

Perceived Risks in Business-to-Consumer Online Contracts: An Empirical Study in Saudi Arabia

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Abstract : Perceived risks play a major role in consumer intentions, behaviors, attitudes, and decisions about online shopping in the KSA. This paper investigates the influence of six perceived risk dimensions on Saudi consumers: product risk, information risk, financial risk, privacy and security risk, delivery risk, and terms and conditions risk empirically. To ensure the success of this study, a random survey was distributed to reflect the consumers' perceived risk and to enable the generalization of the results. Data were collected from 323 respondents in the Kingdom of Saudi Arabia (KSA): 50 who had never shopped online and 273 who had done so. The results indicated that all six risks influenced the respondents' perceptions of online shopping. The non-online shoppers perceived financial and delivery risks as the most significant barriers to online shopping. This was followed closely by performance, information, and privacy and security risks. Terms and conditions were perceived as less significant. The online consumers considered delivery and performance risks to be the most significant influences on internet shopping. This was followed closely by information and terms and conditions. Financial and privacy and security risks were perceived as less significant. This paper argues that introducing adequate legal solutions to addressing related problems arising from this study is an urgent need. This may enhance consumer trust in the KSA online market, increase consumers' intentions regarding online shopping, and improve consumer protection.

Keywords : perceived risk, online contracts, Saudi Arabia, consumer protection

Conference Title : ICCPLR 2020 : International Conference on Consumer Protection Law and Regulations

Conference Location : London, United Kingdom

Conference Dates : May 21-22, 2020