CONSUMERS' PERCEIVED SECURITY RISKS IN ONLINE SHOPPING: A SURVEY STUDY IN SRI LANKA

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Abstract

Consumers' perceived security risks in online shopping is an important aspects which influence consumer's buying behavior in online. This paper focuses ten dimensions of consumer perceived risk such as performance risk, physical risk, financial risk, sauce risk, security risk, delivery risk, time risk, social risk, psychological risk and privacy risk in Sri Lankan context. Research question and hypotheses were determined after the wide spectrum of literature review. Structured questionnaire method used to collect the data and there were 128 respondent participated in this research study. The results also proved that privacy and security concerns are the main barriers to shopping on the Internet. The analysis include descriptive analysis, the Pearson correlation analysis and t-test. From this research study it can be concluded that, the column " importance" the hypotheses such as financial risk, delivery risk, time risk, social risk, psychological risk and privacy risk has negative effect on attitudes towards online shopping. On the other hand the column "the chance the risk occur" the hypotheses such as performance risk, physical risk, financial risk, sauce risk, security risk, delivery risk, time risk, social risk, psychological risk and psychological risk has negative effective on attitudes towards online shopping.

Keywords: *Security, Risk, Online shopping, Risk dimension*

1. INTRODUCTION

E-commerce is defined a subset of ebusiness in purchasing, selling, and exchanging of goods and services over computer networks through which transactions or terms of sale are performed electronically. Basically on-line shopping has certain characteristics than traditional shopping such as the massive use of technology to complete the transaction, the distant and impersonal nature of the market stores, the insecurity of using open network infrastructures for transactions, involvement of third parties in the transaction process, online payment system, and hacker's threaten for the buyers privacy and monetary information. In general the temporal separation between consumers and marketers increases fears of web retailer which creates identity uncertainty, and there

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