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Perceived Risk of Online Shopping: An Online Shoppers Perspective

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ABSTRACT The negative effect that perception risks have on customers' behavioural intentions is well acknowledged in literature. This paper examines levels of online customers concern with different types of risks associated with online shopping. Data was collected from a total of 201 online shoppers from Gauteng in South Africa using a structured questionnaire. The findings show that the two most important concerns that online customers have relate to are privacy risk and source risk. Other risks concerns relate to product performance and financial risk. Delivery risk was however found not to be of major concern. The findings also show that there is negative relationship between online shoppers' levels of risk concern and frequency of online shopping. Online store managers efforts aimed at luring customers to their sites need to focus on addressing the identified risk concerns. Some recommendations on what managers can do in order to address these concerns have been highlighted in the paper.