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## **Does Online Shopping Affect Price and Quality Negotiation of Youngsters? A PLS-SEM View**

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**Abstract:**

**Purpose:** Emerging market has several issues one of them is negotiation power of youngsters. Aim of this study is to see the effect of online purchasing on price negotiation and quality negotiation because youngsters are not taking care of price and quality while purchasing product offline.

**Design/Methodology/Approach:** For the study researcher used primary data from Baroda city of Gujarat state. Total of 290 samples are taken for the study out of 300 by using simple random sampling technique. Researcher used SPSS 23.0 and Smart PLS 4 for testing the hypotheses and structure equation modeling.

**Finding:** Researcher found that online shopping is affecting the price and the quality negotiation power of youngsters. All the hypotheses are significant in PLS-SEM that shows that there are direct relationship between online shopping and Price Negotiation and online shopping and Quality negotiation even in price and quality negotiation.

**Practical Implication:** In this study researcher could not included the whole population for the study and only took some of the samples for Baroda city of Gujarat State. In youngster researcher included age group of 18 to 26 for the study.

**Practical Implication:** From this study researcher can conclude that face to face dealing between buyers and sellers is the most important tool for increasing negotiation power of youngsters otherwise youngsters will not able to do negotiation in future.

**Keywords:** Negotiation, youngsters, Fin-Tech, online shopping.

**Raper type:** Research article.

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## 1. Introduction

Laurie and Weingart (1990) in a negotiation with the potential for integration, they examined the roles of the negotiator beginning with an offer, tactic complementarity and reciprocity, methodical development of offers, and information sharing. Results showed that preliminary decisions affect very last decisions differently for buyers and sellers. The buyer's initial offer took the shape of an inverted-U when compared to their very last findings, which were curvilinear. The seller's initial offer became positively linearly related to the seller's outcomes.

Saori'n-Iborra (2007) discovered that a higher degree of complexity will make people feel more ambiguous, which has an impact on how men and women negotiate. While profiles that closely reflect the male stereotype tend to foster more aggressive behaviour, even when it is attenuated, androgynous profiles tend to foster just integrative behaviour. Finally, they discovered that the effects of aggressive behaviour were considerably less advantageous than an integrative strategy in a cooperative agreement (Bobot, 2008).

Although the usefulness of integrating negotiation skills into the curriculum hasn't been thoroughly assessed, anecdotal evidence from past students is persuasive. Additionally, these students usually served as practitioners for the education direction as their careers developed, frequently demonstrating an awareness of the significance of having more awareness and expertise in this area. In addition, this brief instruction is the only maximum routinely ran in more than six years of experience and one of these maximum frequently, making it obvious that the experts' price negotiation training.

Arif Nazir Butt, (2010) analyzed, that the empirical study confirmed that the connection among negotiator emotion and conduct turned into more potent for high-electricity negotiators than for his or her low-electricity opposite numbers. Interestingly, high- and low-electricity negotiators' feelings had been greater predictive in their dominating and yielding conduct, respectively.

Perhaps, due to their dependence, low-electricity negotiators had been greater touchy and attentive to the feelings in their high-electricity opposite numbers than vice versa. The outcomes additionally confirmed that low-electricity negotiators' gratitude notably reduces their distributive outcome.

Ma (2008) presents the establishment of a proposed cognitive version of negotiation that incorporates social cognition theory into the examination of the negotiation process was made possible by their analysis of negotiation studies on persona and the growing body of research on negotiator cognitions. By examining the mediating effects of negotiator cognition, the proposed version of their study aimed to improve our understanding of how persona influences cognitions, behaviours, and outcomes in negotiations.

Fong (2013) discovered that the product knowledge, buy plan, and buying partner, which are thought to reflect the negotiating strength of the consumer, are determined to direct the bargaining goal established by the consumer. In contrast to the final concession received or the perceived fair price of the product, satisfaction with the transaction's results depends more on the degree of goal fulfillment, and this pride affects the possibility that future customers would purchase from you.

## **2. Literature Review**

The collection of linguistic and nonverbal communication strategies each negotiator adopts with the other during negotiations is called his "behavior" (Rubin, 1975; Putnam, 1990; Adler, 1992; Rao, 1998). The negotiating literature distinguishes between integrated and aggressive bargaining behavior based on the underlying philosophy and method. The practice of comprehensive negotiation requires an honest and open exchange of facts. Strategies such as self-disclosure and negotiator questions (Adler, 1992; Graham, 1985) allow for powerful discourse within the negotiations.

Effective communication is defined as the ability to reveal important information (concerns, expectations, goals, etc.), from alternative negotiating parties that leads to mutual understanding (Saorin, 2004; 2006). In contrast, aggressive bargaining tactics include hiding facts, especially important and basic information. As a result, aggressive behavior is associated with ineffective communication, as negotiators often adopt difficult strategies such as demands, denials, and threats, and more subtle strategies such as crosstalk and contact (Adler, 1992; Graham, 1985). In this sense, it hinders the achievement of positive experiences between the parties (Saorin, 2004; 2006).

The difference between inclusive and aggressive behavior is shown in this work as a continuum rather than the dichotomy that has been actively advocated in many studies to date (Saorin, 2006). As a result, the negotiating situation may show unique behaviors related to inclusive and aggressive directions, with different scopes of communication effectiveness. Moreover, even though one has consistent control over the other, the negotiator may show specific behavior at a particular point in time of the encounter that has the greatest impact on determining the outcome of the negotiation (Roure, 1997; IAX, 1986).

Many studies of gender dynamics in mixed gender organizations have examined the relative distribution of power and influence between male and female institutional members, and the behavioral implications of such distribution (Dovidio, 1988; Reskin, 1999; Rajan, 2002; Ridgeway, 1999). To explain gender differences in areas such as participation (Carli, 1982), urgent leadership (Karakowsky, 1999; Kent, 1994), influence (Eagly, 1983), perceived abilities, etc. Control researchers have often relied on the concept of male-female strength and celebrity differences in mixed gender situations (Driskell, 1993).

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Many of the underlying purposes of these images can be seen as revealing the existence of differences in corporate fame and strength and reflecting factors that impede the strong integration of men and women in mixed gender teams.

The paradigm presented in this paper is that at least three key elements, proportional representation of women and men in negotiations, socialized gender norms, and recognized status are mixed in multiple festive discussions. Claims to be able to improve the status of three well-known theoretical perspectives, social status theory (Eagly, 1987), expectation state theory, (Kanter, 1977; 1977) and belief in proportional representation are important to these factors related to group behavior considers gender (Berger, 1966). These opinions are no longer specifically focused in the context of multiple congratulatory discussions, but each perspective has important implications for the influence and style of negotiators in this setting.

Most studies have shown that ethics increase with age, but previous studies linking age and ethics are integrated. According to Kohlberg (1984) age affects ethical development and adults reach increasingly complex levels. According to a survey by Barnett (1989), young respondents showed significantly less moral behavior in ethical situations.

According to other studies, younger respondents performed better than older respondents on the Machiavellian scale (Arlow, 1991). In a meta-analysis of 35 studies dealing with age issues, Borkowski (1998) found that people's beliefs and behaviors seemed to become more moral as they grew older. According to Peterson, (2001) young people have low moral standards. In addition, he mentioned an important interaction between age and gender. He found that young men were more vulnerable to environmental factors. Wimalasiri (2001) showed a significant difference between young and old people. Young Chinese CEOs are more likely than older CEOs to engage in unethical or illegal activities to make money.

### **3. Research Methodology**

Yusuf Sidani and Imad Zbib (2009) used survey turned into designed and administered to a pattern of Lebanese respondents to check the volume of moral sensitivity of the respondents. Junjun Cheng (2017) used a multisession simulation design, looking at recruited studies with participants (n = 82) from numerous cultural backgrounds to play the function of both purchaser and dealer for 2 negotiation tasks.

Regression analyses had been used to check the relationships amongst relational constructs in addition to the moderating function of relational culture. For this study researcher used structured questionnaire for data collection with the total sample of n = 290 from Baroda city of Gujarat State. Aim of this paper is to measure the impact of online shopping or Fin-Tech on bargaining power of young customers.

Hypothesis testing performed with the help of statistical tools such as SPSS 23.0 and Smart PLS 4 for better and clear analysis.

*RQ1- Is emerging markets affects negotiation power of youngsters?*

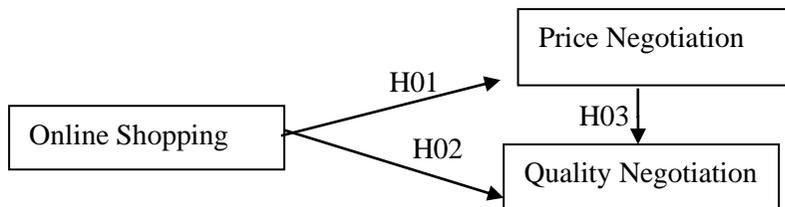
#### 4. Hypothesis Statements and Testing

*H01: Online Shopping affecting Price Negotiation of youngsters*

*H02: Online Shopping affecting Quality Negotiation of youngsters*

*H03: Price negotiation and Quality Negotiation are interconnected*

**Figure 1.** Conceptual framework



*Source: Own work.*

#### 4.1 Demographic Profile

Table 1 shows demographic profile of customers, for this study a total of 73.8% respondents are male and 26.2% respondents are female, that shows that male are purchasing more in compare to female consumers. In generally also female are prefer to purchase offline. In case of age group 77.6% respondents are from 18 to 20 years of age group while 19.3% respondents are from 21 to 23 years age group. Only 3.1% respondents are from 24 to 26 years of age group. That shows more number of respondents are from below 20 years of age groups.

**Table 1.** Demographic profile of Customers

		Count	Column N %
Gender	Male	214	73.8%
	Female	76	26.2%
Total		<b>290</b>	<b>100%</b>
Age Group	18 to 20 Years	225	77.6%
	21 to 23 Years	56	19.3%
	24 to 26 Years	9	3.1%
	Total	<b>290</b>	<b>100%</b>
Education	Higher Education	101	34.8%
	Graduated	133	45.9%
	Post Graduated	25	8.6%

	Others	31	10.7%
	Total	<b>290</b>	<b>100%</b>
Income Level	Less than Rs. 10,000	215	74.1%
	Rs. 10,001 to Rs. 15,000 PM	33	11.4%
	Rs. 15,001 to Rs. 20,000 PM	13	4.5%
	Rs. 20,001 and More	29	10.0%
	Total	<b>290</b>	<b>100%</b>

Source: Researcher own table from questionnaire by using SPSS.

Education plays a vital role in thinking power of any human being. In this study 34.8% of respondents finished their higher education while 45.9% respondents completed their graduate and 8.6% respondents completed post graduation. 10.7% respondents are either pursuing their diploma study or completed just 10<sup>th</sup> standards or any other education level.

For fin-tech of online purchasing one of the most important factors for youngsters is income level. In general a youngster does not have any fixed source of income but they have income from their parents or from some normal sources of income. In these study 74.1% respondents have less than Rs. 10,000 income that also shows that more number of respondents are between 18 to 20 years and they do not have any fixed income sources. 11.4% respondents are having income of Rs. 10,001 to Rs. 15,000 per month while 4.5% respondents have income between Rs. 15,001 to Rs. 20,000. 10.0% of respondents have their monthly income more than Rs. 20,000.

From demographic profile researcher can conclude that majority of respondents are from below 20 years of age and their income level are less than Rs. 10,000 per month. That shows that this information is valid for the study.

#### 4.2 Reliability and KMO Results

For this study researcher used three factors for measuring and validating model. They are price negotiation, quality negotiation and online shopping. For the study researcher used nine variables. Table 2 shows the Cronbach Alpha of the study which is 0.838 that is acceptable. For the study Cronbach Alpha should be more than 0.70 (Cronbach  $\alpha$  0.838 > 0.700) when n=290 samples and total nine variable for the study by using SPSS.

**Table. 2 Reliability Test**

Reliability Statistics	
Cronbach's Alpha	N of Items
.838	9

Source: Own study.

Table 3 shows the test output from KMO and Bartlett. This test analyzes whether the given answer is appropriate for the sample. The value of Kaiser-Meyer-Olkin (KMO) obtained is 0.734. Comparing this value with the value of the acceptance rule reveals that the value 0.734 is an intermediate value. This means that the sum of the partial correlations is not large compared to the sum of the correlations.

The total analytical variables are 73.4%. This indicates that there is no spread in the correlation pattern.

Therefore, factor analysis is appropriate in this case. Therefore, factor analysis of these data yields reliable and clear factors. Table 3 also includes Bartlett's test for sphericity. The approximate chi-square value obtained is 2375.214. The significance p of Bartlett's test for sphericity is 0.000, which is less than 0.001.

Therefore, the correlation matrix is not an identity matrix. This shows the strength of the relationships between the variables. Therefore, factor analysis can be applied to this dataset.

**Table 3. KMO and Bartlett's Test**

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.734
Bartlett's Test of Sphericity	Approx. Chi-Square	2375.214
	Df	36
	Sig.	.000

*Source: Own study.*

### **4.3 Common Variance Bias**

Usually, common variance occurs when data is collected from a single source. This bias is indeed an inherent phenomenon in research involving individuals, and several techniques have been suggested in the literature to reduce risk or control its effects.

Similar to Wang *et al.* (2020), we performed the "one-factor Harman test" the Harman test. Specifically, we perform a factor analysis on all sentences (9 items) and test the solution without rotation to see if a single factor can explain more than half of the total variance explained or not.

The results show that only 44.297% of the variance explained by the first factor (SPSS 23.0) is below the cut-off threshold of < 50%.

Furthermore, the Smart PLS indoor VIF view shows that all values are below 3.3 (Table 4). Therefore, we can infer that this study was not affected by common variance bias.

**Table 4. Inner VIF Values**

	Online Shopping	Price Negotiation	Quality Negotiation
Online Shopping		1.000*	2.105*
Price Negotiation			2.105*
Quality Negotiation			

\*Indicates All values are < 3.3

Source: Smart PLS View.

#### 4.4 Measurement Model

To assess the measurement model, this current research used the approach established by Hair, Hult, Ringle and Sarstedt (2014), which assessed convergent validity (CV) and discriminate validity (DV). CV refers to the applicability of the findings acquired when the test is constructed, using the measure and the relevant theories.

This principle can be accomplished by looking at the factor loading of the items via the CV of the measurement model (Henseler, Ringle, and Sarstedt, 2015).

Table 5 and Figure 2 shows the findings, thus it is shown that all nine statements from three major factors, factor loading values are above threshold limit which is 0.7. The range of Factor loading is 0.713 to 0.909 (Hair *et al.*, 2014; Lotz, Liehr-Gobbers, and Krafft, 2010).

All values of CR and AVE are also as per threshold limit which is > 0.7 and < 0.5 respectively which shows statistically strong model. All AVE values are above 0.5 and QN shows highest value.

**Table 5. Reliability and Convergent Validity of Latent Variables**

Construct	Items	Loadings(>0.7)	CR (>0.7)	AVE(>0.5)
Online Shopping	ON1	0.813	0.731	0.577
	ON2	0.713		
Price Negotiation	PN1	0.829	0.890	0.730
	PN2	0.823		
	PN3	0.909		
Quality Negotiation	QN1	0.893	0.902	0.755
	QN2	0.891		
	QN3	0.820		

Note(s): all values are satisfying threshold limit which is more than 0.7 in loading and in Composite Reliability and more than 0.5 in AVE

Source: Smart PLS View.

Figure 2. Measurement Model-1



Source: Smart PLS View.

Tables 6 and 7 below demonstrated by achieving discriminate validity (DV). Using Fornell and Larcker criterion, all values (bold) in their parent construct are greater than their relationship with other constructs. Henseler *et al.* (2015) criticized Fornell and Larcker's (1981) and cross loading approach for being too liberal in establishing validity and instead recommended using HTMT based on the multi trait multi method matrix to assess DV.

Table 6. Fornell-Larcker Criterion

	Online Shopping	Price Negotiation	Quality Negotiation
Online Shopping	<b>0.760*</b>		
Price Negotiation	0.724	<b>0.854*</b>	
Quality Negotiation	0.636	0.214	<b>0.869*</b>

Note(s): \* = The square root of the AVE is represented by the diagonal values, whereas the off-diagonals are correlations

Source: Smart PLS View.

Table 7. Cross Loading

Construct	Items	Online Shopping	Price Negotiation	Quality Negotiation
Online Shopping	ON1	<b>0.813*</b>	0.303	0.208
	ON2	<b>0.702*</b>	0.149	0.624
Price Negotiation	PN1	0.489	<b>0.829*</b>	0.168
	PN2	0.493	<b>0.823*</b>	0.158
	PN3	0.393	<b>0.909*</b>	0.212
Quality Negotiation	QN1	0.515	0.228	<b>0.893*</b>
	QN2	0.666	0.181	<b>0.891*</b>
	QN3	0.437	0.147	<b>0.820*</b>

Note(s): \*all values are satisfying threshold limit which is more than 0.7 in loading and in Composite Reliability and more than 0.5 in AVE

Source: Smart PLS View.

#### 4.5 Assessment of Structural Model

The relations between construct were evaluated by structural model. The nexus between ON, PN and QN constructs were assessed on the basis of the research hypothesis. A bootstrapping approach was used to calculate the model's t-values.

Table 8 reveals that OS has a significant effect on PN ( $t=27.680$ ,  $p < 0.0000$ ). Thus H01 is supported. From the analysis it was revealed that OS significantly related with QN ( $t=13.515$ ,  $p < 0.0000$ ) (H02). The result of the direct influence of the constructs included in the model also shows that PN and QN have a moderate positive association ( $t=5.908$ ,  $p < 0.0000$ ). Thus H02 and H03 are supported as shown in Table 8.

**Table 8.** *Structural Path Model Result*

	<i>Original Sample (O)</i>	<i>Mean (M)</i>	<i>Std. Dev.</i>	<i>t – Values</i>	<i>P- Values</i>	<i>Decision</i>
<b>OS -&gt; PN - Ho1</b>	0.719	0.726	0.026	27.680	<b>0.000*</b>	<b>Supported</b>
<b>OS -&gt; QN- Ho2</b>	1.022	1.025	0.076	13.515	<b>0.000*</b>	<b>Supported</b>
<b>PN -&gt; QN- Ho3</b>	-0.522	-0.530	0.088	5.908	<b>0.000*</b>	<b>Supported</b>

**Note(s): OS= Online Shopping, PN= Price Negotiation, QN= Quality Negotiation**  
**\* = indicate all p-values are <0.050**

*Source: Smart PLS View.*

#### 5. Conclusion

This research made an effort to describe the possible effects of gender in the setting of a mixed-gender discussion during online purchase. The consequences for negotiation style and shopping/Fin-Tech received particular attention. The numerical presence of various socioeconomic categories in a multi-party negotiation may have an impact on perceptions of power and influence, according to an examination of the gender composition present in such a negotiation and specifically the idea of proportionate representation.

The results of this study support past research conducted in various cultural contexts that found gender disparities to be more prominent in younger age groups (Peterson *et al.*, 2001). Age-related changes in people's ethics and the gender gap seem to be closing. Previous studies have revealed that as people get older, men and women tend to keep closer levels of ethical awareness, maybe as a result of the shared indoctrination they experience in working situations.

Contrast this with early socialization that people go through as they are growing up, where family and cultural factors could have a greater impact on their value systems. This accentuates the importance of the workplace as a medium to bring divergent values closer together. Markham *et al.* (1985) suggest that the value systems of

females tend to become more similar to males as they enter the workplace. Peterson *et al.* (2001), on the other hand, contend that the reverse may be true.

From this study researcher can say that there is positive relationship or impact of online shopping on price and quality negotiation power of youngsters. Youngsters are not taking part in negotiation while purchasing offline. All related hypothesis show positive significant values. A future further research can be performed on negotiation power of elder and youngsters and factors affecting to it. Apart from online shopping social media, status of individual, income level and so many others factors can be taken into consideration in a future study.

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