IV. HYPOTHESIS

H1: Perceived online risk has a negative influence on consumers’ attitudes towards continuing to shop online.

H2: Consumer perceived trust in online vendors has a positive influence on consumer attitudes towards continuing to shop online.

H3: Shopping enjoyment by consumer has a positive influence on consumer attitudes towards continuing to shop online.

H4: Consumers’ attitude towards shopping online has a positive influence on their intentions to continue shopping online.

V. RESEARCH METHODOLOGY

The present study will collect relevant primary data with the help of structured questionnaire. Statements in the questionnaire represented each groups of items measuring a particular dimension. Since we were interested in the concept of intention, researcher had contacted consumers who have shopped products at least once.

A quantitative study, involving the administration of a survey was conducted in order to empirically validate the identified factors. The sample of this study has been selected by snowball sampling method. Likert five point scales ranging from “strongly disagree” to “strongly agree” were used as a basis of questions. Respondents were asked to give their perception of the factors on a 5–point Likert scale (1= Strongly Disagree, 2=disagree, 3=Neutral, 4=Agree and 5= Strongly Agree) and a total of 518 useable surveys were collected. The data were analyzed by using AMOS 20.0 software. The appropriate sample size for this study is related to the statistical tool being utilized for data analysis. The primary data were conducted by 518 respondents who were residing in major cities of Gujarat state. As the purpose of the study was exploration, sample was deemed fit as they would represent the population.

Also nature of such activities is not likely to vary across different buyers. The collected data was processed and analyzed in accordance with the objectives and requirement of the study. In the study, structure equation modeling is used to arrive at findings.
VI. ANALYSIS AND RESULT

In order to validate the measurement, confirmatory factor analysis was conducted using AMOS 20.0. In the performance of CFA model, items having low factors loadings were deleted. The standardized factor loadings for all the items and average variance extracted were above 0.5 and composite reliability for each measure was also higher than defined value i.e. 0.70. Therefore, it can be concluded that all the scales used in the study are valid and reliable.

Confirmatory factor analysis demonstrated a moderate fit of the measurement model on the basis of a number of fit statistics like the ratio of chi-square to degree of freedom (1.854), the goodness of fit index (GFI) (0.917), Adjusted GFI (AGFI) (0.896), the normed fit index (NFI) (0.879), Tucker-Lewis index (TLI) (0.929), incremental fit index (IFI) (0.940), the relative fit index (RFI) (0.858), comparative fit index (CFI) (0.940), and root mean square error of approximation (RMSEA) (0.041).

Table 1: Results of hypotheses testing in Model

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path Directions</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Perceived Risk</td>
<td>-0.104</td>
<td>0.058</td>
<td>-2.01</td>
<td>0.007*</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>Trust</td>
<td>0.264</td>
<td>0.059</td>
<td>4.67</td>
<td>0.000*</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>Shopping Enjoyment</td>
<td>-0.330</td>
<td>0.056</td>
<td>6.11</td>
<td>0.000*</td>
<td>Supported</td>
</tr>
<tr>
<td>H4</td>
<td>Attitude - Purchase Intention</td>
<td>0.461</td>
<td>0.058</td>
<td>12.001</td>
<td>0.000*</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Note: * indicate significance at 0.01 confidence level.

The results of the hypotheses testing are shown in Table 1. All the four hypotheses are found to be significant. Results of H1 indicate that perceived online risk is significant ($\beta = -0.104$, $p=0.007$) and negatively related to consumer attitude towards purchasing online, therefore, H1 is supported. H2 proposes that trust of the online vendor is positively related to consumer attitude towards purchasing online ($\beta = 0.264$, $p=0.000$). So H2 is supported.

Results of H3 indicate that shopping enjoyment is significant ($\beta = -0.330$, $p=0.000$) and positively related to consumer attitude towards purchasing online, therefore, H3 is supported. Finally, Results of H4 indicate that consumer attitude towards purchasing online is significant ($\beta = 0.461$, $p=0.000$) and positively related to consumer intentions to shopping online, therefore, H4 is supported.

VII. DISCUSSION

The objective of our study was to investigate the role of trust, shopping enjoyment and risk on consumers' attitudes and intentions to continue shopping online. Online shoppers perceive that the internet environment is risky, which is consistent with prior research (Bourlakis et al., 2008). It is also noted that trust in online vendors was significant for attitude towards online shopping. This finding is consistent with the study of Jarvenpaa et al., 2000). Shopping enjoyment was positively related to consumers’ attitude towards shopping online. This finding is supported in other studies where attitude has an influence on shopping enjoyment (Koufais 2002). Consumers’ attitude towards purchasing online was positively related to their intentions to continue to purchase online. This finding is supported in other studies where attitude has an effect on intentions to continue shopping on the internet when participants already have experience of doing so (Herna’ndez et al., 2010).

VIII. CONCLUSION AND IMPLICATIONS

It has been found from the study that Consumer perceived risk, trust and shopping enjoyment have significance on consumer’s attitude towards online shopping, but perceived risk has negative influence while trust and shopping enjoyment have positive influence on attitude towards online shopping. It is further seen that consumer’s attitude online shopping had positive influence on online shopping intention. The findings of this study contribute to the consumer centric models of online shopping behaviour and their relevance in examining continuance behaviour, rather than initial adoption. Online retailers should make efforts to reduce risk and at the same
time to increase trust among online businesses. Online traders make online shopping exciting and enjoyable.

REFERENCES


