Amity Journal of Marketing
3 (2), (1-16)


# Use of Click and Collect E-tailing Services among Urban Consumers

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**Abstract**

The purpose of the study is to investigate the phenomenon of omni-channel marketing initiatives of online marketing companies, particularly those who use 'click and collect' option as a product delivery and fulfilment means. Research variables including urban consumer's online trust, perceived usefulness, product risk and financial risk towards their acceptance of click and collect e-tailing were identified measured and analysed using Partial Least Square path modelling. The urban working online consumers are of particular interest in this study due to their hectic work schedule which makes product delivery fulfilment a problem for this segment to purchase online. A quantitative survey research was carried out and research data was collected from large cities with urban working populations in Malaysia. The findings indicate strong relationship between urban consumers' online trust and perceived usefulness to their acceptance of click and collect e-tailing as a means for online order fulfilment. As hypothesised, both product risk and financial risk were found not to affect urban consumers' decision to adopt click and commerce e-tailing services. This stands out as a major contribution of this study, whereby click and collect e-tailing is found to have significantly reduced product and financial risk, both prevalent contributors to negative adoption of electronic commerce in previous studies. Several recommendations are discussed based on these findings together with suggestions for future research.

**Keywords:** Click and Collect E-Tailing, Financial Risk, Online Trust, Perceived Usefulness, Product Risk, Urban Online Consumers, Omni-Channel Marketing

**JEL Classification**: M31, G32, D81

**Paper Classification**: Research Paper

## Introduction and Research Background

Technology is widely used in our lives today; urban communities are especially dependent on technology to go about their daily routines. Online shopping and e-commerce are certainly among the most significant contributions of information technology to our modern society. According to Aren, Guzel, Kabadayi, and Alpkan (2013), in the 90's an increasing number of online selling methods resulted in a big influence on people way of life. The Internet World Stats (2018), shows that the number of internet penetration is at 55.1% of the total world population. The Internet's spread has increased to 832.5% from 2000 to 2015. This shows that within a short period of time, the numbers of consumers who use the internet have increased and many are now fond of 'online shopping' as part of their daily way of live. Doherty and Ellis-Chadwick, (2010) commented that online shopping has become a common and a popular medium among individuals to make purchases. A growing number of consumers are seen to be highly depended on technology in their daily lives. Despite this wide acceptance of online purchase, the last-mile problem where delivery is concerned is still a big hindrance for many to complete their online purchases. They add product to online shopping cart, they consider the delivery options and then abandon the purchase. Most often this is due to the inconvenience of product delivery, especially for urban consumers who are working and have no one at home to accept the product delivery. To counter this problem, several e-tailers are now adopting click and collect order fulfilment method for product delivery. This method has emerged to be a significant topic of interest in the modern e-commerce and e-tailing which motivated this study Colla & Lapoule, (2012); Jara, Vyt, Mevel, Morvan, & Morvan, (2018).

Ariff, Sylvester, Zakuan, Ismail, and Ali (2014) stated that popularity of online shopping has been expanding worldwide due to development of e-commerce. Online shopping in Malaysia was worth RM5 billion in 2015, which rose from RM1.8 billion in 2013. Despite that, in 2012 online shopping was ranked to be the 11$^{th}$ out of 15$^{th}$ reason for people to use the internet. This somehow shows that online shopping is fast becoming popular however still not the priority of most internet users. Khoo (2014) added Malaysian customer mainly buy goods or services related to fashion, gaming and travel. PayPal states that during festive seasons, Malaysians usually shop online 12 times more than their average online purchases frequency, which is driven by sales promotion during festive seasons.

Khoo (2014) illustrated that people are still worried about the security of online shopping even though it has become common in most people's lives. Studies show that several risks are still prevalent in electronic commerce. For instance, there are still financial risks associated with shopping online that affects people's online shopping intention (Bezes, 2016; Cunningham, Gerlach, Harper, & Young, 2005). Many cases have been reported where e-commerce websites hanged in the middle of the payment process. In some cases, customer's money was deducted from the bank account but the process of keying in delivery data was not properly done which subsequently led to the failure of delivery of the product. This is commonly referred to as the last-mile problem in e-commerce. It is either the inability of the consumers to complete their online purchase after adding products to online cart, or the failure of company to successfully deliver the goods to the buyer.

This research focuses on urban consumers' acceptance and continuance usage of 'click and collect' e-tailing services from online marketing websites. Urban consumers are usually busy working adults where most of them have no one at home while both husband and wife are out to work while children are away to school. As such, product delivery to home during office hours is not possible. Due to this, more and more urban online consumers experiment with click and

collect e-tailing, where they could purchase online and collect the product at a pre-determined collection kiosk such as a terminal at a petrol station or a newspaper kiosk, etc. Figure 1 shows the simple process flow of a typical click and collect e-tailer.

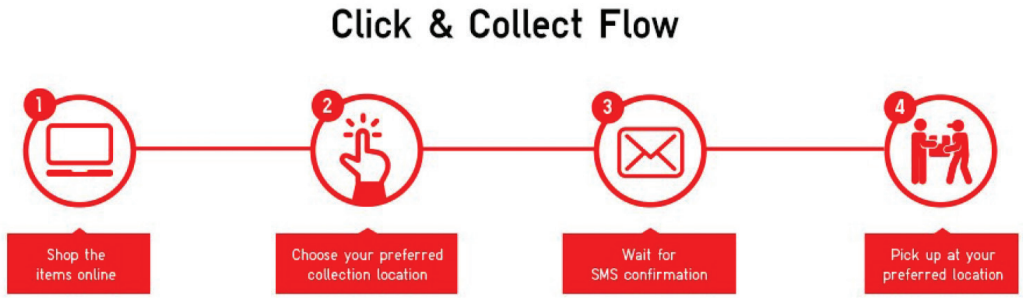


**Figure 1: Click and Collect process flow of Uniqlo Japanese E-Tailer in Malaysia**

*(source:* http://www.uniqlo.com/my/clickandcollect/*)*

Although click and collect e-tailing has received significant attention among online businesses that has evolved to embrace omni-channel strategy, it is still a new phenomenon in Malaysia and limited work has been carried out to investigate its use and acceptance. From general observation, in Malaysia, click and collect e-tailing has most commonly been used by cinemas and airplane companies which enable consumers to buy their tickets through online channels and then collect the tickets at the time when they arrive at the location. However, its application to online purchase of goods and collecting it via partnering collection kiosks are less investigated. Therefore, this study aims to test the effect of online trust, perceived usefulness, perceived product risk and perceived financial risk towards the acceptance of urban consumers to click and collect e-tailing.

## Literature Review and Theory Building

### Click and Collect E-Tailing

Shopping can go beyond our expectations from traditional buying and selling to online shopping and now to click and collect e-tailing. Scholars Fairchild, (2014; Javadi, Dolatabadi, Nourbakhsh, Poursaeedi and Asadollahi (2012) believe that online stores have many advantages in comparison with physical stores. They indicated that online shopping has several advantages, such as ease of use; fast and individuals do not need to travel to get the products. Online shopping can also be accessed 24 hours, automated and can be purchased anytime anywhere. These online shopping stores also will provide the customers with information to make them better understand about the product or services. Ariff et. al (2014) defined online shopping as a process of buying products or services through internet. They also stated after email using/ instant messaging and web browsing, online shopping now is the third most popular internet activity.

Online shopping became popular since the internet has grown. As a result of the tremendous increase in the use of online shopping among customers worldwide, there is a new method of online shopping or that has been introduced which is called click and collect e-tailing. This method involves in purchasing through online (through the company's website) and consumers can collect their purchases at nearby store of that company Jara et al., (2018). English Oxford Living Dictionaries defined 'Click and Collect' as a shopping medium where customers can buy or

order goods from a shop website and collect them from local and nearest branch. It is something that is fresh and uncommon thing to be heard especially in Malaysia. It is also considered as an online shopping method but a bit different from normal online shopping that people used to, where this approach only requires people to purchase online but collect or 'redeem' their product purchased through online (Lockie, 2014).

Retailing in traditional business is about selling goods and services directly to consumers. In e-tailing however, order fulfilment is of concern as the product delivery does not happen real-time during the purchase. Hence, Omni-channel e-tailing tries to address this last mile problem by providing more options for product delivery and order fulfilment to online consumers. According to Fairchild (2014) and Savisaari (2016), Omni-channel is the combination of processes of traditional and electronic commerce that work together for the organizational and IT supply chain, which includes external logistics partners in the process. As such, Omni-channel marketing or e-tailing is a multichannel approach to sales that provides the customer with options that are of convenience to them when it comes to order fulfilment and product delivery when shopping online. Click and collect is among the most popular Omni-channel e-trailing services that appeals to busy working urban consumers.

## Online Trust

There are two types of trust which are offline trust and online trust. Offline trust is involving physical activities of a company like direct sales, channel sales, other communication and transactions while online trust is involved by using online medium like web site (Zhong, & Gang, 2006). Both online and offline trust are relatively similar in a way of their processing. It is just that the way it is being practiced is different. For example, like for offline trust, consumers have to build their trust towards people or the seller but for online trust, consumers have to have trust on the technological devices that they are using in order for them to make purchases. In this case, this research is focusing only on online trust. In other words, the website is being switched to be as the salesperson to build trust of the customers (Jarvenpaa, Tractinsky, & Vitale, 2000). According to Renny, Guritno and Siringoringo (2013), various past researchers have also demonstrated that trust is a vital element in web shopping.

The investigation of user trust towards electronic commerce has been a subject of consistent interest in Malaysia (Nathan & Yeow, 2011; Thambiah et al., 2009). Renny et al. (2013) stated that many people are still reluctant to utilize internet as online shopping media due to security concerns. Many people still question the safety of online transaction and payment. This shows that people are afraid of losing their money to online scams. Trust plays a big role for users to be convinced to make purchases online. Is the website safe? How secure is the website? Is my personal information completely secure? Will the item look exactly like it is shown in the website? Can I return the product if I am not satisfied? These are among the pertinent questions that consumers have when it comes to online purchase decisions.

Author Susanna Khoo from the Star News Malaysia, 18th February 2016 also mentioned about Malaysians' security concern in online shopping. In the review of a survey, it is highlighted that 58% of respondents were worried about their financial data being stolen by digital crooks whilst 23% said they favoured not to impart their charge card points of interest to sites that they had not visited to beforehand. Nonetheless, 71% of respondents said they more often than not felt secure executing online if a legitimate and trusted online payment gateway system like Paypal was utilized. Others said that sites which had client assurance policy were favored (65%). E-tailers who received positive criticism online additionally were seen to be more secure (65%)

and having the capacity to make a purchase without revealing charge card points if favoured by 59% of respondents. The issue of trust has always been a concern for online buyers, hence it is believed click and collect method too would be affected by online trust. However, since click and collect allows buyer to receive the product at a physical location, it is believed user trust would be significantly enhanced in a click and collect e-tailer. As such, online trust of urban consumers is expected to have a significant positive impact towards their acceptance of click and collect. The following hypothesis is forwarded to test this relationship.

H1: There is a significant positive impact of urban consumers' trust towards their acceptance of click and collect e-tailing.

## Perceived Usefulness

Nowadays, individual's day to day activities are packed and fully utilized because of work, long distance travels and shortage of time to do the basic things like buying groceries and shopping. Therefore, online purchase is favoured by busy working individuals, especially urban dwellers. Click and collect method allows online buyers to easily look through a website for things they want and make purchases online and directly go to the store to collect the item at their convenience, usually as they travel back home from work. Some click and collect e-tailers also allow for payments to be made during collection at the collection terminal, which further adds convenience to the buyers. This arrangement makes click and collect appear friendly and convenient for users to consider this option of product fulfilment.

Fong (2013) illustrated that consumers tend to have a positive attitude toward the use of online ticket service when consumers feel greater benefits such as faster ticket search, low efforts, and cost saving will come to them by using online services for purchasing airline tickets. Online ticket purchasing like airline tickets or movie tickets are also considered as click and collect omni-channel. Customers are confirmed that the tickets are secured for them and they just need to collect the tickets when they arrive, rather than going there queuing up not knowing whether the tickets are still available or not, that could waste a lot of time and cost for going there (Muda, Mohd, R., & Hassan, 2016).

Perceived usefulness is the level of trust that utilizing a specific framework would improve his or her employment execution or, as it were, shopping (Suwunniponth, 2014). The less demanding a system to be utilized, the higher the likelihood it will be acknowledged by consumers (Davis, 1989). In addition, the study of Davis (1989) has shown to have a positive influence on purchase intention. What can be said here is consumer will trust on this click and collect website when it is very useful for them as it will make their life easier. Previous research show that consumers will go for online shopping for functional motives for convenience (Forsythe et. al, 2006). Moreover, people are also starting to be more assured about making online purchases as it is easy, convenient and more choices of products are offered (Borneo Post Online, 2013). As such, perceived usefulness is expected to have a significant positive impact towards urban consumers' acceptance of click and collect e-tailing. The following hypothesis is forwarded to test this relationship.

H2: There is a significant positive impact of urban consumers' perceived usefulness and their acceptance of click and collect e-tailing.

## Product Risk

Product risk is also referred to as performance risk, which is the probability of the product to not function as expected (Forsythe et al., 2006). In electronic commerce, there is always a

possibility of getting a product that does not function as it was promised. Ariff et. al. (2014) stated that product risk creates fear among prospective online buyers due to the fact that products may not perform. The authors also stated that online shopping is not the same as physical store shopping. It is not tangible as consumers find it hard to check the quality of the product physically. Only the information given makes them to visualize on how the product will look like and how it would perform. Also, product risk perception involves possibility that the product may fail to function and perform as expected as the shoppers cannot accurately evaluate on the quality of the products online (Hong, Zulkiffli, & Hamsani, 2016). They are not able to touch, feel, test and try the product first before making purchases which could lead to consumers avoiding online purchase.

For example, when consumers are trying to purchase clothing, she or he might have wanted to feel the material of the clothing, whether it is of good quality; or the type of material that the consumer really wanted. Product risk is often associated with product quality (Ram et al., 2017). It is hard to make purchases online when you are not completely confident in product's quality. He and Bach (2014) also had the same thought that customers cannot touch the product which they want to buy, so they cannot be sure that they will like it. In other words, customers cannot trust a company or a website when they have doubt on the quality of the product when it cannot be observed or touched physically. Hence, in the conventional e-commerce, product risk has always been a hindering factor. However, click and collect e-tailing is believed to have a solution to this problem.

Click and collect e-tailing is somewhat different in the last mile issue of e-tailing, as this method of online shopping involves physical store as well at the last stage of product order fulfilment. The act of buyer physically collecting an item from a seller's collection center, allows the customers the opportunity to assess the product at the collection point first before taking it home. Therefore, this could significantly decrease the perceived product risk as compared to e-tailing which delivers products to home through courier services. Therefore, we believe that product risk can be significantly reduced and won't be a significant factor in impacting urban consumers' decision to use click and collect e-tailing. As such, the following hypothesis is forwarded for testing.

H3: Product risk does not significantly impact urban consumers' acceptance of click and collect e-tailing.

## Financial Risk

Financial risk is yet another important risk factor when it comes to online purchasing. Financial risk is defined simply as the potential net loss of money (Forsythe et. al, 2006). Perceived financial risk is assumed to be one of the main factors of common risks associated with online shopping experience (Sohrabi et al. 2013; Arshad, Zafar, Fatima, & Khan, 2015). Similarly, it has been defined as the probability of going through loss of money from making a purchase (Forsythe et. al, 2006). Financial risk has been contrarily connected with online shopping and financial losses may happen because of credit card fraud (Dai et. al, 2014). A consumer's trepidation of online fraud, stolen identity, credit card information manipulation, blackmailing and other cybercrimes makes them to just surf products sold online and buy them offline from the retail stores (Arshad et al., 2015). This indicates that financial risk can be reduced in omni-channel marketing with the usage of click and collect e-tailing, since product collection is at a physical collection centre.

It is presumed that the consumers who have lower level of financial risk tolerance may directly have high resistant for making online transactions as they have high level of perceived financial

risk (Keating, Quazi, & Kriz, 2009). Victor et al., (2018b) show that consumers may be concerned about the pricing strategies of the sellers which include dynamic price changes over period of time. Consumers are found more sensitive towards the price when making purchases online. The growing concerns of accumulated online fraud, identity theft, manipulation of credit card information, fear of online blackmailing or leaking of personal information by the vendors and other cyber-criminal activities are some significant reasons why most online customers only act as window shoppers and prefer buying goods in the traditional way. However, with the use of click and collect e-tailing, financial risk perception can be significantly reduced due to physical product collection. As such, the study based on the discussions above, believes that financial risk is not a concern for urban consumers when it comes to purchasing online using click and collect method. Hence, the following H4 is forwarded for testing.

H4: Financial risk does not significantly impacts urban consumers' acceptance of click and collect e-tailing.

## Methodology

A quantitative survey method was used in the study for data collection. Particularly, the designed questionnaire consisted of two parts, in which the first part included questions about demographic factors, whereas the second part dealt with questions about the independent and dependent variables. The total number of questions for both parts is 41. The questions from Part A are measured using multiple choice questions and for Part B, the questions are measured using five point Likert Scale of 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly agree. The designed questionnaire was distributed partly by hand and partly through online survey. This was done in order to get the right respondents and also to be able to reach respondents from different states chosen for this research. The questionnaire was randomly distributed to the respondents who shop online in major cities.

Questionnaires were distributed via mall intercept at shopping malls and popular attractions, such as the Petronas Kuala Lumpur Twin Tower workers and Wangsa Walk Mall. In the meantime, online survey was distributed among online consumers from 5 states that were selected for this research.

This study was conducted among the people from the states of Penang, Kuala Lumpur, Selangor, Melaka and Johor. The Official Portal of the Malaysian Department of Statistics shows that the total population in Kuala Lumpur was 6.14 million and that in Selangor was 1.73 million in 2015. These two states comprise 25% of the total population amongst the 14 states in Malaysia. According to the Organization for Economic Cooperation and Development (OECD), Melaka, Penang and Johor are considered as developed states as they fulfil the OECD requirements in terms of five aspects namely economic, social affairs, infrastructure, environment and administration hence were chosen for conducting the study.

## Result and Discussion

The data were analysed using Adanco 2.1 PLS and R Studio. Both descriptive statistics and inferential statistics were carried out.

## Descriptive Statistics

Table 1 shows the respondents' demographic data for gender, age, relationship status and residential location of the respondents.

**Table 1: Respondents' Demographic Information**

| Demographics | | Frequency | Percentage |
|---|---|---|---|
| **Gender** | Male | 67 | 41.61 |
| | Female | 94 | 58.38 |
| **Age** | 21 to 25 | 127 | 78.88 |
| | 26 to 30 | 21 | 13.04 |
| | 31 to 35 | 8 | 4.96 |
| | 36 to 38 | 5 | 3.10 |
| **Relationship Status** | Single | 136 | 84.47 |
| | Married | 24 | 14.90 |
| | Divorced | 1 | 0.62 |
| **Residential Location** | Penang | 12 | 7.45 |
| | Kuala Lumpur/Selangor | 52 | 32.29 |
| | Malacca | 45 | 27.95 |
| | Johor | 52 | 32.29 |

Table 1 shows that 58.38% of the respondents were female and male respondents constituted 41.61%. As the study focusses more on the behaviour of Y generation millennials, more respondents belong to the age category of 21 to 25. The residential location of majority of the respondents was in Kuala Lumpur/Selangor and Johor constituting around 65 per cent of the total respondents.

**Table 2: Respondents' Demographic Information (Continued)**

| Variables | | Frequency | Percentage |
|---|---|---|---|
| **Average Time Spent on Internet** | Less than 1 hour | 7 | 4.34 |
| | 1-2 Hours | 19 | 11.80 |
| | 3-4 Hours | 57 | 35.40 |
| | 5 Hours and Above | 78 | 48.44 |
| **Experience in Click and Collect e-tailing** | Yes | 161 | 100 |
| | No | 0 | 0 |
| **Usage Frequency in Click and Collect e-tailing** | 1 to 3 times a year | 0 | 0 |
| | 3 to 6 times a year | 81 | 50.03 |
| | Once a month | 58 | 36.02 |
| | Once a week | 15 | 9.31 |
| | Several times a week | 7 | 4.34 |
| Approximate Money Spent on Click and Collect e-tailing for a single purchase | Below RM100 | 73 | 45.34 |
| | RM100 – RM500 | 75 | 46.58 |
| | RM501 – RM1000 | 6 | 3.72 |
| | Above RM1000 | 7 | 4.34 |

As Table 2 shows, around 48% of the total respondents spend roughly 5 hours and above daily on internet which is a clear indication of the internet penetration and its influence among the urban consumers. All respondents selected in the study have used and are familiar with the click and collect e-tailing services although the frequency of their purchase differ. 46.58% of the respondents spend around RM100 to RM500 on click and collect e-tailing. Approximately 7% of the respondents spend above RM500 for a single online purchase.

**Table 3: Research Item Statistics**

| Constructs (in bold) and Items | Mean | SD | Skewness | Kurtosis | SE |
|---|---|---|---|---|---|
| **Online Trust** | | | | | |
| I can trust click and collect retail websites. | 3.45 | 0.75 | -0.75 | 1.31 | 0.06 |
| Click and collect retail websites are very reliable. | 3.53 | 0.87 | -0.56 | 0.72 | 0.07 |
| My privacy is protected at this click and collect retail website. | 3.35 | 0.87 | -0.40 | 0.27 | 0.07 |
| Click and collect retail website have adequate security features. | 3.44 | 0.83 | -0.50 | 0.86 | 0.07 |
| Overall, I am confident with click and collect retail websites. | 3.52 | 0.85 | -0.53 | 0.52 | 0.07 |
| **Perceived Usefulness** | | | | | |
| Click and collect retailing would be useful in buying what I want. | 3.84 | 0.84 | -0.52 | 0.14 | 0.07 |
| Shopping at the click and collect retail website makes my life easier. | 3.94 | 0.86 | -0.83 | 1.14 | 0.07 |
| Click and collect retailing conveniently enables me to shop whenever I want. | 3.98 | 0.84 | -0.70 | 0.66 | 0.07 |
| Click and collect retailing gives me the flexibility to collect my orders at my convenience. | 3.80 | 0.86 | -0.47 | 0.18 | 0.07 |
| I do not have to wait to be served when placing my orders on the 'click and collect' e-tail websites. | 3.79 | 0.90 | -0.38 | -0.17 | 0.07 |
| **Product Risk** | | | | | |
| It is difficult for me to examine the actual product on the online e-tailing websites. | 3.72 | 0.84 | -0.46 | 0.31 | 0.07 |
| It is difficult for me to judge the products' quality adequately on websites. | 3.81 | 0.87 | -0.32 | -0.33 | 0.07 |
| It is difficult for me to compare the quality of similar products on the websites. | 3.73 | 0.85 | -0.30 | -0.22 | 0.07 |
| Products purchased from the websites may not perform as expected. | 3,69 | 0.75 | 0.05 | -0.05 | 0.06 |
| Products on the websites may differ from the actual specifications. | 3.78 | 0.83 | -0.18 | -0.29 | 0.07 |
| **Financial Risk** | | | | | |
| I may buy the same product at a lower price from different company or the physical store. | 3.80 | 0.80 | -0.27 | -0.05 | 0.06 |
| I may be overcharged for my orders at click and collect e-tail websites. | 3.45 | 0.84 | -0.24 | -0.05 | 0.07 |
| I may purchase something from click and collect e-tail websites by accident. | 3.23 | 0.96 | -0.30 | -0.13 | 0.08 |
| I may not get the product that I have ordered through the website. | 3.34 | 0.93 | -0.19 | -0.31 | 0.07 |
| My choice of online payment may not be secure. | 3.50 | 0.85 | -0.13 | -0.08 | 0.07 |
| **Click and Collect Retailing** | | | | | |
| I can accept this click and collect e-tailing. | 3.77 | 0.80 | -0.51 | 0.68 | 0.06 |
| I intend to use click and collect e-tailing for my future online shopping. | 3.85 | 0.87 | -0.71 | 0.73 | 0.07 |
| I will continue to rely on click and collect e-tailing, | 3.73 | 0.95 | -0.49 | 0.08 | 0.07 |
| Click and collect e-tailing is more favorable than going to physical shops to buy things. | 3.64 | 0.91 | -0.46 | 0.25 | 0.07 |
| There are more positive effects of click and collect e-tailing to consumers. | 3.68 | 0.90 | -0.40 | 0.29 | 0.07 |

The data normality analysis indicates that all research variables are normally distributed, with Skewness and Kurtosis within the range of + or – 2 as shown in Table 3. Hence parametric data analysis techniques can be used to test for research hypotheses.

## Analysis of the Measurement Model

**Table 4: Reliability of Construct Scores**

| Construct | Dijkstra-Henseler's rho | Composite Reliability | Cronbach's alpha() |
|---|---|---|---|
| **Online Trust** | 0.9285 | 0.9390 | 0.9194 |
| **Perceived Usefulness** | 0.9278 | 0.9437 | 0.9254 |
| **Product Risk** | 0.8912 | 0.9109 | 0.8784 |
| **Financial Risk** | 0.8896 | 0.8404 | 0.7816 |
| **Acceptance of Click and Collect E-Tailing** | 0.9224 | 0.9402 | 0.9205 |

Three reliability measures are used in the study to check the reliability of the constructs. Dijkstra-Henseler's rho estimates the reliability of the construct scores of a reflective measurement model. It is considered as more reliable than the conventional reliability tests using Cronbach Alpha and Composite Reliability (Dijkstra and Henseler, 2015). Dijkstra-Henseler's rho value above 0 .70 for exploratory researches and values above 0.80 and 0.90 for advanced researches are required for satisfactory results in advanced stages of researches (Hair et al., 2011; Henseler et al., 2009; Nunnally and Bernstein, 1994).

Composite reliability ensures the reliability of the sum scores of the reflective measurement model. Composite reliability values above 0.80 for individual constructs are normally considered acceptable. Cronbach Alpha is one of the most commonly used construct reliability measures. Cronbach Alpha values above 0.70 for individual constructs are considered as acceptable (Henseler et al. 2009). The constructs used in the study as given in Table 4 satisfy the requirements of all three reliability measures hence the reliability of constructs in the measurement model is proven.

**Table 5: Factor Loadings, Average Variance Extracted and Composite Reliability**

| Constructs | Measurement Items | Loading Range | Average Variance Extracted |
|---|---|---|---|
| **Online Trust** | TR1,TR2,TR3,TR4,TR5 | 0.8385 – 0.8987 | 0.755 |
| **Perceived Usefulness** | PU1,PU2,PU3,PU4,PU5 | 0.8481– 0.9076 | 0.770 |
| **Product Risk** | PR1,PR2,PR3,PR4,PR5 | 0.7658 – 0.8857 | 0.672 |
| **Financial Risk** | FR1,FR2,FR3,FR4,FR5 | 0.5351 – 0.8744 | 0.520 |
| **Acceptance of Click and Collect** | CC1,CC2,CC3,CC4,CC5 | 0.8531 – 0.8864 | 0.758 |

The convergent validity of a measurement model can be confirmed with composite reliability values above 0.70, average variance extracted (AVE) values above 0.50 and factor loadings above

0.50 (Chin, 1998). The average Variance Extracted shows the variance explained by the indicators. An AVE value above 0.50 means that the construct explains more than 50% of the variance is in its indicators. Table 5 shows that the factor loadings and Average Variance Extracted (AVE) satisfy the requirements for convergent validity.

**Table 6: Discriminant Validity**

| Constructs | Online Trust | Perceived Usefulness | Product Risk | Financial Risk | Click and Collect E-Tailing |
|---|---|---|---|---|---|
| Online Trust | 0.7550 | | | | |
| Perceived Usefulness | 0.3640 | **0.7704** | | | |
| **Product Risk** | 0.0721 | 0.0907 | **0.6720** | | |
| Financial Risk | 0.0143 | 0.0182 | 0.2510 | **0.5203** | |
| Accept Click and Collect | 0.4784 | 0.4147 | 0.0524 | 0.0474 | **0.7587** |

The Fornell-Larcker Criterion is used to confirm the discriminant validity of the model. According to Fornell & Larcker (1981), the average variance extracted (AVE) of a construct should be higher than its squared correlations with the other constructs included in the model. Here, the AVEs given in boldface are higher than other values given in the Table 6, hence the discriminant validity of the model is confirmed.

**Table 7: Hypotheses Testing**

| Effect | Original coefficient | Standard bootstrap results | | | | |
|---|---|---|---|---|---|---|
| | | Mean value | Standard error | t-value | p-value | Significance |
| H1: TR -> CC | 0.4791 | 0.4715 | 0.0831 | 5.7683 | 0.0000 | **YES** |
| H2: PU -> CC | 0.3599 | 0.3559 | 0.0832 | 4.3237 | 0.0000 | **YES** |
| H3: PR -> CC | -0.0858 | -0.0675 | 0.0729 | -1.1767 | 0.2394 | **NO** |
| H4: FR -> CC | 0.1550 | 0.1495 | 0.0968 | 1.6012 | 0.1094 | **NO** |

A bootstrapping of 4999 subsamples was applied to test the level of significance and t statistics for all the paths. The results given in Table 7 indicate that there exists a significant and positive correlation between online trust and click and collect e-tailing ( = 0.4791, t = 5.76, p = 0.00). Perceived usefulness also has a significant positive direct influence on click and collect ( = 0.3599, t = 4.32, p = 0.00). Hence H1 and H2 are supported.

As hypothesized, the constructs Product Risk (PR) and Financial Risk (FR) do not show statistically significant influence on click and collect acceptance of urban consumers. Hence, H3 and H4 are also supported based on this finding. This indicates that Click and Collect e-tailing gives significant confidents to urban consumers to purchase online by eliminating the negative impact of product and financial risk that is usually prevalent in e-commerce.

## Conclusion, Limitations and Suggestions for Future Research

The purpose of this study is to analyse the impact of consumer's online trust, perceived usefulness, product risk and financial risk on consumer's acceptance of click and collect e-tailing. The findings indicate that there is a significant impact of urban consumers' online trust and acceptance of click and collect e-tailing. Previous researches also reported that trust captures the effect of satisfaction on online repurchase intentions. The interrelationship between satisfaction and trust connects the gap between consumer judgement and behavioral intention (Ha et. al., 2010; Goh et al. 2012). Aren et. al., (2013) also found trust as the most important determinant and predictor of user attitude toward e-shopping. The authors added that the concept of trust is of great importance for the expansion of e-commerce. Therefore, acquisition of buyer's trust is the key driver for e-companies (Vos et al., 2014). In other words, consumers' trust play a very significant role in the survival of an online business and the incorporation of click and collect is able to significantly increase consumer trust towards an e-tailer. This trust can be developed through positive customer experiences and word of mouth as a result of purchase satisfaction via click and collect e-tailing.

The outcomes also showed that there is significant relationship between perceived usefulness and the acceptance of click and collect e-tailing. Ha and Stoel (2009), also mentioned that perceived usefulness resulted to be the most powerful predictor of attitude toward e-shopping. Click and collect significantly increase urban consumers' perception of usefulness towards e-tailing. Previous studies (Zaidi, et al., 2015) also reported that perceived usefulness was one of the variables that have a significant impact on the attitude of user shopping on internet. Consequently, perceived usefulness has significant direct effect on consumer's adoption of e-commerce (Lee, Park & Ahn, 2001).

Findings also show that product risk does not impact the acceptance of click and collect e-tailing. This is a significantly meaningful finding as most previous works show user concerns of product risk and it impacts their online purchase intention. Perceived risks studied by Forsythe et al. (2006) concluded that it is negatively related to future intentions to purchase online. Further support was provided by Zhang and Zhao (2010) who indicated that lower perceived risk of online shopping among college students has resulted in forming negative online shopping intentions. Although e-commerce is most often affected by product risk, it is good news to know that when it comes to click and collect e-tailing, product risk is not a concern for urban online consumers.

Finally, the last hypothesis of this study shows no significant relationship between financial risk and the acceptance of click and collect e-tailing. Zhang and Zhao (2010) demonstrated that financial risks among consumers may appear in the cost of transportation and handling charges for return or replacement. Their results showed that due to such risks, consumers expressed their unwillingness to purchase online. Forsythe et. al., (2006) further declared that product risk together with financial risk related negatively to future intentions to purchase online. However, similar to product risk result, this study found that when an e-tailer utilizes click and collect concept of product order fulfilment, financial risk is no more a concern for urban online consumers.

The study overall finds that urban consumers are a pragmatic and practical online market segment who keep abreast with new technologies and means of online product order fulfilment. They are also keen in adopting the current trends in e-commerce which works in accordance to their convenience. Particularly, with regards to click and collect e-tailing, urban consumers are

found highly favourable towards this service and this method has significantly reduced online buyers perceived product and financial risk. This is positive news for e-tailers in targeting urban online consumers as their responsive market segment.

There are some limitations in this study which could be addressed in future studies. Firstly, the study examined set four variables; although this was done in order to remain parsimonious and investigate the most crucial factors; in order to expand these findings and draw a bigger picture of urban consumers, more dimensions can be included to study this emerging and attractive market segment. New dimensions of study may include issues of mobile purchase and usability issues in fulfilling online purchases (Nathan, et al. 2009; 2017); gamification of mobile purchases (Ng, et al. 2018); as well as issues pertaining to dynamic pricing and users' strategic purchase behaviours which are found to be significant emerging issues in modern e-tailing (Victor, et al., 2018a). Future research could expand and replicate the study in other major cities with urban population in Asia and Europe and make a comparative study across geographical locations to better understand the dynamics on e-tailing among users, especially the emerging and lucrative urban online consumer segment.

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