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Usefulness of Risk Reduction Strategies on Perceived Risk Among Students of High Educational Institutes Towards Online Shopping in Punjab

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ABSTRACT

The present research paper is aimed to examine the usefulness of risk reduction strategies on perceived risk for online shopping among students of high educational institutions of Punjab. The population of the study consisted of educated students of universities of four major cities Ludhiana, Jalandhar, Patiala and Amritsar of Punjab State. Sample for the particular study are respondents of different age groups, genders, qualifications, income groups, occupations having experience of online shopping. The objectives are achieved with the help of prestructured questionnaire with five point likert rating scale to measure influence on various types of risk reduction strategies of online buyers of four cities. Convenience sampling method is used to collect data from respondents. Statistical techniques such as mean and standard deviation are used in this study. Degree of influence of these strategies is also studied. The main findings of the study reveal significant usefulness of risk reduction strategies on risk perception on the studied types of risk

Keywords: Internet, online buyer, perceived risk, risk reduction strategies.

India has shown a commendable increase in the ecommerce industry in the last couple of years hitting the market with a boom. E commerce market is estimated to have reached with an annual increase of 88% about \$10-16 billion last year and analysts project that by 2020 it could be worth a whopping \$60-80 billion (Shristava and Ramalingegowda, 2014²⁰). The recent surveys have also indicated the huge growth in potential internet users from metros in near future. Thus it has become imperative for e retailers to understand the influence of motivator's to shop online (Zhou et. al. 2007²⁶). Online shopping has edge over traditional shopping. It is convenient and time saving. It has attractive online websites, user friendly interface, bulky

online stores with new fashion, easy payment methods and no bound on quantity and quality. Previous researches had shown that consumers perceived the act of purchasing a risky endeavor, and that risk affects the likelihood of purchase (Wood and Sheer, 1986²⁵). As per study the country had only 25 million online buyers in 2013 out of 137 million internet users which were just 18% of the total Internet population (IAMA 2013¹⁴). The reason of low purchase was multidimensional perceived risk in online shopping. Security was one of the essential concerns that hinder online shopping. Privacy was also one of the key reasons showing reluctance for online shopping. More than fifty percent users do not prefer to provide their personal information. Thus online consumers perceive risk while purchasing. Researchers have studied the positive influence of several risk reduction strategies which consumers use to reduce risk.

1. RISK, PERCEIVED RISK AND RISK REDUCTION STRATEGIES

The concept of risk became a popular study in the field of economics in the 1920's (Dowling and Staelin, 1994¹⁴). The concept of perceived risk was initially introduced in 1960 when a Harvard Business School faculty member proposed that certain types of consumer behavior involved different types and degree of risk (Bauer 1960³). Perceived risk is the uncertainty that a consumer perceives when one cannot foresee the consequences of his/her purchase decision. Davis and Olson (1985¹²) mentioned perceived risk a significant source of psychological stress resulting in impaired decision making. Thus marketer's understanding of perceived risk structure and the provision of risk relievers give consumers a better environment for making buying decisions.

A consumer's risk perception can be reduced by making use of tools such as money-back guarantees, warranties and free trials (Schiffman and Kanuk, 1987¹⁸). Cox (1967⁹) cited advertising as an effective means for reducing risk. Roselius (1971¹⁷) proposed eleven strategies that consumers may use to reduce risks regarding time loss, hazard loss, ego loss and money loss.

Brand Loyalty: According to Roselius (1971¹⁷) and Schiffman and Kanuk (2004¹⁸), consumers can reduce risk by buying the brand which they have used before and have been satisfied with in the past, instead of purchasing new or untried brands. According to Mitchell and Boustani, (1992¹⁶), risk is reduced by the quality of the product being inferred from the brand image with which the product is associated.

Expert Advice: Expert Advice states the influence of experts on purchase. Derbaix(1983¹²) mentioned that in case of doubt consumer prefer expert advice.

Free Sample: Roselius (1971¹⁷) suggested free sample as a suitable method for reduction of perceived risk. Derbaix (1983¹⁶) found it effective in reducing financial risk.

Major brand Image: Roselius (1971¹⁷) suggested that a further method to reduce risk is to buy a major well – known brand of a product, and rely on the reputation of the brand. Well known brands are better and are worth buying for the implied assurance of quality, dependability, performance and service (Schiffman and Kanuk, 2004¹⁸).

Money Back Guarantee: Roselius (1971¹⁷) recommended money back guarantee as an effective tool for reduction of perceived risk. It is buying the particular brand offering a money back guarantee with the product. Derbaix(1983¹²) found that consumers seek money back guarantee as an effective financial risk reduction strategy.

Past Experience: A number of studies including Dowling (1961¹⁴), Cunningham (1967¹⁰) suggested experience as most determinate factor in affecting perceived risk.

Payment Security: Derbaix (1983¹²) further mentioned the effectiveness of payment security in reducing time and privacy risk. Cases (2002⁴) also mentioned the same.

Endorsements: It is basically purchase the good with an endorsement of expert or celebrity Roselius (1971¹⁶) suggested it as effective risk reduction strategy.

Shopping Around: Shopping as a method of risk reduction involves visiting different places of purchase to compare brands and ultimately to choose one brand (Mitchell and Boustani, 1992¹⁶). Roselius (1971¹⁷) also proposed that consumers could reduce perceived risk associated with a particular purchase by shopping around by themselves, and comparing product features on several brands in several stores.

Store Image: Schiffman and Kanuk (2004¹⁸) expressed that consumers often trust the judgment of the merchandise buyers of a store with a favorable reputation and depend on them to have made careful decisions in selecting products for a resale in case of absence of product knowledge.

Website Reputation: Derbaix (1983¹²) found that website reputation help in reducing time risk. It also reduces the possibility of receiving defective product. It also helps in reducing privacy risk. Cases (2002⁴) also supported that.

Word of Mouth: Word of mouth is a determining factor as a risk reducing strategy (Wangenheim, 2004²⁴). Taylor (1974²²) stated that while purchasing unfamiliar product consumer rely on word of mouth in order to reduce perceived risks. It is also pointed out that the higher the perception of perceived risk, higher reliability is on word of mouth (Tsai & Tsai, 1995²⁰).

Table 1
Types of Risk Reduction Strategies and Reference Source

<i>Risk Reduction Strategies</i>	<i>Reference Source</i>
Brand Loyalty	Roselius (1971 ¹⁷), Schiffman and Kanuk (2004 ¹⁸), Mitchell and Boustani, (1992 ¹⁶)
Expert Advice	Derbaix(1983 ¹²)
Free Sample	Roselius (1971 ¹⁷), Derbaix(1983 ¹²)
Major Brand Image	Roselius (1971 ¹⁷), Schiffman and Kanuk (2004 ¹⁸), Mitchell and Boustani, (1992 ¹⁶)
Money Back Guarantee	Roselius (1971 ¹⁷), Derbaix(1983 ¹²)
Past Experience	Cases (2002 ⁴),
Payment Security	Derbaix(1983 ¹²), Cases (2002 ⁴)
Endorsements	Roselius (1971 ¹⁷)
Shopping Around	Roselius (1971 ¹⁷), (Mitchell and Boustani, 1992 ¹⁶).
Store Image	Roselius (1971 ¹⁷), Schiffman and Kanuk (2004 ¹⁷)
Website Reputation	Derbaix(1983 ¹³), Cases (2002 ⁴)
Word of Mouth	Roselius (1971 ¹⁷), Dowling (1961 ¹³), Cunningham (1967 ¹⁰) (Wangenheim, 2004 ²⁴). (Taylor 1974 ²²) (Tsai & Tsai, 1995 ²³).

Source: Related Literature

2. LITERATURE REVIEW OF RISK REDUCTION STRATEGIES AFFECTING PERCEIVED RISK

Roselius (1971¹⁷) was of the opinion that buying brand which has been tested and approved by a private testing company or an official branch of the government had created more confidence in the customer and

therefore reduced private risk. Derbaix (1983¹²) indicated that risk reducing strategies chosen might vary according to different customers. In the study Derbaix (1983¹²) suggested nine methods to reduce perceived risks and studied different relationship between different risk reducing strategies with respect to different types of respondents including Brand Loyalty, Money Back Guarantee, Image of Shop and Shopping Around. Akaah and Korgaonkar(1988¹) found out that customers adopt different types of strategies to reduce the perceived risk and the most useful one was Money Back Guarantee, followed by Brand Name of Retailers and Maker, Cost of Product, Free Sample, Quality of Warranty and Past Experience. Cases (2002⁴) also mentioned past experience, website reputation and payment security as risk reduction strategies. Chen and Shrgill (2005⁶) confirmed that web site quality had also significant affect on perceived risk and purchase intention. The paper illustrated consumer risk measurement approach within the context of the concept development and testing stage of the new product development process. Banerjee, Dutta and Dasgupta (2010²) identified factors that influence the attitude of Indian consumer toward online shopping. They found online security as one of the most important reason that prevents Indian from shopping online. Suresh A.M. and Shashikala R (2011²¹) studied six components of perceived risk having significant impact on online shopping. They stressed that perceived risk decreases with online shopping. For further reduction of perceived risk vendors should provide secure channel for monetary transactions and for other sensitive and property information. Cengel F.Y. (2012⁵) emphasized that concept of retailing strategically related with the emergence of appropriate products/services, appropriate time, appropriate target market, appropriate quality as a means to exceed the satisfaction of consumers in the competitive business environment. They researched perceived risk and value in context of willingness to buy and recommend and found that social risk was the major factor that is given priority in the internet shopping. Prior experience and purchasing through internet has been detected as a vital aspect in terms of internet shopping. He suggested that internet brands should pay greatest attention to social risk while establishing their marketing strategies. In addition he suggested that brands should motivate the consumers with the help of extensive promotional strategies and enabling the consumers to try internet retailing. Chui Yik Hin(2012⁸) studied perceived risks on online group behavior of apparel in Hong kong. The study explored the relationship among perceived risks, influential factors and risk reducing strategies. Different risk reducing strategies were also suggested. For reducing strategies, customers without experience perceived Money Back Guarantee as a more useful strategy in reducing their perceived risks. Javadi et. al. (2012¹⁵) found that word of mouth marketing had positive effect on online shopping behavior. Sinha and Chandra (2013¹⁹) in his study with reference to Bhilai Durg explored various factors affecting the online shopping behavior. He found that low price, discount, feedback from previous shoppers and quality of product and information should be also considered as important factors. Cheng, Liu and Wu (2013⁷) examined the relationship between risk perception(financial, performance, social, time and privacy risks) and risk reduction strategies(brand loyalty, free sample, past experience, payment security, money back guarantee, store image, shopping, major brand image, website reputation and word of mouth) in online buying context. Further they revealed in the study that brand loyalty, word of mouth, money back guarantee, website reputation and effective payment system helped in reducing perceived risk.

Gaps in Research: Review of previous literature shows that most of the existing literature were concentrated on explaining risk reduction strategies in online marketing in different countries but very few researchers have addresses the influence of risk reduction strategy in India especially in Punjab.

Need of the Study: Online shopping is nascent in Punjab. Citizens have very less experience because of perceived risk perception. In accordance with the above background and research intention, the research has following main objectives:

1. To find out various risk reducing strategies adopted by online users.
2. To examine the degree of usefulness of risk reduction strategies.

Scope: The study is confined to the four major cities Amritsar, Jalandhar, Ludhiana and Patiala City of Punjab having maximum number of high educational institutions. Students of high educational Institutes who are computer literate and more attracted towards online purchase were considered for the well structured questionnaire survey for research. A pilot study was conducted for the formulation of questionnaire for item construction for the scale to measure risk and factors affecting risk. Data through survey was collected during the period of October 2015 to March 2016.

Research Design: The particular study is descriptive as well as exploratory in nature. Secondary research sources include published articles and books discussing theories and past empirical studies. Primary data was gathered and assembled specifically for the project at hand. A questionnaire was developed to assemble the quantitative data. Statistical methods like Cronbach's Alpha, mean test, standard deviation were adopted depending upon the quality of data to analyze the data.

Research Methodology: The target population consisted of 400 educated youth from four major cities of Punjab having access to the internet. Sampling frame was not obtained as there was no existence of complete list of consumers having internet access. Convenience sampling method was used to collect the required data. The sample represented the population with respect to demographic dimensions i.e. gender, age, income, occupation, education and area of residence.

Primary and Secondary Data: Secondary data for the study was collected in the form of literature reviewed from various national and international journals, books, websites, online databases and reports. Few are International Review of Management and Business Research, Academic Journal of Information Technology, Information Systems Research, Journal of Electronic Commerce Research, International Journal of Marketing Studies etc. After scanning various secondary data sources, primary data was collected to meet the objectives of the present study. Result of questionnaire was supported with survey of respondents. Primary data for the study was collected from February 2015-October 2015 with the help of semi structured questionnaire designed after pilot study. Total 487 questionnaires were collected in two stages from which 400 properly filled questionnaires were selected for further study.

3. FINDINGS AND SUGGESTIONS

Reliability Statistics:

<i>Cronbach's Alpha</i>	<i>No of Items</i>
.865	44

The Cronbach alpha coefficient is an indicator of internal consistency of the scale. High value of it (greater than 0.70) indicate test of scale reliability. Here in the study value of cronbach alpha was .865 which was considered adequate for further analysis.

Demographic Profile of Sampled Respondents

Table 2
Demographic profiles of the sampled respondents

<i>Particulars</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Gender</i>				
Male	221	55.2	55.2	55.2
Female	179	44.8	44.8	100.0
Total	400	100.0	100.0	
<i>Age</i>				
Below 18	9	2.2	2.2	2.2
18-25	338	84.5	84.5	86.8
25-35	49	12.2	12.2	99.0
Above	4	1.0	1.0	100.0
Total	400	100.0	100.0	
<i>Education</i>				
Graduation	166	41.5	41.5	41.5
Post Graduation	201	50.2	50.2	91.8
Professional	33	8.2	8.2	100.0
Total	400	100.0	100.0	
<i>Occupation</i>				
Student	308	77.0	77.0	77.0
Professional	76	19.0	19.0	96.0
Self Employed	16	4.0	4.0	100.0
Total	400	100.0	100.0	
<i>Income</i>				
Up to 10000 Rs	49	12.2	12.2	12.2
10,000-25,000	147	36.8	36.8	49.0
25000-50000	132	33.0	33.0	82.0
More than 50000	72	18.0	18.0	100.0
Total	400	100.0	100.0	
<i>Area of residence</i>				
Amritsar	100	25.0	25.0	25.0
Jalandhar	100	25.0	25.0	50.0
Ludhiana	100	25.0	25.0	75.0
Patiala	100	25.0	25.0	100.0
Total	400	100.0	100.0	

Source: Survey Data

The following table depicts the demographics of respondents including their gender, age group, education level, occupation, income and area of residence. Majority of respondents were having students having post graduation degree and aged in group of 18-25. Their family monthly income lied in the range

of 10,000-25,000 Rs and 25,000-50,000 Rs. Lastly equal numbers of respondents were selected from high educational institutes of four major cities of Punjab.

Table 3
Usefulness of risk reducing strategies (Multiple Response) (N=400)

<i>Strategies reducing perceived risk</i>	<i>Mean score</i>	<i>Std. Deviation</i>	<i>Ranking</i>
1. Brand Loyalty	3.49	1.028	7
2. Word of Mouth	3.34	.915	10
3. Past experience	3.66	1.023	2
4. Major Brand Image	3.45	1.100	9
5. Free Sample	3.14	1.135	12
6. Shopping Around	3.46	1.064	8
7. Money Back Guarantee	3.49	1.157	6
8. Store Image	3.39	.951	11
9. Web site Reputation	3.60	1.004	4
10. Payment Security	3.69	1.054	1
11. Endorsement	3.56	1.100	5
12. Expert Advice	3.63	1.018	3

Source: Survey Data

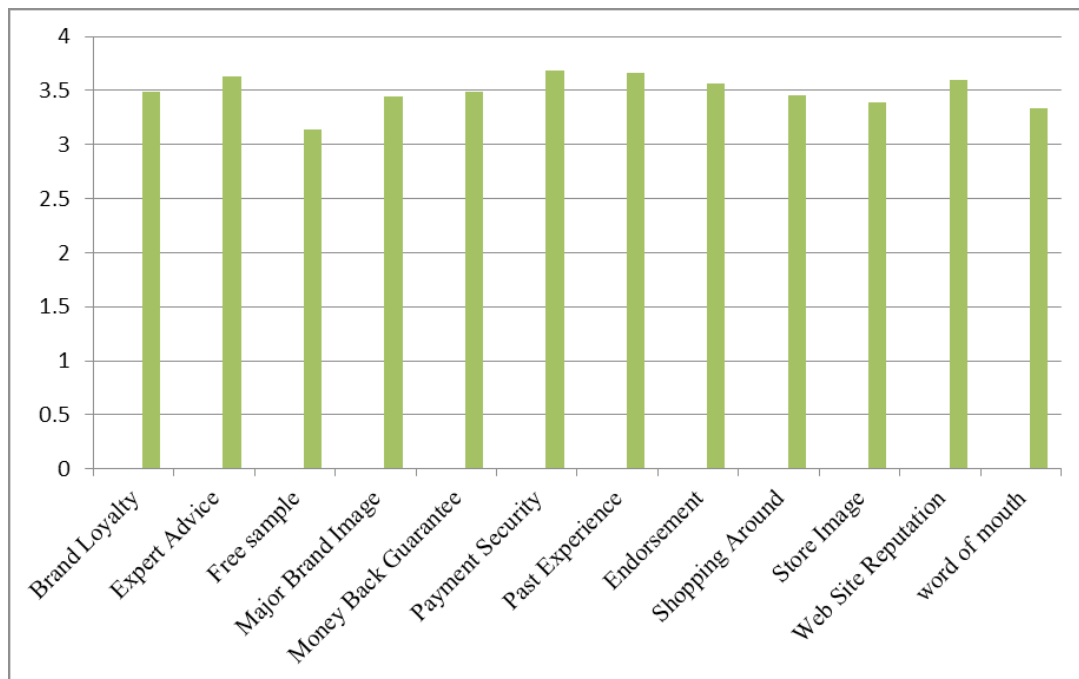


Figure 1: Usefulness of risk reducing strategies

Source: Survey Data

These were multiple response questions. It was found that all the strategies had almost equal importance. Payment Security had the maximum impact as risk reduction strategies. Past experience (Purchase based on previous experience), Expert Advice (Purchased based on expert suggestions), website reputation,

endorsements and major brand image had also significant effect on e tailing. Respondents feel that these strategies had significant role in reducing the amount of perceived risk. The study suggested that Payment Security discussed by Derbaix(1983¹²) and Cases (2002⁴) had also impact as risk reduction strategies. Good Past experience (Purchase based on previous experience) mentioned by Cases (2002⁴), Report or purchase based on consumer suggestion, quality of warranty and web site reputation suggested by Derbaix(1983¹²) and Cases (2002⁴)was found very effective risk reduction strategy. Students also found Brand Loyalty suggested by Roselius (1971¹⁷), Schiffman and Kanuk (2004¹⁸), Mitchell and Boustani, (1992¹⁶) and Money Back Guarantee stated by Roselius (1971¹⁷), Derbaix(1983¹²), as effective risk reduction strategy. Major Brand Image as studied by Roselius (1971¹⁶), Schiffman and Kanuk (2004¹⁸), Mitchell and Boustani, (1992¹⁶) had significant effect on reduction of perceived risk. Shopping Around strategy suggested by Roselius (1971¹⁷) and (Mitchell and Booustani, 1992¹⁶) and Store Image strategy advised by Roselius (1971¹⁷), Schiffman and Kanuk (2004¹⁸) were also found effective in controlling risk. Word of Mouth as mentioned by Roselius (1971¹⁷), Dowling (1994¹³), Cunningham (1967¹⁰) (Wangenheim, 2004²⁴) and Taylor (1974²²) had less positive impact on reduction of risk. Free sample studied by Roselius (1971¹⁷) and Derbaix (1983¹²) had comparatively less impact on online shopping

Degree of Influence of Risk Reduction Strategies on Perceived Risk

Further the degree of influence of various Risk Reduction Strategies on Perceived Risk is shown below

Table 4
Payment security

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Very low influence	18	4.5	4.5	4.5
	Low influence	29	7.3	7.3	11.8
	Medium	107	26.8	26.8	38.5
	High influence	150	37.5	37.5	76.0
	Very high influence	96	24.0	24.0	100.0
	Total	400	100.0	100.0	

The result shows very high influence of payment security on respondents.

Table 5
Past experiences

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Very low influence	9	2.3	2.3	2.3
	Low influence	41	10.3	10.3	12.5
	Medium	122	30.5	30.5	43.0
	High influence	132	33.0	33.0	76.0
	Very high influence	96	24.0	24.0	100.0
	Total	400	100.0	100.0	

The study of usefulness of past experience states individuals past satisfying experience have very high influence on online purchase as risk reduction strategy.

Table 6
Expert Advice (Purchased based on opinion of experts)

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Very low influence	15	3.8	3.8	3.8
	Low influence	30	7.5	7.5	11.3
	Medium	129	32.3	32.3	43.5
	High influence	141	35.3	35.3	78.8
	Very high influence	85	21.3	21.3	100.0
	Total	400	100.0	100.0	

Expert Advice has significantly high influence on purchase behaviour of respondents.

Table 7
Website reputation

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Very low influence	14	3.5	3.5	3.5
	Low influence	41	10.3	10.3	13.8
	Medium	107	26.8	26.8	40.5
	High influence	168	42.0	42.0	82.5
	Very high influence	70	17.5	17.5	100.0
	Total	400	100.0	100.0	

As per survey website reputation has high influence (42%) on respondents

Table 8
Endorsements

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Very low influence	18	4.5	4.5	4.5
	Low influence	50	12.5	12.5	17.0
	Medium	111	27.8	27.8	44.8
	High influence	133	33.3	33.3	78.0
	Very high influence	88	22.0	22.0	100.0
	Total	400	100.0	100.0	

Warranty has maximum influence (33.3%) on respondents as risk reduction strategy.

Table 9
Money back guarantee

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Very low influence	26	6.5	6.5	6.5
	Low influence	53	13.3	13.3	19.8
	Medium	107	26.8	26.8	46.5
	High influence	128	32.0	32.0	78.5
	Very high influence	86	21.5	21.5	100.0
	Total	400	100.0	100.0	

Study found high influence (32%) of money back guarantee on perceived risk.

Table 10
Brand loyalties (Purchase with brand with previous satisfying experience)

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Very low influence	22	5.5	5.5	5.5
	Low influence	36	9.0	9.0	14.5
	Medium	124	31.0	31.0	45.5
	High influence	159	39.8	39.8	85.3
	Very high influence	59	14.8	14.8	100.0
	Total	400	100.0	100.0	

The result shows that 39.8% respondents are highly influenced with it and 31% respondents have medium influence of brand loyalty.

Table 11
Shopping around

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Very low influence	25	6.3	6.3	6.3
	Low influence	38	9.5	9.5	15.8
	Medium	126	31.5	31.5	47.3
	High influence	148	37.0	37.0	84.3
	Very high influence	63	15.8	15.8	100.0
	Total	400	100.0	100.0	

As per survey 37% respondents feel that Shopping Around or Visit to various online websites before purchase had positive influence as risk reduction strategy.

Table 12
Major brand image

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Very low influence	26	6.5	6.5	6.5
	Low influence	47	11.8	11.8	18.3
	Medium	114	28.5	28.5	46.8
	High influence	146	36.5	36.5	83.3
	Very high influence	67	16.8	16.8	100.0
	Total	400	100.0	100.0	

Major brand image of the product has a significant high influence (36.5%) in reducing risk.

Table 13
Word of mouth

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Very low influence	12	3.0	3.0	3.0
	Low influence	52	13.0	13.0	16.0
	Medium	157	39.3	39.3	55.3
	High influence	145	36.3	36.3	91.5
	Very high influence	34	8.5	8.5	100.0
	Total	400	100.0	100.0	

The result shows that word of mouth has medium influence on maximum respondents (39.3%) and very high influence on 36.3% respondents.

Table 14
Store image

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Very low influence	12	3.0	3.0	3.0
	Low influence	51	12.8	12.8	15.8
	Medium	153	38.3	38.3	54.0
	High influence	138	34.5	34.5	88.5
	Very high influence	46	11.5	11.5	100.0
	Total	400	100.0	100.0	

Store image was found having high influence (34.5%) on perceived risk

Table 15
Free sample

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Very low influence	37	9.3	9.3	9.3
	Low influence	73	18.3	18.3	27.5
	Medium	133	33.3	33.3	60.8
	High influence	109	27.3	27.3	88.0
	Very high influence	48	12.0	12.0	100.0
	Total	400	100.0	100.0	

As per study 33.3% emphasized free sample having medium impact and 27.3% having high influence as risk reduction strategy

4. CONCLUSION

Previous available literature have found that India is among the top 3 population of internet users having 145 million consumers but the percentage of online retailing is only 3-4% of organized retailing. Perceived risk is a major hindrance in the prosperity of online shopping. In this study we examined availability and usefulness of twelve risk reduction strategies on perceived risk. The study found that these strategies have relative significance and hence all of them or any combination of them can be used depending on the

scenario. The result emphasizes attention to student's perception of usefulness of risk reduction strategy in online shopping. Punjab has big size of population and provides huge potential for online marketing. The changing scenario needs e-retailers to understand the impact of these strategies to reduce perceived risk and enhance growth of online marketing.

Managerial Implications of the Study

From a managerial standpoint, identifying consumer perceived risks in online shopping is important. Results from current study will provide useful knowledge to operators who are running online business in understanding risk reducing strategies to reduce different risks perceived by potential customer.

Limitations and Directions for future Research

The study has some limitations which should be taken into consideration while interpreting the findings. The concept was at the nascent stage at the time (February 2015-October 2015) of collecting data from respondents. Only those respondents having experience in online shopping were considered for study. The study focused on online shopping behavior of students of high educational institutes of Punjab. The result of this study may have lack of generalizability to other states and other countries. Similarly limited risk reducing methods are used. The study covered only tangible goods and not services.

The findings of study provide some directions to the future. The study covers only students of high educational institutes. Further research can examine other categories of respondents having different socio-economic profile and characteristics. Cross cultural studies can also be done in this regard. Further research can investigate respondents from different states based on other variables.

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