

**AN EXAMINATION OF PERCEIVED RISK AND TRUST
AS DETERMINANTS OF ONLINE PURCHASING
BEHAVIOUR: A STUDY WITHIN THE U.S.A. GEMSTONE
INDUSTRY**

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I declare that this thesis is my own account of my research and contains as its main content work, which has not been previously submitted for a degree at any tertiary education institution.

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ABSTRACT

Several studies have shown that there is a negative impact of perceived risk on trust and on the online purchasing behaviour of buyers. Other research suggests a positive impact. However, these relationships have been suggested by using evidence obtained from the purchase of inexpensive, uncomplicated, and hence low risk products such as books, compact disks (CD's, DVD's), or clothing. Exploring whether such associations could be generalised within the complex, costly high risk and credence products such as gemstones has not been examined. This gap in the literature was addressed in this study.

The results of the study suggest that perceived risk and trust are significant determinants of the online purchasing behaviour of gemstone buyers. The study also shows that the type of Internet marketing strategy used by the seller (the place strategy) and the buyer's privacy, and security concerns influence a buyer's perceived risk to purchase gemstones online. Furthermore, Internet fraud protection has been found to be the only significant factor that has an influence on the buyer's trust to purchase gemstones online. These results have implications for the literature, and all sellers and consumers.

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TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION.....	1
The Internet and Online Purchasing.....	1
Research Problems	6
Research Questions	6
Focus of the Study.....	9
Justifications of the study.....	9
Theoretical and Methodological Justification of the Study	10
Practical Justification of the Study.....	13
Outline of the Study	14
Chapter Summary.....	15
CHAPTER 2: LITERATURE REVIEW AND DEVELOPMENT OF	
HYPOTHESES.....	16
Introduction	16
Salient Constructs and Hypotheses Development.....	24
1. Perceived Risk.....	24
1.1 Interpretations of Perceived Risk	27
1.2 Interpretations of Perceived Risk in Online Purchasing	30
1.3 Factors Influencing Perceived Risk	33
Concern about Product Information.....	35
Type of Internet Marketing Strategy Used by Seller	37

Privacy Concern	42
Security Concern	46
2. Trust	50
2.1 Interpretations of Trust.....	50
2.2 Factors Influencing Trust	52
Internet Fraud Protection.....	53
Perceived Reputation	56
Assurance	58
3. Online Purchasing Behaviour	61
Perceived Risk, Trust and Online Purchasing Behaviour	63
Chapter Summary.....	65
CHAPTER 3: RESEARCH METHODOLOGY	67
Introduction	67
Research Design.....	68
Sampling Design	68
Data Collection Strategy	71
Survey Administration	74
Survey Format	76
Instruments	77
Method of Analysis	88
Pre-testing the survey instrument.....	94
Chapter Summary.....	96

CHAPTER 4: RESULTS.....	97
Introduction	97
The Sample and Response Rate	97
Data Screening	98
The Nature of the Sample	99
Results of Measurement Validation.....	100
Results of One Factor Congeneric Model Testing.....	101
Results of Confirmatory Factor Analysis.....	112
Results of Correlation Matrix.....	118
Results of Hypothesis Testing.....	123
Chapter Summary.....	132
CHAPTER 5: DISCUSSION AND CONCLUSIONS	135
Introduction	135
Summary of Results	135
Implications of the Main Findings	146
Theoretical Implications.....	146
Practical Implications.....	149
Limitations of the Study.....	151
Directions for Future Study.....	153
Concluding Remarks	156
BIBLIOGRAPHY	158

LIST OF APPENDICES.....	192
Appendix 1: Incentive Report (Results of Exploratory Study).....	192
Appendix 2: Research Questionnaire.....	211
Appendix 3: Measures and Items Used.....	219
Appendix 4: Results of Exploratory Factor Analysis.....	230
Appendix 5: Measurement Properties of the Measures Used in the Study.....	232

LIST OF TABLES

Table 1: Examples of Studies on Perceived Risk across Product Categories	Error!
Bookmark not defined.	
Table 2: Examples of Interpretations of Online Perceived Risk across Studies	Error!
Bookmark not defined.	
Table 3: Examples of Offline and Online Marketing Strategies Based on Four Ps. Error!	
Bookmark not defined.	
Table 4: Summary of Study Hypotheses (H) Under Research Questions (Q).....	Error!
Bookmark not defined.	
Table 5: Goodness-of-Fit Indices Used in the Study	Error! Bookmark not defined.
Table 6: Solutions of One-Factor Congeneric Models for Privacy Concern (N=134)	
.....	Error! Bookmark not defined.
Table 7: Solutions of One-Factor Congeneric Models for Internet Fraud Protection	
(N=134).....	Error! Bookmark not defined.

Table 8: Modification Indices for Confirmatory Factor Analysis with Concern about Product Information and Internet Marketing Strategy Used by Seller (N=134) **Error! Bookmark not defined.**

Table 9: Confirmatory Factor Analysis with Privacy Concern and Security Concern (N=134) **Error! Bookmark not defined.**

Table 10: Modification Indices for Confirmatory Factor Analysis with Factor Influencing Trust Construct (N=134) **Error! Bookmark not defined.**

Table 11: Correlation Matrix showing Means, Standard Deviation, Reliability and Correlation Coefficients **Error! Bookmark not defined.**

Table 12: Regression Results (Standardised Coefficients) **Error! Bookmark not defined.**

Impact of Factors Influencing Perceived Risk (H1-H4) .**Error! Bookmark not defined.**

Table 13: Regression Results (Standardised Coefficients) **Error! Bookmark not defined.**

Impact of Perceived risk on Trust (H8) **Error! Bookmark not defined.**

Table 14: Testing the Impact of Perceived risk on Online Purchasing Behaviour (H9) **Error! Bookmark not defined.**

Table 15: Testing the Impact of Trust on Online Purchasing Behaviour (H10) **Error! Bookmark not defined.**

Table 16: Supplementary Test for Meditating Effects **Error! Bookmark not defined.**

Table 17: Summary of Hypothesis Results **Error! Bookmark not defined.**

LIST OF FIGURES

- Figure 1: Conceptual Model of the Study **Error! Bookmark not defined.**
- Figure 2: Conceptual Schema of Factors Influencing Perceived Risk.. **Error! Bookmark not defined.**
- Figure 3: Conceptual Schema of Factors Influencing Trust **Error! Bookmark not defined.**
- Figure 4: Conceptual Schema of Online Purchasing Behaviour..... **Error! Bookmark not defined.**
- Figure 5: Sampling Design Process **Error! Bookmark not defined.**
- Figure 6: Fitted One-Factor Congeneric Model for Concern about Product Information (N=134) **Error! Bookmark not defined.**
- Figure 7: Solution for One-Factor Congeneric Model for Internet Marketing Strategy Used by Seller (N=134) **Error! Bookmark not defined.**
- Figure 8: Solution of One-Factor Congeneric Model for Privacy Concern (N=134) **Error! Bookmark not defined.**
- Figure 9: Fitted One-Factor Congeneric Model for Security Concern (N=134) **Error! Bookmark not defined.**
- Figure 10: Solution of One-Factor Congeneric Model for Internet Fraud Protection (N=134) **Error! Bookmark not defined.**
- Figure 11: Fitted One-Factor Congeneric Model for Trust (N=134)... **Error! Bookmark not defined.**
- Figure 12: The Revised Conceptual Model of the Study. **Error! Bookmark not defined.**

