

THE EFFECTS OF RISK AND BENEFIT PERCEPTIONS ON ATTITUDES OF CUSTOMERS TOWARDS
B2C WEB SITES

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OUTLINE

- PROBLEM IDENTIFICATION
- CONCEPTUAL MODEL
- HYPOTHESES
- DIMENSIONS
- MEASURES AND SAMPLING
- RESEARCH METHODS
- CONFIRMATORY FACTOR ANALYSIS
- CONSTRUCT DESCRIPTIVES, CORRELATION AND RELIABILITY
- RESULTS OF SEM ANALYSIS
- HYPOTHESES TEST RESULTS
- FINAL MODEL
- CONCLUSION

PROBLEM IDENTIFICATION

- The number of **Internet users** is increasing rapidly every year.
- As a result, the number of **people shopping on the internet** is also increasing.
- But the vast majority of **Internet users** still do not shop online.
- Considering this situation, it is seen that there is a **great potential** on the internet especially in **B2C** field.
- In order to make use of this potential, it is necessary to determine the factors that affect **the attitudes of internet users** towards online shops and **their hesitations** against online shopping.

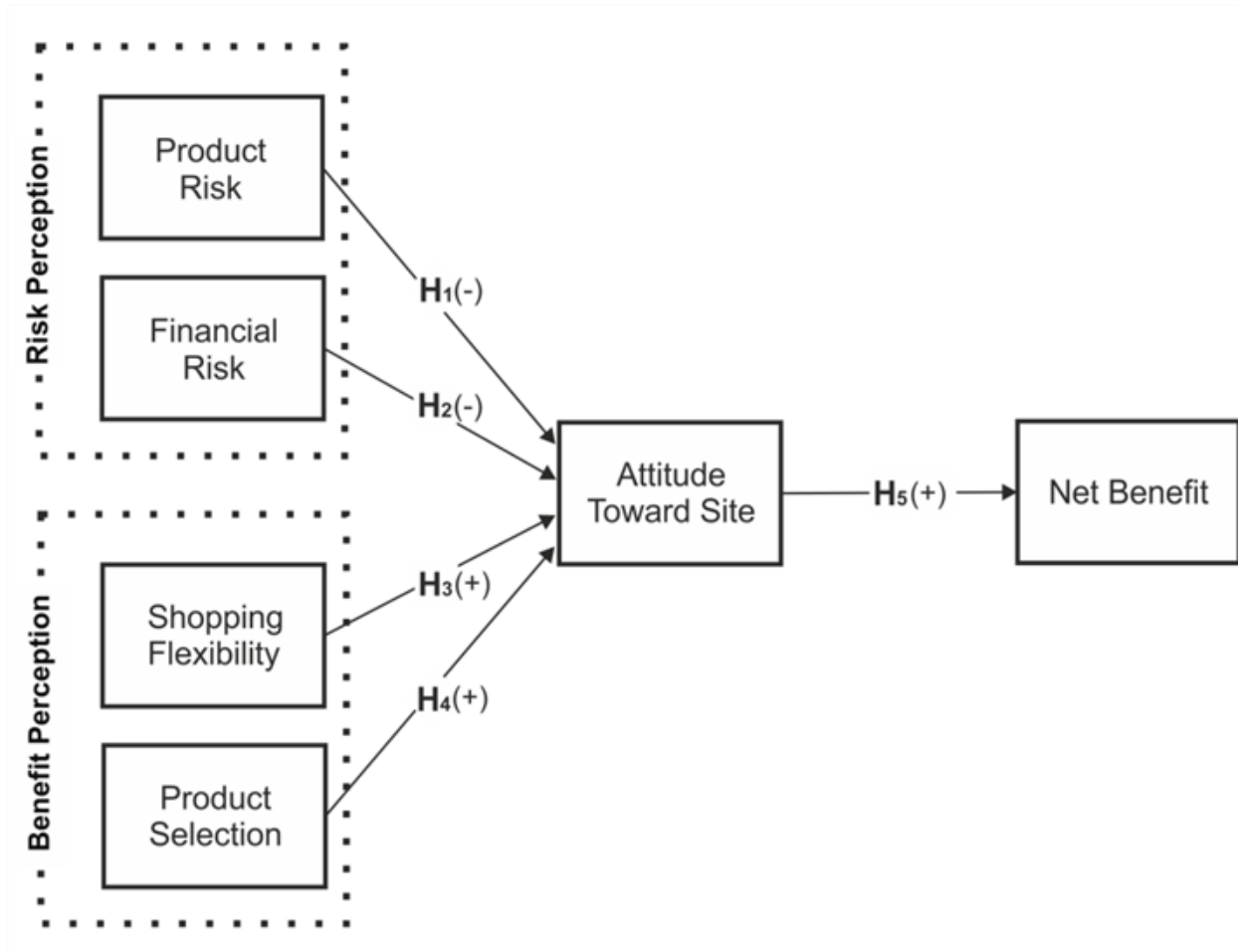
PROBLEM IDENTIFICATION

- The most important aspect of an electronic commerce business is its **website**.
- The **success** of the **website** is the most important influence that affects the success of the business.
- The most important factor that determines **the success of a website** is that the site is preferred by the customers among other competing sites.
- In this preference, the determining factor **is the attitude of the customer**.
- This attitude is the result of **the shopping experience** of the customer.
- As a result, the customer has a **net benefit perception** about the site.

PROBLEM IDENTIFICATION

- There are prejudices and perceptions about shopping on the Internet, **regardless of the web site** used by Internet users.
- **Attitudes towards** the website are directly related to the quality of the service and system that the web site provides. But it can be said that users' prejudices about shopping from the internet are influential on their attitudes towards the site.
- The **aim** of this research is to demonstrate this relationship and to test it statistically.
- In order to clarify the **success criteria** of the websites of B2C electronic commerce businesses, a conceptual model has been proposed. The proposed model is thought to **contribute** to electronic commerce literature.

CONCEPTUAL MODEL



HYPOTHESES

H₁: Product Risk affects Attitude Toward Site negatively

H₂: Financial Risk affects Attitude Toward Site negatively.

H₃: Shopping Flexibility affects Attitude Toward Site positively.

H₄: Product Selection affects Attitude Toward Site positively.

H₅: Attitude Toward Site affects Net Benefit positively.

Product Risk Perception

- Refers to the perception that the consumer already has about the product that he has not bought yet and that it is **related to shopping on the internet**.
- This dimension is **not related to the site**, but rather refers to the general perception of shopping on the internet that consumers have before shopping on any site.

Financial Risk Perception

- Refers to the general perception of the security of the consumers who are shopping on the internet **without any site specificity**.
- Generally referring to, consumers are disturbed by sharing their credit card information and personal information **on the internet**.

Shopping Flexibility

- Refers to general perception **regardless of any site**.
- This perception is about the users think that they can shop on internet **whenever and wherever** they want.

Product Selection

- Product selection dimension refers to the general perception that users are more independent of shopping on the Internet than in any other shopping area, and that **product variety** is higher than in classical shops.

Attitude toward the Site

- Refers to the **intention** of using the site and shopping on the site.
- As this research is based on B2C sites, attitude toward the site dimension must be understood as the customers' **intention to make purchases** from the site.

Net Benefit

- The net benefit is defined as the **perceived benefit** of the site generated by the user.
- Relates to the value judgments of the users. It is essentially the difference between the cost and the user's future **benefit expectation**.

MEASURES AND SAMPLING

- The scale developed by Chen et al. (2013) was used for **Attitude Toward Site** (Chen, Rungruengsamrit, Rajkumar, & Yen, 2013).
- The scale which was developed by Wu and Wang (2006) was used for **Net Benefit** dimension (Wu & Wang, 2006).
- The scale which was developed by Forsythe et al. (2006) was used for **product risk, financial risk, shopping flexibility and product selection** dimensions (Forsythe, Liu, Shannon, & Gardner, 2006).
- The data was collected through **online survey**. The sample of the research consists of **407 people** who purchase goods or services from e-commerce web sites.
- 54.8 % of the respondents are **female**, 40.2% of them have **university degree** and 41.5% of them are between **25-35 years old**.

RESEARCH METHODS

- In this research **quantitative** data was used and five point Likert scale survey was conducted.
- Confirmatory factor analysis (CFA) was used to analysis of the **convergent validity**. In order to assess **discriminant validity**, average variance extracted values (AVE) were calculated.
- Cronbach alpha and composite reliability (CR) values were found to analyse the **reliability** of the scales.
- **Structural equation model** which is a multi-variable statistical method was used to test the hypotheses put forward in the conceptual model.
- AMOS and SPSS statistics programs were used for analyses.

CONFIRMATORY FACTOR ANALYSIS

Variables	Items	Standardized Factor Loads	Unstandardized Factor Loads
Product Risk	PR3.3	0.884	1
	PR2.2	0.745	0.838
Financial Risk	FR8.5	0.736	1
	FR7.4	1.075	1.435
Shopping Flexibility	SF12.4	0.707	1
	SF11.3	0.911	1.050
	SF10.2	0.873	1.100
	SF9.1	0.793	0.974
Product Selection	PS14.2	0.782	1
	PS15.3	0.796	0.917
Attitude Toward Site	AT53.5	0.683	1
	AT52.4	0.696	1.102
	AT51.3	0.879	1.209
	AT50.2	0.774	1.177
Net Benefit	NB61.4	0.829	1
	NB60.3	0.679	0.998
	NB58.1	0.572	0.788

p<0.05 for all items

CONFIRMATORY FACTOR ANALYSIS

- After the data purification process 17 items were included in the confirmatory factor analysis.
- Confirmatory factor analysis was performed on the scales by using AMOS 23 for **assessing convergent validity** .
- CFA results indicated that the model was an adequate fit:
 $\chi^2/DF = 2.805$, $CFI = 0.950$, $IFI = 0.950$, $RMSEA = 0.067$.
- $CMIN/DF$ ratio is under the threshold level of 3. This shows the conformity of the initial model and acquired model. Furthermore, other fit indices exceeded their recommended thresholds.

$p < 0.05$ for all items

CONSTRUCT DESCRIPTIVES, CORRELATION AND RELIABILITY

Variables	1	2	3	4	5	6
1.Product Risk	(.817)					
2.Financial Risk	.177*	(.921)				
3.Shopping Flexibility	-.254*	.057	(.824)			
4.Product Selection	-.315*	.019	.634*	(.789)		
5.Attitude Toward Site	-.259*	-.065	.475*	.436*	(.762)	
6. Net Benefit	-.226*	-.086	.474*	.405*	.651*	(.701)
Composite reliability	.800	.916	.894	.767	.846	.739
Average variance ext.	.668	.849	.680	.623	.581	.492
Cronbach α	.794	.883	.886	.764	.848	.733

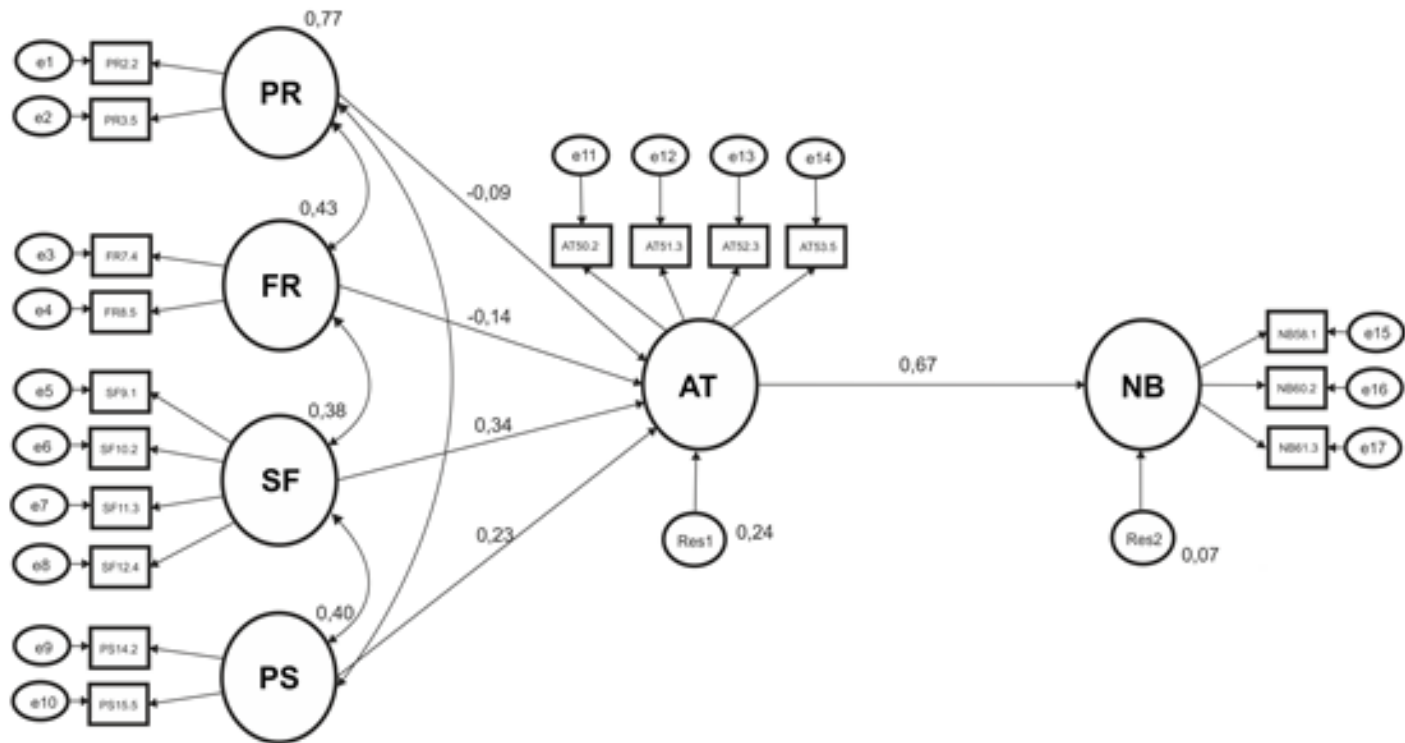
*p < 0.05

Note: Diagonals show the square root of AVEs.

CONSTRUCT DESCRIPTIVES, CORRELATION AND RELIABILITY

- To assess **discriminant validity**, average variance extracted values were calculated. Results are close to or beyond the threshold level (i.e. 0.5)
- Reliability of each construct individually calculated. **Composite reliability** and **Cronbach α** values are close to or beyond the threshold level (i.e. 0.7).

RESULTS OF SEM ANALYSIS



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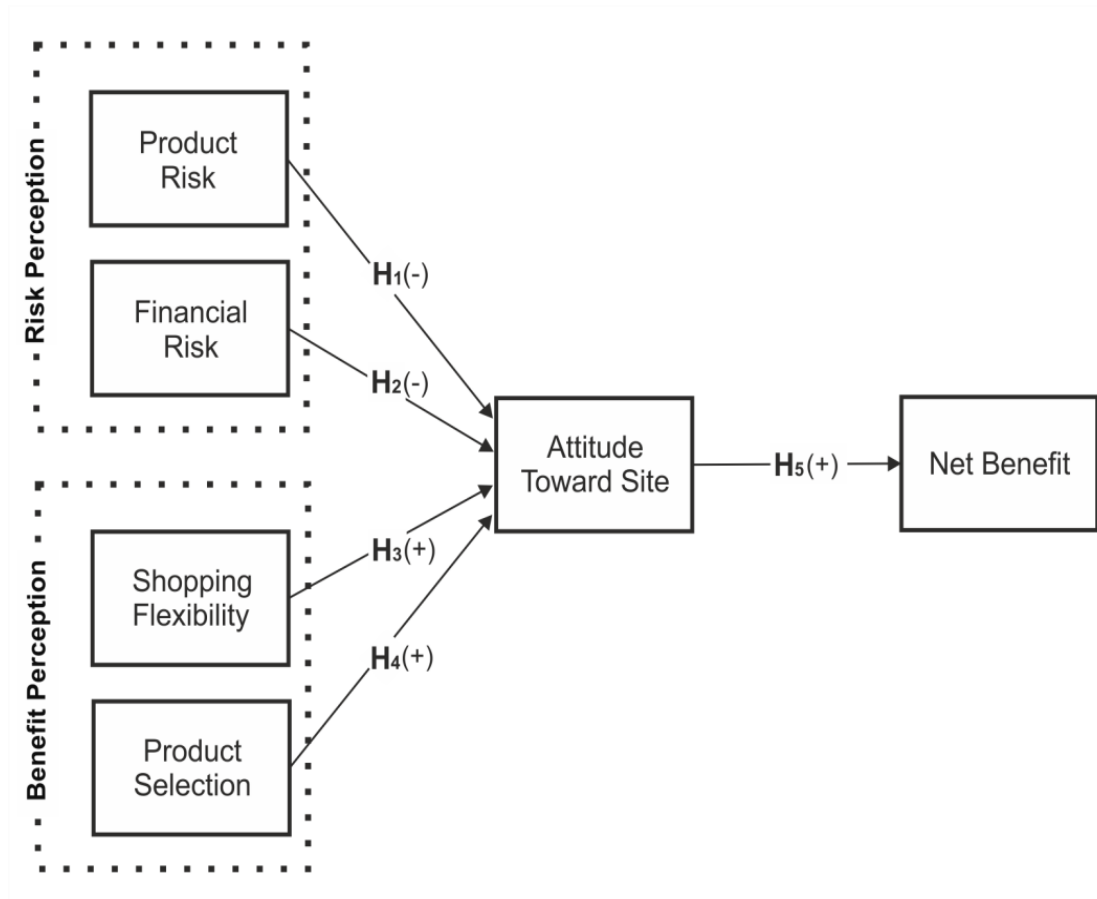
- Structural model fit indices adequately indicate model fit. χ^2/DF value is 2.725 and under threshold level (i.e. under 3).
- **CFI** and **IFI** values are 0.950 and 0.950 respectively. **RMSEA** is 0.065.

HYPOTHESES TEST RESULTS

Relationships	Standardized Coefficients	Unstandardized Coefficients
Product Risk → Attitude Toward Site	-0.125*	-0.088*
Financial Risk → Attitude Toward Site	-0.145*	-0.138*
Shopping Flexibility → Attitude Toward Site	0.339*	0.340*
Product Selection → Attitude Toward Site	0.240*	0.235*
Attitude Toward Site → Net Benefit	0.849*	0.668*

*p < 0.05

FINAL MODEL



CONCLUSION

- Important **finding** of this research is that perception of the customers regarding internet play a role in the attitude towards B2B web sites.
- The **managerial contribution** of the findings for the web site managers is to provide a better understanding of the shopping experience of their customers.
- **Scientific contribution** is to better understand the relationship among the dimensions related to web site success.

The background features a series of overlapping, 3D-style rectangular blocks in teal, dark teal, and yellow, set against a white background. The blocks are arranged in a grid-like pattern, with some blocks appearing to be in front of others, creating a sense of depth. The teal blocks are at the top, dark teal blocks are in the middle, and yellow blocks are at the bottom. The blocks are separated by thin white lines, and the overall composition is clean and modern.

THANKS