

Online Shopping Among Higher Education Students In Indore : A Factor Analysis Approach

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ABSTRACT

The internet, one of the biggest discoveries of the modern era, has transformed and revolutionized processes and procedures of the business world as well. The growing use of the internet in India has created a basis for tremendous prospects for marketers of today and tomorrow. The customers and consumers of modern times are techno savvy and innovative in their attitude. So, the internet is sure to takeover as the prime marketing and selling channel. Thus, it is imperative for the companies to investigate and understand the factors that influence the decision to purchase online. Drawing a sample of 200 higher-education students from Indore, this paper has attempted to explore the various factors that may influence the decision to shop online. The results of the study revealed that Internet Traits, Attitudinal Traits and Convenience significantly affect online shopping behavior of young students, while Perceived Risk in terms of financial risk, privacy, security and product guarantee/warranty hinders the young students to shop online.

Keywords: Internet, Online Shopping, E-Tailing, Buying Behaviour

INTRODUCTION

With the advent of the 21st century, the world has entered in an “e-generation” era. Internet technology has revolutionized communication across the world and has transformed it into a global village. According to the report of Internet Worldstats, there were 2.1 billion internet users in the world till 2011, and India stood at the 4th rank with 81 million internet users (Source: www.internetworldstats.com).

The internet has generated a tremendous level of excitement through its involvement with all kinds of electronic businesses and procedures ranging from eCommerce, eBusiness, eCRM, eSupplyChain, eMarketplace, ePayment, eEntertainment, eTicketing, eLearning, to eCitizen and eGovernance. The internet has revolutionized marketing, which is often defined as the exchanges between individuals and firms. Internet shopping is gradually becoming a well-accepted way to purchase various kinds of products and services, including computer products, automobiles, travel products, investment products, clothing, flowers, books, music, and homes (Donthu & Garci, 1999).

❖ **E-Tailing In India, The Current Scenario** : Internet retailing in India or business via the internet has experienced considerable growth since its origin. The volume of the business in terms of consumer transactions is increasing annually at a very high rate. According to IMRB Report (2011), the e-commerce market has grown and attained the level of INR 31,598 crores by 2010 from INR 19,688 crores in the year 2009 and by the year 2011, this market reached to the level of INR 46,520. This growth is primarily driven by the online travel industry, which contributes 76% to the total net e-commerce industry in India. E-tailing comprises of buying consumer items such as cameras, computers, home & kitchen appliances, flowers and toys. Online shopping takes the second position with 7.82% share. According to a new report by Forrester Research Inc. titled "*Global Online Population Forecast, 2008 To 2013*", the number of people having access to the internet around the world will grow more than 45 percent to 2.2 billion users over the next five years and India will have the third largest Internet user base by 2013 - with China and the US taking the first two spots respectively. Forrester (2011) estimated the number of internet users in India (as per 2011 data) to be 52 million and expected India to have an average growth rate of 10-20 % respectively. The Table 1 depicts the growth in the market size of internet commerce since 2007.

Since internet retailing has become an alternative channel for shoppers as well as retailers in the changing trend of the environment, understanding internet consumer behavior has assumed significance and has emerged as a focal area of

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Table 1: Net Commerce Market Size From 2007 to 2011					
	(Figures in ₹ crore percentages indicate share of the overall market size)				
Year	Dec 07	Dec 08	Dec 09	Dec 10*	Dec 11*
Total market size	8,146	14,030	19,688	31,598	46,520
Online travel industry	6,250 (77%)	10,500 (75%)	14,953 (76%)	25,258 (80%)	37,890 (81%)
Online non-travel industry	1,896 (23%)	3,530 (25%)	4,735 (24%)	6,340 (20%)	8,630 (19%)
e-tailing	978	1,120	1,550	2,050	2,700
Digital downloads or paid content subscription	238	290	435	680	1,100
Financial Services *	1,200	1,540	2,000	2,680	-----
Other Services incl. classifieds	680	920	1,210	1,610	2,150
*Financial services were not calculated in the years prior to 2008. + Estimated figures					
Source: Digital Commerce 2011, IMRB International					

research for academicians and marketers. Although nothing is certain in today's economy, e - commerce remains a beacon of possibility and profit. While the overall retail pie shrinks as consumers cut back their overall spends, consumers will still continue to shift their wallet share to the web channel (Forrester, 2009). Online shoppers now have many more options to choose from than they did just a few years ago. As a result, the competition is tougher, the market more fragmented, and even small differences between shopping sites can substantially impact purchase decisions. Online shopping is growing in popularity, as consumers realize the convenience and ease of shopping online. Online users in India have exhibited a willingness to make purchases over the Internet; this is quite evident from the growing net commerce industry. In the last few years, the interactions have been skewed towards specific categories such as travel or certain products in eTailing. In 2007, the e-tailing market was ₹ 978 crore and by the end of 2011, it crossed the market size of ₹ 2700 crore (IMRB Report, 2011). According to a report of ASSOCHAM (2011), online retailing in India is likely to reach the ₹ 7,000 crore mark by 2015 due to easy availability of broadband services and increasing internet penetration across the country. The report stated that the trend of online shopping over the internet has taken off more noticeably in Delhi and Mumbai, where consumers as well as merchants are net savvy. India is set to become the third largest nation of internet users in the next two years, with a large chunk of youngsters eager to adopt new technologies with rapidly changing lifestyles.

According to the Web 2.0 Generation survey conducted by Indian software giant TCS, out of over ten thousand school-going children across the country, 85% of them were engaged in one or more social-networking sites on the internet. The survey also pointed to the fact that youths today prefer to have mobile phones, spend more time online, and are engaged in Indian ways of social networking.

According to the 2001 Census, there are 422 million young people in the average age of 24 years in India, representing approximately 41 percent of the country's population (Source: youth.portal.gov.in), which is the biggest positive factor for growth. Cisco Connected World Technology Report (2011) found that 95% of the college students believed that the internet is an important and essential part of their lives - as important as water, food, air and shelter. Online Charity YouthNet also found that 75% of the youth could not live without the internet. Due to this power of young Indians, including students' power in the marketplace, it is important for retailers and consumer behavior educators to better understand this population's attitude towards online shopping. Generation next will determine the future of the online market in India. In the Indian context, with the expansion of educational services, college students have become common consumers of market segments (Sabri et al., 2008). Young men and women surf the net regularly, flash swanky mobile phones and are more knowledgeable about products and their applications, and are miles ahead of their parents. Vrechopoulos et al. (2001) observed that the youngsters are the main buyers who buy products through online shopping. Dholakia and Uusitalo (2002) in their study examined the relationship between age and Internet shopping and found that younger consumers reported more linen to the online shopping. Another study by Sorce et al. (2005) explored that younger consumers searched for more products online, and they were more likely to agree that online shopping was more convenient. Therefore, this study was undertaken to shed light in this particular area, with specific reference to Indore, Madhya Pradesh.

❖ **About Indore - The Commercial Capital And Education Hub :** Indore is known as the Educational hub of Madhya Pradesh. Though it is also recognized as the commercial capital of the state of Madhya Pradesh, Indore is the only city of India that is blessed with both, an Indian Institute of Management (IIM) and an Indian Institute of Technology (IIT). This city was established by the rulers of Holkar dynasty, and the naming of the local university on the lady ruler, Devi Ahilyabai Holkar in itself is indicative of the administrative and academic contribution made by this dynasty in establishment and development of this city. Home to a range of government colleges, private and autonomous academic institutes and university teaching departments, Indore has a large group of students pursuing higher education. Though the commercial reputation of this city signifies its importance in the state of Madhya Pradesh, it has also succeeded in exploring the academic horizon. A large number of organizations, including central and state government, the local university, i.e. Devi Ahilya University, Indore, and private and autonomous bodies have contributed in creating an academic environment in this city. A large number of technical and non-technical institutes like Mahatma Gandhi Memorial Medical College, Government Polytechnique, Indian Institute of Technology (IIT), Indian Institute of Management (IIM), Shri Atal Bihari Vajpayee College of Arts and Commerce, Girls Degree College, etc. are being run and managed by the central and state government. Similarly, technical and non-technical institutes like Institute of Engineering and Technology, School of Pharmacy, International Institute of Professional Studies, Institute of Management Studies, School of Economics, School of Commerce, etc. are being run and managed by the university. As far as institutes run by private and autonomous bodies are concerned, they have covered almost the entire arena of education within them. It includes institutes like Shri Govindram Seksaria Institute of Science and Technology, IPS Academy, institutes run by Shri Vaishnav Trust, Shri Gujarati Samaj, Acropolis Institute of Technology and Management, CH Institute of Management and Commerce, Sanghvi Institute of Management, etc. to name a few. This growth in academic infrastructure of the city has also provided a platform for mushrooming growth of a large number of less-known institutes in various disciplines with local presence. With all this, Indore is catering to higher-education needs of a large proportion of aspirants, not only of the city and its outskirts, but also of various rural and urban inhabitants even from far-distant places of the state of Madhya Pradesh. This circle enlarges with aspirants coming to this city from other states to join IIM, IIT, University Teaching Departments and prominent private/autonomous colleges and institutes offering admission to various courses through state and national-level entrance exams. All this put together made Indore, the commercial capital and upcoming education hub of Madhya Pradesh, an ideal geographical area for exploring the factors that would design the future of online shopping in this city of pleasant weather.

OBJECTIVE OF THE STUDY

The basic objective behind conducting this study is to identify the key factors influencing online shopping behavior of higher-education students in Indore city.

LITERATURE REVIEW

There have been intensive studies of online shopping attitudes and behavior in the recent past. Most of these studies have attempted to identify factors influencing or contributing to online shopping attitude and behavior. The researchers seem to take different perspectives and focus on different factors in different ways. For example, Case et al. (2001) suggested that internet knowledge, income and educational level are especially powerful predictors of Internet purchases among university students. Bellman and colleagues (1999) reported that the online population is relatively younger, more educated, wealthier, although the gaps are gradually closing. They argued that demographics appear to play an important role in determining whether people use the internet, however, they also concluded that once people are online, demographics do not seem to be the key factors affecting purchase decision or shopping behaviour. Mishra S. (2009) also suggested that age and income show a significant association with purchasing attitude. Banerjee et al. (2010) revealed that online shopping is significantly related with family income and frequency of internet usage and internet users with high disposable monthly income are more likely to engage in online shopping. Thus, various demographic variables like age and income have a preliminary positive impact on online shopping behavior of individuals. This is one of the reasons that younger consumers are more open to online shopping (Dholakia and Uusitalo, 2002). They search for more products online and are more likely to agree that online shopping is more

convenient (Sorce et al., 2005) . Convenience along with other factors like price, utilitarian orientation and wider selection influence the consumers' attitude towards online shopping (Delafroozn et al., 2009). Researchers like Alam S. et al., (2008) explored additional factors like website design, reliability, customer service and security/privacy significantly influencing young consumer perception of online shopping.

Perceived Risk was also found to be a significant factor affecting consumer behavior (Vijayarathy and Jones, 2000). Liebermann and Stashevsky (2002) and Forsythe and Shi (2003) provided evidence to support a relationship between perceived risk and frequency of use. Perceived risk is likely to have the greatest impact on sporadic Internet shoppers, which precludes the conversion of Internet browsers into Internet shoppers (Forsythe and Shi, 2003 ; Cunningham et al., 2005). Risk perceptions and lack of trust were identified as two major obstacles to the adoption of online shopping (Mukherji & Thomson, 2007). Jarvenpaa & Todd (1997) proposed a model of attitudes and shopping intention towards Internet shopping in general. The model included several indicators belonging to four major categories : the value of the product, the shopping experience, the quality of service offered by the website and the risk perceptions of the Internet retail shopping. In a research conducted by Vellido et al. (2000), nine factors associated with users' perception of online shopping were extracted. Among those factors, the risk perception of users was demonstrated to be the main discriminator between people buying online and people not buying online. This evidenced that consumers' attitude towards online shopping is a prominent factor affecting actual buying behavior. Other discriminating factors were; control over and convenience of the shopping process, affordability of merchandise, customer service and ease of use of the shopping site.

In the Indian context, factors affecting online shopping are similar to global factors, but there may be some specific factors and an important point that needs to be considered is that the penetration of IT and its adoption in India has been slow. Convenience, Accessibility, Scope, Attraction, Reliability, Experience and Clarity are the important factors affecting online shopping in India (Rishi J. B. , 2008). Amin and Amin (2010) found that gender plays an important role in online shopping. Females appear to be more concerned about personal privacy, trust, security and confidentiality while shopping online. The present paper makes a contribution to the existing literature by further extending findings from previous studies.

RESEARCH METHODOLOGY

❖ **Population And Sample :** Researchers like Vrechopoulos et al. (2001) explored that the youth are the main buyers who use the internet to buy products online. So, as the universe of this study, the researchers considered higher-education students in Indore who used the internet for different purposes and were above the age of 18 years . A self administered questionnaire was developed and was distributed to 225 students of the selected Institutes. Sampling technique can be best described as convenient cum purposive sampling. Among the 225 questionnaires that were distributed, approximately 200 were returned, with the conversion rate being approximating 90%. Only 200 completely answered questionnaires were considered for the purpose of this study. The collected data was analyzed with the help of Statistical Package for Social Sciences (SPSS 17.0) for windows. Factor Analysis is the basic tool that was considered for data analysis.

❖ **Development of The Instrument :** The data for the study was gathered through a self structured questionnaire. The questionnaire was divided into two parts. All variables were considered after review of literature on online shopping by various researchers, including Shergill and Chen (2005), Jarvenpaa and Todd (1997), and Hoffman et al. (1999). The first part of the questionnaire included questions about demographic profile of the respondents. The second part of the questionnaire included questions/variables that may affect online shopping behavior of individuals. All the variables were required to be marked on a likert scale in the range of 1 – 5, where 1 represented strongly disagree and 5 represented strongly agree. The questionnaire was pre -tested among a group of students, academicians and practitioners. Their suggestions were incorporated, and the questionnaire was revised accordingly. The revised questionnaire was then floated for pilot testing during July 2011 to December 2011. Reliability test was conducted thereafter. Cronbach's alpha of the same was found to be more then 0.7, representing a reasonable level of reliability. Factor analysis of the same data set also confirmed that the construct validity of the scale could be performed adequately. This was later confirmed by construct validity disclosed by factor analysis conducted on the respondents' data set.

Table 2: Demographic Characteristics Of The Respondents		
Variables and Categories	N=200	%
AGE		
18-30 years	176	88%
31-50 years	24	12%
GENDER		
Male	116	58%
Female	84	42%
MARITAL STATUS		
Married	28	14%
Unmarried	152	76%
INCOME		
No income but pocket money	124	61%
Less than ₹ 3 lakhs	48	24%
₹ 3 lacs to ₹ 5 lakhs	28	14%
EDUCATIONAL QUALIFICATIONS (PURSUING)		
Graduation	87	43.5%
Post graduation	33	16.5%
Professional	13	6.5%
Others (specify)	67	33.5%
Source : Primary Data		

❖ **Data Analysis** : The survey results are organized as follows. In the first section, the demographic profile of the respondents is presented. The second section presents the results of data analysis and concludes with expectation and perception of the respondents (students studying in higher- education Institutes in Indore) in Indore regarding online shopping.

RESULTS AND ANALYSIS

❖ **Demographic Characteristics:** The Table 2 exhibits the demographic traits associated with the respondents considered for the purpose of this study. It can be observed from the Table 2 that a majority of respondents were males (58%) and were aged between 18 to 30 years (88%). As expected, a majority of the respondents (76%) were single and 61% of the respondents had no income, but received pocket money. A maximum of 43.5% of the respondents were pursuing their graduation degrees and only 6.5% were pursuing professional degrees.

❖ **Results** : Consumer expectations and perception towards online shopping were examined in terms of perceived usefulness and perceived risk. Factor Analysis using SPSS for windows was conducted in order to identify the factors that affect the online shopping behavior of consumers. Factors were identified using the Eigen value criteria that suggests extracting factors with an Eigen value of greater than 1.0. Principal Component Analysis and Varimax

Table : 3 KMO Measure Of Sample Adequacy And Bartlett's Test Of Sphericity	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.664
Bartlett's Test of Sphericity Approx. Chi-Square	6623.587
Df	435
Sig.	.000
Source : Primary Data	

Table 4: Exploratory Factor Analysis				
	Factors			
	1	2	3	4
The quality of the product purchased may not be good/guaranteed or as ordered.	.890			
There are chances of being cheated.	.845			
The product is non-returnable even if I am not fully satisfied.	.841			
Goods may be damaged in transportation.	.829			
There is a risk of unauthorized use of personal information.	.816			
Cash on delivery option is not available.	.813			
Home delivery by a stranger may not be safe.	.806			
Expired/second hand/outdated products may be offered.	.796			
The company may charge more than the agreed amount of money.	.753			
There is a risk of receiving products late.	.743			
Paying online through credit cards is not safe and secure.	.737			
Even if available, the product's return process may not be easy and convenient.	.715			
I Like to try out new things.		.866		
Internet is a convenience for life.		.857		
Internet facility is a boon for emergencies.		.840		
The Internet is very useful to search for information.		.826		
I am skillful and efficient in surfing the internet.		.780		
I enjoy surfing the net for the purpose of finding new products and information.		.741		
I use the internet as a medium of communication.		.727		
You are able to shop from anywhere at any point of time from any vendor located domestically or abroad.			.795	
There are varied choices of companies and products.			.784	
It is interactive to use the internet for shopping.			.766	
I prefer to see and touch the product physically before I buy.			.723	
There is no out of stock problem in online shopping.			.678	
I prefer to buy from a shop/salesman of my choice.			.622	
I prefer to make the payment by cash only.			.549	
Online shopping saves physical effort.				.819
Online shopping facilitates product comparison.				.697
Online shopping is easy, quick and convenient.				.676
More discounts, free gifts and promotional offers are available in online shopping as compared to conventional shopping.				.617
Online ordering layout is easy and convenient.				.567
Online buying information is clear, precise and easy to understand.				.562
Prices in online shopping are less than conventional shopping.				.555
Online buying provides more reliable, rich and varied information.				.530
Extraction Method: Principal Axis Factoring, Rotation Method: Varimax with Kaiser Normalization				
Source : Primary Data				

Rotation were considered for obtaining a component matrix. For confirming the adequacy and sphericity of the dataset, Kaiser-Meyer-Olkin (KMO) and Bartlett's Test values were also obtained. These results are displayed in the Table 3 and have been discussed thereafter.

As seen from the Table 3, the KMO measure of sampling adequacy score is .664, well above the recommended 0.5 level. Kaiser (1974) recommended that to accept the KMO values of >0.5, a researcher should ensure the generation of reliable factors.

Further, Bartlett's Test of Sphericity exhibited significance value of less than 0.05 (.000), thereby ensuring the appropriateness of factor analysis for this research work.

The Table 4 has exhibited the four factors extracted by factor analysis. These factors have been extracted from 34 variables considered for this study. Each factor has been defined by at least 7 variables, and all the extracted communalities after rotation are more than 0.5, ensuring the appropriateness of factor analysis for this work. These four factors put together explain a total of 65.6% of the total variance.

With regard to the results reported in the Table 3, Factor 1 loaded on the first 12 variables. As seen from the Table 4, all these 12 variables relate to various types of threats/risks associated with online buying. In the light of the key attributes associated with these variables, this factor can be labeled as '*Perceived Risk*'. Consumers perceive risk in terms of chances of being cheated, delivery of goods damaged in transportation and delay in delivery of the ordered goods. The consumers also perceive risk in terms of being cheated, exorbitant prices being charged, delivery by a stranger, lack of safety in paying through a credit card and misuse of personal information. This perceived risk also resulted from the lack/complexity of the return process and absence of cash on delivery option (COD). This factor explained 24% of the total variation in the factor analysis. It has appeared as the most dominant factor of online shopping among the respondent consumers.

Factor 2 loaded on the next 7 variables. These seven variables seem to be associated with the attitude of consumers in using the internet, and hence, the related factor can be labeled as '*Internet Traits*'. The variables contributing to this factor signifies the importance of internet skills and computer efficiency in online buying behavior of respondent consumers. It is the second factor and explained 14.9% of the variance. The third factor, which loaded upon the next seven variables, can be labeled as '*Attitudinal Traits*' as the variables are associated with the attitude of the respondent consumers towards online buying. It explains 14.4% of the variance and includes variables such as the ability to shop from anywhere, varied choices of companies and products, preferences to make cash payment only, prefer to see and touch the product physically, etc. It indicates that the respondents perceive online shopping to be useful, and accept its benefits.

The fourth factor can be labeled as '*Convenience*', as the various variables associated with it highlight the different dimensions of convenience while buying. This factor explains 10.9% of the total variance. It indicates that the consumers had a positive attitude towards online shopping as it is convenient, reliable, provides rich information, less price and saves physical effort.

DISCUSSION AND PRACTICAL IMPLICATIONS

The results of the study indicate that Perceived Risk, Internet Traits, Attitudinal Traits and Convenience are the four dominant factors which influenced the decision of higher-education students in Indore to shop online. Young students are technology savvy, efficient in surfing the net and enjoy internet browsing for fun and information as this (Internet Traits) factor scored second among all the factors. Previous research also indicated that university-aged students spend, on an average, between 8 to 12 hours per week online. While online, they use their computer capabilities for a myriad of activities, including conducting research, communicating via e-mail, obtaining news, viewing maps and directions, downloading music, conducting job searches, as well as doing their banking and shopping activities (Hannula & Comegys, 2003 ; Gupta & Gupta, 2009).

However, Perceived Risk associated with online buying had the highest rating score. It indicates that the element of risk in terms of delivery of products, safety in payment through credit card, doubt in quality of product delivered, fear of misuse of personal information, home delivery by stranger and non returnable policy of goods etc. influenced young students' decision to purchase products online. The two major concerns - security of online payments and privacy of personal information have also been considered as important by Cunningham et al. (2005), Liberman and Stashevsky (2002); Park and Kim (2003); Miyazaki and Fernandez (2001); Suresh & Shashikala (2011). Students are concerned over delivery and return of products purchased online (Vijayarathi and Jones, 2000 and Jarvenpaa and Todd, 1997). Privacy risks have a negative association with online purchasing behavior and deter internet users from shopping online frequently (Doolin et al., 2005). Consumers also perceive risk in terms of doubt in quality of product delivered

(Lee and Turban, 2001). Security of their credit cards is a major concern for consumers (Banerjee et al., 2010). Lack of confidence in using a credit card may prevent the growth of e-commerce (Apicella, 2000; Bellman et al., 1999; Bhatnagar et al., 2000). E-sellers who can assure consumers of the security of their credit cards and personal information will have an advantage over those who cannot. Hence, it is recommended that marketers must give a thought to this factor when they design their online strategy. Marketers can provide web assurance - a third party service that improves the reliability of information provided on a website to help reinstate consumer confidence in an online retailer (Zhou et al., 2007). Marketers may also focus improving organizational reputation, which is able to trade off the perceived risks on consumer shopping attitude and behavior. Further, the findings of this study implies that convenience has a positive impact on attitude towards online shopping (Kim & Kim, 2004). According to previous research, online shoppers are primarily motivated by price consciousness and convenience (Banerjee et al., 2010; Matchwick et al. 2001). Therefore, online retailers need to ensure that the online shopping process through their websites is made as simple and as inexpensive as possible for consumers to shop online.

LIMITATIONS OF THE STUDY AND SCOPE FOR FUTURE RESEARCH

Although the objectives of the study were fully met, a few limitations were identified in the course of this study. Firstly, the present study focused on college students in Indore. This could limit the generalization of findings and references to the entire section of online consumers. This creates an ideal opportunity to consider more diverse demographic groups of buyers. Secondly, limited variables were used in this study. Researchers can use different variables such as trust, website design, reliability, shopping motives etc. to explore consumer behavior towards online shopping. Though the sample size is acceptable, it can be increased for future research works conducted in this area.

CONCLUSION

A large number of studies have been conducted by various research scholars and academicians nationally and across the globe, exploring the factors that may affect online buying behavior of various consumers. Youth was the focal point of considerable number of these studies as they are assumed to be more tech savvy, which is a pre-requisite for this kind of buying behavior.

This research work was an attempt to explore the factors that may affect the attitude of young consumers in Indore, specifically higher-education students, towards online shopping. The study was conducted by drawing a sample of 200 respondents pursuing their higher education with various academic institutions in Indore during July 2011 to December 2011. Relying on existing literature, variables were considered and offered to respondents in form of a close-ended questionnaire to mark their responses on a five-point likert scale. The collected data was analyzed with the help of Statistical Package for Social Sciences (SPSS). The results revealed four important factors viz. Perceived Risk, Internet Traits, Attitudinal Traits, and Convenience to be affecting the online shopping behavior of higher-education students in Indore. It was further revealed that Perceived Risk was the most important factor that may affect the online shopping behavior of higher-education students in Indore. The buyers' perceived risk in online shopping is basically due to not physically viewing the products before purchasing, and it is perceived as goods may not be as per what was ordered online. Another important factor contributing to *Perceived Risk* is the lack of trust of buyers as they perceive that they might be cheated. Apart from this, a buyer also perceives risk for various reasons like damage in transportation, unauthorized use of personal information, unsafe delivery by a stranger, etc. The second most important factor (*Internet Traits*) indicates the importance of internet skills in promoting online buying behaviour. Similarly, *Attitudinal Traits*, the third most important factor indicates that the attitude of the individual towards the role of the internet in buying goods and commodities is very important, so promotional programs should be conducted by marketers, which can create a framework for favorable customer attitude towards online shopping. Lastly, *Convenience* as a factor is also very important in promoting online buying in Indore city. This convenience can be generated by offering gifts and promotional offers, facilitating comparative information, providing easy, reliable, precise and clear ordering layout, etc.

This research is important for marketers as it highlights the factors important in internet purchasing in the context of a city - in this case, Indore city. Therefore, e-retailers must work on risk-reduction strategies to reduce their concerns - more specifically about online shopping - as Perceived Risk emerged as the most important factor in Indore city.

Providing an information navigation facility based on such risk-reduction strategies such as money-back guarantee, cash on delivery option, timely delivery of goods, desirable purchasing experience, etc. decreases consumers' perceived risk and increases their purchasing on the Internet. Furthermore, e-retailers must introduce the concept of third-party insurance to strengthen the confidence and trust in online shopping.

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