



ANALYSIS OF ONLINE PURCHASE BEHAVIOR AMONG COLLEGE STUDENTS

SUBMITTED TO :

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DECLARATION

We hereby declare that the project work entitled **“ANALYSIS OF ONLINE PURCHASE BEHAVIOR AMONG COLLEGE STUDENTS”** submitted to the Sri Guru Teg Bahadur Khalsa College, University of Delhi, is a record of an original work done.

The results embodied in this thesis have not been submitted to any other University or Institute for the award of any degree or diploma.

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ABSTRACT

It has often been discussed in research, how the growth of online retail in India can be boosted. Amongst all the factors considered and discussed, the gap in research remains to discuss the role of **pre-purchase intentions** and **post purchase intentions** in online retail in India. To understand this, it is required to first identify both the intentions. In this study the pre purchase intentions are identified under theory of perceived risk, covering financial risk, product risk, privacy risks, convenience risk, subjective risk, perceived behavior control. The post purchase intentions are identified under service and infrastructure risks. Questionnaires containing related questions were filled in by students aged 18-25 years old in Delhi region through online survey. The data was bifurcated according to less frequent and frequent online buyers, the pre purchase intentions are studied through former, while post purchase intentions are studied through latter. Principal component analysis and reliability test were used to predict which factors majorly contributed to the apprehensions of frequent buyers and less frequent buyers individually. Multiple regression analysis was then conducted and the significance was checked. It was found that for less frequent buyers – transaction card charges, buying goods without physical examination, complexity in buying process and comparison with offline retail prices significantly affected their purchase behavior. Whereas, for frequent buyers, post purchase intentions were affected by factors such as delivery charges, delivery time, return policy and warranty of the product significantly affected their online purchase behavior.

Keywords-

Online retail, pre purchase intentions, post purchase intentions, college students, PCA, multiple regression

INTRODUCTION

It came, it saw, it conquered – these legendary words provide the perfect summary description of how the e-commerce market took the world by storm.

Indian organized retail is still at a nascent stage of 5% share and in comparison, countries like US and UK are at the top having 80-85% share. Developments in direct marketing and technology, combined to make it easier for retailers in the latter part of the 20th century to experiment with different ways of reaching the customer. Catalog shopping experienced resurgence, especially among boutique retailers such as Pottery Barn, Williams Sonoma, and Victoria's Secret. Others pioneered such things as television infomercials, and in the process, created whole new business models and another extension in the channel environment. These methods paved the way for online retailing.

Today people are doing business online which has made life much easier. The online retailing is becoming an integral part of any economy. E commerce is gaining several advantages by making it comfortable for the users to buy online. Online customers seek for new products, attractiveness and price compatibility. They use internet for price comparisons, search information about a product, comparison of price across brands, buying options beyond physical boundaries etc. which means they don't have limits to shop online. The online shopping depends upon factors like shopping incentive, shopping motive, internet knowledge and so on. Online shoppers want to gain maximum information with minimum clicks and reach information which suits their requirement such as best brands and best price and offers. By using E-Commerce, the dealers of the products can save on the selling expenses and help in inventory management. Transaction cost in between producers to ultimate consumers will reduce which can be used for expanding their business. Mode of payment is also made very convenient by many online companies where the consumer need not use his/her debit or credit card due to the lack of trust and security. In such cases companies are allowing Cash On Delivery (COD) and deliver the product at their doorstep. Consume behavior is the study of how individual or groups select a product or service that satisfy their needs. In economic theory, consumer behavior is determined by maximization of their utility. Many theories exist which shows how consumer achieves equilibrium. In this era of time, with a huge wave of internet and gadgets, consumer's modus operandi of purchasing have changed a lot. The behavior of customers is different in both, online purchase and physical purchase. In modern world the popularity of internet is increasing rapidly.

In India, liberal economic policy has helped the country improve on globalization front. India has been gaining importance as a high potential lucrative market for global retailers. In 2009 Indian retail market size was ranked as the 5th largest globally, and was valued at US\$400 billion. A recent industry report by global consultancy Northbridge Capital stated the growth of India's retail industry to be US\$700 billion in 2010. The per capita income in India has gone up (Hubacek et al., 2007) as much as 14.2% in 2006-07 after the recent economic reform, resulting in an increasing number of Indian consumers with an affordability to use Internet service (at

home, cyber cafes, or on a phone, etc) (www.tradechakra.com, 2008). This supports industry statistics by Internet and Mobile Association of India (IAMAI), showing 30% growth (2.15 billion USD) of e-commerce and mobile industry in 2008 alone. It would be interesting to analyze Indian consumer's attitude towards online retail specially to understand how to improve the online retail in India.

In spite of a number of evidence showing the growth of Internet usage by Indian consumers, internet sales show less than 1 percent of the total retail sales in India. This may represent the untapped potential of Indian online retail, which yet need to overcome certain obstacles. Many Indian consumers have low self-efficacy in using Internet and feel shopping online to be unconventional. It seems that even for those, who use Internet on regular bases, Internet is mainly for searching product information, comparing prices, and/or checking consumer reviews rather than making a purchase. Many studies frequently mention that there is a vast amount of window shopping taking place online but the number or the rate of surfers who turn into purchasers or regular buyers are very low. This might happen because of the lack of consumer intention to purchase an offering from the online environment at the outset. It might also happen because of various problems that arise during online shopping driving the consumer to abandon the task in the middle. Therefore, while one stream of research should identify the reasons behind the purchase reluctance of consumers, another area of concentration should be why people abandon their shopping carts and stop the purchasing process in the middle. Such attempts can help to understand how to turn surfers into interactors, purchasers, and finally, repeat purchases by making them enter into continuous interaction with this environment (Sheth et al, 2006)

In this context, attempt has been made in this research to study *the pre and post purchase intentions of the consumers while buying online*, with the main focus on their apprehensions. In general, three types of consumers are identified according to their regularity of purchasing online (Lepkowska, 2004):

- Online browsers, who mainly use the internet as a source of information but prefer to conduct their transactions in traditional stores. Their apprehensions lie more *before* the purchase. (*less frequent buyers*)
- Online shoppers, i.e. those who purchase regularly online. Since they purchase online so often, their apprehensions about buying online lies *post* their purchase (*frequent buyers*)
- Hard core offline shoppers, comprised of the continuously diminishing group of individuals, who do not use the resources of the internet either for information gathering or for shopping purposes
(*offline buyer*)

In this study the focus is on the pre purchase and post purchase intentions of the consumers buying online. It is important to know their perception toward online shopping and their classifications of online browsers or online shopper. In addition, the factors preventing them from shopping online are important to understand. Important factors affecting the consumer's decision to buy online are chalked out, both before the purchase is made and after the purchase is made. With this the whole domain of apprehensions can be understood and respective measures to improve online retail can be made. This study analyzes the purchase intentions of young buyer, college students, between ages of 18-25 years. This information will help Internet retailers find the way to encourage Indian shopper's online purchase behavior and help motivate and encourage more people to shop online.

LITERATURE REVIEW

In this section, we will review the literature which have studied online purchase behavior of the consumer. The typical Internet user of the twentieth century is young, professional, and affluent with higher levels of income and higher education. They value time more than money which automatically makes the working population and dual-income or single-parent households with time constraints better candidates to be targeted by non-store retailers. (Chary et al 2003).

Perceived Usefulness

According to the theory of planned behavior, perceived behaviour captures the motivational factors that influence the behavior, giving an indication of the magnitude of the effort that the individual is willing to do to perform the behavior (Ajzen, Icek and Madden, Thomas J. (1986))

Chant, (2001); John P., J (2002) in his Behavioral theory, he suggested that the buying behavior of consumers is one of the best elements to predict consumer trends.

Perceived usefulness is defined as the extent to which consumers feel the online website could add value and efficacy to them when performing online shopping (Hu et al., 2009; Lai & Wang, 2012). Perceived usefulness could also be defined from an individual's point of view that by using a system would improve task performance (Davis, 1989; Zhu, Lee, O'Neal & Chen, 2009; Liao et al., 2013). The perceived usefulness of the website usually depends on the efficiency of technological characteristics such as advanced search engines and the personal service provided by the service provider to consumers (Kim & Song, 2010).

Various information and high quality goods' descriptions must be provided to the customers to help customers in making a well-informed decision. (Chen, Gillenson & Sherrell, 2002).

Previous studies on the correlation between perceived usefulness and consumer behaviors were conducted (Aghdaie et al., 2011; Hernandez et al., 2011; Ndubisi & Jantan, 2003) revealed that perceived usefulness has significant effect towards online shopping behavior in Spain but Aghdaie et al. (2011) suggested that perceived usefulness do not have significant effect on internet purchasing behavior in Iran.

Concerns of price, quality, durability and other product-related aspects are the main drivers of buying decision in developed countries but the considerations could be vary from the developing countries (Ahmed, 2012). According to Enrique et al. (2008), Kim & Song (2010) and Xie et al. (2011), perceived usefulness was proven to have significant impact on the intention to purchase via internet. According to Lim, Osman, Salahuddin, Romle and Abdullah, 2015, perceived usefulness and online shopping behavior have weak positive relationship, university students' actual online behavior tend to be more driven by other variables.

Etzion and Pang (2014) stated that online services differ from traditional services because they promote relationship-building and interactivity among users and thus exhibit positive network effects. Referring to service, Holbrook (1994) stated, because “service excellence operates as an ideal, a standard against which judgments are ultimately formed,” delivering promises and performing functions will lead to positive perception regarding the “usefulness” of online shopping and its service quality.

A compilation of some of the determinants researchers have examined are: transaction security, vendor quality, price considerations, information and service quality, system quality, privacy and security risks, trust, shopping enjoyment, valence of online shopping experience, and perceived product quality. (Liao and Cheung, 2001; Saeed et al., 2003; Miyazaki and Fernandez, 2001; Chen and Dubinsky, 2003). Detailed information, accessibility, and speed, as well as availability of inexpensive and convenient purchases, have often been mentioned as the main benefits of online shopping (Khalifa & Limayem, 2003; Shim, Shin, & Nottingham, 2002). For experienced Internet users who are busy during normal shopping hours, the accessibility and speed of shopping may be truly useful features.

In their paper, Urvashi Tandon, Ravi Kiran, Ash N Sah (2015), reveal that website functionality has a significant and positive impact on perceived usability. Additionally, perceived usefulness and perceived usability has a positive impact on customer satisfaction.

Pre purchase intentions:

Identifying pre-purchase intentions of consumers is the key to understand why they ultimately do or do not shop from the Web market. Ajzen (1991) suggested that intentions are presumed to be an indicator of to what extent people willing to approach certain behavior and how many attempts they are trying in order to perform certain behavior. According to the studies by He et al. (2008), lack of intention to purchase online is the main obstacle in the development of electronic commerce. The theory of planned behavior (TPB) applied on Thai consumers implied that the intention to shop online was most likely to be affected by perceived behavioral control and subjective norm, the sum of the attitudes from the people surrounding them (Orapin, 2009). Since these two factors can influence consumers’ purchase intention , thus influencing their behavior towards online shopping and eventually lead to actual action (Orapin, 2009).

The high effect of purchase intention towards online shopping behavior was consistent with previous studies (He et al., 2009; Orapin, 2009; Pavlou ,2006; Roca et al., 2009) that the intention was a salient predictor of actual behavior to shop online. The second higher was between subjective norm and purchase intention with positive and significant result. The result implied that university students’ purchase intention was influenced by perception of the families, friends and media.

Theories and studies have been put forth to determine that what causes a customer to shop online. Hausman et al (2009) highlighted the importance of a good web interface for websites to increase the base of customers. Verhagen et al (2009) identified factors like online store service, online store merchandise, online store atmosphere and online store navigation as important contributors of online purchase intentions. Similarly, Chiu, Lin, and Tang (2005) highlighted the importance of personal awareness of security, perceived ease of purchasing, perceived usefulness, personal innovativeness and attitude towards buying in the formation of intentions for online purchase. Korzaan (2003) and Heijden et al. (2001) also indicated that attitude plays a crucial role in online purchase decision making besides trust and reputation of the store. Bosnjak et al (2007) argued that online purchase intentions are a function of the personality of a customer, focusing more on the intrinsic factors. On the other hand, Brown and Muchira (2004) showed how privacy issues inhibit customers to buy online. Many studies differ from each other in determining the key dimensions of online purchase intentions.

Zhou (2011) highlighted the role of social influence in the virtual world. According to him, a person's judgement to buy a product is often strongly affected by people who are close, rather than strangers. People interact with other persons to seek advice and get information. Bearden, et al (1986) observed the actuality of two kinds of social influence when a person intends to adopt a new product: normative social influence (or subjective norms) and informational social influence. According to Kim et al (2007) social influence is one of the key drivers of the online purchases. The social influence is the referent power of people in the decision-making process of an individual. In the virtual world where online shopping takes places, the social influence can be exerted by family, peers and groups, both offline (physical) as well as online in the form of e-WOM. Adamic et al (2003) provide an extensive study as how connections with family and friends are going more virtual and online. The increase in the usage of social networking sites and instant internet messaging has extensively given roots to the formation of online relationships. Chau et al (2007) argued that while communicating online, people tend to be more expressive. As such recommendations coming from people both offline and online can influence the decision- making capabilities of a person. Sinha et al (2001) found there is a greater impact of recommendations from trusted members (family and friends) in a physical world rather than the online recommendations on the websites. Pookulangara et al (2011) determined that cultural and social influences are the major contributors of online purchase intentions. Sinha et al(2001) also argued that customers are far more likely to believe commendations from people they know and trust, i.e., friends and family members, rather than from automated recommender systems in e-commerce websites.

Brand image or symbols and names associated with a brand play a role as to how customers perceive products or service of a brand. Brand image is often synonymously used with brand quality. Huang, et al (2004) found that brand names or brand identity (image) is very necessary for online purchase decisions, and the absence of the same can lead to perceived risks in the minds of the customer. According to Landes et al (1987), a brand name or identity can help customers reduce the perceived risk, search costs and cognitive efforts. Degeratu, et al (2000) indicated that brand image becomes necessary in some categories of products for customers purchasing online. Simonian, et al(2012) argued that because of the absence of physical

examination of the products before acquisition in an online shopping scenario, the two primary factors that reduce the perceived risk of a customer are; product brand image and online store image. Horppu, et al (2008) suggested that a customer's previous experience with a brand and the image of the brand are contributors to the online purchase intentions and levels of satisfaction..

Novak, Hoffman and Yung (2000) argued that it is important to provide a smooth and satisfactory online experience for consumers to revisit such sites. Shim, Eastlick, Lotz, and Warrington (2001) incorporated the construct of 'previous online shopping experience' in the theory of planned behaviour to study the online purchase intentions of the consumers, thus highlighting its importance. Festervand, Snyder, and Tsalikis (1986) discussed that previous experience with a used shopping channel is negatively related to the risk associated with the usage of that channel in future. If same is applied to online shopping, then perceived risk is reduced with more and more encounters with the same and hence results in greater online purchase intentions. A previous good experience of shopping online not only enhances the chances of the customer revisiting the shopping portals but also positively influence the users perception towards online shopping thus contributing to the intentions of e-shopping (Forsythe & Shi 2003; Kuhlmeier & Knight 2005; Pires, Stanton, & Eckford, 2004).

The primary goal of the study was to highlight the major determinants of online purchase intentions of Indian online consumers. From a diverse set of factors that were thought to be crucial in the formation of online purchase intentions, only four were considered to be of greater importance. Attitude towards e-WOM and previous experience of shopping online were found to be the main drivers of online purchase intentions whereas there was no significant effect of social influence and brand image on the same.

As stated by Ajzen [32] intentions are known to be an indicator of to what degree people willing to approach a certain behavior and how many attempts they are trying in order to perform a certain behavior. Consistent with the studies by Liu [33] lack of intention to purchase online is the main problem in the development of electronic commerce. As an example, the theory of planned behavior (TPB) applied on Thai consumers shows that the intention to shop online was most likely to be affected by perceived behavioral control and subjective norm, the amount of the attitudes from the people close to them [34]. As shown by the study Taylor [34], ever since these two factors can influence consumers' purchase intention, thus influencing their behavior towards online shopping and eventually lead to an actual action.

Some previous studies [33,34] suggested that the shopping intention as an exchange for purchasing behavior also needs to be explored. Even though intention has been determined as a prominent predictor of actual behavior to purchase online, it should be known that purchase intention does not change into purchase action [35]. Besides, according to a study by Hui [36] based on technology acceptance model (TAM), perceived ease of use and perceived usefulness determined that the online shoppers' decision after online behavioral intention drops.

Post purchase intentions:

Kuo, Y. -F. and Wu, C. -M., Satisfaction and post-purchase intentions with service recovery of online shopping websites: Perspectives on perceived justice and emotions, *International Journal of Information Management*, doi:10.1016/j.ijinfomgt.2011.09.001. Satisfaction and Post-Purchase Intentions with Service Recovery of Online Shopping

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Post-purchase intentions can be viewed as a result of customer satisfaction (Anderson et al 2000). While examining the service failures of online retailers, it was found that customer dissatisfaction with recovery measures affects their future behavioral intentions, such as switching and negative word-of-mouth. However, customers having experienced satisfactory recovery from a service failure not only engage in positive word-of-mouth but also have persistent and more faith in online and higher repurchase intentions

Post-purchase service Due to the characteristics of online shopping, post-purchase services such as logistic, after-sale evaluation and alteration for accidental damage have an impact on a customer buying decision as well. For example, customer's satisfaction for online shop could be improved by the speed of receiving the products, and this satisfaction will decide if customer will achieve a returned purchase. (Rao et al, 2011) Lots of consumers will refuse to shop online due to impossibility for them to well-enjoyed the after-sale service. Here the service includes timeliness of commercial post service and a series of post-purchase service after receiving the goods. Since the parties of transaction cannot meet with each other and with the problem of distance on terrain and difference on sellers' personality, therefore, post-sale service is a very difficult restriction for online shopping.

Post-purchase intentions are frequently employed as a basis for forecasting customers' future behaviors (Kuo et al., 2009). It can be explained as customers' intentions to repurchase products or services from the same retailer and communicate their experience of purchasing and using the product or service to their friends. Post purchase intentions can be categorized into economic behavioral intentions and social behavioral intentions (Smith et al., 1999).

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Perceived Justice's Influence on Post-Purchase Intentions and Post-Recovery Satisfaction in Online Purchasing: the Moderating Role of Firm Reputation in Iran

Kamal Ghalandari Department of Business Management, Qazvin Branch, Islamic Azad University, Qazvin, Iran: Post-purchase intentions are frequently employed as a basis for forecasting customers' future behaviors (Kuo et al., 2009). It can be explained as customers' intentions to repurchase products or services from the same retailer and communicate their experience of purchasing and using the product or service to their friends (Zeithaml et al., 1996; Wang et al., 2006). Post purchase intentions can be categorized into economic behavioral intentions and social behavioral intentions (Smith et al., 1999). Economic behavioral intentions refer to customers' behavioral reactions in the financial dimension, such as repurchase intention (Anderson and Mittla, 2000; Maxham, 2001; Maxham and Netemeyer, 200, 2003). Repurchase intention means an expression of customer loyalty, which is a significant concept in relation to vendor success (Kim and Son, 2009; Qureshi et al., 2009; Zhang et al., 2011). Besides this social behavioral intentions suggest customers cognitive reactions to the delivery of services for service providers, such as complaining behavioral intentions (Tax et al., 1998) and word-of-mouth communication intentions (Maxham, 2001; Maxham and Netemeyer, 2002, 2003).

Another concern for online buyers are the after sale services provided by the e-commerce site. The ramifications of how to exchange products, the length of time allowed to return a product, and the cost associated with the shipping of merchandise back to the online retailer are often concerns associated with an online return policy. Availability of payment options also affect online purchase (Jain et al, 2015). Major efforts are made to improve the compatibility of e-commerce website display with all the browsers on the market, as well as the various devices: PC, Mac, tablets and smartphones. Technologies such as HTML5 and responsive design

techniques have been invented. A positive relationship between past online purchase frequency and future online shopping intentions is observed implying that customers who purchased more products via internet in past will continue to make online purchases in future too.

Other factors:

Price Variation: In the commodity economy, prices are affected by many factors, especially the three factors: market value of goods and the relation supply and demand for goods and purchasing power of the currency in circulation. The higher the prices are, the lower the demand for these goods is low and vice versa. For online shoppers, the price is one of the factors that they are particularly interested. Prices of goods and services in the marketplace are a direct factor affecting the demand for goods and services while online shoppers have more opportunity to choose multiple dealers. Thus, how the strategic price decisions are in order to maintain customers' loyalty is the major problem that every business needs to have a strategic vision. Therefore, factors like, expectations of future deal affect the current online sales (Kwon, et al 2005)

Gender and Online Purchase Intention: An increasing body of literature suggests that information processing is influencing gender differences. Also, there exist gender differences in individuals' reactions to environment stimuli providing evidence of gender differences in online purchasing". With different genders, the purchase intention and sensitivity of consuming the product will be different too and the concept of working women has enhanced it. Gender is "one of the most common segmentation criteria used by marketers".

Income Level and Online Purchase Intention: Income is a critical factor affecting purchase intention. Wang CCI believe income "plays a crucial role in purchasing decision process" and income has a "certain impact on consumer's purchase intention". Consumers with dissimilar income amounts seem to have different perceptions of the product. With an increase in income "the purchase intention for the product increases

OBJECTIVE

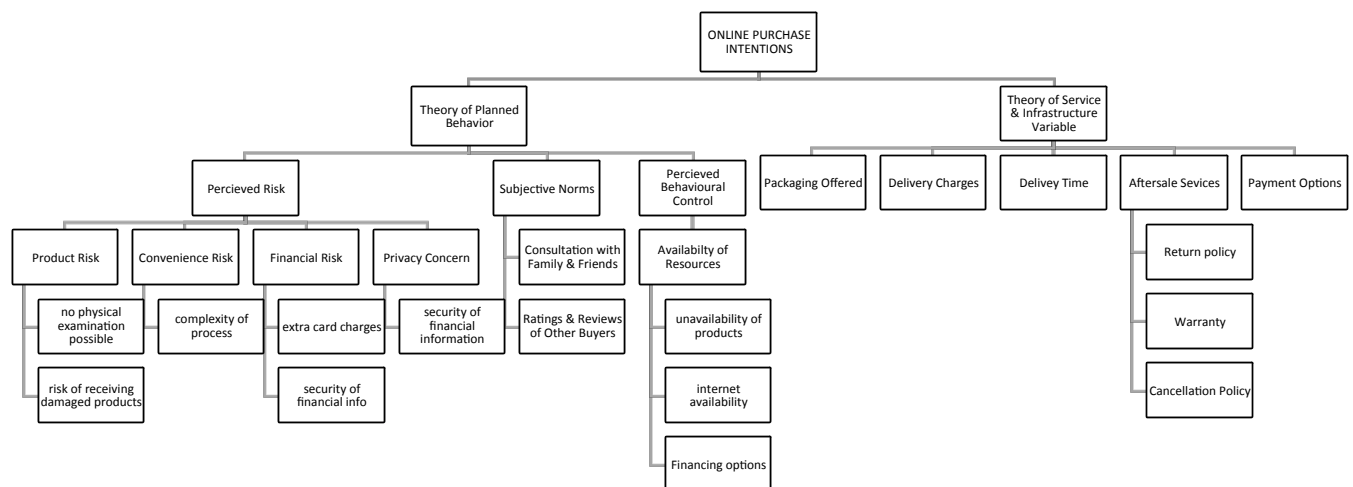
The apprehensions regarding purchasing online can be segregated according to their pre and post purchase intentions, the main aim of this research is to

- Conceptualize the buying behavior according to these intentions,
- To understand which factors significantly affect the consumer before his/her purchase
- To understand which factors significantly affect the consumer after his/her purchase.

CONCEPTUAL MODEL

The conceptual model was developed to examine the factors affecting young Indian consumer's online shopping behavior. This model is categorized on the basis of their *pre and post purchase behaviors*. The pre purchase intentions are defined as consumer's apprehensions which makes him/her reluctant to convert items into cart into a purchase. Post purchase intentions are defined as online purchaser's intentions regarding post purchase services he/she expects after buying online. To increase the online retail in India, it is important to address the apprehensions consumer have before the purchasing (pre purchase intentions) and their apprehensions post the purchase. These apprehensions together form the domain of concerns that the consumer have while purchasing online. Both the categories pre purchase apprehensions and post purchase apprehensions are modelled in this study as - *(1) Theory of Perceived Behavior and (2) Theory of service and infrastructure risks*, respectively. This is shown in the following figure 1.

Figure 1: Proposed model of factors influencing Indian shoppers' online shopping behavior



Models :

(1) Theory of Planned Behavior

(1.1) Perceived Behavior

(1.2) Subjective norms

(1.3) Perceived behavior control

(2) Services and Infrastructure Variability

(3) Diffusion of Innovativeness

1. Theory of Planned Behavior

The Theory of Planned Behavior (TPB) is the extension of the Theory of Reasoned Action (TRA) (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975) due to the salient limitation in the previous theory in dealing with voluntary behavior while the latter theory proposed that behavior is not completely under control thus a voluntary action (Ajzen, 1991). TRA posited that a person's positive attitude together with the individuals' thought constituted to the behavioral intention of one person. Opposition to TRA, TPB model provide a better explanation of behavioral model that a person is assumed to perform certain behavior if that person has actual control over the behavior (Ajzen, 1991). Thus, when a person has a more favorable attitude and subjective norm, and with the acceleration of perceived behavioral control and intention, that particular person will perform the actual behavior (Ajzen, 1991; Caulfield, 2012). In TPB model, behavioral beliefs are expected to influence attitude, so as the effect of normative beliefs on the subjective norms while control beliefs constitute the foundation of behavioral control (Ajzen, 1991). Yet, the relationship between these variables remained ambiguous (Ajzen, 1991).

(1.1) Perceived behavior

The theory of Perceived risk refers to "the nature and amount of risk perceived by a consumer in contemplating a particular purchase decision" (Cox & Rich, 1964). Before purchasing a product, a consumer typically considers the various risks associated with the purchase. Many studies have indicated credit card security, buying without touching or feeling the item (tactile input), being unable or facing difficulty to return the item, shipping charges and privacy (security) of personal

information as still being the main concerns of online shoppers. The higher the perceived risk, the consumer may choose to patronize a brick-and-mortar retailer for the purchase of the product. Whereas, the lower the perceived risk, the higher the propensity for online shopping (Tan, 1999). According to Koller (1988), the degree of importance of the situation determines the potential effect of risk. Consumers have shown reluctance to complete online transactions primarily due to risk concerns. Therefore, perceived risk is posited as a prominent barrier of consumer acceptance of online services in an e-commerce environment. Consumer perceptions of risks inherent in product adoption and usage have been studied for many years by Bauer and Cox (1967); Dowling and Staelin (1994). This immense literature on perceived risk however has not been applied to the relatively new e-services context in an attempt to better predict evaluation and adoption. Theory of Perceived risk is sub divided into three kinds of risks-

Contains mainly 4 kinds of risks- (1.1.1) product risk, (1.1.2) convenience risk, (1.1.3) financial risk and (1.1.4) privacy risks. They are explained below.

(1.1.1) Product Risk

It is defined as the risk of receiving the product that is different from what's perceived to be in the product description. This could be resulted from the quality of the retailer's product description and the visual representation of the product, significantly influencing the consumer's ability to understand the product, Inability of physical product examination and insufficient product information on screen may increase concerns of consumers.

(1.1.2) Convenience Risk

It is defined as the discontent comes from shopping via the Internet. Discomfort in online shopping is associated with the steps required to complete personal details to processes the check-out forms. The ease of shopping at the online retailer's website influence consumers' perceptions of the level of convenience risk. Methods for reducing convenience risk include providing an easy to navigate website as well as an extensive customer service center. A call center, return policy, and a variety of payment options all assist consumers in feeling more at ease (Lee, 2002).

(1.1.3) Financial Risk

Financial risk is defined as the risk involved in conducting financial transaction through the internet. This involves risk of extra credit card charges, loss of financial information. Previous research found financial risk being a primary reason consumers choose not to shop online (Miyazaki et al 2002). Consumers are likely to be hesitant to shop online when they have concerns associated with financial risks, such as the loss of credit card information, theft of credit card information, or overcharge

Found perceived risk is present at each stage of the consumer buying process. Their findings show the introduction of financial risk and the continued significance of performance risk at purchase stage. Previous analyses of risk types suggest that financial risk is the most important contributor to perceived risk.

(1.1.4) Privacy Concern

One of the most commonly mentioned problems about online markets is the intrusion of privacy, which refers to the improper access, collection, monitoring, analysis, transfer and storage of confidential consumer information (Bloom et al., 1994). The privacy of personal information is recognized as a fundamental theme in marketing literature in both offline (Jones, 1991) and online contexts (Miyazaki & Fernandez, 2000). The information privacy was initially defined as the individual's ability to control the conditions under which his/her personal information is collected and used (Westin, 1967).

The first reference in the literature to an instrument for measuring privacy concern about personal information is the scale called "Concern for Information Privacy" developed by Smith, Milberg, and Burke (1996). In this work, the authors developed a theoretical framework that conceptualizes privacy concerns about personal information in the following five key dimensions: collection, unauthorized secondary internal use, unauthorized secondary external use, improper access and errors. In order to maximize the potential of E-commerce, it is especially important to realize in detail consumers' online information privacy concerns. Despite a few pioneering studies addressing the issue of online privacy in general, such as Miyazaki and Fernandez (2000) and Sheehan and Hoy (2000), no studies have provided a specific theoretical framework to privacy concerns in the context of the Internet.

(1.2) Subjective norms

According to the Theory of Reasoned Actions, TRA, (Ajzen & Fishbein, 1980), subjective norms capture the consumer's perceptions of the influence of significant others (e.g., family, peers, authority figures, and media). Subjective norms tend to be a strong influential factor especially in the early stages of innovation implementation when users have limited direct experience from which to develop attitudes (Taylor & Todd, 1995). It is during this stage of attitudinal development that online retailers can influence shoppers' propensity for purchasing behaviors (Yu and Wu, 2007). Most of the studies on subjective norm are mediated by purchase intentions before performing actual buying (Choo, Chung & Pysarchik, 2004; Limayem et al., 2000; Jamil & Mat, 2011; Zhou, 2011). A related finding by Jamil and Mat (2011) proposed that subjective norm does not significantly influence actual buying through the internet but have a profound significant effect on online purchase intention. The results implied that families, friends and the media only have a minor influence on the actual internet purchasing.

(1.2) Perceived Behavioral Control

Ajzen and Madden (1986) extended the TRA into the Theory of Planned Behavior (TPB) by adding a new construct “perceived behavioral control” as a determinant of behavioral intention and behavior. Perceived behavioral control refers to consumers’ perceptions of their ability to perform a given behavior. TPB allows the prediction of behaviors over which people do not have complete volitional control. Perceived behavioral control reflects perceptions of internal constraints (self-efficacy) as well as external constraints on behavior, like availability of resources. Perceived Behavioral Control (PBC) directly affects online shopping behavior (George, 2004) and has a strong relationship with actual Internet purchasing (Khalifa & Limayem, 2003). Unavailability of product also affect buying decision. According to Steinhart, Mazursky and Kamins (2013), both product availability and lack of availability have the potential to trigger the intention to buy.

2. Service & Infrastructure Variability

In the above section we discussed the pre purchase intention of the consumer when he/she is buying online. In this section we discuss about consumer’s apprehensions related to post their purchase. While purchasing online, since the market virtual consumers are skeptical about the availability of post purchase services. They compare the post purchase services available to them in offline purchase to the one available for online purchase. To compel them to purchase online instead of offline, the online shopping sites have to provide them satisfying post purchase services, which will help them curb their post purchase concerns. Thus major concerns under service and infrastructure includes- packaging ordered, delivery charges delivery time, payment options, after sale service, return policy, warranty, cancellation policy.

Additional challenges for e-commerce diffusion in developing countries like India are the lack of telecommunications infrastructure throughout the country (e.g., low computer usage and Internet penetration along with the lack of qualified staff to develop and support e-commerce sites (Bingi et al., 2000; Hoffman, 1999). These concerns may no longer be significant deterrent for online shopping in many developed countries. The concerns associated with delivery of the product ordered, such as shipping fees, delayed delivery and/or not receiving a product ordered. This is due to most India’s postal careers being unreliable except for the government owned one that is pricey. Thus, online shoppers are forced to choose the pricey postal career for more secure delivery or to take a risk of not getting the product delivered when choosing other careers.

Provision for aftersales services like, return policy, warranty, and cancellation of order etc., is often a concern to online shoppers (Teo, 2002). The ramifications of how to exchange products, the length of time allowed to return a product, and the cost associated with the shipping of

merchandise back to the online retailer are often concerns associated with an online return policy (Shim, Shin, Yong & Nottingham, 2002). Availability of payment options also affect online purchase (Jain, Verma and Mehta, 2015). The variables concerned in the section are illustrated in the above diagram (Figure 1).

3. Diffusion of Innovativeness

It is the theory of how, why, and at what rate new ideas and technology spread through cultures or among people. The concept of innovation has received a great deal of attention particularly in the information technology and marketing research (Agarwal & Prasad, 1998; Midgley & Dowling, 1978; Rogers, 1995). Rogers (1995) conceptualized “personal innovativeness” as the degree and pace of adoption of innovation by an individual. Consumers who are innovative are representative as being highly abstract and possess a generalized personality trait (Im, Bayus & Mason, 2003). Examples as to the levels of abstraction inherent across the various literatures utilizing this perspective include “a willingness to change” (Hurt et al., 1977) and the receptivity to new experiences and novel stimuli (Goldsmith, 1984; Leavitt & Walton, 1975). The Internet is a fairly new and considered to be innovation that requires individuals to learn new skills in order to use the technology. Diffusion of innovation theory is applicable to understanding online consumer behavior. Consumers who are used to shopping in brick-and-mortar stores may have difficulty in changing habits and shopping online (Kaufman-Scarborough & Lindquist, 2002). On the other hand, consumers who have high level of innovativeness may more likely to shop online.

HYPOTHESIS

Given the above conceptual framework, we would like to study if less frequent buyers are affected by pre purchase concerns such as product risk, privacy risk, delayed delivery risk, delivery charges etc. We would like to study the significant impact of post purchase concerns over frequent buyers, which are mainly pertaining to after-sale services, like- return policies, consideration of rating and review, payment options, product warranty etc. Following hypothesis is thus studied in this research,

Hypothesis 1: less frequent buyers are not affected by pre purchase concerns

$$H_0: \beta_i = 0 \quad i = \text{pre purchase intention questions}$$

Hypothesis 2: frequent online buyers are not affected by post purchase concerns

$$H_0: \beta_j = 0 \quad j = \text{post purchase intention questions}$$

DATA AND METHODOLOGY

A survey was developed to identify factors that influence Indian online shoppers' behavior. Variables examined are technology specific innovativeness, perceived risks (financial risk, product risk, convenience risk and non-delivery risk), perceived behavior controls, demographics and service and infra-structural factors (cyber laws, shipping charges and after sales service). Item scales ranged from strongly agree (1) to strongly disagree (5). To understand the pre and post intentions of the consumer while purchasing online, the data was bifurcated on the basis of consumer purchasing online frequently and less frequently. Such a distinction could help bring out the pre and post purchase intentions. This was so taken as, the consumer purchasing less frequently online, is more apprehended with *pre purchase* intentions, which have been explained above in the conceptual model. Consumers purchasing online frequently are more concerned *post purchase* concerns, as they are regular buyers. The domain of pre and post purchase intentions are not mutually exclusive. But we can deduce that, consumer buying less frequently online is more concerned with the pre purchase apprehensions and consumer buying online frequently is more concerned with post purchase apprehensions, as this consumer has already weighed out the pros and cons of online buying and to make purchasing smooth, he/she is concerned with post purchase concerns.

The sample selected for this study consisted of students in Delhi region. A total of 284 surveys were administered which were all collected through online survey method. The 22 odd questions in the sample are - Card Charges risk, Buying goods without physical examination, Security of Personal Details, Loss of Card Details, Risk of receiving Damaged Goods etc. since the study is divided into pre and post purchase intentions, which in the study is taken under the heads of- perceived risk and service and infrastructure respectively. The data were analyzed using SPSS

23.0. First the division of the data into frequent and less frequent buyers is studied using Cluster Analysis. In this we use Two stage cluster analysis. The data was clustered according to common characteristics. This was done to find out some characteristics of frequent buyers and less frequent buyers, so that we can proximate each for post purchase intentions and pre purchase intentions respectively. Principal Component Analysis (PCA) using Varimax rotation with Kaiser Normalization conducted on the online shopping behavior measures. Then multiple regression analysis was done and significance of coefficient were analyzed.

Descriptive Statistics

Descriptive statistics are brief descriptive coefficients that summarize a given data set, which can be either a representation of the entire population or a sample of it. Descriptive statistics are broken down into measures of central tendency and measures of variability, or spread. Measures of central tendency include the mean, median and mode, while measures of variability include the standard deviation or variance, the minimum and maximum variables, and the kurtosis and skewness.

Mean

The mean, or average, is calculated by finding the sum of the study data and dividing it by the total number of data.

Mode

The mode is the number that appears most frequently in the set of data.

Median

The median is the middle value in a set of data. It is calculated by first listing the data in numerical order then locating the value in the middle of the list. When working with an odd set of data, the median is the middle number. For example, the median in a set of 9 data is the number in the fifth place. When working with an even set of data, you find the average of the two middle numbers. For example, in a data set of 10, you would find the average of the numbers in the fifth and sixth places.

Nominal Data

The mean and median can only be used with numerical data. The mode can be used with both numerical and nominal data, and also data in the form of names or labels. Eye colour, gender, and hair colour are all examples of nominal data. The mean is the preferred measure of central tendency since it considers all of the numbers in a data set; however, the mean is extremely sensitive to outliers, or extreme values that are much higher or lower than the rest of the values in a data set. The median is preferred in cases where there are outliers, since the median only considers the middle values.

Skewness

Skewness is asymmetry in a statistical distribution, in which the curve appears distorted or skewed either to the left or to the right. Skewness can be quantified to define the extent to which a distribution differs from a normal distribution.

Kurtosis

Kurtosis is a statistical measure that's used to describe the distribution, or skewness, of observed data around the mean, sometimes referred to as the volatility of volatility. Kurtosis is used generally in the statistical field to describe trends in charts. Kurtosis can be present in a chart with fat tails and a low, even distribution, as well as be present in a chart with skinny tails and a distribution concentrated toward the mean.

Regression

In statistical modeling, regression analysis is a set of statistical processes for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables (or 'predictors'). More specifically, regression analysis helps one understand how the typical value of the dependent variable (or 'criterion variable') changes when any one of the independent variables is varied, while the other independent variables are held fixed.

Linear Regression

In statistics, linear regression is a linear approach for modeling the relationship between a scalar dependent variable y and one or more explanatory variables (or independent variables) denoted X . The case of one explanatory variable is called *simple linear regression*. For more than one explanatory variable, the process is called *multiple linear regression*.

P-Value

The P value, or calculated probability, is the probability of finding the observed, or more extreme, results when the null hypothesis (H_0) of a study question is true – the definition of 'extreme' depends on how the hypothesis is being tested. P is also described in terms of rejecting H_0 when it is actually true, however, it is not a direct probability of this state.

Beta

A standardized beta coefficient compares the strength of the effect of each individual independent variable to the dependent variable. The higher the absolute value of the beta coefficient, the stronger the effect.

PCA Analysis

Principal component analysis (PCA) is a statistical procedure that uses an orthogonal transformation to convert a set of observations of possibly correlated variables into a set of values of linearly uncorrelated variables called principal components (or sometimes, principal modes of variation). The number of principal components is less than or equal to the smaller of the number of original variables or the number of observations. This transformation is defined in such a way that the first principal component has the largest possible variance (that is, accounts for as much of the variability in the data as possible), and each succeeding component in turn has the highest variance possible under the constraint that it is orthogonal to the preceding components. The resulting vectors are an uncorrelated orthogonal basis set. PCA is sensitive to the relative scaling of the original variables.

PCA is mostly used as a tool in exploratory data analysis and for making predictive models. It's often used to visualize genetic distance and relatedness between populations. PCA can be done by eigenvalue decomposition of a data covariance (or correlation) matrix or singular value decomposition of a data matrix, usually after mean centering (and normalizing or using Z-scores) the data matrix for each attribute. The results of a PCA are usually discussed in terms of *component scores*, sometimes called *factor scores* (the transformed variable values corresponding to a particular data point), and *loadings* (the weight by which each standardized original variable should be multiplied to get the component score).

Cronbach's Alpha

Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability. A "high" value for alpha does not imply that the measure is uni-dimensional. If, in addition to measuring internal consistency, you wish to provide evidence that the scale in question is uni-dimensional, additional analyses can be performed. Exploratory factor analysis is one method of checking dimensionality. Technically speaking, Cronbach's alpha is not a statistical test – it is a coefficient of reliability (or consistency).

RESULTS AND DISCUSSIONS

The analysis of data containing 284 respondents on the basis of their responses to the questions regarding their online purchase behavior, have been first studies using cluster analysis. The results shows that, the data has been divided into two cluster using two step cluster analysis, with cluster 1 containing 125 responses (44%) and cluster 2 containing 159 responses (56%).the respondents in cluster 1 are seen have more concern with physical examination of product before buying online, extra debit/credit card charges while purchasing, receiving damaged product, delivery charges, delay in delivery etc. from these concerns we can deduce that this cluster belongs to less frequent online buyers, as they have apprehensions which an individual have before the purchase. The result shows that in cluster 2, respondents are more concerned with cancellation policy, return policy, payment options, product warranty, expectations of future discounts etc. From this we deduce that cluster 2 contains the respondents who are frequent buyers. They are more concerned with post purchase apprehensions than cluster 1 respondent. Hence, it was justified to bifurcate the data according to the frequency of online purchase by the respondents, to study the effect of pre and post purchase intention on a consumer's online buying behavior.

The analysis of sample data shows that, there were 125 less frequent buyers and 159 frequent online buyers (Figure 2). Dividing each with respect to gender, we see

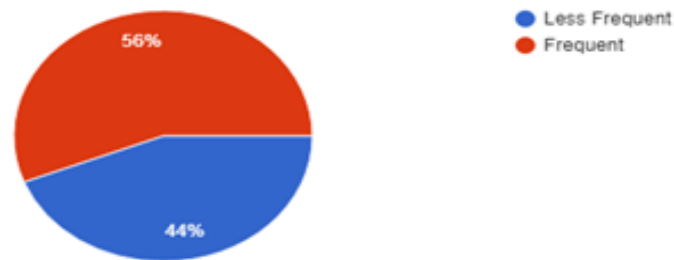


Fig. 2: Percentage of less frequent and frequent buyers in the sample data

Using PCA on each type of data (less frequent buyer's data and frequent buyers data) separately, dimensions of the variables were reduced. The factors with eigen value greater than 1 were retained. 8 components were extracted in both the cases. Then reliability test using Cronbach's alpha was done to check the validity of the sample questions. The construct measures with Cronbach's alpha below 0.708 for less frequent buyers and below 0.625 for frequent buyers were retained. The Cronbach's alpha value and factor loading is presented in below table (Table 1). From the factor loading and cronbach's alpha in each case, 10 variables were extracted for regression analysis in each type of category.

Table 1: Cronbach's alpha value for each variable for less frequent and frequent buyers

S.no.	Variables	Type of intention	Cronbach's alpha(less frequent buyers)	Cronbach's alpha (frequent buyer)
1.	Card Charges	Pre-(Financial risk)	0.699	.626
2.	Buying goods without physical examination	Pre-(Product risk)	0.611	.632
3.	Security of Personal Details	Pre-(Privacy risk)	0.671	.602
4.	Loss of Card Details	Pre-(Financial, privacy risk)	0.701	.626
5.	Risk of receiving Damaged Goods	Pre-(Product risk)	0.601	.616
6.	Complexity of Buying Process	Post-(Convenience risk)	0.711	.642
7.	Packaging Offered	Post-(Services & infrastructure variable)	0.713	.616
8.	Delivery/Shipping Charges	Post-(Services & infra variable)	0.654	.619
9.	Financing Options	Post-(Services & infra variable)	0.721	.618
10.	Delivery Time	Post-(Services & infra variable)	0.709	.621
11.	Return Policy	Post-(Services & infra variable)	0.698	.601
12.	Cancellation Policy	Post-(Services & infra variable)	.711	.602
13.	Payment Options	Post-(Services & infra variable)	0.688	.599
14.	Warranty of Product	Post-(Services & infra variable)	0.721	.616
15.	Consultation with Family/ Friend	Pre-(Subjective risk)	0.709	.611
16.	Ratings and Reviews	Pre-(Subjective risk)	0.654	.633
17.	Retail Prices	Pre-(Price variation)	0.688	.642
18.	Future Discounts	Post-(Price variation)	0.711	.599
19.	Income Accumulation	Pre-(Demographic)	0.709	.606
20.	Unavailability of Product	Pre-(Perceived Behavior Control)	0.678	.611

21.	New products	Post-(Innovativeness)	0.713	.611
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The result from regression analysis on less frequent and frequent buyers is represented in table 2 and table 3 respectively.

Table 2: regression result from less frequent category

Variable name	Beta	p value
Card Charges	-.108	0.003*
Buying goods without physical examination	-.044	0.025*
Security of Personal Details	-.080	0.238
Loss of Card Details	.083	0.098
Risk of receiving Damaged Goods	.001	0.058
Complexity of Buying Process	-.037	0.0021*
Consultation with Family/ Friend	.049	0.098
Ratings and Reviews	-.114	0.132
Retail Prices	-.002	0.0031*
Income Accumulation	.002	0.257

*Implies $p < 0.05$, significance

Descriptive statistics of the less frequent buyers category show that there were 44% male and 56% female in less frequent category. As it can be seen from the regression result, for less frequent buyers, which represent pre purchase intentions of online buyers, that credit/ debit card charges, buying goods without physical examination, complexity of buying process and comparison with retail prices were found to significant effect the buying behavior of less frequent buyers. Thus null hypothesis was rejected that pre purchase intentions does not affect the buying decision of a less frequent buyer. The negative sign associated with card charges means that as card charges increase, consumers love for buying online significantly decreases. Similarly, the lack of physical examination of the product before purchase also negatively affects his/ her buying behavior. Negative reviews and rating of the shopping sites and perceived risk of buying expensive product than offline retail also negatively affects his/her buying decisions.

There were other factors also that reflected a higher Cronbach's alpha but they were mostly affecting frequent buyers. Thus we have used them for frequent buyers

Table 3: regression result from frequent category

Variable name	Beta	p-value
Packaging Offered	.011	0.067
Delivery/Shipping Charges	-.019	0.045*
Financing Options	.045	0.56
Delivery Time	.039	0.0321*
Return Policy	.037	0.0031*
Cancellation Policy	.038	0.098
Payment Options	.062	0.189
Warranty of Product	.037	0.044*
Future Discounts	-.046	0.154
New products	-.029	0.078

*Implies $p < 0.05$, significance

The descriptive statistics of frequent buyers shows that 53% male and 47% female in frequent buyers category. The regression results show that for frequent buyers who are more apprehended by post purchase concerns are significantly affected by delivery and shipping charges. High delivery or shipping charges negatively affects the frequent buyers buying decisions. Also frequent buyers are positively related by online time delivery of the products, healthy return policy and good warranty of the product. These variables make it comfortable for the regular buyers to buy consistently through online sources. Thus service and infrastructure policies significantly affects the frequent consumers buying decisions. There were other factors that were affecting both the frequent and less frequent buyers. So, based upon their significance we have used them accordingly for the corresponding type of buyer.

CONCLUSION

People in India are using Internet for last few years for different purposes like, banking, buying travel tickets etc. but not for anything for which they do not need to queue up. The results of this study shed insights of online retailing in India – specifically factors affecting Indian consumers' pre purchase intentions and post purchase intentions regarding online buying behavior.

From the variables extracted it was seen in the study that convenience risk, product risk, privacy risk and financial risks significantly affected a less frequent buyers online behavior while purchasing online. Since data was almost equally divided into male and female it can be concluded that the pre purchase intentions including -card charges, buying goods without physical examination, security of personal details, loss of card details, risk of receiving damaged goods, complexity of buying process, consultation with family/ friend, ratings and reviews retail prices and income accumulation, were all important factors determining the behavior of a less frequent buyer. In the study credit/ debit card charges, buying goods without physical examination, complexity of buying process and comparison with retail prices were found to significant effect their buying behavior. For frequent buyers who are more concerned with post purchase intentions, it was found that packaging offered, delivery/shipping charges, financing options, delivery time return policy cancellation policy payment options warranty of product future discounts, new products, were important factors determining their behavior. Amongst them in the study delivery and shipping charges. High delivery or shipping charges negatively affects the frequent buyers buying decisions. Also frequent buyers are positively related by online time delivery of the products, healthy return policy and good warranty of the product. These variables make it comfortable for the regular buyers to buy consistently through online sources. Thus service and infrastructure policies significantly affects the frequent consumers buying decisions.

There are a few implications from these findings on online shopping that merit attention. Such as, retail companies should start taking measures to eliminate risk factor and build trust in this form of retail. The retail managers should sway consumers through ads, promotions, online only discounts etc. to let people cross the threshold and start buying because Indian consumers are still comfortable with brick and mortar format as they appreciate friendly approach of salesman and social element of shopping, which has been found as important customary element in shopping. The findings of the study will help online retailers to better understand the psyche of consumers and equip themselves to attract consumers towards online format. They could introduce money back guarantee, insured and assured delivery to alleviate risk factors. It would help managers understand the online consumer better and work towards new area of retail in India as Internet shopping would help retailers present a potentially low cost alternative to brick and mortar option.

LIMITATIONS

Our study was able to reach to the desired results. But there were certain limitation to our research. Firstly, the data into consideration was of college students only. We can only assume the response of the entire population based on the findings of this sample. Secondly, the sample of less frequent users was a limited as compared to the response of frequent buyers. Third, there are fair chances that an active online shopper considers basis of theory of perceived behavior and that a non-active buyer basis his intention on theory of services and infrastructure.

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