Consumers' Perceived Value in Internet Shopping:
An Empirical Study

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ABSTRACT

In recent years, the trend of online retailing has become one of the most imperative uses of technology with the development and ease of accessibility of the internet. The activity of online shopping is considered to be one of the significant aspects of online retailing and has been emerging as an essential part of consumers' lifestyle. Besides various advantages, consumers feel different types of perceived risks involved in online shopping. Therefore, it is crucial to identify the factors affecting consumers' perception of value. The present study empirically examines the influence of perceived advantages and risks on consumers' perceived value in online shopping environments. The results posit that perceived advantages and perceived risks have a positive significant influence on consumers' purchase intentions. Further, perceived advantages show a significant relationship with consumers' perceived risks. The findings afford practical implications for online retailers to frame necessary strategies in enhancing perceived value.

KEYWORDS

Consumer Behaviour, Online Retailer, Online Shopping, Perceived Advantages, Perceived Risks, Perceived Value

INTRODUCTION

The world of retailing is undergoing a unique field of innovation. Rapid changes in technology and the Internet are influencing the people's lives, and more so in the business. New business models are having e-retailing as an integral part and focusing on a wider retail value chain. In a similar manner, consumers' attitude and perception are sprouting from time to time and are being positively influenced by online retailing. The advantages of shopping through internet help the retailers to offer their products/services through the websites to attract a number of consumers in local markets and also globally (Patro, 2018). The conventional way of reaching consumers have been effectively substituted to a larger extent by online marketing processes. Consumers acceptance of online retailing

has grown throughout the world and more so in developed areas. The trends and estimates for the future indicate an apparent shift to online retailing.

Online shopping has become an integral part of the lifestyle of inhabitants in various countries and India is one among them. Accessibility to online shopping platforms is not a privilege but rather a necessity for many people, particularly in urban areas. Online retailing presents one of the greatest opportunities in the retail sector since it provides a dramatic change from brick and mortar establishments to virtual shops which could operate for a fraction of the cost (NDA, 2015). The rise of social networks and mass adoption of mobile devices is acting as a channel to accelerate online retailing further, shaping the e-commerce trends for the Indian market (Rao & Patro, 2016). With the initiation of technology, online retailers are devising attractive delivery options such as same-day delivery or delivery within an hour, easy-to-use checkout process, buying through mobile apps, and try at home or your door, etc., for improved consumer experience (Chaturvedi & Gupta, 2014). The mobile apps present a new way of fostering brand loyalty within consumers (Vikas, 2015). Further, the adoption of innovative practices such as digital or experiential stores and showrooms, pop-up and fulfilment stores, and drones will attract the Indian e-retail market.

The major players of Indian e-retail industry, catering to a myriad of needs for tangible products are such as Amazon, Flipkart, Snapdeal, Shopclues, Paytm, etc. Being driven by a young demographic profile, increasing internet penetration and relative better economic performance, India's e-commerce revenue is expected to jump from USD 30 billion in 2016 to USD 120 billion in 2020, growing at an annual rate of 51 percent, the highest in the world (Assocham-Forrester, 2016). The 'Total Retail Survey' conducted by PwC (2016) tracked consumer behavior across retail channels, bringing to light the changes brought about by multichannel retailing and identified that Indian consumers today are moving with pace towards the omnichannel way of life. Unconventional product categories like furniture, grocery and jewellery are also attracting the consumers through the online channel. Further, consumers are demanding a service-focused in-store experience and want to interact with a knowledgeable store employee.

The steady growth in the number of online consumers also is helping to boost e-commerce sales. The reasons identified for buying through Internet (Assocham, 2016) are good discounts and lower prices, saving time with less effort, the convenience of shopping at home, availability of a wide range of products, detailed information on the product and facility to compare various models or brands. Other factors contributing to the growth of e-commerce include aggressive merchandising and discounting from flash sale and daily deal, more online loyalty programs and the increasing popularity of smartphones and tablet computers among consumers which leads them to spend more on online shopping (PWC, 2015).

Analyzing the process that the online consumer goes through when making a purchase decision over the websites or mobile apps, some factors are considered by the consumers. These factors need to be identified and taken into account by online retailers in order to satisfy the consumers demand and compete in the e-market. To further understand how these factors influence different types of consumers, different segments needs to be identified which will enable to make comparisons on consumers' perceived value towards online shopping. As a result, the proposed research question is: what are the different perceived advantages and perceived risks that influence consumers' perceived value in an online shopping context?

REVIEW OF LITERATURE

The study provides a review of select literature in the area of perceived advantages and perceived risks of the consumers' while shopping online to have a thorough understanding of the conceptual constructs and empirical research. Therefore, the consumers' opinion on perceived advantages and risks in relation to consumers' perceived value are examined and discussed.

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