

THE EFFECT OF PERCEIVED RISK ON ONLINE BUYING BEHAVIOR



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ACCEPTANCE AND APPROVAL SHEET

This research entitled "THE EFFECT OF PERCEIVED RISK ON ONLINE BUYING BEHAVIOR" was prepared and submitted by Dya Mhelzha N. Virtudazo, Prescious Dane O. Sumampong, and Kimberly Bibat for the fulfillment of the requirements in Marketing Management Research (MM 301) with the code (8735) under the College of Business Administration Education of the University of Mindanao is hereby accepted.

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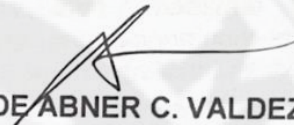
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ABSTRACT

Online shopping has grown significantly in popularity in recent years. However, many people are still hesitant to shop for groceries online due to security and privacy concerns, even if advancements in internet technology have led to an increase in the number of consumers. Because it takes time to identify a reputable website or item, their decision to purchase things online is discouraged. Additionally, many would rather not shop online because they would be afraid to shop at the online retailer they choose or that they would be shunned by others because of the goods they would buy. Thus, this study aims to determine the significant relationship between perceived risk and the online buying behavior of consumers in Davao City. The study used a descriptive-correlational design of research and used an adapted and modified questionnaire for the one hundred online consumers in Davao City as the respondents of the study and were identified by using a simple random sampling technique. The results were treated statistically using frequency, percentage, mean, standard deviation, and Pearson product-moment correlation coefficient. Furthermore, the study revealed a moderate level of perceived risk and a high level of online buying behavior among consumers in Davao City. Additionally, correlation analysis revealed a significant relationship between the perceived risk and online buying behavior among consumers in Davao City. The findings of this study recommend online sellers provide high-quality products offered online, time-efficient deliveries, and consistently have pleasant reviews online.

Keywords: Product Risk, Social Risk, Time Risk

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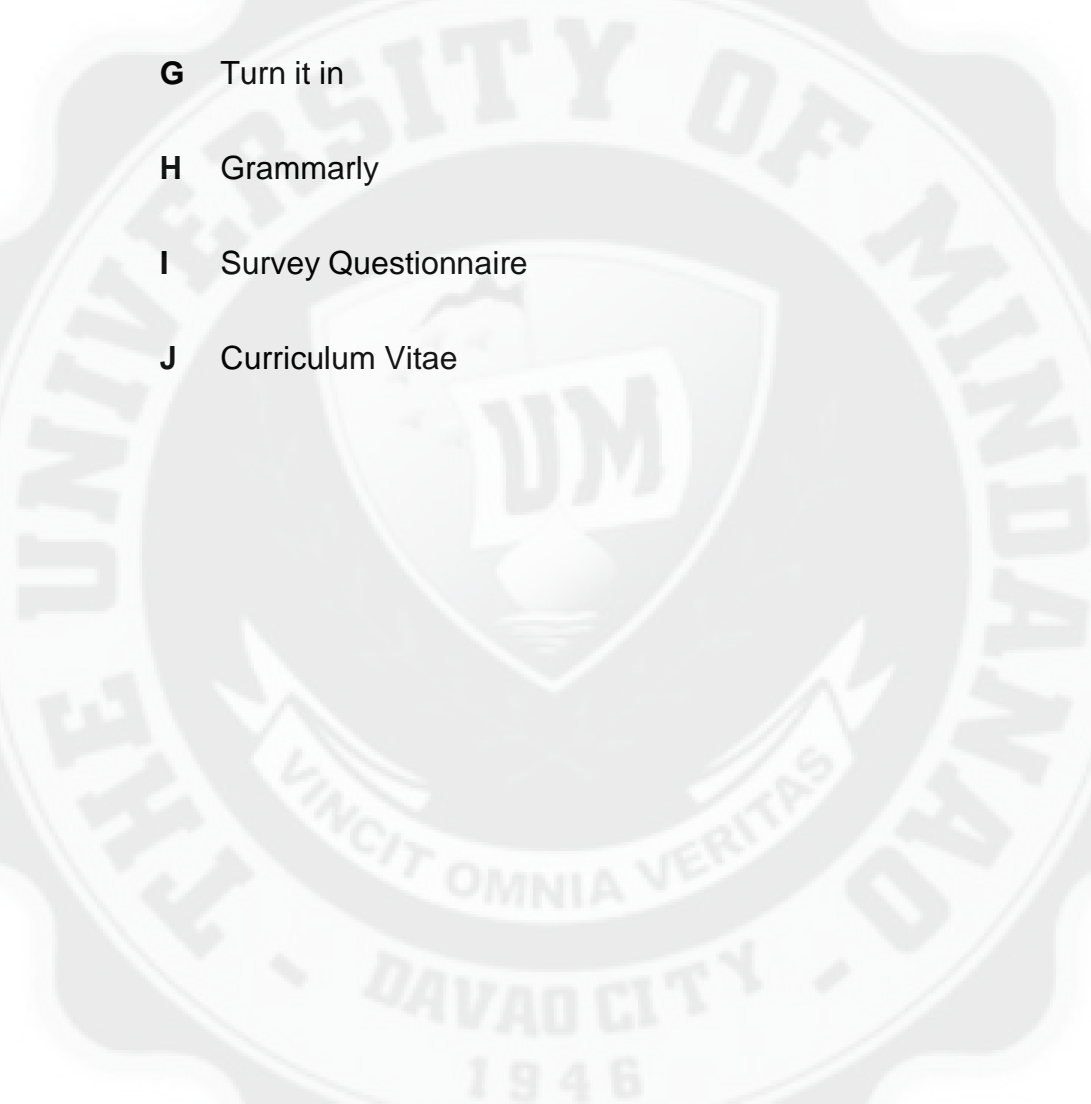
Finally, we would like to express our gratitude to God for guiding us through all of the challenges. Every day, we have benefitted from your direction. We were only able to complete our degree thanks to you. To God be the glory!

The Researchers

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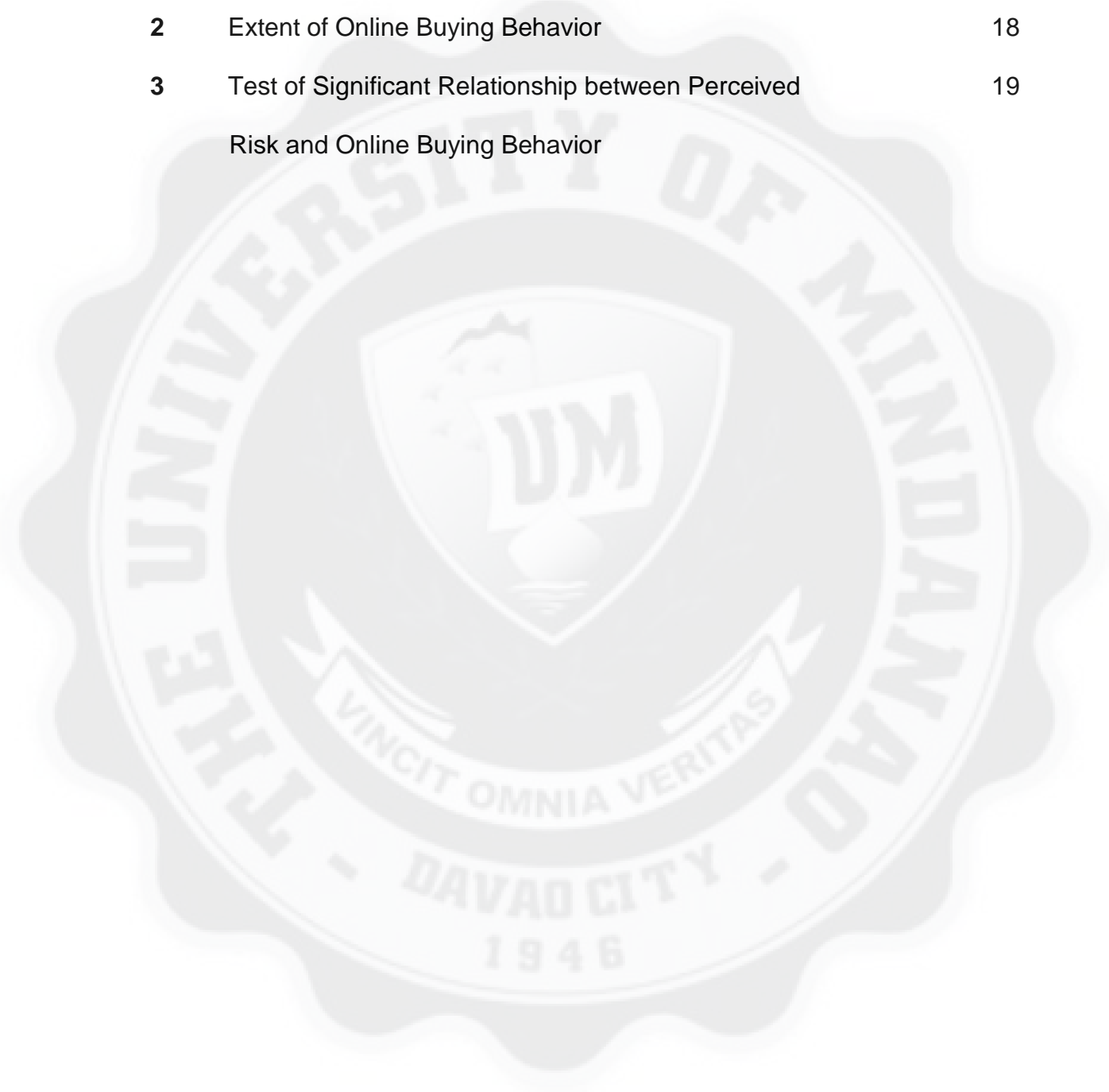
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INTRODUCTION

In recent years, online shopping has become more and more popular. Businesses have switched from traditional techniques of selling items to digital ones due to the rapid advancement of technology (Zhao et al., 2020). Sustainable growth is anticipated for local e-commerce businesses, owing to the growing popularity of online purchasing. The risk of falling for a scam increases even with the convenience of purchasing products online. Reducing or eliminating the risk of becoming a victim can be achieved by selecting a trustworthy online retailer and constantly monitoring any unusual activity (Zhang et al., 2020). Due to worries that their personal information would be hacked, that they might not receive exactly what they wanted, or that the product might not be as high-quality as they had anticipated, some consumers were hesitant to convert from traditional to online shopping (Alzoubi et al., 2022). As more individuals become aware of the benefits of buying things online, these reservations have progressively diminished. As a result, to make an informed purchase decision, consumers must manage the degree of risk and uncertainty involved in the process (Almaiah et al., 2022).

Primarily, online selling was utilized as a coping to meet both ends among typical families. Many online sellers' triumphs in providing products and services until they have surpassed their initial plan of providing for their families and helping the community alleviate poverty by providing employment. On the other side, online consumers have benefitted from the emerging online sellers in the market. One of the benefits of online selling centers on the provision of a plethora of work opportunities, starting from marketing, sales, production, financing, and delivery. The flexibility of the working hours has garnered so much popularity in employment across ages and economic strata. Online

businesses are a tool for increasing productivity and fostering innovation. Improved employment and increased revenue are produced by structural and technological reforms based from Sustainable Development Goals which are the decent work and economic growth.

In social growth, international collaboration, economic prosperity, and poverty reduction, among others, online shopping fosters sustainable development. It boosts economic growth, both short-term and long-term, and gives people respectable jobs (Fedirko et al., 2021). Online shopping has been acknowledged to have a favorable impact on businesses across the board that support the expansion of the Philippines' economy since its inception. Moreover, it allowed undergraduates to seek work and enhance the Philippines' employment potential. Given its dynamic characteristics, Filipino customers may need help to surf websites more quickly and efficiently than they could with the antiquated techniques used in the commerce business (Gabinete et al., 2022).

Moreover, businesses are constantly looking for ways to innovate and launch new products in today's quickly changing market. In view of Hultman & Hills (2018), innovation is a means of achieving growth and a way to stay ahead of competitors. Thus, innovation is critical to organizational success. However, there is some risk involved in developing new items, especially in an online setup. The increased prevalence of online purchasing has put consumers in danger because they cannot physically inspect things before purchasing and have restricted access to product information (Parasuman, 2018). Consumers depend on little details and pictures from computer screens, which might cause them to become unhappy if the item they bought needs to live up to their

expectations. The degree to which consumers trust sellers on the internet can affect how risky they perceive products to be. Consumers may be less inclined to make purchases online if they believe a greater risk is associated with the goods due to a lack of trust in the online purchasing platform. This emphasizes the necessity for online retailers to prioritize establishing a rapport with their clients to reduce product risk (Xiao et al., 2018).

Furthermore, buying online is a time-consuming procedure since consumers must search, explore, purchase, and wait for the goods to arrive. This results in consumers being reluctant to make purchases online because of the problem of in-depth absorption and the requirement for a substantial amount of time to search for, learn about, order, and wait for anything to come (Ariffin et al., 2018). Their decision to purchase products online is discouraged because finding a good website or item takes a while. In addition, consumers would prefer not to shop online because they would be afraid of being rejected by others or feeling alone because of the things they would buy or the online retailer they would select (Pentz et al., 2020). Friends and family's disapproval could cause a consumer to decide against online purchasing because their opinions have a big effect on the consumer's choice to buy online (Chen et al., 2022).

On one hand, internet shopping is the act of purchasing goods and services from websites, developing rapidly, both young and old, and using it has made shopping easier (Ellison et al., 2020). As explained by Loxton et al. (2020), consumer buying behavior can be defined as the study of people, groups, or organizations and the methods they employ to select, acquire, and discard goods, experiences, ideas, or experiences in order to satisfy desires,

as well as the effects these methods have on the consumer and society. Since each person's shopping habits are based on their particular preferences, they are all unique. A range of psychological and social elements affect customers' buying behaviors, which in turn define their preferences (Mesatania, 2022).

Purchasing and selling goods online has many advantages over traditional retail locations, primarily for the buyer. This is particularly true in developed nations, where nearly all marketers allow consumers to make online purchases through their websites (Alzoubi et al., 2022). Consequently, the fact that online purchasing is faster and less expensive than traditional retail could be the only reason for its explosive rise (Chawla & Kumar, 2022). Thus, it is significant to study the online buying behavior of consumers since business owners need to comprehend consumer purchasing behavior in order to succeed. This is especially valid for internet merchants. The website's support and design must be thoroughly understood in order to align with the information-gathering and purchasing behaviors of its users. Additionally, online shopping is popular for a variety of reasons, such as the convenience of making purchases without leaving the house, the ease with which one can compare prices from multiple vendors to find the best deal, the desire to avoid the pressure of making decisions in person, the desire to avoid the headache of driving in heavy traffic, and so forth (Chandra, 2021). When making purchases online, consumers benefit from increased information availability, an increased number of options for comparing products and prices, a greater selection of products, increased convenience, and a simpler process of finding what they are looking for (Iskandar & Nasution, 2019). Consumers may be drawn in and interested in the specific products being offered while they are participating in

online communication and see a banner advertisement or online promotion. Before making a purchase, an interested consumer could look for more information to help them decide. In the event that there is not enough information, people will hunt for it via search engines, websites, and online catalogs, among other online resources (Chang & Meyerhoefer, 2021).

The idea of making purchases online appears to be growing in acceptance among the general public. In the study of Rondoni et al. (2020), online buying behavior has grown faster than the number of Internet users as a whole. However, many people are still hesitant to shop for groceries online due to security and privacy concerns, even if advancements in internet technology have led to an increase in the number of consumers. Also, various research has indicated that consumer concerns regarding privacy are the main hindrance to the growth of online purchasing (Chawla & Kumar, 2022). The degree of security and privacy offered to customers when they buy online, as well as the degree of risk involved in exchanging information, directly affect the consumers' degree of trust and, consequently, the quality of their online shopping experience (Hossain et al., 2022).

The assessment or estimation made by an individual or group of the extent and probability of the potential "bad" consequences of a course of action is known as perceived risk. Raymond Bauer brought perceived risk to customer behavior for the first time in 1960 and 1967. Bauer (1967) claims that consumers' purchasing decisions are influenced by uncertainty in their purchase behavior. Customers' feelings that the goal of their purchase decision would not be fulfilled and that the targeted goods or services might not serve their intended goals are mostly captured by this uncertainty. As a result, in order

to make an informed purchase decision, consumers must manage the degree of risk and uncertainty involved in the transaction by doing research on the product or brand (Almaiah et al., 2022). In the study conducted by Zhang and Yu (2020), the risks of consumers' perception of product effects and risks of perceived services will positively affect consumers' purchase behavior across platforms.

The first indicator of perceived risk in this study is called product risk. For online customers, who struggle with restricted access to product information and the inability to physically inspect things before making a purchase, product risk is a major worry (Saeed et al., 2020). In conformity with Yadav and Sadhir (2021), product risk is a major worry for companies, especially when it comes to developing new products and internet sales. The significance of efficiently managing product risk and creating plans to reduce related expenses has been emphasized by recent studies. Identifying and addressing the variables that contribute to product risk is crucial for organizations to flourish, as is creating efficient risk management plans to reduce these risks. These variables include insufficient website functionality, difficulty comparing prices, and the potential for a purchased product to not arrive. Xiao et al. (2018) have demonstrated that consumers' perception of product risk can be influenced by their level of trust in online purchasing platforms. Customers' desire to make online purchases may be affected by a perceived increase in product risk brought on by a lack of trust in the online shopping platform. This emphasizes how online retailers must put a high priority on establishing customer trust in order to reduce product risk.

The second indicator of perceived risk in this study is called time risk. Time risk is defined as the length of time it takes to obtain the product and the

time and energy expended on returning or exchanging it. One of the most important variables influencing consumers' behavior when it comes to online shopping is time risk. It includes the unpleasant experience associated with making purchases online due to problems submitting orders and delayed product delivery (Ariffin et al., 2018). Consumers steer clear of time-consuming procedures because they are pressed for time, particularly when they shop online. When conducting business online, consumers run the danger of losing time due to navigational challenges, buy placement issues, and product delivery delays (Swiegers, 2018). As claimed by Ariffin et al, (2018) that time risk also arises when consumers have to return items for a replacement because they did not meet their expectations. Thus, consumers' intentions will be harmed by perceived online buying complexity and annoyance.

The last indicator of perceived risk in this study is called social risk. Activities affecting the communities in which they operate are classified as social risk. In view of what Zhang (2020) mentioned, social risk is correlated with the social effects that online shoppers encounter and the perceptions they form of the online retailers they choose to do business with. It stems from unfavorable perceptions of a company's social effect. As per Pentz et al. (2020), customers would opt out of online purchasing because they are afraid of social rejection or isolation because of the things they would buy or the online business they would select. Thus, considering that social contacts are involved, it is possible that some customers' online purchases have caused them to have social troubles. However, because of the interactive nature of the Internet, vendor

can tailor their offerings to specific clients and facilitate communication with other online buyers who are ready to share knowledge and insights (Kumar, 2018).

This study was anchored on the Theory of Reasoned Action (TRA) introduced by Fishbein and Ajzen in 1975. As indicated in the study of LaCaille (2020), TRA has successfully been used to explain human behavior. The theory proposes that human behavior is preceded by intentions, which are formed based on consumers' attitudes toward the behavior and on perceived subjective norms. Attitude reflects the individual's favorable or unfavorable feeling towards performing a behavior. Subjective norms capture the consumers' perceptions of the influence of significant others (e.g., family, peers, authority figures, and media). The theory is related to the buying intention of online buyers because people often act based on their perception of what others think they should be doing. Subjective norms tend to be more influential during the early stages of innovation implementation when users have limited direct experience from which to develop attitudes (Kanimozhi & Selvarani, 2019). It is during this stage of attitudinal development that online retailers can influence shoppers' propensity for purchasing behaviors. Furthermore, in the online shopping setting, perceived risk may be enlarged because of online consumers' restricted physical access to products and sales personnel (Park & Stoel, 2022). A high perceived risk hinders customers from adopting the web as a search channel. Perceived risk can be a powerful influence on consumers' behavior. It influences each level of the consumer decision-making process. Three components of Perceived Risk associated with online shopping are product, time, and social risk (Anam Bhatti et al., 2018). A high level of product risk is to

be expected when shopping online, as online consumers are unable to physically examine and test product quality and alternatives (Zhang & Yu, 2020). As a result, consumers are becoming more uncertain about specific purchasing decisions. Time Risk is the risk that the consumer will waste time, convenience, or effort to get a rework service. In addition, time risk includes the inconvenience incurred during online transactions, often resulting from difficulty navigating and/or submitting orders or delays in receiving products (Forsythe et al., 2020). Social risk is the risk that the choice of service provider negatively affects the perception of other people about the buyer. This risk also refers to the perception that a product purchased may result in disapproval by family or friends (Li & Zhang, 2020)

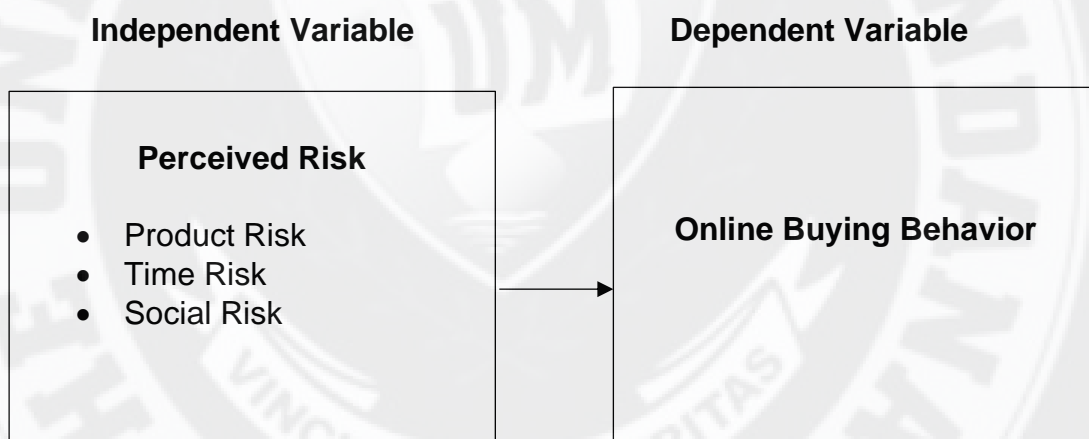


Figure 1. Conceptual Framework of the Study

As shown in Figure 1, the independent variable of this study is the perceived risk in online buying of consumers in Davao City in terms of product risk, time risk, and social risk. Meanwhile, the dependent variable of this study is the online buying behavior of consumers in Davao City. Moreover, the direct effect represents the relationship between perceived risk and online buying behavior, which illustrates that the likelihood of perceived risk will affect online buying behavior among consumers in Davao City.

Furthermore, shopping has become an essential part of people's daily lives in recent years, thanks to online platforms (Zhao et al., 2020). Numerous earlier studies looked into consumers' beliefs and the risks associated with online shopping. However, relatively few researchers focused more on consumer purchasing behavior (Zhang & Yu, 2020). Also, even though online buying makes it convenient for consumers to shop online, online buying comes with a certain level of risks which are product risk, time risk, and social risk (Anam Bhatti et al., 2018). Furthermore, a lack of local literature significantly contributes to the problem and a better understanding of the effect of perceived risk on online buying behavior among consumers, specifically in Davao City. As a result, the researchers were more than interested in discovering more about the effect of perceived risk on online buying behavior among consumers in Davao City.

The main objective of this study is to determine the significant relationship between perceived risk and the online buying behavior of consumers in Davao City. Specifically, this study aims to: First, present the profile of respondents in terms of age, sex, civil status, and monthly income. Second, to determine the level of the perceived risk in online buying among

consumers in Davao City in terms of product risk, time risk, and social risk. Third, to determine the level of online buying behavior among consumers in Davao City. Lastly, to determine if there exists a significant relationship between the perceived risk and the online buying behavior among consumers in Davao City. With a 0.05 level of significance, the null hypothesis of this study states that there is no significant relationship between perceived risk and online buying behavior among consumers in Davao City.

This study aims to provide essential resources and experience about the selected topic from respondents, recent studies, or thesis. Therefore, the result of the study will help improve the understanding of how online sellers influence the buying behavior of consumers in online shopping. In addition, this study will upskill online sellers to create fast and innovative business tactics to succeed and prosper with rising online market competition. Consumers, specifically those who shop online, will make use of this study for their self-assessment of the perceived risk in buying products online. Moreover, the result of this study will help government agencies regulate their business approaches, formulate policies, and prevent any problems and issues concerning online shopping in the country. Lastly, future researchers may use this study as a reference on their future researchers on the subject related to perceived risk in online buying. This study will serve as a guide to further develop research with the connection to the variables used.

METHOD

Contained in this section were the presentation of the research respondents, materials and instruments used, research design, data gathering procedure, and statistical treatment of the data.

Research Respondent

The research respondents of this study were one hundred online consumers in Davao City. A selection of participants from a population was chosen at random by the researcher using simple random sampling. It is believed by Hayes (2021) that simple random sampling is a type of probability sampling in which each member of the population has an equal chance of being chosen. Furthermore, certain inclusion criteria were implemented in determining the respondents of the study. The respondents of this study were aged at least 18 years old, either male or female, single, married, or widowed, and voluntarily gave their permission to participate in the research. Otherwise, online consumers outside Davao City were excluded from this study.

Materials and Instrument

The researchers administered an adapted survey questionnaire and modified it to fit with the research objectives. The questionnaire instrument consisted of three parts, as follows. The first part contained the demographic profile of the respondents in terms of age, sex, civil status, and monthly income. The second part consisted of the level of perceived risk in online buying in terms of product, time, and social risk. The third part consisted of the level of online buying behavior among consumers. The original scale yields a Cronbach's alpha ranging from 0.711 and 0.831, which shows satisfactory levels of internal consistency. Hence, the survey questionnaire was reliable to use. 5-point Likert

scale responses (from 1 totally disagree to 5 totally agree) were utilized in this study, representing the degree of agreement each respondent has on a given question item.

As a guide in determining the level of perceived risk in online buying, the researchers used a scale, range of means, descriptive levels, and interpretations as presented below:

Scale	Range of Means	Descriptive Level	Interpretation
5	4.20 – 5.00	Very High	Perceived risk in online buying among consumers is extremely high.
4	3.40 – 4.19	High	Perceived risk in online buying among consumers is high.
3	2.60 – 3.39	Moderate	Perceived risk in online buying among consumers is moderate.
2	1.80 – 2.59	Low	Perceived risk in online buying among consumers is low.
1	1.00 – 1.79	Very Low	Perceived risk in online buying among consumers is extremely low.

As a guide in determining the level of online buying behavior among consumers, the researchers used a scale, range of means, descriptive levels, and interpretations as presented below:

Scale	Range of Means	Descriptive Level	Interpretation
5	4.20 – 5.00	Very High	Online buying behavior among consumers is extremely high.
4	3.40 – 4.19	High	Online buying behavior among consumers is high.
3	2.60 – 3.39	Moderate	Online buying behavior among consumers is moderate.
2	1.80 – 2.59	Low	Online buying behavior among consumers is low.
1	1.00 – 1.79	Very Low	Online buying behavior among consumers is extremely low.

Design and Procedure

The study utilized the quantitative descriptive-correlational design of research. Creswell (2018) defines descriptive-correlational design as a study having the main objective of outlining correlations between variables without attempting to prove a causal connection. This study mainly focused on determining the significant relationship between perceived risk and the online buying behavior of consumers in Davao City. Therefore, the use of descriptive analysis was appropriate since the researchers aimed to determine the profile of respondents and the level of perceived risk and online buying behavior among consumers in Davao City. Also, correlation analysis was appropriate since the researchers aimed to determine the significant relationship between variables. Further, a descriptive-correlational research design was appropriate to use since the researchers only focused on the behavioral aspect of the

respondents, and an experiment in a controlled environment was not carried out by the researchers.

In the gathering of data, the researchers observed the following steps: First, the researchers provided a letter of permission for the approval to conduct a study. Then, the researchers constructed a questionnaire and presented it to the adviser for evaluation and validation by the research panel. Second, the researchers distributed the survey questionnaires to the possible respondents through online Google Forms and instructed them to fill up the necessary questions provided in compliance with the IATF standards for the present pandemic. Third, the data were generated from the survey and were collected, tallied, and subjected to statistical interpretation and analysis. Lastly, the raw scores together with the data were submitted to the statistician for computation and for analysis and interpretation.

Furthermore, the statistical tools that were used in the interpretation data were: (1) frequency and percentage used to determine the profile of respondents in terms of their age, sex, civil status, and monthly income. (2) mean and standard deviation were used to determine the level and variability of perceived risk and the online buying behavior of consumers in Davao City. (3) Pearson product-moment correlation coefficient or Pearson r was used to determine if there exists a significant relationship between perceived risk and the online buying behavior of consumers in Davao City.

RESULTS AND DISCUSSION

Level of Perceived Risk in Online Buying among Consumers in Davao City

Table 1 presents a comprehensive overview of the descriptive statistics pertaining to the perceptions regarding the degree of perceived risk in online buying. These perceptions are further classified into three distinct indicators, namely *product risk*, *time risk*, and *social risk*. The ratings were evaluated using a standardized scale, and the statistical measures of mean scores, standard deviations (SD), and their respective interpretations for each category were provided.

Table 1 *The Extent of Perceived Risk in Online Buying*

Indicators	Mean	SD	Descriptive Level
Product Risk	3.90	0.81	High
Time Risk	3.08	0.84	Moderate
Social Risk	2.53	0.83	Moderate
Overall	3.17	0.62	Moderate

The overall extent of perceived risk in online buying among consumers in Davao City was equivalent to 3.17 with a standard deviation of 0.62 having a moderate descriptive level. Therefore, the perceived risk in online buying among consumers is moderate. The standard deviation of 0.62, while relatively small, suggests that there is a certain degree of variability in the responses. However, it should be noted that the deviation observed in the data is not significantly large. This suggests that there is a relative consensus among the respondents regarding their perceived risk in online buying.

Perceived risk in terms of product has the highest mean equivalent of 3.90 and a standard deviation of 0.81 resulting in a high descriptive level. This

indicates that online buyers tend to be okay with the perceived risk in online buying since they generally agree that they get what they paid for, and they can easily judge the quality of the product over the Internet.

Perceived risk in terms of time risk has the subsequent mean equivalent of 3.08 and a standard deviation of 0.84, resulting in a moderate descriptive level. This indicates that online buyers tend to, somehow, not mind the perceived risk in online buying since they agree that they can easily find appropriate websites for the products they want. They can easily communicate with the seller, especially when waiting for their product to arrive.

Lastly, perceived risk in terms of social risk has the lowest mean equivalent of 2.53 and a standard deviation of 0.83, having also a moderate descriptive level. This indicates that online buyers tend not to mind the perceived risk in online buying since they agree that they have their family and friends' support for all their online transactions and that they relatively influence the people around them when shopping online.

Furthermore, The results of the study supported Iskandar and Nasution (2019), who mentioned that when making purchases online, consumers benefit from increased information availability, an increased number of options for comparing products and prices, a more excellent selection of products, increased convenience, and a more straightforward process of finding what they are looking for. This is consistent with the proposition of Zhang and Yu (2020) that the risks of consumers' perception of product effects and dangers of perceived services will positively affect consumers' purchase behavior across platforms.

Level of Online Buying Behavior among Consumers in Davao City

The information in Table 2 demonstrates the extent to which Davao City consumers place on their online buying behaviors. The data includes the average score, standard deviation (SD), and an associated interpretation of online buying behavior.

Table 2 *Extent of Online Buying Behavior*

Indicators	Mean	SD	Descriptive Level
Online Buying Behavior	3.71	0.73	High

The average score for the perception of online buying behavior is 3.71, indicating that respondents generally consider the importance of online buying behavior to be "high." The standard deviation of 0.73, while relatively small, suggests a certain degree of variability in the responses. However, it should be noted that the deviation observed in the data is not significantly significant. This means a relative consensus among the respondents regarding the extent of their online buying behavior.

In addition, the high rating implies that online buying behavior is not merely a superficial or secondary concern for this particular demographic but a crucial element in their online shopping experience. For online sellers, these findings emphasize the behavior among online buyers in which they generally agreed that they enjoyed buying products online since they can have a variety of choices, they have sufficient information about the product through the reviews online, and they generally have a chronic connection with the supplier online.

The result of the study is consistent with the study of Chawl and Kumar (2022), that the high level of online buying behavior results from the fact that online purchasing is faster and less expensive than traditional retail, which could be the only reason for its explosive rise.

In addition, the study's results also supported the claim of Rondoni et al. (2020) that the idea of making purchases online is growing in acceptance among the general public.

Significance of the Relationship Between the Perceived Risk and the Online Buying Behavior among Consumers in Davao City

To determine if there is a significant relationship between the perceived risk and the online buying behavior among consumers in Davao City, a Pearson product-moment correlation coefficient or Pearson r was conducted and presented in Table 3.

Table 3 *Test of Significant Relationship between Perceived Risk and Online Buying Behavior*

Variables	r	p-value	H₀ Decision
Perceived Risk; Online Buying Behavior	0.487	0.000*	Reject

**significant at a 0.05 level of significance*

The computed Pearson's r coefficient was equivalent to 0.487, and the p-value equals 0.000. The null hypothesis was rejected since the p-value is significantly smaller than the 0.05 significance level. Therefore, a significant relationship exists between the perceived risk and online buying behavior among consumers in Davao City.

Additionally, the correlation analysis revealed a moderately positive relationship between perceived risk and online buying behavior among

consumers in Davao City. It indicates that consumers' online buying behavior in Davao City is often affected by the perceived risk of buying online. The higher the perception of consumers about risks in online buying, the more they engage themselves in buying online, and vice versa.

The result of the study is consistent with the study of Zhang et al. (2020), who found that the risk of falling for a scam increases even with the convenience of purchasing products online. Reducing or eliminating the risk of becoming a victim can be achieved by having responsible online buying behavior, selecting a trustworthy online retailer, and constantly monitoring any unusual activity. In addition, the study's results also supported the claim of Almaiah et al. (2022) that as more individuals become aware of the benefits of buying things online and the risks of buying online, consumers must manage the degree of risk and uncertainty involved in the process.

CONCLUSION AND RECOMMENDATION

This study aims to determine the significant relationship between perceived risk and consumers' online buying behavior in Davao City. The study's findings revealed that most of the online consumers in Davao City were in early adulthood, females, single, and earning very low. The result of this study was anchored on the Theory of Reason Action (TRA) introduced by Fishbien and Ajzen in 1975.

Additionally, the study's findings revealed an overall moderate level of perceived risk in online buying among consumers in Davao City. This implies that consumers consider product, time, and social risks as reasonable factors in their buying behavior.

Perceived risk in terms of time risk and social risk are both moderate. On the other hand, the product risk indicator resulted in a high level.

Moreover, the study's findings revealed high online buying behavior among consumers in Davao City. This data shows that consumers in Davao City have considered online buying a good option.

Furthermore, smaller than the significance level resulting from the correlation analysis, the null hypothesis was not accepted. The result of the study revealed a significant relationship between the perceived risk and online buying behavior among consumers in Davao City. This means that perceived risks influence consumers' online buying behavior in Davao City. The higher the perception of consumers in online buying, the more they engage themselves in buying online despite the risks.

RECOMMENDATION

Based on the conclusions formulated from the study results, the researchers highly recommended the following recommendations to the groups of individuals who may benefit from this study.

Online sellers may look into the moderate level of time risk and social risk respondents gained in this study, and they may come up with marketing strategies to strengthen consumers' willingness to buy online. They must use this study as their reference in improving the buying behavior among consumers by providing product quality, time-efficient deliveries, and consistently having pleasant reviews online. On the other hand, consumers may use this study as a self-judgment in practicing healthy online buying behavior. Online consumers must make it a habit to consistently check the products offered online before purchasing them. Moreover, government agencies must exercise successful business approaches, formulate efficient policies, and prevent any problems and issues concerning online shopping in the country. Furthermore, the data represented in this research could be used by future researchers as a reference for further studies related to perceived risk and online buying behavior. Thus, future researchers may use this study as a secondary data source.

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APPENDIX A
LETTER TO ADVISER



College of Business Administration Education
2nd Floor, SS Building
Bolton Street, Davao City
Telefax: (082)227-5456 Local 131

LETTER TO ADVISER

April 12, 2022

CLYDE ABNER VALDEZ, REB, MBA

Research Adviser

College of Business Administration Education

University of Mindanao

Dear Sir,

We, the undersigned are third year students from the College Business Administration Major in Marketing Management, request you to be our Research Adviser for our study entitled: ***"THE IMPACT OF PERCEIVED RISK ON ONLINE BUYING BEHAVIOR."*** We humbly request for you valuable time and knowledge to be consulted for our research endeavor.

Knowing fully of your expertise along this line, we wish your end to enhance our work.

Thank you for your time and more power.

Respectfully,

Dya Mhelzha N. Virtudazo

Researcher

Kimberly M. Bibat

Researcher

Precious Dane O. Sumampong

Researcher

Noted by:

LEOMAR M. SABROSO

Class Adviser


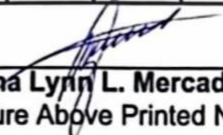
Accepted by:

CLYDE ABNER VALDEZ, REB, MBA

Research Adviser


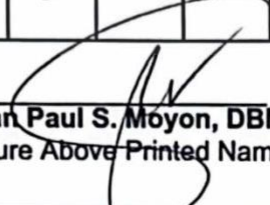
APPENDIX B1

QUESTIONNAIRES VALIDATORS SHEET

 UM The University of Mindanao	RESEARCH AND PUBLICATION CENTER [/] Main [] Branch _____ QUESTIONNAIRE VALIDATION SHEET
<p>Title of Research: <u>The Impact of Perceived Risk on Online Buying Behavior</u></p> <p>Proponents : <u>Precious Dane O. Sumampong, Dya Mhelzha N. Virtudazo, Kimberly M. Bibat</u></p> <p>To the Evaluator: Please check the appropriate box for your ratings.</p> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="text-align: left;"> <p>Point Equivalent: 5 – Totally Agree</p> <p> 4 – Generally Agree</p> <p> 3 – Agree</p> </div> <div style="text-align: right;"> <p>2 – Generally Disagree</p> <p>1 – Totally Disagree</p> </div> </div>	
	5 4 3 2 1
1. CLARITY OF DIRECTION AND ITEMS The vocabulary level, language structure and conceptual level of the questions suit the level of respondents. The test directions and items are written in clear and understandable manner.	<input type="checkbox"/> 5 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
2. PRESENTATION/ORGANIZATION OF ITEMS The items are presented and organized in logical manner.	<input type="checkbox"/> 5 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
3. SUITABILITY OF ITEMS The items appropriately represent the substance of the research. The questions are designed to determine the conditions, knowledge, perceptions and attitude that are supposed to be measured.	<input type="checkbox"/> 5 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
4. ADEQUATENESS OF ITEMS PER CATEGORY The items represent the coverage of the research adequately. The number of questions per area category is representative enough of all the questions needed for the research.	<input type="checkbox"/> 5 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
5. ATTAINMENT OF PURPOSE The instrument as a whole fulfills the objectives for which it was constructed.	<input type="checkbox"/> 5 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
6. OBJECTIVITY Each item questions require only one specific answer or measures only one behavior and no aspect of the questionnaire suggest bias on the part of the researcher.	<input type="checkbox"/> 5 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
7. SCALE AND EVALUATION RATINGS SYSTEM The scale adapted is appropriate for the items.	<input type="checkbox"/> 5 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
 Joanna Lynn L. Mercado Signature Above Printed Name	

APPENDIX B2

QUESTIONNAIRES VALIDATORS SHEET

 UM The University of Mindanao	RESEARCH AND PUBLICATION CENTER [/] Main [] Branch _____ QUESTIONNAIRE VALIDATION SHEET																																																
<p>Title of Research: <u>The Impact of Perceived Risk on Online Buying Behavior</u></p> <p>Proponents : <u>Precious Dane O. Sumampong, Dya Mhelzha N. Virtudazo, Kimberly M. Bibat</u></p> <p>To the Evaluator: Please check the appropriate box for your ratings.</p> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;"> <p>Point Equivalent:</p> <p>5 – Totally Agree</p> <p>4 – Generally Agree</p> <p>3 – Agree</p> </div> <div style="text-align: center;"> <p>2 – Generally Disagree</p> <p>1 – Totally Disagree</p> </div> </div>																																																	
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<div style="display: flex; align-items: center; justify-content: center;">  <div style="margin-left: 20px;"> <p>Christian Paul S. Moyon, DBM Signature Above Printed Name</p> </div> </div>																																																	

APPENDIX C
LETTER TO CONDUCT STUDY

Permission to Conduct Study

November 16, 2022

TO THE RESPONDENTS

Davao City, Philippines

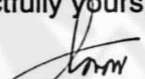
Dear Sir/Ma'am,


We are the Marketing Management (MM) students at the University of Mindanao conducting a research study on "THE IMPACT OF PERCEIVED RISK ON ONLINE BUYING BEHAVIOR." This is in line with our requirements in the subject, Methods of Research, CBM 300, S.Y. 2021–2022, 2nd semester.

In this regard, we would like to ask for your permission to allow us to conduct a study using the research questionnaire or online survey. We assure you of the confidentiality of the survey results and data. Your answers will serve as primary data.

We are hoping for your favorable response to this request. Thank you.

Respectfully yours,


Dya Mhelzha N. Virtudazo


Precious Dane O. Sumampong


Kimberly M. Bibat

Noted by:


CLYDE ABNER VALDEZ
Research Adviser

VICENTE E. MONTANO
Dean, CBAE


CHRISTIAN PAUL MOYON
Research Coordinator
Conform:

Research Respondent

APPENDIX D1

LETTER TO STATISTICIAN



College of Business Administration Education
2nd Floor, SS Building
Balton Street, Davao City
Telefax: (082)227-5456 Local 131

LETTER TO THE STATISTICIAN

August 10, 2023

Vicente Salvador E. Montaño, DBA
Dean College of Business Administration Education
University of Mindanao

Dear Sir,

You are chosen to be our expert statistician for our research study entitled: **"THE IMPACT OF PERCEIVED RISK ON ONLINE BUYING BEHAVIOR."** We respectfully ask for your valuable time and expertise to help us in our work.

Knowing fully of your expertise along this line, the researchers wish your support and assistance for possible enhancement of our work.

Thank you and more power.

Respectfully,

Dya Mhelzha N. Virtudazo
Researcher

Kimberly M. Bibat
Researcher

Precious Dane O. Sumampong
Researcher

Vicente Salvador E. Montaño, DBA
Research Statistician

c/o SIR
Subiso

APPENDIX D2

LETTER TO STATISTICIAN



College of Business Administration Education
2nd Floor, SS Building
Bolton Street, Davao City
Telefax: (082)227-5456 Local 131

LETTER TO THE STATISTICIAN

October 1, 2023

LEOMAR M. SABROSO

Research Statistician

College of Business Administration Education

University of Mindanao

Dear Sir Sabroso,

We are pleased to appoint you to be our Research Statistician towards our data gathering in research study entitled: ***"THE IMPACT OF PERCEIVED RISK ON ONLINE BUYING BEHAVIOR."*** We respectfully ask for your valuable time and expertise to help us in our work.

Considering your competence along this line, we sincerely hope that you will be able to accommodate our request.

Thank you and more power.

Respectfully,

A handwritten signature in black ink, appearing to read 'Dya Mhelzha N. Virtudazo'.

Dya Mhelzha N. Virtudazo
Researcher

A handwritten signature in black ink, appearing to read 'Kimberly M. Bibat'.

Kimberly M. Bibat
Researcher

A handwritten signature in black ink, appearing to read 'Precious Dane O. Sumampong'.

Precious Dane O. Sumampong
Researcher

Accepted by
A handwritten signature in black ink, appearing to read 'Leomar M. Sabroso'.
LEOMAR SABROSO
Research Statistician

APPENDIX E

CERTIFICATE FROM THE STATISTICIAN



College of Business Administration Education
2nd Floor, SS Building
Bolton Street, Davao City
Telefax: (082)227-5456 Local 131

CERTIFICATION FROM THE STATISTICIAN

This is to certify that the research entitled "PERCEIVED RISK ON ONLINE BUYING BEHAVIOR" prepared and submitted by Bibat, Kim, Sumampong, Precious Dane, and Virtudazo, Dya Mhelzha has been reviewed and edited by the undersigned according to the form and standard prescribed by the UM Research and Publication Center.



LEOMAR SABROSO

Research Statistician

APPENDIX F

RESULT

Table 1 *The Profile of the Respondents*

Demographic Profile	frequency	percentage
Age		
18-21 years old	45	45
22-25 years old	45	45
29-32 years old	4	4
33 years old-above	6	6
Sex		
male	12	12
female	88	88
Civil Status		
single	92	92
married	6	6
others	2	2
Monthly Income		
Php 5,000-10,000	42	42
Php 10,001-15,000	11	11
Php 15,001-20,000	9	9
Php 20,001-above	38	38

Table 2 *Level of the Perceived Risk in Online Buying among Consumers in Davao City in Terms of Product Risk.*

INDICATORS	Mean	SD	Description
I can get what I paid for what I ordered online.	3.1900	1.09816	Moderate
It's easy to judge the quality of the product over the internet.	3.9400	1.04272	High
I can touch and examine the actual product.	3.0700	1.07548	Moderate
I can identify the sizes online.	4.2100	.94580	Very High
I can try on clothing online.	4.2000	1.00504	Very High
Overall	3.9040	.80728	High

Table 3 *Level of the Perceived Risk in Online Buying among Consumers in Davao City in Terms of Time Risk.*

INDICATORS	Mean	SD	Description
I can spend time searching online for the products I want.	2.4800	1.07760	Low
I can easily find appropriate websites for the products I want.	2.9300	1.03724	Moderate
Finding right product online is easy.	3.3000	1.18492	Moderate
I can wait for the product to arrive.	3.3400	1.19104	Moderate
Communicating with the seller to place my order accordingly.	3.0500	1.16667	Moderate
Overall	3.0800	.83606.	Moderate

Table 4 *Level of the perceived risk in online buying among Consumers in Davao City in terms of Social Risk.*

INDICATORS	Mean	SD	Description
My family supports me whenever I order online.	2.8100	1.09816	Moderate
Online Shopping may affect the image of people around me.	2.1100	1.10000	Low
My family and friends can easily recognize the products I bought online.	2.5500	1.01876	Low
I influence the people around me to buy online.	2.4300	1.11242	Low
I can make my family happy whenever I order online.	2.7700	1.36962	Moderate
Overall	2.5340	.82783.	Moderate

Table 5 Level of the Perceived Risk in online buying among Consumers in Davao City in terms of Buying Behavior.

INDICATORS	Mean	SD	Description
I spend several hours reading reviews of product and its other competitors; watching video, and asking friends about the product.	3.8200	1.12259	High
I struggle to decide which of many options to consider and is focused on factors including cost, convenience and features.	4.0000	1.00504	High
I buy products because it became habitual connection with the supplier that make my purchase attractive.	3.0200	1.08227	Moderate
I buy products when I have variety of choices based on their regular updates from different online platforms for appropriate information.	3.6200	.95113	High
I believe that it is important to search engines to gain information about the products I am going to buy.	4.1100	1.01399	High
Overall	3.7140	.72988.	High

APPENDIX G

TURN IT IN

The Effect of Perceived Risk on Online Buying Behavior

ORIGINALITY REPORT

21%	13%	7%	15%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

MATCH ALL SOURCES (ONLY SELECTED SOURCE PRINTED)

6%

★ Submitted to Higher Education Commission

Pakistan

Student Paper

GLENNDON C. SOBREAJANTE

1/20/24

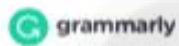
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THE UNIVERSITY OF THE PHILIPPINES
DAVAO CITY
1946

APPENDIX H

GRAMMARLY

CERTIFICATION



Report: The Effect of Perceived Risk on Online Buying Behavior

The Effect of Perceived Risk on Online Buying Behavior

by Clyde Abner Valdez

General metrics

34,612	5,293	328	21 min 10 sec	40 min 42 sec
characters	words	sentences	reading time	speaking time

Score



This text scores better than 95% of all texts checked by Grammarly

Writing Issues

127	9	118
Issues left	Critical	Advanced

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CLYDE ABNER C. VALDEZ, REB, MBA, CDMP
Research Adviser

APPENDIX I

SURVEY QUESTIONNAIRE

Part 1: Respondents Profile.

Direction: Please supply the following information on the following questions by checking (✓) the appropriate box.

Name (Optional) : _____

Age: 18-21 22-25 26-28 29-32 33-36

Sex: Male Female

Civil Status: Single Married Widow Separated

Monthly Income: 5,000 – 10,000 10,001 -15,000

15,001 - 20,000 20,001 - above

Part 2: Survey Questionnaire

Instruction: Check (✓) the box of your chosen answer.

1	2	3	4	5
Totally Disagree	Generally Disagree	Agree	Generally Agree	Totally Agree

NO	SECTION A – PRODUCT RISK	1	2	3	4	5
1	I can get what I paid for what I ordered online.					
2	It's easy to judge the quality of the product over the internet.					

3	I can touch and examine the actual product.					
4	I can identify the sizes online.					
5	I can try on clothing online.					

NO	SECTION C – TIME RISK	1	2	3	4	5
6	I can spend time searching online for the products I want.					
7	I can easily find appropriate websites for the products I want.					
8	Finding right product online is easy.					
9	I can wait for the product to arrive.					
10	Communicating with the seller to place my order accordingly.					

NO	SECTION C - SOCIAL RISK	1	2	3	4	5
11	My family supports me whenever I order online.					
12	Online Shopping may affect the image of people around me.					
13	My family and friends can easily recognize the products I bought online.					
14	I influence the people around me to buy online.					
15	I can make my family happy whenever I order online.					

NO	SECTION D – BUYING BEHAVIOR	1	2	3	4	5
16	I spend several hours reading reviews of product and its other competitors; watching video, and asking friends about the product.					
17	I struggle to decide which of many options to consider and is focused on factors including cost, convenience and features.					

18	I buy products because it became habitual connection with the supplier that make my purchase attractive.					
19	I buy products when I have variety of choices based on their regular updates from different online platforms for appropriate information.					
20	I believe that it is important to search engines to gain information about the products I am going to buy.					



APPENDIX J
CURRICULUM VITAE



DYA MHELZHA N. VIRTUDAZO

D.V. Patricio Building, Ecoland Subdivision Phase 1, Tulip Drive, Talomo,

Davao City, Davao Del Sur 8000

d.virtudazo.510787@umindanao.edu.ph

Contact No.: 09489605400

Personal Information

Birthdate : January 03, 2001

Age : 23

Citizenship : Filipino

Civil Status : Single

Height : 5'2

Religion : Roman Catholic

Background

Tertiary Education : University of Mindanao

Bachelor of Science in Business
Administration

Major in Marketing Management

S.Y 2019 – Present

Secondary Education : De La Salle John Bosco College

Accountancy, Business and Management

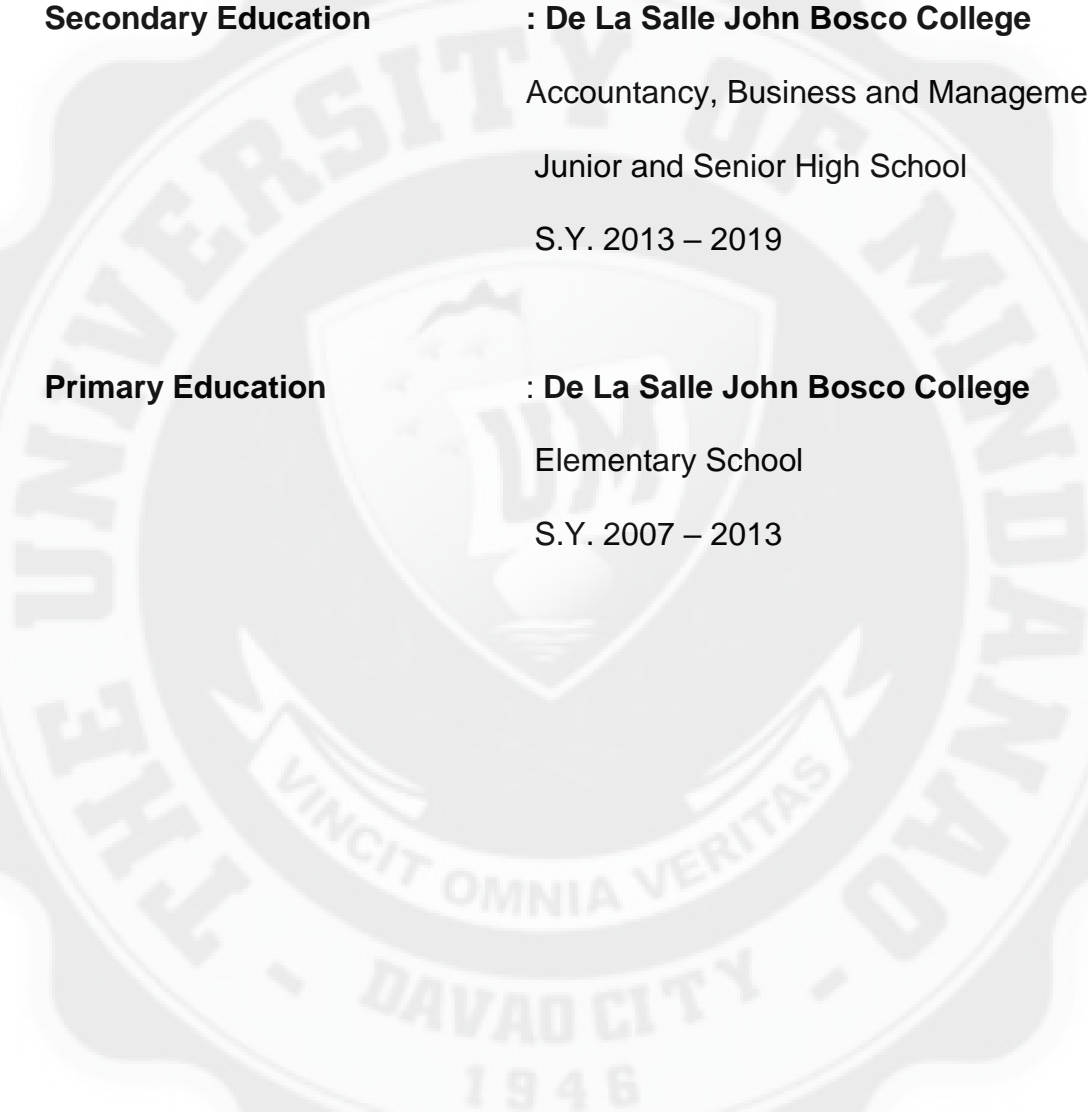
Junior and Senior High School

S.Y. 2013 – 2019

Primary Education : De La Salle John Bosco College

Elementary School

S.Y. 2007 – 2013



**PRESCIOUS DANE O. SUMAMPONG**

Purok 6-A, Los Amigos, Tugbok District Davao City, Davao Del Sur

p.sumampong.513763@umindanao.edu.ph

Contact No.: 09518005269

Personal Information

Birthdate : August 22, 2000

Age : 23

Citizenship : Filipino

Civil Status : Single

Height : 5'0

Religion : Roman Catholic

Educational Background

Tertiary Education : University of Mindanao

Bachelor of Science in Business

Administration

Major in Marketing Management

S.Y. 2019 – Present

Secondary Education : Los Amigos National Highschool

Junior Highschool

S.Y. 2013 – 2017

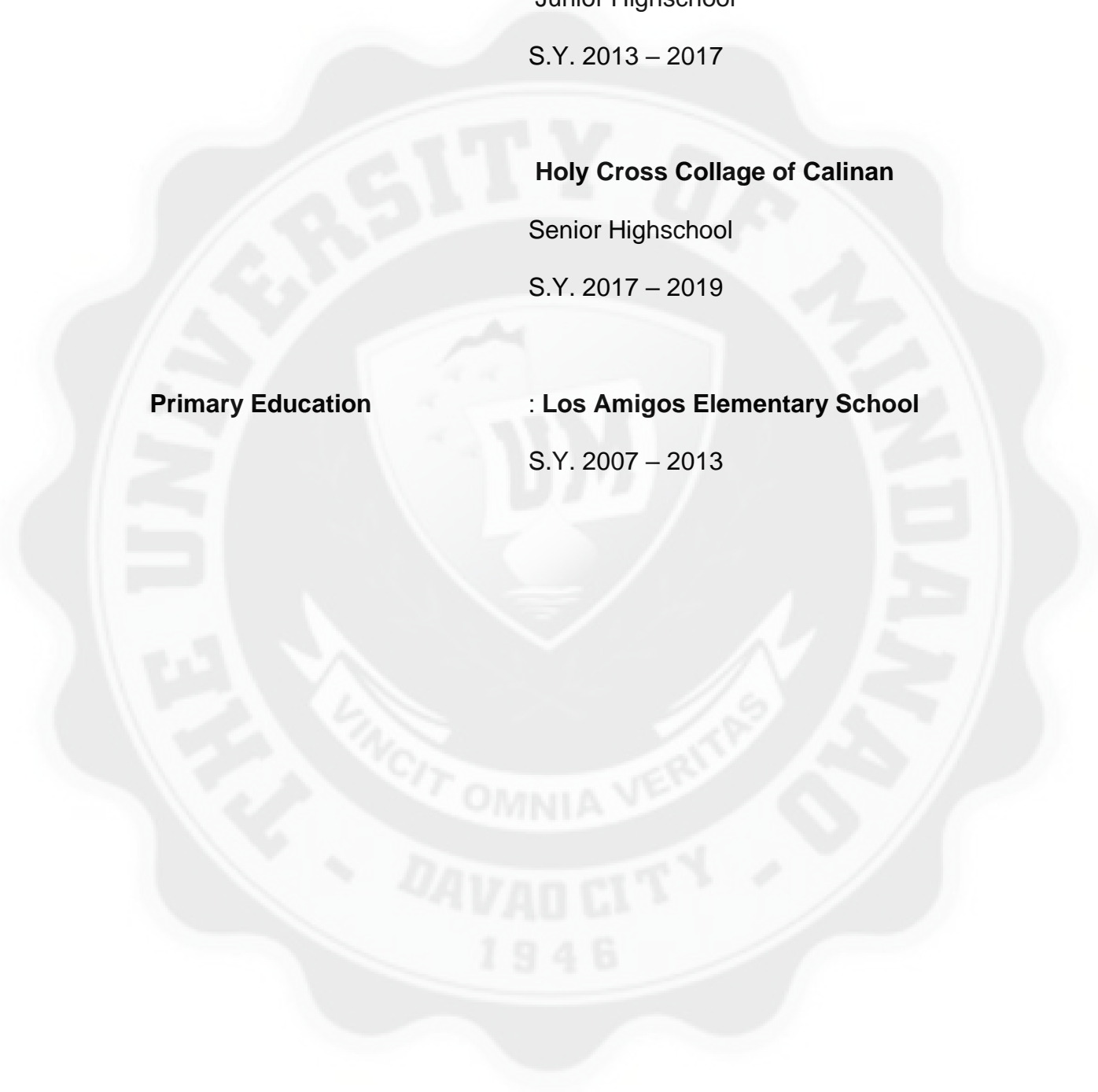
Holy Cross Collage of Calinan

Senior Highschool

S.Y. 2017 – 2019

Primary Education : Los Amigos Elementary School

S.Y. 2007 – 2013





KIMBERLY M. BIBAT

Sitio Bulakan Brgy. Wilfredo Aquino Agdao,

Davao City, Davao Del Sur 8000

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Contact No.: 09912989323

Personal Information

Birthdate : October 18, 2000

Age : 23

Citizenship : Filipino

Civil Status : Single

Height : 5'1

Religion : Pentecostal

Educational Background

Tertiary Education : University of Mindanao

Bachelor of Science in Business
Administration Major in Marketing

Management

2019 – Present

Secondary Education : Davao City National High School

Technical Vocational Livelihood

Junior and Senior High School

S.Y. 2013 – 2019

Primary Education : Holy Cross of Davao College

S.Y. 2007 – 2013

