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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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
LIST OF APPENDICES

Appendix 1: Incentive Report (Results of Exploratory Study)
Appendix 2: Research Questionnaire
Appendix 3: Measures and Items Used
Appendix 4: Results of Exploratory Factor Analysis
Appendix 5: Measurement Properties of the Measures Used in the Study

LIST OF TABLES

Table 1: Examples of Studies on Perceived Risk across Product Categories
Table 2: Examples of Interpretations of Online Perceived Risk across Studies
Table 3: Examples of Offline and Online Marketing Strategies Based on Four Ps
Table 4: Summary of Study Hypotheses (H) Under Research Questions (Q)
Table 5: Goodness-of-Fit Indices Used in the Study
Table 6: Solutions of One-Factor Congeneric Models for Privacy Concern (N=134)
Table 7: Solutions of One-Factor Congeneric Models for Internet Fraud Protection (N=134)
Table 8: Modification Indices for Confirmatory Factor Analysis with Concern about Product Information and Internet Marketing Strategy Used by Seller (N=134)

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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.