

**A STUDY ON CONSUMER PERCEIVED RISK ROLE IN ONLINE SHOPPING
IN TIRUCHIRAPPALLI CITY.**

1. Mr.K.Tamilselvan M.COM., M.PHIL.

Assistant Professor of commerce

P.G.& Research Department Of Commerce,

Bharath college of science and management.

Bharath Avenue, Thanjavur, Tamilnadu,India.

Affiliated to Bharathidasan University

2. DR.B.KANNAN

Assistant Professor & Research Advisor,

P.G.& Research Department Of Commerce,

PERIYAR EVR COLLEGE (Autonomus)

Tiruchirappalli - 620 023. Tamilnadu,India.

Affiliated to Bharathidasan University

Abstract- Performance expectancy and hedonic motivation have significant influence on buying intention. Consumer risk perception have negative impact on buying intention and UTAUT2 model explains 51 % variance in buying intention.

Key word

Performance expectancy, hedonic motivation, and perceived risk

Intruduction

Number of Internet users India has increased continues in last 10 years. It had already crossed 500 million in 2018 and it is expected to reach 800 million by the end of 2021. India is the second highest country only after china in number of internet users. As the internet users are increasing and ecommerce industry is also get booming. Digital marketing is growing with a rapid pace not only in India but throughout the world as well. All other Industry are struggling to maintaining growth but digital marketing industry is booming high and able to maintian its anaul compund growth rate around 8% for last 5 years.

Theritical background of the theory

Venkatesh et al (2003) made extensive study on eight major theories to develope model to undersatnd worker techology acceptance on work place. They devepoed a composite theory call UTAUT. The eight theories which were studied are Theory of Reasoned Action (TRA) (Fishbein 1975), Techknowldge Acceptance Model TAM (Davis 1989), the motivational model (MM) (Davis, Bagozzi and Warshaw 1992), Theory of Planned Behavior (TPB) (Ajzen 1991), the PC utilization model (MPCU) (Thompson, Higgins, and Howell 1991), IDT (Rogers 1962), the social cognitive theory (SCT) (Bandura 1986), and an integrated model of technology acceptance and planned behaviour (TAM-TPB) (Taylor and Todd 1995). UTAUT model has our main determined are (i) performance expectancy, (ii) effort expectancy, (iii) social influence, and (iv) facilitating conditions influencing and to depended variable are (1) behavioural intentions and (2) usage behavior of Individuals towards the technology acceptance on the work place.

To study the online commercial behavior, Venkatesh et al (2012), the extended UTAUT or UTAUT 2 by added three more constructs, such as, Hedonic motivations, Price value and Habit to the UTAUT1. UTAUT2 model is intended to study the buying intentions and usage behavior of the online consumer.

Al-Qeisi et al. (2014) uses UTAUT model along with experience to explain online banking consumer behavior. Chang Liu and Kostiwa (2007) uses UTAUT model to study Student Software acceptance. Lin et al. (2010) uses UTAUT model with perceived risk. Mulyana, Hurriyati, Disman, and Adiwibowo (2017) applies UTAUT to study mobile phone usage. UTAUT being used in various area: for primary bank (Jeung & Park 2017); for students IT adoption (Suki, 2018); online consumer familiarity (Chang et al 2016); smart wear (Sung & sung 2015); mobile payment (Khalilzadeh et al., 2017)

Research problem

Number internet uses India is in second place and only after the china. while considering the ecommerce size india's size is in worring condition. China achived 2000 billion usd but India market size is only 46 billion usd in 2019. The oline martket need to grow much faster rate and it has capacity too. The peesnt study applies UTAUT2 model to understand online consumer perception along with their buyer behaviour.

Objective of this research

- To study the major fcators influencing online buying intention

To offer suggestions for improving the consumer perception about the online marketing

RESEARCH METHODOLOG

Study Area

The present research is carried out in Trichy Dist and it has seven Talukas; the present study concentered Trichy city and considered this are key area to collected the data for sample.

Sample size - The primary data were collected from 175 respondent but only 164 were used for analysis rest of them was found unusable. The information was collected on the spot (through schedule method)

Questionnaire construction

The present research be subject to on primary data and which is collected through the schedule. Schedule consist of two part. Frist part consist of 12 questions related to demographic variable and their perception about online marketing risk and part two of questionnaire consist of 40 question which were designed reflecting the hypothesized variable .Second part question, (EE) Effort expectancy Performance expectancy (PE), FC – facilitation PT – perceived Trust were adopted from Vekatesh et al. (2003) and (SN)Social norms adopted from Ajzen (1991) and HM hedonic motivation Khalilzadeh et al. (2017)

Structural Equation Model (MSEM)

The present research also applies SEM. Before executing SEM, explorative factor analysis and confirmative factor analysis (CFA) are need to execute and both of this analysis was executed in SPSS and AMOS software respectively.

CFA was executed to confirm convergent and discriminant validities in order to verify construct reliability. It helps to understand, the items of a construct shared their variance and how they are different from one another. Total variance explained was 75% and eight constructs were identified.

To test the hypotheses the research uses the SEM (AMOS) model and before to execute the SEM, validity and reliability were tested. Discriminant validity, Convergent validity, Average variance and maximum shared variance were test and table below (Table -1)

TABLE -1 MASETER VALIDITY TABLE

	CR	AV E	MS V	MaxR(H)	PE	EE	FC	PR	BI	BB	H M	SN
P E	0.93 7	0.74 9	0.104	0.976	0.866							
E E	0.94 2	0.77 3	0.038	0.990	0.039	0.879						
F C	0.91 3	0.72 8	0.064	0.966	0.030	-0.042	0.853					
P R	0.83 9	0.63 6	0.101	0.855	0.041	0.093	0.023	0.797				
BI	0.86 0	0.60 9	0.045	0.880	-0.119	-0.062	-0.017	-0.033	0.780			
B B	0.86 7	0.61 9	0.101	0.871	0.208**	0.194*	0.045	0.318** *	- 0.212 *	0.787		
H M	0.92 3	0.80 5	0.104	1.037	0.322** *	0.188* *	0.253** *	0.205**	- 0.121	0.184 *	0.89 7	
S N	0.70 9	0.58 0	0.021	1.172	-0.014	0.036	0.109	-0.110	0.144 *	- 0.136 †	0.00 5	0.69 2

Source : AMOS output

(BI- buying intent EE-Effort expectancy PE – performance expectancy

HM hedonic motivation SN- social norms FC – facilitation PR – perceived Risk)

Hypotheses of this study

H1) Effort expectancy is significantly influence the buying intent

H2) Performance expectancy is significantly influence the buying intent

H3) social norms is significantly negatively influence the buying intent

H4) Hedonic motivation is significantly influence the buying intent

H5) perceived risk is significantly negatively influence the buying intent

H6) Facilitating condition is significantly influence the buying intent

H7) Facilitating condition is significantly influence the buying behavior

H8) perceived risk is significantly negatively influence the buying behavior

H9) buyer intent is significantly influence buyer behavior.

STRUCTURAL EQUATION MODEL (SEM)

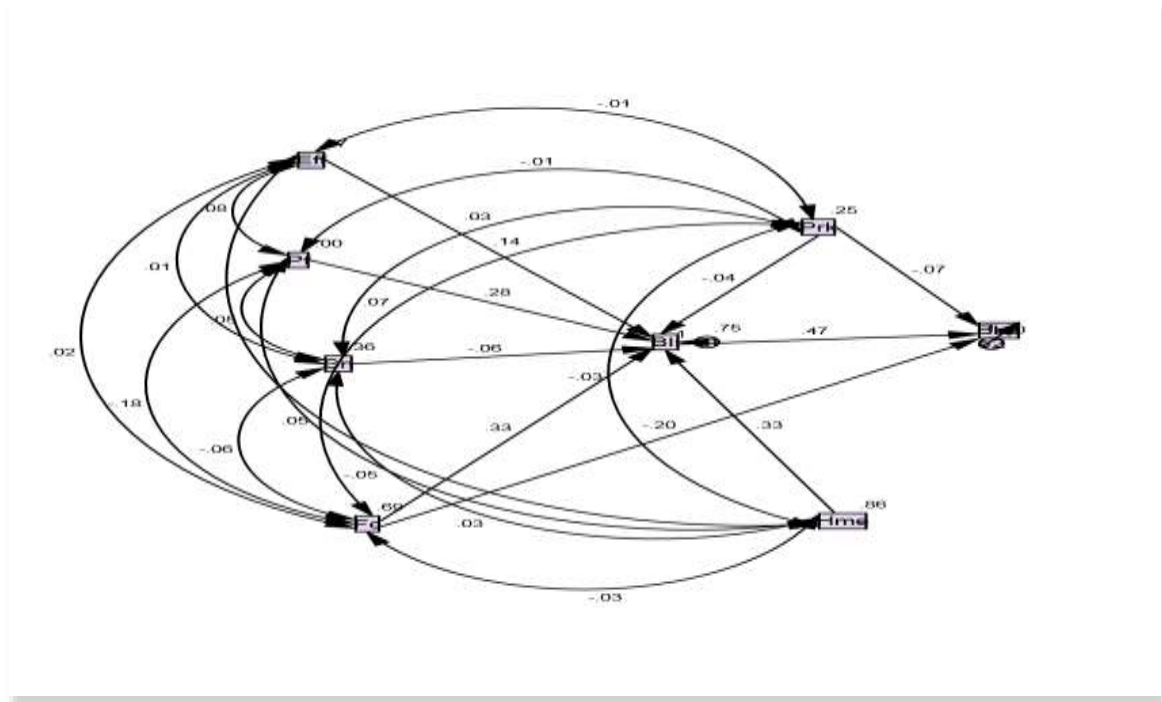


Figure -1

Regression Weights: (female - Default model)

	Estimate	S.E.	C.R.	P
BI <--- EE	.142	.079	1.791	.073
BI <--- PE	.279	.071	3.908	***
BI <--- SN	-.064	.118	-.542	.588
BI <--- HM	.326	.075	4.348	***
BI <--- PR	-.044	.142	-.307	.759
BI <--- FC	.334	.088	3.809	***
BB <--- FC	-.198	.095	-2.090	.037
BB <--- PR	-.068	.155	-.442	.658
BB <--- BI	.470	.078	6.007	***

Source: AMOS OUTPUT

Model Fit Measures and Cutoff criteria

Measure	Estimate	Threshold	Interpretation
CMIN	375.653	--	--
DF	281	--	--
CMIN/DF	1.337	Between 1 and 3	Excellent
CFI	0.910	>0.900	Acceptable
SRMR	0.051	<0.08	Excellent
RMSEA	0.061	<0.06	Acceptable
PClose	0.121	>0.05	Excellent

Measure	Terrible	Acceptable	Excellent
CMIN/DF	> 5	> 3	> 1
CFI	<0.90	<0.95	>0.95
SRMR	>0.10	>0.08	<0.08
RMSEA	>0.08	>0.06	<0.06
PClose	<0.01	<0.05	>0.05

Model fitness

The present study uses Hu and Bentler (1999) recommend model fitness and all of their recommend criteria were achieved.

Results and Interpretation: The first part of questionnaire suggest that only 15% respondent perceives online marketing are risky. The majority of sample are male and city is dominated by male population. H1 is rejected and it suggest that BI is not significantly influenced by effort expectancy. H2 is accepted and it suggest that Performance expectancy is significantly influence the buying intent online consumer. H3 is rejected and it shows that social norms is negatively influence the buying intent but the

influence is not significant. H4 is supported @ P. value .0003 and it show that hedonic motivation have significant influence on BI. H5 is reject and it means that PR has negative influence on BI and the influence is not significant.

H6 and H7 were accepted and it suggest facilitating condition is significantly influence the buying intent as well as buyer behavior.H6 finding is against the Ventash et al. (2012) and H7 result support Ventash et al. (2012). H8 is rejected and it suggest perceived risk is negatively influence the buying behavior and influence is not significant .H9 is accepted and it means buyer intent is significantly influence the buyer behavior and it support findings of Azjen (1991).

Conclusion

Respondent interest inline marketing is countered by their perceived risk and many of them were not aware of the procedure too. The selected variable explains the 51% variance of the buying intent and it is considerable good and four determined explained only 24% variance in the buyer behavior.

References

- Ahuja, M., Gupta, B., & Raman, P. (2003). An empirical investigation of online consumer purchasing behavior. *Communications of the ACM*, 46(12), 145-151. doi:10.1145/953460.953494
- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179-211. doi:10.1016/0749-5978(91)90020-t
- Ajzen, I., & Fishbein, M. (1975). undefined. *Psychological Bulletin*, 82(2), 261-277. doi:10.1037/h0076477
- Al-Qeisi, K., Dennis, C., Alamanos, E., & Jayawardhena, C. (2014). Website design quality and usage behavior: Unified theory of acceptance and use of technology. *Journal of Business Research*, 67(11), 2282-2290. doi:10.1016/j.jbusres.2014.06.016
- Bagozzi, R. P., Davis, F. D., & Warshaw, P. R. (1992). Development and test of a theory of technological learning and usage. *Human Relations*, 45(7), 659-686. doi:10.1177/001872679204500702
- Bhatnagar, A., & Ghose, S. (2004). Segmenting consumers based on the benefits and risks of internet shopping. *Journal of Business Research*, 57(12), 1352-1360. doi:10.1016/s0148-2963(03)00067-5

- Blackwell, R. D. (2006). *Consumer behaviour* (9th ed.). Ohio-South Western: The Dryden Press.
- Bruner, G. C., & Kumar, A. (2005). Explaining consumer acceptance of handheld internet devices. *Journal of Business Research*, 58(5), 553-558. doi:10.1016/j.jbusres.2003.08.002
- Chang, H. H., & Chen, S. W. (2009). Consumer perception of interface quality, security, and loyalty in electronic commerce. *Information & Management*, 46(7), 411-417. doi:10.1016/j.im.2009.08.002
- Chang, H. H., Fu, C. S., & Jain, H. T. (2016). Modifying UTAUT and innovation diffusion theory to reveal online shopping behavior. *Information Development*, 32(5), 1757-1773. doi:10.1177/0266666915623317
- Chang, H. H., Fu, C. S., & Jain, H. T. (2016). Modifying UTAUT and innovation diffusion theory to reveal online shopping behavior. *Information Development*, 32(5), 1757-1773. doi:10.1177/0266666915623317
- Chang Liu, & Kostiwa. (2007). An Application of the UTAUT Model for Understanding Student Perceptions Using Course Management Software.
- Childers, T. L., Carr, C. L., Peck, J., & Carson, S. (2001). Hedonic and utilitarian motivations for online retail shopping behavior. *Journal of Retailing*, 77(4), 511-535. doi:10.1016/s0022-4359(01)00056-2
- Cox, D. F., & Rich, S. U. (1964). Perceived risk and consumer decision-making—The case of telephone shopping. *Journal of Marketing Research*, 1(4), 32-39. doi:10.1177/002224376400100405
- Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319. doi:10.2307/249008
- Fang, Y., Chiu, C., & Wang, E. T. (2011). Understanding customers' satisfaction and repurchase intentions. *Internet Research*, 21(4), 479-503. doi:10.1108/10662241111158335
- Ha, S., & Stoel, L. (2009). Consumer E-shopping acceptance: Antecedents in a technology acceptance model. *Journal of Business Research*, 62(5), 565-571. doi:10.1016/j.jbusres.2008.06.016
- Harridge-March, S. (2006). Can the building of trust overcome consumer perceived risk online? *Marketing Intelligence & Planning*, 24(7), 746-761. doi:10.1108/02634500610711897
- Hassan, A. M. (2006). Conceptualization and measurement of perceived risk in online shopping. *marketing management journal*, 7, 138-147.
- Jeung, E. G., & Park, H. S. (2017). An empirical study on the user acceptance of internet primary bank based on UTAUT2. *The e-Business Studies*, 18(3), 75-95. doi:10.20462/tebs.2017.06.18.3.75
- Jiang, L. (., Yang, Z., & Jun, M. (2013). Measuring consumer perceptions of online shopping convenience. *Journal of Service Management*, 24(2), 191-214. doi:10.1108/09564231311323962
- Khalilzadeh, J., A B., & Bilgihan, A. (2017). Security-related factors in extended UTAUT model for NFC based mobile payment in the restaurant industry. *Computers in Human Behavior*, 70, 460-474. doi:10.1016/j.chb.2017.01.001

- Kim, J. U., Kim, W. J., & Park, S. C. (2010). Consumer perceptions on web advertisements and motivation factors to purchase in the online shopping. *Computers in Human Behavior*, 26(5), 1208-1222. doi:10.1016/j.chb.2010.03.032
- King, R. C., Sen, R., & Xia, M. (2004). Impact of web-based e-Commerce on channel strategy in retailing. *International Journal of Electronic Commerce*, 8(3), 103-130. doi:10.1080/10864415.2004.11044297
- Laroche, M., McDougall, G. H., Bergeron, J., & Yang, Z. (2004). Exploring how intangibility affects perceived risk. *Journal of Service Research*, 6(4), 373-389. doi:10.1177/1094670503262955
- Lin, W., Wang, M., & Hwang, K. P. (2010). The combined model of influencing on-line consumer behavior. *Expert Systems with Applications*, 37(4), 3236-3247. doi:10.1016/j.eswa.2009.09.056
- Martínez-López, F. J., Luna, P., & José Martínez, F. (2005). Online shopping, the standard learning hierarchy, and consumers' internet expertise. *Internet Research*, 15(3), 312-334. doi:10.1108/10662240510602717
- Moshrefjavadi, M. H., Rezaie Dolatabadi, H., Nourbakhsh, M., Poursaedi, A., & Asadollahi, A. (2012). An analysis of factors affecting on online shopping behavior of consumers. *International Journal of Marketing Studies*, 4(5). doi:10.5539/ijms.v4n5p81
- Mulyana, A., Hurriyati, R., Disman, D., & Adiwibowo, L. (2017). Adoption of customer behaviour in using mobile phone as a Fintech media base on UTAUT model. *Proceedings of the 2nd Global Conference on Business, Management and Entrepreneurship*. doi:10.5220/0007117101940200
- Pascual-Miguel, F. J., Agudo-Peregrina, Á. F., & Chaparro-Peláez, J. (2015). Influences of gender and product type on online purchasing. *Journal of Business Research*, 68(7), 1550-1556. doi:10.1016/j.jbusres.2015.01.050
- Pavlou, A. (2003). Consumer acceptance of electronic commerce: Integrating trust and risk with the technology acceptance model. *International Journal of Electronic Commerce*, 7(3), 101-134. doi:10.1080/10864415.2003.11044275
- Rogers. (1962). Rogers, sir Leonard (1868–1962). *Oxford Dictionary of National Biography*. doi:10.1093/odnb/9780192683120.013.35814
- Suki, N. M. (2018). Students' intention to use animation and storytelling: Using the Utaut model. doi:10.15405/epsbs.2018.05.5
- Sung, H., & Sung, J. (2015). Research on intention to adopt smart wear: Based on extended UTAUT model. *Fashion business*, 19(2), 69-84. doi:10.12940/jfb.2015.19.2.69
- Taylor, S., & Todd, P. (1995). Assessing IT usage: The role of prior experience. *MIS Quarterly*, 19(4), 561. doi:10.2307/249633
- Thompson, R. L., Higgins, C. A., & Howell, J. M. (1991). Personal computing: Toward a conceptual model of utilization. *MIS Quarterly*, 15(1), 125. doi:10.2307/249443
- Van der Heijden, H., Verhagen, T., & Creemers, M. (2003). Understanding online purchase intentions: Contributions from technology and trust perspectives. *European Journal of Information Systems*, 12(1), 41-48. doi:10.1057/palgrave.ejis.3000445
- Venkatesh, Morris, Davis, & Davis. (2003). User acceptance of information technology: Toward a unified view. *MIS Quarterly*, 27(3), 425. doi:10.2307/30036540