

Perceived Risk and Mobile Shopping Motivations in Ilocos Norte Philippines

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Abstract

This study aims to determine the effect of perceived risk on mobile shopping motivations. It proposes how product risks and service risks affect mobile shopping motivations. It used a descriptive-correlation research design, and the respondents are Ilocos residents who used their mobile phones for shopping. Convenience sampling was used, and the research approach is quantitative. It used frequencies, weighted mean, and Pearson r to analyze the data. The study has implications for marketing management, such as for online shop owners and advertisers who intend to measure how to promote products on online platforms. The original contribution of this study lies within its questionnaire that has been attuned to the effects of perceived risks to mobile or online shopping motivations. The mobile shopping motivations of Ilocano buyers are efficient to use, easy and convenient to use, and the sense of enjoyment when shopping online. The relationship between product risk and mobile shopping motivation is established in this research. Implications were also discussed.

Keywords: *Shopping Motivations; mobile shopping; perceived risk; smartphones; quantitative design*



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INTRODUCTION

The expansion of electronic commerce has accelerated recently. Despite the fact that business-to-consumer e-commerce has increased corporate potential, discussions continue to rage around customer buying motivations for Internet vs. conventional shopping. In the past decade, online shopping has surged in popularity since it is a more cost-effective and convenient means of purchasing than traditional shopping. Nonetheless, the transition from one purchasing technique to a more modern one originally induced apprehension among customers over the following: personal information disclosure, online fraud, a disparity between the ordered and desired product quality, failed shipment, etc. As consumers have seen the benefits of internet shopping, these anxieties are now far less widespread. People purchase online for a variety of reasons, including the ability to buy anything at any time without physically visiting a store, the ability to find the same product at a lower price by comparing multiple websites simultaneously, and the desire to avoid the pressure associated with face-to-face communication with the retailer, and the desire to avoid traffic on the way to the store. Consumers gain from more access to information and the ability to compare products and prices online, as well as greater product selection, convenience, and ease in identifying desired products. The expansion of mobile technology (m-technology) in the twenty-first century has permeated practically every aspect of the consumer's life, from work to education, relationships, and even entertainment. Beyond consumers, mobile technology has altered the way traditional businesses are created, with the emergence of new business opportunities in

areas such as mobile advertising (Tsang et al., 2004), mobile banking (Cheah et al., 2012), mobile entertainment (Lai et al., 2011), and mobile learning (Tan et al., 2012).

Mobile shopping has exploded in popularity over the last decade because it is a more cost-effective and convenient method of purchase than traditional shopping. Nonetheless, the change from one to a more current buying method initially caused a sense of fear among customers over the following: personal information leakage, online fraud, the discrepancy between the ordered and desired product quality, failed shipment, and so on. These fears are far less prevalent today, as individuals have grasped the benefits of internet buying. There are a variety of reasons why people purchase online; for example, consumers can purchase anything at any time without physically visiting the store; consumers can discover the same product at a lower price by comparing multiple websites simultaneously; consumers want to avoid the pressure associated with face-to-face communication with the retailer, and consumers want to avoid traffic jams on the way to the store. Consumers benefit from increased information and possibilities to compare items and pricing online and increased product selection, convenience, and simplicity of discovering desired products.

Perceived risk has been identified as one of the impediments to Internet purchasing in the literature (Fortes & Rita, 2016). Perceived risk refers to a buyer's sense of insecurity regarding a purchase choice and outcome and a belief that the expected advantages may not be realized (Aminu et al., 2018). Scholars began to pay attention to the perceived risk of internet buying in the twenty-first century. Perceived risks relate to the psychological cost connected with a customer's purchase activity, which implies an element of future uncertainty. This uncertainty will directly impact customers' purchasing decisions (Wei et al., 2018). Bauer (1960) defined perceived risk as the danger customers actively perceive due to their inability to comprehend product information. Later in his career, Bauer incorporated the concept of perceived risk into consumer behavioral analysis.

Additionally, users can access these services via a variety of mobile devices at various times and in a variety of situations of engagement (Pernici and Krogstie, 2006). It is critical to people's lives in the information era. This is because individuals have a far greater ability to select from various apps and services to meet their needs. The perceived danger of online buying is a loss for consumers, a subjective expectation (Forsythe and Shi, 2003). As a result of the preceding definition of perceived risk, it is obvious that consumer perception of risk is an internal experience that cannot be immediately witnessed; the dimensions of risk can only be inferred via particular indicators. As a result, consumers must decide on purchasing and using certain items (Hilverda et al., 2018). Furthermore, the importance of service quality has been emphasized in information systems due to the growing quantity and variety of services supplied via websites (Cenfetelli et al., 2008).

This study aims to investigate the effects of perceived risk on shopping motivations. It discusses the different motivations of Ilocano online shoppers and how these motivations affect their online shopping behavior and choices. The dominance of mobile shopping is due to the fear of people getting out because of the Corona Virus; this study is novel in the sense that it will present the different perceived risks of mobile shopping. For advertisers and marketers, this study is important for it gives them the preferences of Ilocano shoppers toward mobile shopping. This is an interesting topic consistent with scholarly discussions on risk and trust in mobile applications. And the findings are intriguing and contribute to our understanding of this subject.

LITERATURE REVIEW

Shopping Motivations

Previous research has found various shopping reasons (Liu et al., 2008). While the makeup of different classifications of shopping motives varies, considerable conceptual commonality exists. Westbrook and Black's (1985) principles are extensive and pervasive in their research. Westbrook and Black (1985) build on Tauber's (1972) views by proposing seven distinct forms of shopping motivations: role enactment, stimulation, affiliation, expected benefit, negotiation, decision optimization, and power and authority. Westbrook and Black (1985) describe buying motivation as the need for novelty. Similar to an adventure, novelty-seeking can assist shoppers in escaping from reality (Hur et al., 2007).

Along with wanting novelty, stimulation motivation refers to the urge to experiment with new items (Arnold and Reynolds, 2003) since new trends can provide customers with both novelty and stimulation. In this context, sensory stimulation entails a combination of novelty seeking and trend exploring. The third reason for internet buying is social contact. The social interaction motive is centered on the enjoyment of social connection (Arnold and Reynolds, 2003; Bloch et al., 1994). Due to the variety of communication options available on the Internet, online consumers form social bonds (Parsons, 2002). Shoppers may bond with one another by sharing their experiences and information (Hur et al., 2007). The fourth incentive, emotional utility, is concerned with the pleasure obtained from the purchasing experience (Rajamma et al., 2007). As defined by Westbrook and Black (1985), this motive is expected utility, which is defined as the expectation of specific advantages or hedonic states. Given this motive, customers would engage in shopping activities for the shopping process rather than for consumption (Parsons, 2002), and they frequently see shopping as a leisure activity (Parsons, 2002). This hedonic gain is also analogous to the idea of flow (Bloch et al., 1994), which refers to the blissful immersion associated with shopping (Kim et al., 2005). Occasionally, those experiencing bad feelings will resort to buying (Arnold and Reynolds, 2003).

Perceived Risk

In general, perceived risk has gained widespread popularity in consumer behavior in the nearly six decades since Bauer (1960) first mentioned it, as stated in Mitchell (1999). Perceived risk is ubiquitous and has a wide range of applications across various product categories (Mitchell, 1999).

Perceived risk is related to a buyer's sense of uncertainty over a purchase choice and outcome and a belief that the expected advantages may not be realized (Aminu et al., 2018). According to Naiyi (2004), perceived risk is a sense of customers' pre-purchase uncertainty about the type and extent of projected loss linked with purchasing and using a product in an Internet context. It clarified that regardless of whether they purchase online or in-store, customers bear some level of risk due to their preference for one brand over another and the method through which they acquire the brand (Naiyi, 2004). However, the researchers discovered that customers perceive more purchasing risk when shopping online than in-store (Samadi & Yaghoob-Nemadi, 2009). Perceived risk can be connected with pre-purchase, during, and post-purchase scenarios.

When the residential Internet was launched in the early 1990s, the idea of perceived risk became prominent in Internet buying research (Mitchell, 1999). Since then, interest in the perceived danger associated with Internet buying has increased dramatically, particularly in the western world. According to a recent survey, perceived risk has become a big issue for buyers when making online purchases (Durmus et al., 2017). Despite the unique benefits of online purchasing, the tiny number of Internet users indicates that considerable hurdles to Internet adoption exist (Rudolph, Rosenbloom, & Wagner, 2004).

Due to security concerns, some customers collect information online and utilize it to make in-store purchases (Forsythe & Shi, 2003; Sims & Xu, 2012). According to the literature, perceived risks are one of the most significant obstacles to online purchases (Dai, 2014; Sims & Xu, 2012). Shoppers considering online purchases are primarily concerned with the danger of such transactions (Samadi & Yaghoob-Nejadi, 2009) and must weigh these risks (Featherman, Miyazaki, & Sprott, 2010).

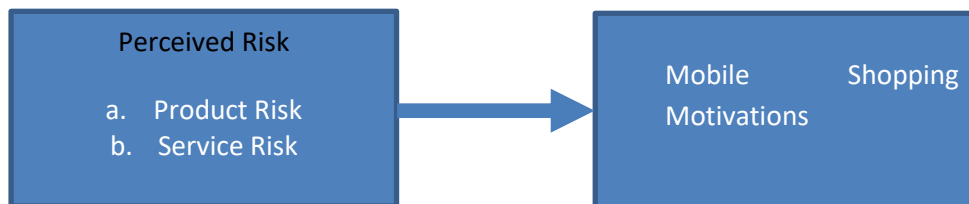


Figure 1. Conceptual Framework

The conceptual framework shows the interplay between perceived risk to mobile shopping motivations. The perceived risk is the independent variable, whereas the mobile shopping motivations are the dependent variable.

RESEARCH METHOD

Participants of the Study

The study respondents were selected using a convenience sampling technique, and they are Ilocano consumers who purchase using their mobile devices. The researchers made the questionnaire available online and distributed it to Ilocano consumers. Using the Raosoft calculator with a 5% margin of error, a 95% confidence level, and an approximate population of 600,000 (PSA, 2019), the sample size is 315. Still, the researchers were able to secure 318 respondents. Out of 318 respondents, 309 agreed to the informed consent, and 282 have purchased something using their mobile device. Google Forms was used to gather data virtually. Moreover, the demographic profile of the respondents is as follows:

Table 1. Demographic Profile of Respondents

Demographic Profile	F	%
Age		
20 years old below	66	21.3
21-25	189	67
26-30	13	4.6
31-35	10	3.5
36-40	8	2.8
41-45	1	.4
46 - above	1	.4
Gender		
Male	86	30.5
Female	196	69.5

Table 1 presents the demographic profile of the respondents. Out of 318 given the questionnaire, only 309 respondents agreed to participate in the survey. Of these 309 respondents, 27 did not purchase for the past 12 months of using their mobile device. Thus, the total number of respondents who answered the shopping motivations was 282.

Out of 282, 189 respondents are 21-25 years old, and 66 or 21.3% are 20 years old and below. This means that the majority of mobile shoppers are young adults. Also, most of them are female, with a total of 196 respondents or 69.5%.

Research Instrument

The research instrument that was used in the research is a questionnaire. The first part was the demographic profile of the respondents. Secondly, the next part included questions related to mobile shopping motivations and perceived risks of using the Internet. This instrument allowed the researcher to measure and gauge the existence and strength of the relationship between the variables. The researchers constructed the questionnaire based on their readings on mobile shopping motivations. The questions on perceived risk were adopted from Zhang et al. (2020) questionnaire entitled *The Impact of Perceived Risk on Consumers Cross-Platform Buying Behavior*.

Data Analysis

A quantitative design was used in the present study. Frequencies were employed to explain learning preferences. Moreover, a causal research approach was utilized to measure the relationships between perceived risk and mobile shopping motivations.

Ethical Considerations

Ethical considerations are essential for study studies, as all subjects have moral and legal rights. For this study, the researcher ensured that they communicated with the participants personally, that they did not intrude on their privacy without their permission, that the research did not damage their feelings, and that all details obtained from them were recognized and correctly portrayed. Moreover, participants received a letter of consent virtually outlining some of the core aspects of this analysis and what is required of the participant and the researcher.

FINDINGS AND DISCUSSION

Shopping Motivations

Ilocos Norte, one of the 3rd class provinces of the country, has been quite adaptive in terms of e-commerce and mobile shopping. There is a proliferation of mobile apps like Shopee and Lazada makes it more convenient for people of the Province to shop online. According to the survey, many Ilocanos are amenable that it is efficient to purchase using a mobile device. Specifically, they say that it is fast to buy the product online (3.45). Moreover, Ilocano mobile shoppers also find it easy to use mobile devices when purchasing. Many agree that buying products through mobile devices is simple and free of effort (3.40). Lastly, Ilocanos find enjoyment when they shop online using their mobile device. Specifically, they say that using their mobile device is entertaining and fun (3.31). These are the main motivations of people in Ilocos Norte to buy several products using a mobile device.

Table 2. Mean Ratings of Shopping Motivations

Items	Mean	VI
Shopping Efficiency		
It is fast to buy products using a mobile device.	3.45	HM
It is comfortable to buy products using a mobile device.	3.11	MM
I think a mobile device is useful for buying products.	3.39	HM
<i>Mean</i>	<i>3.32</i>	<i>HM</i>
Ease Of Use		
I think learning how to use a mobile device for buying products is intuitive.	3.28	HM
I think using a mobile device for buying products is free of effort	3.40	HM
I think using a mobile device for buying products is simple.	3.40	HM
<i>Mean</i>	<i>3.36</i>	<i>HM</i>
Saving Money		
Prices of the products are generally attractive when using a mobile device for buying.	3.26	HM
The price/quality ratio when using a mobile device for buying products is good.	3.11	MM
Using a mobile device for buying products is beneficial from a financial point of view.	3.14	MM
<i>Mean</i>	<i>3.17</i>	<i>MM</i>
Shopping Enjoyment		
Using a mobile device for buying products is fun.	3.33	HM
It is a pleasure to use a mobile device for buying products.	3.29	HM
Using a mobile device for buying products is entertaining.	3.32	HM
<i>Mean</i>	<i>3.31</i>	<i>HM</i>
Habit		
Using a mobile device for buying products has become a habit for me.	3.02	MM
I am addicted to using a mobile device for buying products.	2.85	MM
I must use a mobile device for buying products.	2.92	MM
<i>Mean</i>	<i>2.93</i>	<i>MM</i>
Family/Friends Opinion		
My family thinks it's good to use a mobile device to buy products.	2.85	MM
My friends think it's good to use a mobile device to buy products.	3.17	MM
People who are important to me think that it's good to use a mobile device for buying products.	2.98	MM
<i>Mean</i>	<i>3.00</i>	<i>MM</i>

On the other hand, a few Ilocanos believe that they are addicted to using a mobile device for shopping (2.85). They still go for conventional physical stores because they want to feel and see the actual product before purchasing it. Moreover, many Ilocanos disagree with their families that it is good to buy things by using their mobile devices (2.85). Also, many disagree that the people important to them think that it is good to buy using mobile devices. These perceptions prove that people in the Province of Ilocos

Norte are still conventional in buying products. The acceptability is there, but given a choice, Ilocanos will still prefer physical stores, where they can touch and see the actual products.

Perceived Risk

Table 3. Mean Ratings of Perceived Risk

Items	Mean	VI
Consumer Perception of Product Risk		
I think there is a quality problem with online shopping	3.04	MR
I don't think the use effect of the goods in online shopping meets my requirements	2.80	MR
I think there are fake and inferior products in online shopping.	3.33	HR
I think there is a safety hazard in online shopping	3.14	MR
<i>Mean</i>	<i>3.08</i>	<i>MR</i>
Consumer Perception of Service Risk		
I think the customer service of online shopping reply efficiency is low	2.81	MR
I don't think online shopping can provide the necessary after-sales service and perfect return and replacement service quickly	2.89	MR
I think online shopping's imperfect logistics distribution system may lead to the failure to receive the goods on time.	2.98	MR
<i>Mean</i>	<i>2.89</i>	<i>MR</i>
Composite Mean	2.99	MR

Perceived risk is divided into two categories: product risk and service risk. As to product risk, Ilocano mobile shoppers think fake and inferior products exist in online shopping (3.33). They do not believe that all the products online are genuine and authentic. That is why they are careful when purchasing products online. On the other hand, as to service risk, Ilocano mobile shoppers believe that there are some logistics problems in online shopping that can eventually lead to failure to receive the items bought (2.98).

Effect of Perceived Risk on Mobile Shopping Motivations

Table 4. Model Fit Measures

Model	R	R ²		
1	0.275	0.0755		
Model Coefficients - Shopping Motivation				
Predictor	Estimate	SE	t	p
Intercept	2.6053	0.1607	16.22	<.001
Product Risk	0.2651	0.0585	4.53	<.001
Service Risk	-0.0828	0.0496	-1.67	0.096
Model	R	R ²		
Service Risk	-0.0828	0.0496		

The model's fit is .0755 (R^2), which means that the variables product risk and service risk can predict about 7.55% of the variance of the outcome variable, which in this case is shopping motivation. And looking further at the Table, the p-value of product risk is $<.001$, which means that it is statistically significant. This means they are motivated to shop using their mobile devices if they perceive lesser product risk. That is why mobile shoppers read the online feedback and comments regarding the shop and the product carefully. Most Ilocano online shoppers rely on feedback and responses from previous buyers before purchasing the product online. Though they find it efficient, easy to use, and entertaining to shop online, they are still careful in purchasing, relying on online feedback and ratings.

CONCLUSION

Mobile shopping is inevitable nowadays with the proliferation of applications such as Shopee, Lazada, Zalora, and other major shops and mobile technology advancements. It is easy for consumers to utilize their phones when shopping. In Ilocos Norte, it is evident that their mobile shopping motivations are fast and convenient, simple, and free of effort. These are the characteristics of mobile shopping that make Ilocanos go for it. There are numerous reasons why consumers purchase online; for example, consumers can purchase anything at any time without physically visiting the store; consumers can discover the same product at a lower price by comparing multiple websites concurrently; consumers want to avoid the pressure associated with face-to-face communication with the retailer, and consumers want to avoid traffic jams on their way to the store. Consumers gain from expanded access to information and the ability to compare products and prices online, and enhanced product selection, convenience, and ease of discovery.

On the perceived risk of online shopping, Ilocano buyers perceived that there are fake and substandard products proliferating in online shopping. They are very careful in purchasing things online because of the problem of authenticity. Good thing there are now available feedbacks and reviews on which they can base their intention of purchasing the product. Many Ilocano online buyers rely on these reviews and feedback, and many claim that they only purchase from shops with a high rating (4.5 stars and above). Ilocano people are known to be crucial, and they want their money's worth. They are very careful in purchasing and think many times before finally buying items online.

One recommendation for mobile app developers is to make their navigations simple and user-friendly. This means that buttons and applications in their mobile applications should not be complicated and hard to understand. Also, they should see that these applications are well coordinated in terms of colors, fonts, and style. It should not forget the element of entertainment. Another recommendation is that mobile app developers should target kids and teenagers, and entire families. Though most users are teenagers and young adults, mobile app developers should also put some elements that entice the adult population. They should remember that adults can buy and have more disposable income.

Managerial Implications

This study highlights the following management implications based on its findings and conclusions. First, it educates marketers on the critical nature of customer risk perception to implement appropriate risk-reduction measures in the online buying environment. Second, marketers should be encouraged to minimize perceived product risks, particularly in their efforts to provide additional information about products to alleviate the uncertainty associated with consumers' inability to handle the product, such as through the use of virtual views of 3D images to illustrate product features, the provision of sizing charts and material components, and the provision of product comparison. This information

helps customers build a full picture of the product's quality and look. Finally, consumers expressed concern regarding the delivery of their purchases; they fear that the items may be destroyed during handling and transportation or that they would receive a malfunctioning item or one that does not meet the item's requirements. Online merchants should work with the best and most reputable shipping service providers to minimize delays or damage to the items during delivery.

LIMITATION & FURTHER RESEARCH

The following are the work's limitations: Although this study used customer perceptions of product risk and perceived service risk as independent variables of perceived risk, these two dimensions do not adequately capture all aspects of consumer perceived risk, including perceived danger, social risk, time risk, and physical harm risk. Indeed, various factors influence customers' cross-platform purchasing patterns, including their app usage habits, the perceived value of items, and personal preferences and dislikes. However, considering the authors' research skills and the investigation's operability and practicality, this work chose two dimensions of the independent variable: customers' perceived product effect risk and perceived service risk.

It is envisaged that future studies will uncover additional levels of perceived risk associated with independent factors. Additionally, the literature analysis omits some more recent studies on perceived hazards in mobile commerce, mobile purchasing, and mobile applications. The data analysis and technique must be more robustly supported. A further in-depth investigation of some SEM techniques would bolster the findings' rigor.

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