13.
Perceived Risks of Online Apparel Shopping: Challenges for E-Marketers

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ABSTRACT

India is growing at a fast pace in e-commerce market. Consumers are in a transforming stage from offline shopping to e-shopping. Online shopping has increased drastically because of internet penetration, lifestyle changes, convenience and flexibility of shopping hours. Even though consumers perceive, Internet is offering a number of benefits, it tends to magnify some of the uncertainties involved with purchase process. Consumers perceive a higher level of risk when purchasing on the Internet compared with traditional retail formats. The objective of the study was to explore various risks faced by consumers while shopping apparel online and to evaluate the influence of perceived risks of online shopping for apparel on consumer behaviour. It is an empirical study based on Theory of Planned Behaviour (Ajzen,1991). Data was collected through self-administered questionnaire from 389 working professionals of Delhi- NCR. Data was analysed using SPSS 22.0. The findings of the study revealed that consumers experience garment fitting issues, tangibility, delivery charges, and hedonic factors as the major perceived risks. Consumer behaviour is negatively correlated with perceived risks of online apparel shopping. The study is beneficial for online retailers and consumers to identify the various risks of online apparel shopping. Retailers can make strategies so that consumer could overcome the risks and buy apparel more frequently. This can help entrepreneurs to attract more customers and increase their sales.

Keywords: Perceived Risk, Online Shopping, Consumer Behaviour

INTRODUCTION

With the advancement of internet technology, online shopping has become one of the important boons to the consumers. Internet which was earlier conceptualised as a tool of information search has turned into a business platform. India is growing at fast pace in e-commerce market. Consumers are in transition phase of e-shopping from offline shopping. Online shopping provides numerous advantages to the consumers such as convenience, low and transparent prices, discounts, availability of rare products, fast delivery services. According to a report by Boston Consulting Group, the fashion market in India was at $70 billion in 2018. Of this market, online fashion market contributed nearly 5% of the total which was $4 billion. It was estimated to reach $12-$14 billion by 2020. The inability to touch or feel a product and test the fitting of a garment are the most important impediments in online apparel shopping.

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Perceived risk is defined as the nature and amount of uncertainty or consequences experienced by the consumer in contemplating a particular purchase decision (Cox & Rich,1964). Kim and Damhorst (2010) studied the body discrepancy of online buyers with that of figures and models and found that it influences the dissatisfaction in the purchase. The concern of overall appearance and fit or size concern negatively influence the apparel involvement and purchase intentions. Risk is involved in consumer behaviour as any action a consumer takes will produce a consequence which may not be anticipated and is likely to be unpleasant. Consumers develop purchase decision strategies and ways to reduce the perceived risk that gives them confidence and ease in situations

The above studies show that perceived risks are the essential precursor for trust between the consumer and retailer. If the trust is built between the two, the risk factor is likely to reduce. Thus, there is a need to understand the perceived risks associated with online purchase of apparel in order to bridge the gap between the trust factor of consumers and retailers.

OBJECTIVES

1.   To find the various perceived risks faced by the respondents during online apparel shopping.

2.   To explore the influence of perceived risks of online shopping for apparel on consumer behaviour.

REVIEW OF LITERATURE

Faldu (2013) in his study "Does E-Trust Matter? Study of Risk Perceptions in Internet Shopping" examined customers' trust towards internet shopping, their buying behaviour and perceived risks. The sample of 300 respondents from different cities of Gujarat was selected and structured questionnaire was used as instrument for collecting the primary data. The responses were recorded and measured by using nominal scale and Likert scale. The data collected thus was quantitative in nature. Factor analysis results revealed that Experimental Uniqueness, Customer Service and Convenience tend to be three significant dimensions as to why customers prefer internet shopping.

Guru (2011) investigated on "A study of Trust and Perceived Risk in Online Shopping" and focused on trust and risk factor acting as barriers to online shopping. The study explored the product categories people intend to spend, risk perceptions in conventional shopping versus online shopping and other reasons for reluctance to online shopping apart from perceived risk and lack of trust. The research design was descriptive in nature and both qualitative and quantitative research methodologies were used. A semi structured questionnaire was designed, and five cities (Ahmedabad, Mehsana, Vapi, Jamnagar and Adipur) were selected for the exploratory study. 20 in-depth interviews were conducted for the study. The findings showed that the major reasons for purchasing products or services online were convenience and

non-availability of products. The main reasons for not purchasing online were fear of misuse of personal information resulting in unsolicited communication, inability to examine products and difficulty in ascertaining the ability, benevolence and integrity of the online companies.

Naiyi (2004) studied "Dimensions of Consumer perceived risk in online shopping". A 36-item questionnaire was prepared on seven-point Likert scale. 347 students of a university in western china were asked to rate the items from least concerned to most concerned. Explanatory factor analysis was conducted to find the dimensions of online consumers' perceived risks. The research had developed a structure model for measuring consumer's perceived risks. Seven factors as dimensions of risks were found. These were e-store source risks, delivery risk, financial risk, purchasing process and time loss risk, privacy risk, asymmetric information risk.

A research by Bhatnagar and Ghose (2001) on "Segmenting consumer based on the benefits and risks of internet shopping" developed an analytical model to find role of perceived risks and benefits of online shopping on consumer preferences towards online shopping. Product risk and security risk was considered for perceived risk category and internet benefit was taken for perceived benefits. The sample was segmented on the sensitivity towards benefits and risks of online shopping of eight different product categories. The results showed that consumer behaviour is affected by security risks and internet benefits.

RESEARCH METHOD

The conceptual framework is based on the Theory of Planned Behavior (**Ajzen 1991**) which states that an individual's performance of certain behaviour is determined by his or her intend to perform that behaviour. The present study aims at finding different risks consumers perceive during online apparel purchase and to find its influence on consumer behavior of online apparel shopping.

Tools used for Study

This study used the interview schedule for primary data collection. The research questions were according to the objective about various risks involved in online apparel shopping. Primary data was based on the secondary data collected from journals, international publications, books, newspapers, books and internet.

 Sample size

The sample size of 389 respondents was taken using the sample size calculator. The respondents were the working persons of Delhi NCR.

Statistical tool used for the study

The data collected was analysed using the SPSS 22.0 software. Descriptive analysis, correlation and regression analysis were applied to test the hypothesis.

RESULTS

Online apparel shopping risks were studied from literature and a list was prepared. Respondents were asked to rate the risks on Likert scale from 1 to 5. 1 being the strongly disagree (SD), 2 – disagree (D), 3- neutral (N), 4- agree (A) and 5- strongly agree SA). The results are given below:

Table 1: Description of Perceived Risks of Online Apparel Shopping

SN	Perceived Risks		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)	Mean
1	Worried About Giving Credit Card Number	Frequency	20	72	81	142	74	3.46
		Percentage	5.1	18.5	20.8	36.5	19	
2	Net Connectivity Trouble	Frequency	21	83	94	164	27	3.24
		Percentage	5.4	21.3	24.2	42.2	6.9	
3	Fear of Wrong/ Bad Product Arriving which Cannot Be Returned	Frequency	0	128	89	56	116	3.41
		Percentage	0	32.9	22.9	14.4	29.8	
4	Delay in Delivery Time	Frequency	24	77	193	71	24	2.98
		Percentage	6.2	19.3	49.6	18.3	6.2	
5	Inferior Product Quality	Frequency	14	83	109	124	59	3.34
		Percentage	3.6	21.3	28	31.9	15.2	
6	Shipping Charges	Frequency		18	112	66	193	**4.12**
		Percentage	0	4.6	28.8	17	49.6	
7	Can't Feel, Touch the Product	Frequency	0	50	66	51	222	**4.14**
		Percentage	0	12.9	17	13	57.1	
8	Can't Check Fitting	Frequency	1	8	86	41	254	**4.39**
		Percentage	0.3	2.1	22.1	10.5	65.3	
9	Offline Buying is More Fun	Frequency	13	12	157	91	116	**3.73**
		Percentage	3.3	3.1	40.4	23.4	29.8	
10	Lack of Interaction With Salesperson	Frequency	32	45	71	156	85	3.56
		Percentage	8.1	11.6	18.3	40.1	21.9	
11	No Clear Usage	Frequency	1	13	147	197	31	3.63

SN	Perceived Risks		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)	Mean
	Specification	Percentage	0.3	3.3	37.8	50.6	8	
12	Availability in Nearby Shops	Frequency		33	210	74	72	3.48
		Percentage		8.5	54	19	18.5	
13	Fear of Duplicate Product	Frequency	0	25	152	135	77	**3.68**
		Percentage	0	6.4	39.1	34.7	19.8	
14	Difficult to Settle Disputes	Frequency		106	122	128	33	3.28
		Percentage	0	27.2	31.4	32.9	8.5	
15	Not Easy to Cancel Orders	Frequency	74	143	106	65	1	2.42
		Percentage	19	36.8	27.2	16.7	0.3	
16	Finding Right Product is Difficult	Frequency	1	132	136	74	46	3.08
		Percentage	0.3	33.9	35	19	11.8	
17	Might Not Receive the Product	Frequency	4	34	134	215	2	3.46
		Percentage	1	8.7	34.4	55.3	0.5	
18	No Availability of Reliable and Well-Equipped Shipper	Frequency	5	129	73	115	67	3.28
		Percentage	1.3	33.2	18.8	29.6	17.2	
19	Cannot Wait till the Product Arrives	Frequency	1	84	104	130	70	3.47
		Percentage	0.3	21.6	26.7	33.4	18	

The Table 1 shows the descriptive analysis of perceived risks respondents faced during apparel shopping through internet. It was analysed that five risks that got highest means were: to not able to check the fitting of garment, inability to touch the product, shipping charges, lack of fun and duplicity of product.

Effect of Perceived Risks on Consumer Online Apparel Shopping Behaviour

To find the effect of perceived risks on online apparel shopping behaviour of consumer's hypothesis was constructed. These were:

H_0: **There is no significant influence of perceived risks on the behaviour of consumers in an Apparel e- store.**

H_a: **There is a significant influence of perceived risks on the behaviour of consumers in an Apparel e- store.**

Pearson's correlation was applied to find the relationship between Consumer behavior and perceived risks of online apparel shopping. The results are as follows.

Table 2: Correlation between Perceived Risk and Consumer Behaviour

S. No	Tests	Variables	Consumer Behaviour	Perceived Risks
1.	Pearson Correlation	Consumer Behaviour	1.000	-0.017
		Perceived Risks	-0.017	1.000
2.	Sig. (1 Tailed)	Consumer Behaviour	.	0.367
		Perceived Risks	0.367	.
3.	N	Consumer Behaviour	389	389
		Perceived Risks	389	389

The result of above Table 2 shows the correlation between perceived risks and consumer online apparel shopping behaviour. The Pearson's Correlation Value is $r = -0.017$, which means there is slight negative correlation between the two variables. It means that with increase in value of independent variable (perceived risks) the value of dependent variable (consumer behaviour towards online apparel shopping) will decrease.

Table 3: ANOVA Table of Regression

S. No	Model	Sum of Squares	df	Mean Square	F	Sig.
1.	Regression	5.005	1	5.005	0.115	**0.735**
2.	Residual	16830.285	387	43.489		
	Total	16835.290	388			

Table 4: Coefficient of Consumer Behaviour

S. No	Model	Un-standardized Coefficients		Standardized Coefficients	T	p-value	95% Confidence Interval For B	
		B	St. Error	Beta			Lower Bound	Upper Bound
1.	(Constant)	36.948	2.192		16.853	.000	32.638	41.259
2.	Perceived Risks	-0.012	0.034	-0.017	-0.339	**0.735**	-0.079	0.056

Table 4 depicts that the p- value is 0.735 i.e. more than 0.05, it means null hypothesis H_0 is accepted which says that there is no significant influence of perceived risks on consumer behaviour towards online apparel shopping. It implies that although there are perceived risks of online apparel shopping but it does not influence the consumer shopping behaviour.

However, from correlation results it is evident that there is slight negative correlation between the variables. It can be implied that with higher risks perceived by consumers the online apparel shopping will decrease.

The results of study are similar to research done by Santhi (2014), which states that there is a direct negative influence of risks on consumer attitude and when consumer perceives more risks the intention towards online shopping decreases.

CONCLUSION

The study reveals various perceived risks of online apparel shopping. The inability to touch or feel the product, inability to check the fit of garments, financial risks, lack of enjoyment are the prime risks and disadvantages of online apparel purchase. However, consumers are shopping online apparel products because of several benefits online shopping provides. Online retailers should understand the consumer behavior that makes consumers reluctant to be frequent shoppers. They can use technological development which can provide 3-D view of the garments and recommend apparel according to individuals' body type.

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