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A STUDY OF PERCEIVED RISK AND CONSUMER BEHAVIOUR

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Abstract

The views and choices of others greatly influence consumer purchasing decisions. As consumers heavily rely on recommendations from others when considering potential purchases, word-of-mouth marketing is a crucial component of the marketing process. The objectives of the study were to understand relationship between psychological risk, financial risk and time and convenience risk with consumer buying behaviour. Data was collected from 100 respondents and were analysed with the help of regression and Anova. The results showed that there is a relationship of financial risk and physiological risk with consumer buying behaviour and further there is also a relationship between time and connivance risk and consumer buying behaviour.

Keywords*: Consumer buying behaviour, perceived risk, financial risk.*

Introduction

Internet marketing revolutionised marketer-customer communication (Cheema &Kaikati 2010). Customers know who to call. Online merchants want to know why customers first shopped online as competition intensifies (Zhou, Dai & Zhang 2007). The article found that perceived risk affects internet shopping. Customers spread good and bad news. With the Internet, customers may blog and share product knowledge fast .Percieved risk include the following

Financial risk This danger is linked to the notion that customers are concerned about having their credit card information stolen, having their bank accounts compromised, having their personal information traumatised, etc.

Time and convenience risk: This risk involves how consumers perceive delivery delays, quality, after-sale services, and internet sellers. It relies on the online service quality.

Psychological risk: Age, gender, and work-orientation affect online shoppers. Work-oriented and older persons utilise the internet for work or to contact family abroad. Most ladies seek online for cooking recipes or fashion brand comparisons. Psychology changes internet shopping (Zhou, Dai & Zhang 2007).

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As per, (Forsyth & Shi, 2003) Internet has been a popular business tool since its inception (Forsyth & Shi, 2003) Most online shoppers still buy offline after using online information as a base; they prefer to "window shop" despite the internet being the most profitable and practical way to obtain many products and services (Forsyth & Shi, 2003) Hedonistic or utilitarian shoppers shop. Hedonists shop for fun; utilitarians are goal-oriented. Marketing encourages buyers and promoters, says (Fallon 2012). Internet marketing is similar, but Google's more informative sites attract fewer customers. Traditional customers only knew product details. Smarter consumers today. Consumer behaviour studies how and why people buy. Contradictory items don't sell (Park, Kyung, & John, 2010). Culture, societal values, money, security, perceived risks, etc. affect a consumer's final purchasing decision. Customers want brands to reflect their social circles, and some believe items will improve or hinder their quality of life and social connections (Fallon, 2012).

Bauer proposed customer perceived risk in 1960; since then, it's been widely discussed and defined. Per (Huang, Schrank, & Dubinsky 2004). Improbability and consequence define perceived risk. Limited access to items and salespeople may overstate online shopping's danger (Forsyth & Shi, 2003). Perceptions influence behaviour. Perceptions drive decisions, intentions, and actions.

Aim

To determine the relationship between financial risk and online shopper behavior.

To determine the relationship between time and convenience risk and online shopper behavior.

To determine the relationship between psychological risk and online shopper purchasing patterns.

Hypothesis

The following are the hypothesis have been developed:

H01: There is no relationship between financial risk and online consumer buying behavior

H02: There is no relationship between Time and convenience risk and online consumer buying behavior

H03: There is no relationship between psychological risk andonline consumer buying behavior

Material and method:

This section disuses about study design, data collection, and data analysis. Quantitative method was used for the analysis. 100 respondents were taken with 5-point Likert scale. This

quantitative questionnaire wasused and for secondary data journals and websites. This study used regression and Anovafor the analysis.

Results and discussion

To determine the relationship between financial risk and online shopper behavior.

H01: There is no relationship between financial risk and online consumer buying behavior

Table 1: ModelSummary

Model	R	R Square	Adjusted R Square	Std.Erroof TheEstimate
1	.174[a]	.030	.022	.70712

predictors: (Constant), Total financial risk

Table 2: ANOVA[a]

Model		Sumof Squares	df	Mean Square	F	Sig.
1	Regression	1.543	1	1.543	3.123	.043[b]
	Residual	48.776	97	.54		
	Total	50.127	98			

Dependent variable: overall consumer behaviour

b.Predictors: (Continuous), Total financial risk

The above table 1, shows R-value reflects the correlation between observed and expected values of dependent variables. R-square measures a model's fit to the data. The model's independent variable predicts 3.1% of the dependent variable's variation (R-square = 0.030). Table 2, shows one-way Anova test results. Results are in three rows. The first row of regression shows known model variability. Residual variability shows random error or unidentified causes. The F-value is 3.123 and the p-value is 0.084.

Table 3: Model Summary

Model	Unstandardiz	Standardiz	t	Sig

		ed Coefficients		ed Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1.909	.255		7.637	.000
	Financialriskotal	.243	.143	.177	1.772	.04

Dependent variable: overall consumer behaviour

Table above gives regression constant, coefficient, and significance. The financial risk regression coefficient's p-value is 0.04, which is less than 0.05.**Therefore, first null hypothesis is rejected.**

To determine the relationship between time and convenience risk and online shopper behavior

H02: There is no relationship between Time and convenience risk and online consumer buying behavior

Table 4: ModelSummary

Model	R	R Square	Adjusted R Square	Std.Erroroftheestimate
1	.235[a]	.057	.047	.69869

a. Predictors: Time and convenience risk total (constant).

Table 4, above the R-value reflects the correlation between observed and expected values of dependent variables. R-square measures a model's fit to the data. This model's independent variable predicts 4.6% of the dependent variable's variation (R-square=0.047).

Table 5: ANOVA[a]

Model		Sumof Squares	df	Mean Square	F	Sig.
1	Regression	2.823	1	2.823	5.803	.017[b]
	Residual	47.714	97	.488		
	Total	50.528	98			

Dependent variable: overall consumer behaviour

b. Predictors: Time and convenience risk total (constant).

In the above table 5 shows, one-way Anova test results are shown. Three result rows are shown. First row of regression shows model variability from known results. In the Residual row, random error or unidentified causes cause variability. Since the F-value is 5.803 and the p-value is 0.017, so hypothesis is rejected

Table 6 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.793	.236		7.633	.000
	Timeand convenience risktotal	.264	.108	.238	2.411	.017

Consumer behaviour overall is the dependent variable.

The above table 6 shows the regression constant, coefficient, and their relative importance are listed in the previous table. We discover that the p-value for the regression coefficient of the risk associated with convenience and time is given by 0.017, which is less than 0.05. **There null hypothesis is rejected**.

To determine the relationship between psychological risk and online shopper purchasing patterns H03: There is no relationship between psychological risk and online consumer buying behavior

Table 7: ModelSummary

Model	R	R Square	Adjusted R Square	Std.Errorof theEstimate
1	.163[a]	.0266	.015	.70889

a. Predictors include the entire psychological risk (constant).

Table 8: ANOVA[a]

Model		Sumof Squares	df	Mean Square	F	Sig.
1	Regression	1.309	1	1.309	2.603	.012[b]
	Residual	49.330	97	.504		
	Total	50.537	98			

Dependent variable: overall consumer behaviour

b. Predictors: (Continuous), Total psychological risk

The above table 7 shows, R-value reflects the correlation between observed and expected values of dependent variables. R-square measures a model's fit to the data. Here, R-square = 0.015, which means 1.6% of the dependent variable's variance can be predicted by the independent variable.

The table 8 above shows the test results for the one-way Anova analysis are shown in the above table. Three rows of results are presented. Regression's first row displays the model's variability as a result of known results. The variability caused by random error or unidentified causes is shown in the second row, which is titled Residual. We reject our hypothesis 4 since the F-value in this instance is 2.603 and the p-value is 0.012, which is less than 0.05.

Table 9: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.979	.239		8.283	.000
	Psychological risktotal	.194	.123	.163	1.613	.012

a. Dependent Variable: total consumer behaviour

The table 9 above shows that, the regression constant and coefficient, as well as their significance, are shown in the table above. We discover that the p-value for the regression coefficient of psychological risk is 0.012, which is less than 0.05. **Therefore, hypothesis is rejected.**

Conclusion

Online shopping varies from regular shopping. This study includes preliminary data on the categories of risk felt by online purchasers and their online purchasing behaviour. The study evaluated perceived Risk to predict online buying. Risk perception and online consumer buying are associated. Perceived risk is an important element for online customers, hence it must be investigated. Online consumer purchasing behaviour is associated with security risk and financial risk, so they must be minimal to obtain high online purchasing behaviour. The less time and convenience risk, the more online shoppers buy so time and convenience also affect consumer behaviour. Psychological risk predicts internet use will increase. Lower perceived risk is positively associated to internet shopping. Online buying affects website decisions and processes, including e-business ethics and purchasers' rights. The study demonstrates a correlation between perceived risk and internet shopping.

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