



**INFLUENCERS TO THE RISK ASSOCIATED WITH ONLINE
SHOPPING: STRUCTURE EQUATION MODELING APPROACH**

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Abstract:

The recent years have witnessed the tremendous growth of e-commerce in developing countries; and India is no more an exception. Simultaneously, the responses from the customers have also suggested that e-commerce market in India aims to touch new high in upcoming years. However, industry as well academicians still struggle to ease up the experience of consumers who purchase the products/ services through e-commerce. This research attempted to understand the various risks associated with online purchase and build a model with the help of structure equation modelling in order to understand the relationship among the constructs. Moreover, the structural equation modelling also suggested the linkages between theory and practice with respect to several constructs like financial risk, social risk and physical risk. The results of the study would be helpful for practitioners for understanding and analysing the influencers affecting the perceived risk associated with online transactions.

Keywords: e-commerce, Perceived Risk, Structure Equation Modelling, Technology Acceptance Model

1.Introduction

Technology being fourth factor of production has dramatically changed the way of doing business, especially in case of emerging markets. Indian e-commerce sector is evident of such technological interventions which has challenged the traditional business; and in some of the cases traditional businesses do not exist as of now. With such impact, e-commerce sector, being heavily relied on the technology and internet, poses the caution which needs to be addressed. The launch of 4G and high penetration of smartphones, Indian e-commerce market is expected to touch \$188 billion by the end of year 2025. In addition to that, the inclusion of Tier 2 and Tier 3 cities, where people have comparatively limited access of internet but have considerable potential, is a strong back to promising future of Indian e-commerce industry (IBEF, 2017).