

**IMPACT OF PERCEIVED RISK ON ONLINE IMPULSE BUYING
TENDENCY: SPECIAL REFERENCE TO BATTICALOA DISTRICT**



By

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ABSTRACT

The rapid growth of the Internet, social media usage, and e-commerce have drastically changed consumer lifestyles and buying patterns by enabling more convenient and comfortable online platforms. Most of the online shopping that takes place is the result of the impulsiveness of consumers, as they tend to buy on impulse. Sri Lanka is one of the growing markets in online retailing, therefore the industry is trying to make consumers more impulsive to increase the sales of their products and revenue, but the major obstacle for online retailers is to make impulsiveness regarding their products among consumers. The main reason is that customers experience panic when they perceive a risk while getting a desire to purchase a particular product when seeing it online. At that moment, consumers are becoming more aware and less likely to make impulsive purchases in an online context due to the perceived risk. It creates a negative impact on online retailers who rely on impulse buying to drive sales. Therefore, understanding the impact of perceived risk on online impulse buying tendency is crucial for online retailers looking to increase their sales and customer retention.

The purpose of this research study was to explore the impact of perceived risk (financial risk, product risk, convenience risk, and delivery risk) on online impulse buying tendency. The data were collected through a self-administrated survey method with the use of a closed structured questionnaire through a simple random sampling technique from 364 respondents of government school teachers in the Batticaloa district. The data was analyzed by using SPSS software and the study used univariate, bivariate, and regression analysis techniques to analyze the data and find the results of the study objectives. Researcher hypothesized and found that overall perceived risk, financial risk, and product risk were found to have a moderately negative relationship with online impulse buying tendency whereas convenience risk and delivery risk had a negative but weaker relationship with online impulse buying tendency. The study also suggested recommendations to online retailers to develop effective strategies to mitigate risk and encourage impulse buying tendency.

Keywords: *Online Impulse Buying Tendency, Perceived Risk, Financial Risk, Product Risk, Convenience Risk, Delivery Risk, Online Consumer Behavior*

TABLE OF CONTENTS

ACKNOWLEDGMENT.....	i
ABSTRACT.....	ii
TABLE OF CONTENTS.....	iii
LIST OF TABLES.....	viii
LIST OF FIGURES.....	x
LIST OF ABBREVIATION.....	xi
CHAPTER – 1.....	1
INTRODUCTION.....	1
1.1 Background of the study.....	1
1.2 Problem Statement / Research Gap.....	3
1.3 Research Questions.....	5
1.4 Research Objectives.....	5
1.5 Significance of the study.....	5
1.6 Scope of the study.....	6
1.7 The Organization of the Chapters.....	6
1.8 Chapter Summary.....	7
CHAPTER 2.....	8
LITERATURE REVIEW.....	8
2.1 Introduction.....	8
2.2 Impulse Buying Tendency.....	8
2.3 Types of Impulse Buying Tendency.....	9
2.3.1 Pure Impulse Buying Tendency.....	9
2.3.2 Reminder Impulse Buying Tendency.....	9
2.3.3 Suggestion Impulse Buying Tendency.....	10
2.3.4 Planned Impulse Buying Tendency.....	10

2.4 Online Impulse Buying Tendency.....	10
2.5 Perceived risk	12
2.5.1 Financial Risk.....	14
2.5.2 Product Risk	15
2.5.3 Convenience risk	16
2.5.4 Delivery Risk.....	17
2.6 Chapter Summary.....	18
CHAPTER – 3	19
CONCEPTUALIZATION AND OPERATIONALIZATION	19
3.1 Introduction.....	19
3.2 Conceptualization.....	19
3.3 Conceptual Framework	20
3.4 Definition of the key variables.....	20
3.4.1 Perceived risk	20
3.4.2 Online Impulse Buying Tendency	23
3.5 Operationalization of variables	23
3.6 Hypotheses	25
3.7 Chapter Summary.....	26
CHAPTER – 4	27
RESEARCH METHODOLOGY.....	27
4.1 Introduction	27
4.2 Research Philosophy	27
4.3 Research Approach	28
4.4 Research Strategy.....	28
4.5 Methodological Choice	29
4.6 Time Horizon	29
4.7 Research Site/ Area Selection	30

4.8 Population of Study	30
4.9 Sampling Technique/Method	30
4.10 Sample Size and Sampling Framework	31
4.10.1 Sample Size	31
4.11 Method of data collection.....	32
4.12 Research Instrument.....	32
4.12.1 Personal Information	33
4.12.2 Research Information	33
4.13 Source of Measurements	34
4.14 The Pilot Study.....	35
4.15 Validity and Reliability of Instruments	36
4.15.1 Validity	36
4.15.2 Reliability Test	36
4.16 Unit of Data Analysis.....	38
4.17 Methods of Data Analysis	38
4.18 Method of Data Evaluation	39
4.18.1 Univariate Analysis	39
4.18.2 Correlation Analysis	40
4.18.3 Multivariate Analysis	40
4.18.4 Testing Hypothesis	41
4.19 Method of Data Presentation.....	43
4.19.1 Data Presentation for Personal Information	43
4.19.2 Data Presentation for Research Information	43
4.20 Ethical Consideration	44
4.21 Chapter Summary.....	45
CHAPTER 5	46
DATA PRESENTATION AND ANALYSIS	46

5.1 Introduction	46
5.2 Reliability Analysis	46
5.3 Data Presentation and Analysis of Demographic Information.....	47
5.3.1 Frequency Distribution of Gender	47
5.3.2 Frequency Distribution of Age Group.....	47
5.3.3 Frequency Distribution of Personal Income	48
5.4 Data Presentation and Analysis of Research Objectives.....	49
5.4.1 Descriptive Statistics	49
5.4.2 Bivariate Analysis.....	51
5.4.3 Multivariate Analysis	55
5.4.4 Testing Hypotheses.....	66
5.5 Chapter Summary.....	70
CHAPTER – 6	71
FINDINGS AND DISCUSSION.....	71
6.1 Introduction	71
6.2 Discussion of Personal Information	71
6.2.1 Gender	71
6.2.2 Age Group	71
6.2.3 Monthly Personal Income Level.....	72
6.3 Discussion of Research Information	72
6.3.1 Objective one: To identify the level of perceived risk and online impulse buying tendency in Batticaloa district.	72
6.3.2 Objective 2: To identify the relationship between perceived risk and online impulse buying tendency in Batticaloa district.....	74
6.3.3 Objective 3: To examine the impact of perceived risk on online impulse buying tendency in Batticaloa district	77
6.3.4 Discussion of Hypotheses Testing.....	81
6.4 Chapter Summary.....	83

CHAPTER – 7	84
7.1 Introduction	84
7.2 Conclusions	84
7.2.1 First Objective of the Study	84
7.2.2 Second Objective of the Study	85
7.2.3 Third Objective of the Study	85
7.3 Contribution of the Study	85
7.4 Recommendations	86
7.5 Limitations of the Study	87
7.6 Future Research Direction	87
7.7 Chapter Summary	88
References	89
Appendix 1	101
Appendix 2	104