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### Perceived Benefits of Online Shopping: Cognitive and Conative Influences

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**Abstract:** Internet has changed the way consumers shop today, and has offered a new way to browse, search and shop at the convenience of place and time. Online shopping has become a mega trend with both big and small players entering the market and trying to grab a share of the consumers' wallet. Online shopping is perceived to offer some benefits to shoppers above other conventional modes of shopping. The present study identifies those perceived benefits of online shopping (PBOS) and categories them into meaningful factors. The study also examines the conative and cognitive influences of perceived benefits of online shopping on consumer's attitude. Sample of 300 respondents who have had some prior experience of online shopping were included in study for data collection. The study involved exploratory factor analysis on perceived benefits of online shopping wherein seven factors were identified as important benefits which are convenience, empowerment, discreteness, individualism, reach, price advantage and autonomy. Structure Equation Modeling (SEM) based path analysis was undertaken to find the interrelation between perceived benefits of online shopping (PBOS), benefit evaluation of online shopping (BEOS), online shopping advocacy (OSA) and future online purchase intentions (FOPI).

**Keywords:** Online shopping, perceived benefits, attitude, conative and cognitive factors, benefit evaluation, future purchase intentions, shopping advocacy

### INTRODUCTION

Shopping and shopping experience has been thoroughly transformed across the world with the advent of online shopping. Technology enable platforms like internet based interactive shopping sites and online shopping apps have modernized the shopping with the help of devices like desktops, laptops, smartphones and tablets. As the urban and technology enabled consumer is now-a-days is mostly online through multiple

devices. The PwC Total Retail Survey 2016 corroborates that consumers are buying more on mobile phones. They like to be members of retail communities and they rely mostly on social media for information [1]. For consumers it is the age of value, mostly convenience, but price is still the king. The increase in internet penetration has enabled increase in the usage of internet enabling devices and further provided a means to businesses to reach consumers online. The internet is now used worldwide as an important means of transactions. There are a growing number of websites and internet business that are operating in India. This means that there is a growing acceptance and adoption towards web browsing and more specifically online shopping. It is therefore important to understand the personal or internal factors that influence consumer behavior towards online shopping.

Online shopping is a part of e-commerce wherein a consumer uses the internet for shopping of goods and services by means of a web browser. The growing emphasis on moving towards a cashless society has made customers adopt online shopping faster. The attitude of the consumer reveals how he/she thinks, feels and acts regarding online shopping. The cognitive component consists of a consumer's beliefs about an object (think). Conation explains how knowledge and emotion are translated into behavior in human beings (act). Depending on the consumer's level of involvement and the circumstances, the consumer's attitude can result from other hierarchies of effects. One of the important aspects here is the importance of consistency among attitudinal components wherein alteration of one component leads to change in other components as well.

## **LITERATURE REVIEW**

It is pertinent to understand the studies done in the area of attitude towards online shopping to develop the base to conduct study on Perceived Benefits of Online Shopping (PBOS). Theories that are based on traditional stores are the basis for understanding online consumer behavior.

### **Consumer Attitude**

Consumer awareness and factors were studied by Kavitha (2015) to understand the impact of demographic factors that affect online shopping including consumers behavior, awareness about rules and regulations, benefits and services of online shopping. The study revealed that demographic factors like age, gender, marital status, family size and income have a significant impact on online shopping. Further, Kim (2004) in his study analyzed that attitude towards online shopping behavior depends on consumer factors, marketing factors and technology factors. Consumer factors include privacy, security/trust, saving time, ease of use, convenience, enjoyment of shopping, previous experience, company reputation, tactility. Marketing factors refer to product, promotion, price, delivery methods, return policy, customer service. Technology factors include PC /Internet access, download time, representativeness of pictures and colors. The research identified consumer factor and marketing factor into four groups: non-web shoppers, web-store visitors with no intention of purchasing, Internet browsers with an intention to purchase and Internet buyers. The consumer factor and gender, marketing factors are significant predictors of Internet purchasing. The years of computer use, access to the Internet and the consumer factor are significant predictors of the intention.

Consumer behavior depends on online shopping intention [2]. Intention depends on consumer demographics (age, income), attitude, normative beliefs, online experience, Internet experience, satisfaction, shopping motivation (hedonic or utilitarian), and innovativeness. Perceived outcome (benefits and perceived

risk) influences the attitude. Personality traits (utilitarian and hedonic) and perceived benefits (convenience, wider selection, price, customer service, homepage, and fun) affect the attitude [2]. They further added that utilitarian orientation, convenience, price, and a wider selection also influence consumer's attitudes.

Consumer innovativeness, perceived benefits (shopping convenience, product selection, ease/ comfort, hedonic/ enjoyment) have a positive impact on the attitude [3]. The perceived risk (privacy risk, security risk) has a negative impact on the attitude. Consumer attitude has direct impact on online shopping intention. Debei & Akroush (2015) found in their study that attitude depends on relative advantage, trust, and perceived website image [4]. Relative advantage and trust have a significant positive impact on the attitude. The attitude of internet users towards online shopping was studied using the Fishbein Model [5]. This model can help to study the consumer attitude and consumer characteristics that significantly influence consumer's attitude and online shopping decision.

One study investigated the role of perceived risks and benefits in influencing the consumer's purchase decision process during online shopping in UK and India [6]. The study revealed support for the significant relationships for both Indian and British consumers between perceived risks and benefits and attitude towards online shopping. Significant differences in perceived risks and benefits associated with Internet shopping between Indian and British consumers were also observed. While Indian consumers perceived more risks than British consumers, the benefits of Internet shopping perceived by Indians were found to be significantly less. Consumers exhibited positive intention to make an online purchase in future and attitude is positively and strongly correlated with behavioral intention [7]. The study also concluded the perceived benefits of online shopping, perceived merchant's trustworthiness, consumer's lifestyle and consumer's prior e-commerce experience have direct influence on attitude. On the other hand, demographic profile, online shopping frequency and duration of daily internet usage found to have no impact on attitude.

### **Perceived Benefits**

Nowadays, it has very important to understand how consumers perceive its benefits and risks. In a paper by Santana & Loreino (2010), address perceived benefits and risks of online shopping in Spain and Scotland. A three-factor scale of perceived benefits and a four-factor scale of perceived risks were estimated. Women tend to perceive the enjoyment and adventure of online shopping more and are also more concerned with risks than men. Frequency of online searching correlates with perceived benefits and risks but its impact is different in the two countries. [8] analyzed that online shopping behavior depends on perceived economic benefits, perceived merchandise, perceived ease of use, perceived risk (financial risk and product risk), and perceived payment benefits.

In order to identify and understand the various aspects of online shopping behavior, five main factors have been identified in influencing online purchase as revealed in the literature review - Role of Price, Convenience/Time Saving, Online Store Attributes, Product Characteristics and Shopping Orientation [9]. Customer Satisfaction and Loyalty is seen to be arising out of the service quality provided by the e-commerce site. There were various conflicts found in literature with respect to importance of prices, influence of product characteristics on consumer's intention to shop, nature and extent to which privacy concerns are relevant for online consumers etc. In a study on consumers intention to shop online, all the dimensions of perceived risk and perceived benefit have played an important role in improving the intention of consumers to shop online [10]. All the dimensions of perceived risks have a significant negative

relationship towards online intention and all the dimensions of perceived benefits have a significant positive relationship towards online intention.

Researchers typically study how levels of risk perception about online shopping affect and how consumers use the channel to buy the products. Different types of attitudes towards online shopping are formed when consumers consider both the benefit and the risk of using internet to do their shopping with the possibility that general types of attitudes are formed when consumer's perception of the risk and the benefit of using online shopping conflict [11]. Particular attention was paid to the concept of online shopping skepticism where consumers may fully realize the benefit of using the internet to do their shopping, but also express a certain level of concern about the risk of using that channel. Researchers have shown that experience and increased exposure to a particular technology usually involves the accumulation of more and better knowledge that in turn may lead to a reduction in the perception of the risks involved. The role of experience in the context of consumers' intention to use online shopping was also assessed. It was postulated that online shopping experience has a direct effect as well as an indirect effect on the intention to use online shopping. Experience with online shopping directly increases the consumer's intention to use the Internet to buy products but it also reduces the degree of skepticism and risk aversion, and that in turn, also increases the intention to use online shopping.

It is said that perceived benefits (Webpage design, product choice, convenience, customer service, and product quality) are positively related to online shopping decisions except for the price which is negatively related [12]. The most significant variable is the product choice, followed by convenience and customer service. The price is after customer service, then Webpage design and lastly product choice. Consumers with high hedonic shopping values tend to avoid online shopping [13]. They perceive more risks and lesser benefits in online shopping. They are likely to avoid online shopping, as they cannot touch the product or interact with the salespeople directly while shopping online. The customers with high utilitarian shopping values perceive greater benefits in online shopping. Most of the online stores provide the utilitarian benefits to their customers by saving their time and costs. Customers primarily make online purchase in order to get greater convenience. Another finding of this study is that a customer with high utilitarian shopping value is also likely to perceive greater risks in online shopping.

A scale was developed to measure the perceived benefits and risks associated with online shopping [14]. Based on an exploratory qualitative inquiry and quantitative assessment, a four-factor scale of perceived benefits and a three-factor scale of perceived risks of online shopping were developed. Results from two national samples support the proposed measures of perceived benefits and risks associated with online shopping in terms of construct, convergent, discriminant, nomological, and predictive validity. Variation of these perceptions over time was also examined to test scale stability over time and to describe the evolution of online shopping.

### **Online shopping advocacy**

Gender, marital status, residential location, age, education, and household income were frequently found to be important predictors of Internet purchasing [15, 16]. Sultan and Henrichs (2000) reported that the consumer's willingness to and preference for adopting the Internet as his or her shopping medium was also positively related to income, household size, and innovativeness. According to a report by the Pew Research Center (2001), the number of women (58%) who bought online exceeded the number of men (42%) by

16%. Among the woman who bought, 37% reported enjoying the experience “a lot” compared to only 17% of male shoppers who enjoyed the experience “a lot”. Akhter (2002) indicated that more educated, younger, males, and wealthier people in contrast to less educated, older, females, and less wealthier are more likely to use the Internet for purchasing.

Consumers, all over the world, are increasingly shifting from the crowded stores to the one-click online shopping format. However, in spite of the convenience offered, online shopping is far from being the most preferred form of shopping in India. Convenience and saving of time drive Indian consumers to shop online; while security and privacy concerns dissuade them from doing so [17]. Positive attitudes as well as willingness to search for pre-purchase information leads to a strong likelihood that consumer will buy online [18]. Online shoppers are required to have computer skills in order to use the Internet for shopping.

### **E-Wom**

Word-of-mouth (WOM) communication is a valuable marketing resource for consumers and marketers [19] and it is becoming increasingly recognized as an important form of the recommender-seeker relationship, the richness and strength of the message and its delivery, and various personal and situational factors [20]. The online communities’ members often possess rich knowledge or know-how to solve the problems for seekers [21]. The phenomenon of helping behavior among members may become a major source and channel for information in the decision making process for the purchase of products. Reading reviews and ratings by consumers online has a significant impact on their purchase decisions. [22]. Negative E-WOM message had a greater impact on the effects of E-WOM than did positive message. The sender/receiver group and the receiver group showed significant changes in their purchase intention and attitude. The sources’ credibility (i.e. attractiveness, trustworthiness, and expertise) significantly influenced on the effects of E-WOM [23]

The above studies spell out the importance of eWOM communication for online marketing and purchasing decisions of consumers. The Internet’s global nature has created a medium for electronic word-of-mouth (eWOM) communication between consumers who have never met [24]. Today, the Internet makes it possible for consumers to share experiences and opinions about a product via eWOM activity. The eWOM phenomenon has been changing people’s behavior because of the growth of Internet usage. People often make offline decisions on the basis of online information [25]; furthermore, they tend to rely on the opinions of other consumers when making decisions about matters such as which movie to watch or what stocks to invest in.

Briefly, in the age of shopping mall, many people use the internet for their shopping requirements. Studies on on-line shoppers in India have largely been limited to their time, usage, convenience and money spending pattern, and preferences for a particular format.

## **RESEARCH METHOD AND FRAMEWORK**

### **Aim of the Research**

The study aims at the deeper understanding of :

- Perceived Benefits of Online Shopping (PBOS)

and its interrelationship with:

- Benefit Evaluation of Online Shopping (BEOS)
- Online Shopping Advocacy (OSA), and
- Future Online Purchase Intention (FOPI)

### Research design and Sampling Procedure

The study is a continuum of exploratory design followed by sample survey based descriptive analysis, which is mostly quantitative in nature. The exploratory part involved literature review and focus group studies to develop the basic understanding of the core concepts to be explored further. The insight on the research topic generated through the exploration part lead to construction of non-disguised and structured questionnaire, which was used to collect data from respondents, mostly from the National Capital Region (NCR) of Delhi in India.

Apart from maintaining the representativeness of the universe in the sample and also considering the use of Structured Equation Modeling (SEM) in the research, a sample size of 300 was found appropriate. As per the approach suggested by Hair *et al.* (2009) for the SEM, “in the event that sample size goes higher than 400, model fit indices get weaker, or goes lower than 150, error in the prediction of parameters occurs. Sample size, therefore, is advised to be in an interval of 150-400” [26]. Non probability and purposive sampling technique was employed and due diligence was employed for representation of diverse set of respondents in the study.

The data was collected using online questionnaire on Google Forms through Tablet Computer. Direct interview with respondents were conducted for data collection and the data collected was fed on real time through the Google Forms. The final datasheet was downloaded later on after completing the target of 300 responses and the data was imported in SPSS 21.0 and AMOS 16.0 software for further analysis.

### Major Research Constructs

Perceived Benefits of online shopping (PBOS) refers to overall perception of respondents towards the benefits of shopping online. It is the composite score of various benefits of online shopping as per the perceptual understanding of the consumer. The study employed 35 items on five point Likert Scale, that has been used in the questionnaire to measure PBOS.

Benefit evaluation of online shopping (BEOS) is the overall evaluation of benefits of online shopping by respondents. It is the cognitive component of overall attitude towards online shopping. The BEOS was measured in the study through five point scale ‘I find online shopping (Non-Beneficial/Beneficial)’. High score above 3 indicates positive evaluation of online shopping benefits.

Online shopping advocacy (OSA) refers to the likelihood of the online shopper’s recommending or advising others to shop online. OSA was measured in the study through a five point scale ‘I am (Least Likely/Most Likely) to recommend online shopping to others.’ High score above 3 indicates positive advocacy of online shopping medium to other prospective shoppers by the respondent.

Future online purchase intention (FOPI) indicates the likelihood of online shopper to purchase online in future as well. FOPI was measured in the study through a five point scale 'I am (Least Likely/Most Likely) to purchase online in future'. High score above 3 indicates high likelihood of future online purchase by the respondent.

### Research Process

The study followed a sequential process, progressing through four major stages, where each stage of the study adopts specific methods at different stages as listed below:

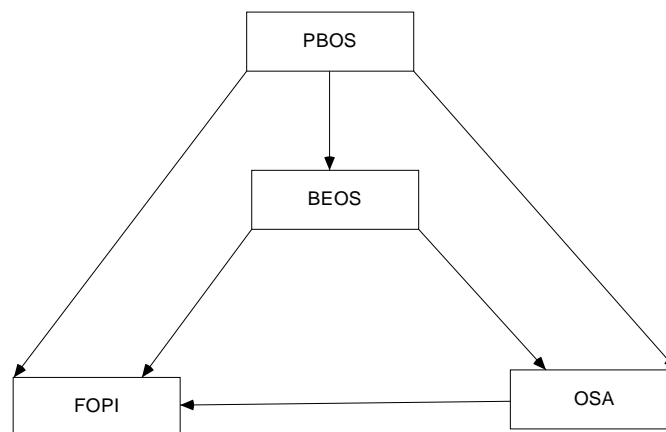
- 1) Identification of all the possible variables to outline PBOS (Literature Review and Focus Group Studies).
- 2) Reduction of variables describing PBOS into meaningful number of factors (Exploratory Factor Analysis).
- 3) Convergence and validation of the identified factor into one construct to check unidimensionality of PBOS (Confirmatory Factor Analysis).
- 4) Study the interrelation between PBOS, BEOS, OSA and FOPI. (Path Analysis).

### Hypothesis and the Proposed Model

The major hypothesis proposed to be tested in the study are:

- H1: PBOS positively affects BEOS
- H2: PBOS positively affects OSA
- H3: PBOS positively affects FOPI
- H4: BEOS positively affects OSA
- H5: BEOS positively affects FOPI
- H6: OSA positively affects FOPI

Based on the hypotheses above, the proposed model of the study is illustrated in the Figure 1.



**Figure 1: The proposed model of the study**

## ANALYSIS & INTERPRETATION

Most of the previous studies on perceived benefits of online shopping (PBOS) revealed certain factors like convenience of time/ place/ efforts, price advantage, variety/ assortment of products, ease/ comfort of shopping and hedonistic pleasure of online shopping. Careful evaluation of previous findings led to the understanding that, there are still certain perceived benefits which are not fully explored in previous studies. The current study first begin with exploration through focus groups study which revealed many new variables which may define perceived benefits of online shopping (PBOS). A total of 39 such variables on five point scale were analyzed using Exploratory Factor Analysis (EFA) with fresh perspective to identify the underlying factors which define the PBOS [27].

### Exploratory Factor Analysis

Principal component method with varimax rotations was used to reduce the dimensions of construct and to access how 39 'benefit perception variables for online shopping' clustered [28]. Four items (least shopping efforts, easy financing of big purchase, no stock out problem and on line shopping fun) were eliminated due to low communalities ( $\leq 0.3$ ) and high cross loadings ( $\geq 0.4$ ). Finally 35 items were considered for factor analysis and further evaluation. Kaiser-Meyer-Olkin (KMO) value of (0.914 > 0.7) in Table 1, indicates sufficient number of items for each factor. Further Bartlett's Test of Sphericity was found to be significant ( $p < 0.05$ ) indicating that the correlation matrix between test items is significantly different from an identity matrix, in which correlations between variables are all zero. Eigen values greater than 1 were considered for factor extraction. It was found that total seven factors with (Eigen value > 1) accounts for 60.5% variance in all variables considered for PBOS. It was found that the first factor accounts for the highest percentage 33.21% of variance. Table 2 displays the items and component loadings for the rotated components, with loadings less than .40 omitted to improve clarity. Cronbach's alpha value for overall construct was found to be 0.936 which indicate excellent reliability of the construct scale used for measuring PBOS.

Table 1  
KMO & Bartlett Test

|   |                    |          |
|---|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy |                    | .914     |
| Bartlett's Test of Sphericity                   | Approx. Chi-Square | 5177.307 |
|   | df                 | 595      |
|   | Sig.               | .000     |

Table 2  
Factor Analysis Results for PBOS (N=300)

| <i>Perceived Benefits of Online Shopping</i> | <i>Factor Loading</i> | <i>Eigen Value</i> | <i>% Variance</i> | <i>Cumulative %</i> | <i>Alpha (<math>\alpha = 0.936</math>)</i> |
|--|-----------------------|--------------------|-------------------|---------------------|--|
| <b>Convenience</b> (7 items)                 |                       | 11.623             | 33.209            | 33.209              | 0.88                                       |
| No waiting in queues -Billing                | 0.81                  |                    |                   |                     |  |
| No waiting in queues - Shopping              | 0.76                  |                    |                   |                     |  |
| No crowd                                     | 0.75                  |                    |                   |                     |  |
| No time wasted in travelling                 | 0.67                  |                    |                   |                     |  |

contd. table 2



*Perceived Benefits of Online Shopping: Cognitive and Conative Influences*

| <i>Perceived Benefits of Online Shopping</i> | <i>Factor Loading</i> | <i>Eigen Value</i> | <i>% Variance</i> | <i>Cumulative %</i> | <i>Alpha (<math>\alpha = 0.936</math>)</i> |
|--|-----------------------|--------------------|-------------------|---------------------|--|
| Anytime access                               | 0.67                  |                    |                   |                     |  |
| No hurried Shopping                          | 0.61                  |                    |                   |                     |  |
| Any payment mode                             | 0.58                  |                    |                   |                     |  |
| <b>Empowerment</b> (7 items)                 |                       | 2.658              | 7.595             | 40.8                | 0.847                                      |
| Other consumer's reviews                     | 0.71                  |                    |                   |                     |  |
| Write reviews and feedback                   | 0.69                  |                    |                   |                     |  |
| Easy product research                        | 0.68                  |                    |                   |                     |  |
| Easy price comparison                        | 0.6                   |                    |                   |                     |  |
| Easy connect with retailer                   | 0.56                  |                    |                   |                     |  |
| No additional cost                           | 0.48                  |                    |                   |                     |  |
| Avoid eating out                             | 0.41                  |                    |                   |                     |  |
| <b>Discreteness</b> (3 items)                |                       | 1.954              | 5.583             | 46.39               | 0.799                                      |
| No worries of others                         | 0.75                  |                    |                   |                     |  |
| Purchase privacy                             | 0.67                  |                    |                   |                     |  |
| No embarrassment                             | 0.59                  |                    |                   |                     |  |
| <b>Individualism</b> (4 items)               |                       | 1.439              | 4.111             | 50.5                | 0.725                                      |
| Personalize interaction with Seller          | 0.82                  |                    |                   |                     |  |
| Raise Queries and Clarify Doubts             | 0.78                  |                    |                   |                     |  |
| Custom design product                        | 0.6                   |                    |                   |                     |  |
| No shopping assistance                       | 0.41                  |                    |                   |                     |  |
| <b>Reach</b> (7 items)                       |                       | 1.330              | 3.799             | 54.3                | 0.786                                      |
| Loyalty information                          | 0.66                  |                    |                   |                     |  |
| Loyalty benefit                              | 0.61                  |                    |                   |                     |  |
| Global brands                                | 0.53                  |                    |                   |                     |  |
| Anyplace access                              | 0.5                   |                    |                   |                     |  |
| Products from whole country                  | 0.48                  |                    |                   |                     |  |
| Better choices of color, style and size      | 0.45                  |                    |                   |                     |  |
| Several brands                               | 0.43                  |                    |                   |                     |  |
| <b>Price Advantage</b> (3 items)             |                       | 1.135              | 3.24              | 57.5                | 0.816                                      |
| Better discount                              | 0.81                  |                    |                   |                     |  |
| Better price                                 | 0.8                   |                    |                   |                     |  |
| No middleman commission                      | 0.61                  |                    |                   |                     |  |
| <b>Autonomy</b> (4 items)                    |                       | 1.037              | 2.962             | 60.5                | 0.723                                      |
| No impulse purchases                         | 0.72                  |                    |                   |                     |  |
| No unwanted shopping                         | 0.64                  |                    |                   |                     |  |
| No salesman tactics                          | 0.63                  |                    |                   |                     |  |
| No social pressure                           | 0.47                  |                    |                   |                     |  |

Careful evaluation of factor analysis results as shown in Table 1 above, led to identification of seven orthogonal factors, which were named subsequently on the basis of variables which clustered together under different factors. The detailed characteristics of the factors identified are as given below:

- **Factor 1: Convenience**, with high factor loading of seven items, accounts for highest 33.21% of variance. Convenience represents the benefits of online shopping that the online shopper enjoy in the form of instant availability of product and instant payment, without having to worry for waiting in long queues. Online shoppers save their time of travelling by buying online and they could also enjoy shopping at their own pace in an uncrowded shopping environment. Online shopping is found to be hassle free in terms of choice of payment mode and 24\*7 shopping access.
- **Factor 2: Empowerment**, with high factor loading of seven items explains 7.6% of variance. Empowerment represents the feeling of influencing and getting benefitted by the choice and decisions of other online shopper through their reviews and feedbacks. This dimension also includes the benefits of product research, price comparison and having privileged opportunity to chat with retailers before making a final shopping choice. This further explains the saving of money in terms of additional cost of travelling, parking and eating out during shopping offline.
- **Factor 3: Discreteness**, with high factor loading of three items explains 5.58% of variance. Discreteness represents the benefit of privately buying without worry/ embarrassment of others knowing what shoppers buys. It is one factor which is very important perceived benefit of online shopping but missed in previous studies. For products like lingerie, sex toys, some medicines etc. online shoppers enjoys the benefit of discreet purchase.
- **Factor 4: Individualism**, with high factor loading of four items explains 4.11% of variance. Individualism represents perceived benefits of personalized product design and one-to one interaction with the seller which leads him to instant query response and doubt clearance. It also explains exercising choice when of free browsing of product without any assistance.
- **Factor 5: Reach**, with high factor loading of seven items explains 3.8% of variance. Reach refers to wide availability of product choice and assortment with availability of perfect fit, color, style and design without geographical barriers. This also includes loyalty point information access and benefits.
- **Factor 6: Price advantage**, with high factor loading of three items explains 3.24% of variance. Price advantage refers to perceived benefit of getting products at cheaper/ discounted price, because online shopping sites are perceived to pass on the direct benefits of direct sourcing to the shopper.
- **Factor 7: Autonomy**, with high factor loading of four items explains 2.96% of variance. Autonomy represents the locus of shopping control in the hands of shoppers where the shopper could avoid unnecessary purchase due to impulse, social pressure or salesman tactics.

Orthogonal or uncorrelated factors were extracted for the purpose of further analysis, therefore factor scores were calculated further to represent the seven factors in place of 35 original variables to as a measure of PBOS. Factor Scores were calculated using simple and unrefined technique of averaging all the

item scores corresponding to items loading high on the factors. This averaging is done for all the sample elements, and the average scores were used to represent the factors for further analysis.

### Confirmatory Factor Analysis

In order to test the construct validity and unidimensionality of PBOS, confirmatory factor analysis (CFA) was conducted using the structured equation modeling (SEM) software IBM Amos, version 16.0, and the path diagram of CFA model with calculated factor loadings and squared multiple correlation coefficient ( $R^2$ ) is as given below in Figure 1 [29]. Factor scores of convenience, empowerment, discreteness, individualism, reach, price advantage and autonomy were used as measured endogenous variables, while PBOS is treated as latent exogenous variable for the purpose of CFA.

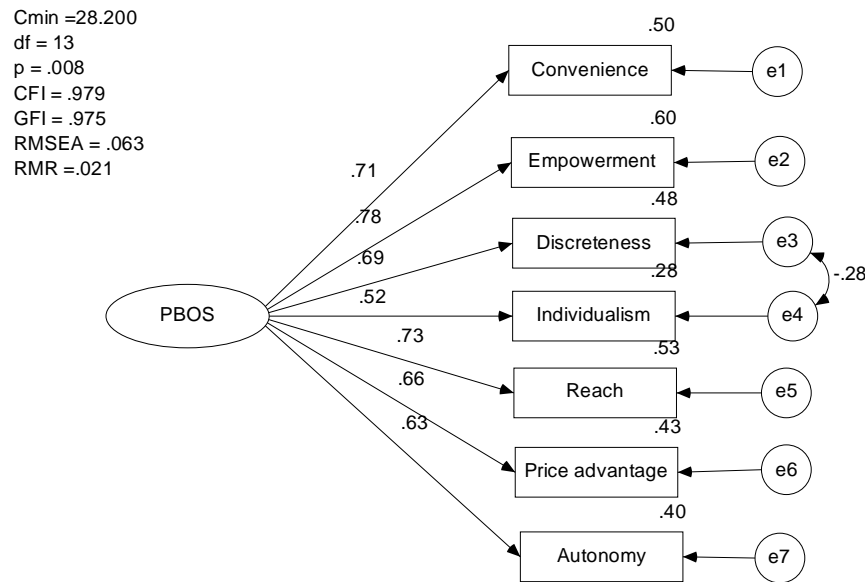


Figure 1: CFA path diagram for PBOS

Careful evaluation of the above CFA model establish that, all the seven factors were significant and load highly  $>0.5$  on perceived benefits of online shopping which indicate the convergent validity. The AVE for each dimension was found greater than 0.50 [30]. Discriminant validity was tested by comparing the AVE by each construct to the shared variance between the construct and all other variables [31]. This indicates that each construct shared more variance with its items than it shared with other constructs, thereby signifying discriminant validity. It is also observed that highest variance of 60% in Empowerment is explained by the latent variable representing the perceived benefits of online shopping, followed by Reach (53%), Convenience (50%), Discreteness (48%), price Advantage (43%), Autonomy (40%) and Individualism (28%).

The model fit indicator Chi square ( $p = .008 < 0.05$ ) reject the model due to large sample size of 300. But the value of Chi-square/df = 2.1692 which is between 2 & 5 indicates good fit. RMSEA value of 0.063 indicates a good fit. CFI and GFI value above 0.9 and RMR value of 0.03 which is below 0.05 also confirms good fit. The above analysis leads to adoption of CFA model as good fit, which establish the construct validity and unidimensionality of the PBOS scale. Further

The score of seven factors convenience, empowerment, discreteness, individualism, reach, price advantage and autonomy was averaged to calculate the overall score of PBOS. The final score of PBOS was used as an measured exogenous variable for further analysis.

### Path Analysis

The CFA was followed by path analysis which was was persued to study

- Impact of PBOS on BEOS, OSA and FOPI.
- Impact of BEOS on FOPI and OSA.
- Impact of OSA on FOPI.

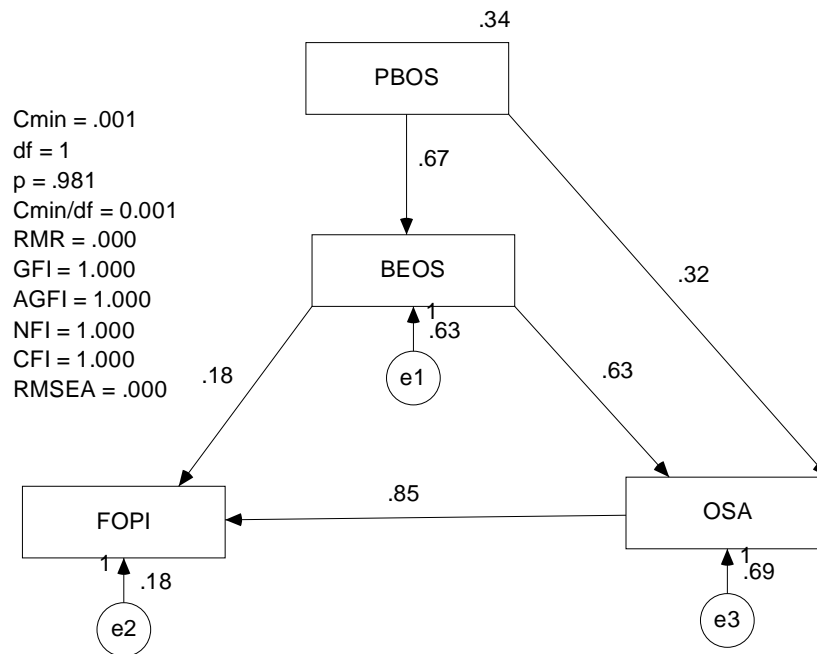


Figure 2: Path diagram for model testing (Unstandardized Estimates)

Table 3  
Hypothesis test results of the test model

| Relationship in Model |         | Estimate | S.E.  | P     | Hypothesis   |
|-----------------------|---------|----------|-------|-------|--------------|
| BEOS                  | <— PBOS | 0.674    | 0.079 | 0.000 | H1: Accepted |
| OSA                   | <— PBOS | 0.322    | 0.092 | 0.000 | H2: Accepted |
| FOPI                  | <— PBOS | -0.001   | 0.048 | 0.981 | H3: Rejected |
| OSA                   | <— BEOS | 0.628    | 0.061 | 0.000 | H4: Accepted |
| FOPI                  | <— BEOS | 0.183    | 0.036 | 0.000 | H5: Accepted |
| FOPI                  | <— OSA  | 0.845    | 0.029 | 0.000 | H6: Accepted |

The results of path analysis using IBM AMOS 16.0 were found confirming to most hypothesis, except hypothesis 3, which was rejected as no direct impact of PBOS was found on FOIP. All the regression

coefficients were found significant in the model (Table 3), and strength of association between various exogenous to endogenous variables was also found significant. Squared multiple correlation value  $R^2$  suggest that 85% of variance in FOPI, 20 % in BEOS and 39% of variance in OSA is explained by the predictor variables.

All the model fit indices indicate high acceptance for model in Figure 2. The direct relationship between PBOS on FOPI has been eliminated because of high modification indices, suggesting the removal. The value of Chi square was found significant ( $p = .981$ ) suggesting acceptance of model in Figure 2. Other values,  $Cmin/df = 0.001$  (between 2 & 5),  $RMR = 0.000$  ( $\leq 0.50$ ),  $CFI = 1.0$  (Closer to 1),  $GFI = 1.0$  (Closer to 1),  $RMSEA = 0.000$  ( $< 0.7$ ), all the above model fit indices, indicate good model fit and acceptance of model [30]. Thus it could be concluded that higher PBOS evaluation leads to high BEOS as well as OSA. Further high BEOS leads to High FOPI and OSA, and high OSA leads to high FOPI.

## CONCLUSION

This study showed that perceived benefits of online shopping (PBOS) is a second order construct and identified seven major dimensions. Exploratory factor analysis resulted in seven factors of PBOS dimensions which were convenience, empowerment, discreetness, individualism, reach, price advantage and autonomy dimensions. Further confirmatory factor analysis established the reliability, unidimensionality and construct validity (both convergent and discriminant) for PBOS scale. The current study findings are in the line with Forsythe et al. (2006) who categorized PBOS dimensions into convenience, product selection, ease/comfort of shopping and hedonistic/enjoyment dimensions [32]. The study also coincide partially with Bagdoniene and Zemblyte (2009) who identified convenience, product variety, purchase surrounding, information, and brand as major PBOS dimensions [33]. Newly explored dimensions in the current study, like discreetness, empowerment, individualism, reach, price advantage and autonomy dimensions as explained in detail in previous section add new insight into the consumer's perception towards online shopping. Majority of the past studies focused on perceived benefits and risks of online shopping studied benefits and risks together to understand the overall perception of shoppers towards online shopping. The current study kept exclusive focus on benefits and explored it further by modeling the impact of PBOS on the cognitive evaluation of online shopping benefit and its further impact on the future online purchase intention and online shopping advocacy. The final model established direct impact of PBOS on BEOS as well as OSA, but could not confirm the direct impact of PBOS on FOPI. However indirect impact of PBOS on FOPI was found significant through BEOS as mediator. The model also confirmed the direct impact of OSA on FOPI. Hence it is established that the shopper who perceive high benefits of online shopping is most likely to evaluate those benefits positively, which may not only inspire him to advocate and promote online shopping among other prospective shoppers, but also strengthen his online future purchase intention. This also reaffirms the consistency in behavior with words of shoppers, as shoppers who recommend online shopping to others are most likely to continue using online shopping in future as well.

## LIMITATIONS AND FUTURE DIRECTIONS

The current research is an extension of ongoing researches in the area of online shopping. Since online shopping is still at its development stage and many more shoppers are yet to adopt this mode of shopping, therefore in future many more new dimensions may get added to the core constructs explored in the study.

Future researchers may find new interrelationships which might not be investigated and highlighted in the current study. The current research involved focus groups as well as literature review to identify the items to be used in the scale. Scale development, validation and studying interrelationships using the constructs based on scale items have some inherent limitations. Hence future researches may identify some new significant items which could better capture subjective constructs like perceived benefits of online shopping, benefit evaluation of online shopping, online shopping advocacy or future online purchase intentions. Moreover, data were collected using convenience sampling and involved predominantly younger respondents. Hence, the generalizability of results requires further validation. It is suggested that further research can be performed with better random samples using respondents from different geographical locations from all across India.

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