

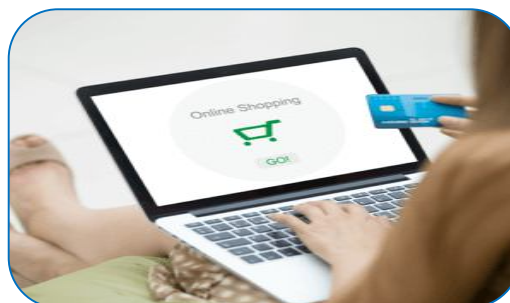


A STUDY ON TRUST AND RISK IN ONLINE SHOPPING IN INDIAN SCENARIO

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ABSTRACT :

During the last 30 years the access of personal computers has increased all over the world. Along with the Internet an opportunity has emerged; the possibility to make purchases online, which is called Electronic commerce (E-commerce). Rapidly increased web users and highly speed internet connection, and some new technology also have been developed and used for web developing, those lead the firms to promote and enhance images of product and services through web site. Therefore, detailed product information and improved service attracts more and more people changed their consumer behaviour from the traditional mode to more rely on the online shopping.

KEYWORDS : E-shops, Web store, B2B, E-tailors, Cyber security, Web-shops, E-commerce, perceived Risk, emerging trends, Online Shopper.

INTRODUCTION OF THE STUDY

Online shopping is the process whereby consumers directly buy goods or services from a seller in real-time, without an intermediary service, over the Internet. It is a form of electronic commerce. An online shop, eshop, e-store, internet shop, web shop, web store, online store, or virtual store evokes the physical analogy of buying products or services at the retail brick-and-mortar store or shopping centre. This process is called Business-to-Consumer (B2C) online shopping. When a company purchases from other business it is called Business-to-Business (B2B) online shopping.

Online shopping has become a very important a part of several people's lives. Peoples trust the web to accumulate and sell books at cheap costs, virtual stores permit folks to buy from the comfort of their homes while not the pressure of a salesman, and on-line searching offer a replacement and a lot of convenient venue for the exchange of just about every kind of products and services.

Actually client realize a product of interest by visiting the location of the merchandiser directly or by looking among various vendors employing a searching computer programme, that displays constant product's handiness and evaluation at completely different e-retailers. Client will look on-line employing of various computers and devices, as well as desktop computers, laptops, pill computers, smartphones etc.

When you purchase a product or a service over the web, rather than aiming to a conventional brick-and-mortar store, it's referred to as online shopping. Globally, Associate in nursing increasing range of individual's area unit shopping for over the web as a result of it's a lot of convenient.

History of Online Shopping in India

India had a web user base of concerning 354 million as of Gregorian calendar month 2015 and is anticipated to cross five hundred million in 2016. Despite being the second-largest userbase in world, solely behind China (650 million, forty eighth of population), the penetration of online shopping business is low compared to markets just like the US (266 million, 84%), or France (54 M, 81%), however is growing at associate degree new rate, adding around six million new entrants monthly. The trade agreement is that growth is at associate degree inflection purpose.

In India, money on delivery is that the most well-liked payment methodology, accumulating seventy fifth of the e-retail activities. Demand for international shopper merchandise (including long-tail items) is growing abundant quicker than in-country offer from authorized distributors and online shopping offerings.

In 2015, the most important online shopping site in Asian country were Flipkart, Snapdeal, Amazon Asian country, and Paytm.¹

1.1. Advantages of online shopping

Due to rapid growth of technology, business organizations have switched over from the traditional method of selling goods to electronic method of selling goods. Business organizations use internet as a main vehicle to conduct commercial transactions.

Online stores do not have space constraints and a wide variety of products can be displayed on websites. It helps the analytical buyers to purchase a product after a good search.

1. Convenience of online shopping

Customers can purchase items from the comfort of their own homes or work place. Shopping is made easier and convenient for the customer through internet. It is also easy to cancel the transactions.

Top 6 reasons given by shoppers in buying through internet

1. Saves time and efforts.
2. Convenience of shopping at home.
3. Wide variety / range of products are available.
4. Good discounts / lower prices.
5. Get detailed information of the product.
6. We can compare various models / brands.

2. No pressure shopping

Generally, in physical stores, the sales representatives try to influence the buyers to buy the product. There can be some kind of pressure, whereas the customers are not pressurized in any way in online stores.

3. Online shopping saves time

Customers do not have to stand in queues in cash counters to pay for the products that have been purchased by them. They can shop from their home or work place and do not have to spend time traveling. The customers can also look for the products that are required by them by entering the key words or using search engines.

4. Comparisons

Companies display the whole range of products offered by them to attract customers with different tastes and needs. This enables the buyers to choose from a variety of models after comparing the finish, features and price of the products on display, Sometimes, price comparisons are also available online.

¹www.buyaccessories.in

5. Availability of online shop

The mall is open on 365 x 24 x 7. So, time does not act as a barrier, wherever the vendor and buyers are.

6. Online tracking

Online consumers can track the order status and delivery status tracking of shipping is also available.

7. Online shopping saves money

To attract customers to shop online, e-tailers and marketers offer discounts to the customers. Due to elimination of maintenance, real-estate cost, the retailers are able to sell the products with attractive discounts through online. Sometimes, large online shopping sites offer store comparison.

1.1.3 Disadvantages of online shopping

Ease of use is the prime reason that drives the success of e-commerce. Though internet provides a quick and easy way to purchase a product, some people prefer to use this technology only in a limited way. They regard internet as a means for gathering more information about a product before buying it in a shop. Some people also fear that they might get addicted to online shopping. The major disadvantages of online shopping are as follows.

1. Delay in delivery

Long duration and lack of proper inventory management result in delays in shipment. Though the duration of selecting, buying and paying for an online product may not take more than 15 minutes; the delivery of the product to customer's doorstep takes about 1-3 weeks. This frustrates the customer and prevents them from shopping online.

2. Lack of significant discounts in online shops

Physical stores offer discounts to customers and attract them so this makes it difficult for e-tailers to compete with the offline platforms.

3. Lack of touch and feel of merchandise in online shopping

Lack of touch-feel-try creates concerns over the quality of the product on offer. Online shopping is not quite suitable for clothes as the customers cannot try them on.

4. Lack of interactivity in online shopping

Physical stores allow price negotiations between buyers and the seller. The show room sales attendant representatives provide personal attention to customers and help them in purchasing goods. Certain online shopping mart offers service to talk to a sales representative,

5. Lack of shopping experience

The traditional shopping exercise provides lot of fun in the form of show-room atmosphere, smart sales attendants, scent and sounds that cannot be experienced through a website. Indians generally enjoy shopping. Consumers look forward to it as an opportunity to go out and shop.

6. Lack of close examination in online shopping

A customer has to buy a product without seeing actually how it looks like. Customers may click and buy some product that is not really required by them. The electronic images of a product are sometimes misleading. The color, appearance in real may not match with the electronic images.

People like to visit physical stores and prefer to have close examination of good, though it consumes time. The electronic images vary from physical appearance when people buy goods based on electronic images.

7. Frauds in online shopping

Sometimes, there is disappearance of shopping site itself. In addition to above, the online payments are not much secured. So, it is essential for e-marketers and retailers to pay attention to this issue to boost the growth of e-commerce. The rate of cyber crimes has been increasing and customers' credit card details and bank details have been misused which raise privacy issues.

Customers have to be careful in revealing their personal information. Some of the e-tailers are unreliable.²

1.1.4 Types of Perceived Risk faced by consumers online shopping

Any time customers consider purchasing a new product or signing up for a new service, they also face a set of uncertainties about the product or service collectively referred to as perceived risk. As part of the conversion process from potential customer to paying customer, businesses must develop strategies to assuage one or more of the six types of perceived risk.

Functional Risk

One of the most common types of perceived risk, functional or quality risk refers to the fear that a product or service will fail to deliver promised functions or benefits. A new computer, for example, might fail to run the resource-intensive, audio editing program a sound engineer needs to perform her job.

Social Risk

Social risk refers to the possibility that buying a product or using a service can reduce a person's status with friends, family or neighbors. If, for example, someone purchases a pure-bred dog and finds his friends consider adopting animals from shelters the socially responsible behavior, he suffers a loss of status.

Financial Risk

Financial risk boils down to a fear that a potential purchase can tax or outstrip a person's monetary resources, now or in the future. Financial risk operates on both a subjective and objective level. A person with low or variable income can experience a high level of subjective financial risk, even with low-cost items. The purchase of a home, on the other hand, often means an objectively high level of risk, even for those with stable finances.³

Physical Risk

Physical risk refers to the perceived potential for a purchase to cause bodily harm to a person or loved one. A firearm, for example, might create a high level of perceived physical risk in the minds of some customers. A book or magazine, by contrast, prompts physical risk concerns in few customers.

Time Risks

The increasing pace of contemporary life means more customers worry about time risks, in particular time lost when a product turns out to need replacement or fails to deliver as promised. It can also include pragmatic concerns about how much time you might spend waiting in line at a crowded retail outlet. Many businesses seek to alleviate this concern by offering online purchase options on their websites or through online retailers.

² www.accountlearning.com

³ www.smallbusiness.chron.com

Psychological Risks

Consumers also face questions about whether a given purchase is the morally right choice. For example, a customer may want to buy from a particular company because it offers inexpensive alternatives, but feel ambivalent due to the company's labor practices.

1.1.5 Common issues looked by clients while shopping on the web

Web based shopping — that magnificent development which enables individuals to purchase things from the solace of their homes. No additionally going to various stores to locate the correct item; no all the more managing over-energetic deals people; not any more remaining in long queues at the checkout counter. The internet business blast has surely changed the manner in which we look to improve things. Yet, such as everything else, the universe of web based shopping isn't all roses. In spite of the considerable number of endeavors of web based business organizations to mitigate them, there are a couple of issues that clients still need to confront while shopping on the web. Six of these issues are recorded beneath.

Quality issues

The most serious issue while purchasing things online is that you have no certification of an item's quality. Audits are not constantly solid and all the examination can't guarantee you of an item's quality; fake venders who deliberately deceive clients to expand deals are the prime purpose behind flawed/below average items being sold on the web. With the volume of merchandise web based business organizations handle nowadays, it very well may be very troublesome for them to lead quality keeps an eye on all of the items they're selling. Furthermore, the issue of getting the right size remains a genuine downside for purchasing dress and footwear on the web. Sizes shift from brand to mark, and since you can't experiment with the items before getting them, choosing the size is dependably a bet. Conveyance and coordinations

One problem that continually turns up while shopping on the web is the point at which the request will be conveyed. While all online business locales have request following frameworks for their clients, they aren't constantly exact. Conveyance faculty regularly turn up at our homes when we're grinding away or out some place as there's no real way to fix a specific schedule vacancy for the conveyance to occur. This equivalent issue exists while returning items. Another issue is that most by far of the Indian populace which lives in rustic zones and Tier-III urban areas is unfit to shop online on the grounds that not all web based business locales give conveyance administrations to their areas.

Computerized installment disappointments

Regardless of whether a client is paying by credit/charge card, netbanking, or one of the few advanced wallets that exist today, the disappointment of computerized installments dependably lingers overhead while making on the web exchanges. A wavering web association or a specialized glitch regularly results in the payable sum being charged from a client's record without being credited to the selling party. What's more, recovering this sum is definitely not a brisk procedure; one needs to advise the site and after that stick around 7-10 days before the sum is discounted to their financial balances. In any case, this circumstance is consistently improving as the part is concentrating more on cashless exchanges and clients are getting progressively educated about making installments on the web.

Extra charges

How frequently has it happened that you've detected a lot on an item and when you're a single tick far from acquiring it you saw an extra transporting charge. This is typical on all internet business locales when your request sum isn't sufficiently high to meet all requirements with the expectation of complimentary delivery. Also, notwithstanding when it is, once in a while these transportation charges are included every individual item (in case you're purchasing numerous results obviously) and not the aggregate request.

Vague return and assurance approaches

Since you have no clue about item's quality until you grasp it, returning things purchased online is very normal. Except if you're purchasing from one of the set up web based business organizations, it's imperative to experience the arrival arrangement while making a buy. Yet, most locales have ambiguous merchandise exchanges that can abandon you with a low-quality item and no real way to return it. The equivalent applies for certifications, as most locales don't plainly make reference to what the strategy is for an item and afterward decline to do substitutions in the event that you get a harmed item.

Absence of security

Digital security, or all the more correctly its absence, is a noteworthy issue on the web today. Web based business destinations record significant client information like name, telephone number, address, and bank subtleties. On the off chance that these destinations don't actualize stringent digital safety efforts, your information is in danger of falling into the wrong hands who would then be able to unleash devastation on your ledger. The greater part of the enormous players in internet shopping absolutely have the top tier safety efforts to ensure their clients' subtleties, yet the equivalent can't be said about the incalculable littler destinations who might not have the skill to do as such.

Internet shopping is unreasonably advantageous to get frustrated by these issues. Be that as it may, if web based business locales can fix these issues, they will surely improve client experience and thus create more deals.

CONCLUSION

Online perceived risk is an important issue in e-commerce. This study showed that online Shopping is still considered a risky proposition in spite of its numerous benefits. To reduce online consumers' perception of risk and to increase the possibility of purchase, e-marketers and e-retailers involved in an online shopping business should know which risk dimensions are of greatest concern to consumers. The analysis for dimensions of consumer perceived risk in online shopping is a necessary step to know the contents and types of consumer perceived risk, which is considered to be one of the important factors that impact on consumer online shopping decision-making, and to provide e-marketers with useful information concerning their customers.

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