Perceived Risk and Online Shopping Intention: A Study Across Gender and Product Type

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ABSTRACT

As online shopping growth continues, electronic retailers are recognizing the need to understand risk perceptions of (prospective) customers so as to remove impediments to continued growth. One particularly fruitful area of research concerns the perceptions of online shoppers to product, financial, privacy, time/inconvenience, psychological, and product source risk. Equally important is to understand differences in risk perceptions between males and females and also how such perceptions vary across different product types: digital (e.g. music), and non-digital (e.g. apparel). Utilizing an online survey of undergraduate college students, findings show that female respondents consistently perceived greater risk than males, with significant differences for product and financial risks for both product types. The “experiential” nature of apparel shopping was highlighted by online shopping intention being explained by psychological (male and females) and product (females) risk only. Overall, perceived risk was found to negatively influence intention to shop online by gender, especially with females.

Keywords: Electronic Commerce, Electronic Retailing, Gender Issues, Online Shopping, Perceived Risk

INTRODUCTION

The rapid growth of the Internet and its associated uses and applications over the past two decades is well documented. While the dot-com crash slowed its development, the Internet and the World Wide Web is becoming increasingly pervasive. When we view the Web as a disruptive technology, it is not difficult to see how dramatically the business-to-consumer (B2C) interactions have changed since online shopping first emerged. Businesses now have at their disposal a much greater range of products and services that can marketed to a much more diverse and larger body of customers. Equally, customers have never had more choice or greater ability to customize the products and services on offer to them. Rates of online shopping continue to increase rapidly. However, while online shopping is becoming increasingly “mainstream”,
consumer attitudes to online shopping risks are less clear.

Numerous previous studies have attempted to provide insight into which factors encourage customers to engage in online shopping and which factors inhibit them (Doolin, et al., 2005). One important factor that has not received significant attention, yet has been reported to be significant, is gender (Van Slyke, et al., 2002). Although gender issues in traditional shopping have been well researched, Rodgers and Harris (2003) observe that, “...because websites tend to be targeted to one or both genders, attempting to understand the different ways that males and females perceive online shopping is appropriate” (p. 322). Results of previous studies focusing on the impact of gender have been mixed (Van Slyke, et al., 2010), although it appears that males are more likely to purchase online than females (Garbarino & Strahilevitz 2004, Van Slyke, et al., 2010). Women have been reported to spend less time and effort than men on the Internet (Bimber, 2000) and to also spend less money shopping online (Garbarino & Strahilevitz, 2004, Doolin, et al., 2005). Men reported positive attitudes towards online purchasing and placed higher trust in online shopping than females, although for traditional offline purchasing) women account for more than 70% of all purchases (Rodgers & Harris, 2003).

While many factors play a significant role in determining gender differences in online shopping, previous research indicates that one of the expected reasons for gender differences is that females are more likely to be concerned with online shopping risks than males (Alreck & Settle, 2002; Forsythe & Shi, 2003; Garbarino & Strahilevitz, 2004). Even though several studies have examined perceived risk in online shopping, less research has been undertaken on specific types of risk related to online shopping and the influence of each risk type on online shopping intentions (Dai, 2007).

Although studies have been conducted examining the impact of perceived risks on online shopping intentions, very few consider gender as a moderating variable, and there is a lack of evidence, especially recently, to explain gender differences across different perceived risks and product categories. The purpose of this study is to develop and test a conceptual framework that examines the differences between males and females in perceiving different types of risks in online shopping, whether these differences vary according to product category and, if so, whether gender differences play a significant role in consumer online shopping intentions.

The paper is organized as follows: The next section reviews the pertinent literature focusing on risk perceptions in online shopping and presents research hypotheses and the conceptual model. This is followed by a description of the adopted methodology. The following section presents the findings, analysis and a discussion. Finally, conclusions, limitations and directions for future research are outlined.

**LITERATURE REVIEW AND HYPOTHESES**

**Online Shopping**

The Internet has transformed how consumers shop for goods and services. Consumers are now able to buy a seemingly unlimited range of products and services through the Internet at any time, from almost any place in the world. This growth in online shopping can be attributed to a number of benefits such as convenience, time savings, enhanced product and service comparisons, and the option to buy products that are not available in local stores (Shergill & Chen, 2005). Online shopping is a real alternative as some challenges of conventional shopping such as crowding, traffic and parking and limited time for shopping are removed (Yulihasri, et al., 2011).

There are a number of successful business models for online shopping, for both existing and new firms. Companies are using the Internet not only to sell products, but also to reduce marketing costs, communicate with their customers, and collect customer feedback. In addition, as Shergill and Chen (2005) observe, “…the Internet provides a unique opportunity
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