The purpose of the present study is to investigate the consumer risk perception towards online shopping at different age groups. The two categories of risk explored from literature review namely financial risk & product risk have been taken in this current study. Hypothesis deals with whether consumers in different age groups have significant difference towards financial risk & product risk associated in online shopping.

1. Introduction
Online shopping is simply buying goods and services over internet. In online shopping products and services are brought just in a click. Zuroni & Goh (2012) defined online shopping as the process a customer takes to purchase a service or product over the internet. It is totally different from traditional mode of shopping where one can interact with seller directly as here internet connection is interaction mode between seller and buyer. One has to buy any product or service without direct face-to-face interaction with seller and even after buying it they have to wait till the product being delivered to them. So, in such an uncertain environment of shopping a consumer perceived certain degree of risk involved. It’s human behaviour to avoid activities which involved risk. Various researches have shown risk perception changes with age. As per Suresh A.M & Shashikal R(2011), despite being new easy & convenient mode of shopping, consumer perceive online shopping more risky as compare to traditional one.
Schiffman et al (2007) defined perceived risk as the uncertainty that consumers face when they can’t foresee the consequences of their purchase decision. In online shopping consumer is uncertain about the quality of product & whether they get the exact same product that meets their particular demand. As per reports Indian internet population will reach to about half a billion by 2018. Along with this, the 2018 internet population will be older as compared to that of 2013. In 2013 around 60% of internet population is under 25 which will reduce to 54% in 2018. (www.iamwire.com/2015/01/rise-internet-penetration-changing-face-digital-india/108808).

Internet penetration growth rate is marvellous and still continue the same pace while despite this favourable environment e-commerce or online shopping is still in its budding stage. In 2013, around 71.2% of shopping cart are abandoned globally (www.static.com). These figure shows that people are still reluctant to shop online. Despite having so many advantages consumers believe it risky. Perceived risk is further sub divided based on various feature like financial, product, time, social, physical, performance risk (Jacoby & Kaplan 1972, Emad Y. Masoud 2013). This study deals financial risk and product risk dimension of perceived risk associated with online shopping. Various researches shows that age had a significant influence on risk taking capacity (Tagadus Bashir et al. 2014). The present research aimed to find significant relationship between age and perceived risk (financial & product risk) in online shopping.

2. Literature Review

- **Perceived Risk**
  As per Cunningham (1967), risk is loss incurred with an action if the result of that action is not favourable, and individual’s personal feeling of certainty that the results will be unfavourable. Schiffman et al (2007), defined perceived risk as the uncertainty that consumers face when they can’t foresee the consequences of their purchase decision. Ye Naiyi (2004), explains it as a fundamental concept in consumer behaviour, which involves consumer pre purchase uncertainty regarding expected loss as a consequence of buying a product. Suresh & Sashikala (2011), elaborates it as a customer’s subjective belief about the possibility of an unwanted result from any purchase decision.

- **Perceived Risk & Online Shopping**
  Pavlou (2003) also found impact of perceived risk on adoption of online shopping. Cheung, Lee found internet shopping engages higher degree of uncertainty and risk. Lingying Zhang et al. (2012) examines that in e-commerce higher consumers risk perception restricts their purchase intention. Various other researchers also studied that perceived risk have negative influence on intention to buy online (J. Park & et al. 2004, S. M Forsythe & B. Shi 2003, Emad Y. Masoud 2013).

- **Dimensions of Perceived Risk**
risk, product risk, time risk, delivery risk, social risk, & information risk. Jacoby & Kaplan (1972) explains financial risk, performance risk, psychological risk, social risk & physical risk as type of perceived risk. Jayendra Sinha & Jiyeon Kim studied influence of perceived risk on consumer’s attitude towards online shopping with financial risk, product risk & convenience risk as is factor.

- **Age, Perceived Risk & Consumer Behaviour**

  Taqadus Bashir et al. (2014) emphasis that age has positive & significant relationship with risk perception. Yao et al. (2011) finds negative relationship between age & risk tolerance as with increasing age the capacity to recover losses decreases. While, Larkin et al. (2012) says age does not affect risk tolerance.

  Pinki Rani (2012) explains age have potential impact on consumer buying behaviour. While on other side Bellman (1999) concludes that age have little impact on decision whether to buy a product online. Vaishali Nikalje (2013) finds different age groups have no significant difference in attitude towards online shopping.

  Above discussion shows that perceived risk is multidimensional and demographic factor age has some significant relation with it. The present study elaborates perceived risk with product risk & financial risk dimension in online shopping.

### Table 1: Definition of dimensions of risk considered

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Definition</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Risk</td>
<td>Perception that a product purchased may fail to function as expected.</td>
<td>Kim et al. 2008, Bhatnagar et al. 2000</td>
</tr>
</tbody>
</table>

3. **Hypothesis**

   H1: There is a significant difference between different age groups towards financial risk associated in online shopping.

   H2: There is a significant difference between different age groups towards product risk associated in online shopping.

4. **Research Methodology**

   This is an explorative study as the financial risk and product risk factor are explored from literature. The unit of analysis in this study is individual consumer who has online shopping experience. The area selected for this analysis is Delhi NCR region. Total number of respondents for data collection was 100. Questionnaire was developed with multiple items to examine both hypothesis. Each item was measured based on a five point Likert scale from “Strongly Disagree” to “Strongly Agree”.

   For this research age is divided in four groups, below 18 years, 18 to 25 year, 25 to 35 year & above 35 year.

5. **Validity & Reliability**

   Cronbach alpha coefficient was used to assess the reliability of the measure (Straub, 1989). As shown in appendix 3, reliability coefficients were acceptable for all constructs, ranging from 0.726 for financial risk to 0.721 for product risk. While all the reliability figures were higher than 0.6, the lowest acceptable limit for Cronbach’s alpha suggested by Hair et.al (1998).
Table 2: Various items for both dimensions

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Items</th>
<th>Cronbach's Alpha Value</th>
</tr>
</thead>
</table>
| Financial Risk  | 1. Online shopping through credit/debit cards/net banking is safe.  
2. The security policy for credit card/debit card/net banking information on online shopping site is clear.  
3. Confidentiality of financial transaction might get lost while shopping online.  
4. Other people might get access to customer’s bank status if payment is through net banking in online shopping.  
5. There are some hidden charges (e.g., processing fee, delivery charges) on online shopping sites.  
6. In failure transaction, money debited from account is refunded automatically.  
7. Providing credit cards/debit card/net banking information to online shopping site is unsafe. | 0.726                  |
| Product Risk    | 1. Product comes with warranty/guarantee in online shopping.  
2. There is a risk of receiving wrong product in online shopping.  
3. There is a risk of receiving physically damaged product in online shopping.  
4. Different prices for same product on different shopping sites influence online shopping decision.  
5. Terms & condition for return/replacement is easy & buyer friendly.  
6. Terms & condition for return/replacement is easy & buyer friendly.  
7. It happened product received is different from the description on online shopping site. | 0.721                  |

6. Hypothesis Testing

To test both hypotheses one way ANOVA was conducted, with different age group as independent variable and financial risk and product risk as dependent variable. Following table shows the result for hypothesis 1 (there is significant difference between age groups towards financial risk). Financial risk is studied with seven items as listed in table.

Table 3: One way ANOVA between different age groups & financial risk

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Online shopping through credit/debit cards/net banking is safe.]</td>
<td>Between Groups</td>
<td>3.142</td>
<td>2</td>
<td>1.571</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>95.473</td>
<td>101</td>
<td>.945</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>98.615</td>
<td>103</td>
<td></td>
</tr>
<tr>
<td>[The security policy for credit card/debit card/net banking information on online shopping site is clear.]</td>
<td>Between Groups</td>
<td>.917</td>
<td>2</td>
<td>.459</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>113.237</td>
<td>101</td>
<td>1.121</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>114.154</td>
<td>103</td>
<td></td>
</tr>
<tr>
<td>[Confidentiality of financial transaction might get lost while]</td>
<td>Between Groups</td>
<td>3.393</td>
<td>2</td>
<td>1.697</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>112.453</td>
<td>101</td>
<td>1.113</td>
</tr>
</tbody>
</table>
Dr. Anil Khurana, Jyoti Mehra:: The Consumer Risk Perception Towards Online Shopping At Different Age Groups

<table>
<thead>
<tr>
<th>Risk Perception</th>
<th>Total</th>
<th>Between Groups</th>
<th>Within Groups</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing credit cards/debit card/net banking information to online shopping site is unsafe</td>
<td>115.846</td>
<td>.995</td>
<td>2</td>
<td>.498</td>
<td>.420</td>
</tr>
<tr>
<td>Other people might get access to customer’s bank status if payment is through net banking in online shopping</td>
<td>120.615</td>
<td>119.620</td>
<td>101</td>
<td>1.184</td>
<td></td>
</tr>
<tr>
<td>There are some hidden charges (e.g. processing fee, delivery charges) on online shopping sites</td>
<td>115.837</td>
<td>1.973</td>
<td>2</td>
<td>.986</td>
<td>.875</td>
</tr>
<tr>
<td>In failure transaction, money debited from account is refunded automatically</td>
<td>127.990</td>
<td>113.864</td>
<td>101</td>
<td>1.127</td>
<td></td>
</tr>
</tbody>
</table>

Significant value for all the seven items of financial risk comes > than 0.05, which reflects rejection of this hypothesis. So result refuses significant difference between different age group towards financial risk (Lakin et.al 2012, Vaishali Nikalje 2013). Again, to test the second hypotheses one way ANOVA was conducted, with different age group as independent variable and product risk as dependent variable. Following table shows the result for hypothesis 2 (there is significant difference between age groups towards product risk). Product risk is studied with seven items as listed in table. Results rejects second hypothesis 2 (there is significant difference between different age groups towards product risk).

Table 4: One Way ANOVA between different age groups & product risk

<table>
<thead>
<tr>
<th>Risk Perception</th>
<th>Total</th>
<th>Between Groups</th>
<th>Within Groups</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product comes with warranty / guarantee in online shopping</td>
<td>117.750</td>
<td>.548</td>
<td>2</td>
<td>.274</td>
<td>.236</td>
</tr>
<tr>
<td>There is a risk of receiving wrong product in online shopping</td>
<td>132.990</td>
<td>5.147</td>
<td>2</td>
<td>2.574</td>
<td>2.033</td>
</tr>
<tr>
<td>There is a risk of receiving physically damaged product in online shopping</td>
<td>128.154</td>
<td>3.249</td>
<td>2</td>
<td>1.624</td>
<td>1.313</td>
</tr>
<tr>
<td>Different prices for same product on different shopping sites influence online shopping decision</td>
<td>109.038</td>
<td>5.504</td>
<td>2</td>
<td>2.752</td>
<td>2.685</td>
</tr>
<tr>
<td>Terms &amp; condition for return/replacement is easy &amp; buyer friendly</td>
<td>128.221</td>
<td>3.338</td>
<td>2</td>
<td>1.669</td>
<td>1.300</td>
</tr>
<tr>
<td>It happen product received is different</td>
<td>123.816</td>
<td>4.406</td>
<td>2</td>
<td>2.203</td>
<td>1.797</td>
</tr>
</tbody>
</table>
The Consumer Risk Perception Towards Online Shopping At Different Age Groups

7. Conclusion

Online shopping is a new mode of shopping in India. As similar to other new thing that comes in market it also has perceived risk associated with it. In India where young generation are consider more technology lover, old people are still seems reluctant to adopt that. But this, research shows that there is no significant difference between different age groups towards both financial risk & product risk in online showing which rejects both hypotheses taken. Our hypothesis are also endorse by several researcher who found that age does not have any relation with risk perception in online shopping( Lakin et.al 2012, Vaishalli Nikalji 2013).This illustrate that perceived risk perception are similar for all age groups. Age cannot consider as a factor for consumers perceived risk in online shopping. Results reflect there is same level of fear in all age consumers for both product & financial loss.

8. Policy Implications

This research has an important outcome for the e-vendors. They are doing business in a digital environment. They have to provide a risk free environment to their customer so that they can rely on their site to shop. Perceived risk being an important huddle in their business growth should be considered important while making privacy & security policies. As results shows age does not have any impact on customer’s perceived risk. So, despite making different risk reducing policy for different age groups they should focus on making overall well proofed risk policies for all age groups.

9. Scope For Further Research

The present study focuses only two dimension of perceived risk i.e. financial & product risk. This research can further be elaborated with taking other dimensions of perceived risk like time risk, social risk, performance risk etc. This study takes only one demographical factor that is age. Study with other demographical variables may also be conducted.

10 References

Dr. Anil Khurana, Jyoti Mehra: The Consumer Risk Perception Towards Online Shopping At Different Age Groups