
THE IMPACT OF PERCEIVED RISK ON ONLINE PURCHASE INTENTION OF ONLINE SHOPPERS IN COLOMBO DISTRICT

Munasinghe A.B.I.^{1*}, Ushantha R.A.C.¹, Rathnayaka R.M.K.T.²

¹Department of Marketing Management Faculty of Management Studies,

²Department of Physical Science and Technology, Faculty of Applied Sciences, Sabaragamuwa University of Sri Lanka, Belihuloya, Sri Lanka

*ashanimunasinghe536@gmail.com**

ABSTRACT

The present study tends to provide an in-depth knowledge about the perceived risks associated with the peoples who do their purchases through internet. The study focused on perceived risks and analyzed the relative significance of perceived risk dimensions on intention to shop online. Survey data was collected from 384 online shoppers by using convenience sampling method and 318 usable self-administered online questionnaires were used for further analysis. Multiple and linear regressions were used to achieve the research objectives and to test the research hypotheses. The results of this study were revealed that there is a significant negative impact of perceived risk ($\beta = -1.069$, $\rho < 0.000$) on online purchase intention. Further it was revealed that there is significant negative impact of product risk ($\beta = -0.200$, $\rho < 0.000$), security risk ($\beta = -0.438$, $\rho < 0.000$), time risk ($\beta = -0.140$, $\rho < 0.000$), and psychological risk ($\beta = -0.206$, $\rho < 0.000$) on online purchase intention respectively while there was no impact of financial ($\beta = -0.019$, $\rho > 0.607$) and social risks ($\beta = -0.014$, $\rho > 0.743$) on online purchase intention. This in-depth knowledge about online shoppers' perceived risk on intention to shop online directly affects the online shopping performances for achieving a better e-commerce market in Sri Lanka. This research will add practical implications for online retailers on designing their product information, security policies, safety and privacy mechanisms and selecting shipping service providers.

Keywords: *Online Purchase Intention, Perceived Risks, Sri Lanka*

1 INTRODUCTION

With the strong increment of global internet penetration on global population and the rapid development of the World Wide Web, e-commerce is playing an important economic role (Chiang & Nunez, 2007). Internet has being revolutionized from the traditional business to online retail or online shopping

worldwide and it has become an essential tool for communication and business world (Ariffin, Mohan, & Goh, 2018). Consumers can shop online by using different type of technological devices including desktop computers, laptops, tablet computers and smart phones. Online shopping provides various benefits that consumer can derive such as saving time, providing plenty of choices for wide category of items and also ease of comparing the offerings from different vendors, only at the click of mouse. Online shoppers must have access to the internet and a valid method of payment in order to complete the transaction such as a credit card, debit card, e-wallet, e-money, e-cheques, net banking or a service as PayPal. Internet provides online services including purchase fashionable apparels, beauty products, home appliances and electronic items and it spreads towards online grocery shopping (Ariffin, Mohan, & Goh, 2018).

When it comes to practical scenario, according to the Internet World Stats (2018), there are 4.1 billion active internet users worldwide as of July 2018. In 2017, People who purchase goods online were estimated as 1.66 billion worldwide. During same period of time, global e-retail sales amounted to 2.3 trillion U.S dollars and projections show a growth of up to 4.88 trillion U.S. dollars by 2021(Statista, 2018). In Asia Pacific, E-retail sales accounted for 12.1 percent of retail sales in 2016 (Statista, 2018). These statistics shows a drastic increase in online retailing and shopping. When it comes to Sri Lanka, the internet penetration is very high compared to other countries in Asian region. Sri Lanka's internet penetration has increased up to 32 percent with granting more people access to the World Wide Web (www.) and the number of total internet users are 6.1 million (DigitalMarketer, 2017). The computer literacy rate is becoming 28.3 percent on total Sri Lankan population (Department of Cencus and Statistics, 2017).And, every sample of 100 Sri Lankans has 132 smartphone with representing 132 percent smartphone penetration (DigitalMarketer, 2017). Sri Lanka, as an emerging market in the South Asia can be dreamed to indicate a tremendous growth potential to become a leading player in the e-commerce space in the region in turn of the high internet penetration rate, high smartphone penetration and considerable computer literacy rate.

The report of UNCTAD Business to Consumer (B2C) Ecommerce Index which is reflected the processes involved in an online shopping B2C transaction, has been ranked the countries based on the readiness of particular country to follow e-commerce at B2C market. The index is based on the indicators as Internet users, secure servers, Account penetration, and Postal reliability score. According to this index, Sri Lanka has been ranked high on e-commerce as 8th place in the top 10 developing and transition economies in East, South and Southeast Asia, while placed at the 73th world e-commerce rank (UNCTAD B2C E-commerce, 2017).

Table 1: E-commerce Readiness of East, South and Southeast Asia Countries

East, South and Southeast Asia Rank	Country	World E-commerce Rank
1	Republic of Korea	5
2	Hong Kong	16
3	Singapore	18
4	Malaysia	38
5	Thailand	49
6	Mongolia	55
7	China	65
8	Sri Lanka	73
9	Vietnam	74
10	India	83

(Source: UNCTAD B2C E-commerce Index, 2017)

According to that, though there is a favorable climate to do online purchases within the country, the annual domestic e-commerce only sales value of 2017 is valued at rs.3000 million which implies 1% of total consumer sales in domestic market (Ministry of Industry and Commerce, 2017). It represents the lack of preference of local consumers' to do online purchases in e-commerce market. The researcher can identify a clear gap, though there is a favorable climate to do online purchases within the country, currently the online sales is 1% only ("SL has high use of", 2018). When consider about e-commerce market, the risk perception of online shoppers is negatively influence on their intention to shop online (Ariffin, Mohan, & Goh, 2018; Dai, Forsythe, & Kwon, 2014; Dig, Domingo, & Consignado, 2017; Enkhbayar & Huang, 2018).

According to Lu, Hsu, & Hsu (2005) the concept of perceived risk was first introduce by Bauer (1960) as "*defined risk in terms of the uncertainty and consequences with a consumer's actions*".

According to Lee & Tan (2003), when consumers do online shopping, they tend to perceived higher risk compared to traditional retailing. According to Almousa (2011), when it comes to e-market place, online shopping is a risky activity. When doing online shopping activities internet users have to concern about security of payments, data protection, and the validity of e-contracts, product quality and enforcement of right. Consumers have to face some new problems and challengers when they doing online purchasing rather than traditional transaction. When placing an order, they have to face the problems like whether the product is delivered or not and how much protectable of doing payments by using their credit and debit card (Ariffin, Mohan, & Goh, 2018). The perceived risk is comprised with financial risk, security risk, time risk, product risk and psychological risk (Ariffin, Mohan, & Goh, 2018). This perceived risk directly influences their attitude towards online purchase and online shopping behavior and it is essential to address the area of the influence

of perceived risk towards online purchase intention (Ariff, *et al.*, 2014). Therefore, the research is to investigate that the impact of those perceived risk factors on their online purchase intention in Sri Lankan context. Due to the above empirical gaps the following research questions are found.

“How does Perceived Risk Impact on Online Purchase Intention of Online Shoppers in Colombo District?”

1.1 Research Questions

- How does financial risk impact on online purchase intention of online shoppers in Colombo district?
- How does product risk impact on online purchase intention of online shoppers in Colombo district?
- How does security risk impact on online purchase intention of online shoppers in Colombo district?
- How does time risk impact on online purchase intention of online shoppers in Colombo district?
- How does social risk impact on online purchase intention of online shoppers in Colombo district?
- How does psychological risk impact on online purchase intention of online shoppers in Colombo district?

1.2 Research Objectives

The main objective of the study to be achieved is;

- To investigate the impact of perceived risk on online purchase intention of online shoppers in Colombo district.

The specific objectives of this study to be achieved are;

- To investigate the impact of financial risk on online purchase intention of online shoppers in Colombo district.
- To investigate the impact of product risk on online purchase intention of online shoppers in Colombo district.
- To investigate the impact of security risk on online purchase intention of online shoppers in Colombo district.
- To investigate the impact of time risk on online purchase intention of online shoppers in Colombo district.
- To investigate the impact of social risk on online purchase intention of online shoppers in Colombo district.

- To investigate the impact of psychological risk on online purchase intention of online shoppers in Colombo district.

2 LITERATURE REVIEW

2.1 Online Purchase Intention

According to (Ariffin, Mohan, & Goh, 2018), online purchase intention can be defined as consumers' readiness to purchase through the internet and making an actual purchase of goods and services or comparing the prices of products. And the researcher mentioned that purchase intention is vital in forecasting consumer behavior. *"Online shopping intention is derived from the construct of behavioral intention which was originally developed in Theory of Planned Behavior (TPB) and Theory of Reasoned Action (TRA) and subsequently adopted in Technology Adoption Model"* (Thakur & Srivastava, 2015, p. 151). Shopping online involves a user accessing the internet to search, select, buy, use and dispose of goods and services in satisfying their needs and wants, and when they accessing and making online buying, individuals encounter a host of risk (Ariff, et al., 2014). There is a negative effect of perceived risk which included product risk, financial risk and non-delivery risk on the attitude of online shopping behavior (Ariff, et al., 2014).

2.2 Perceived Risk

As cited in Lu, Hsu, & Hsu 2005, the concept of perceived risk was first introduced by Bauer (1960) as "defined risk in terms of the uncertainty and consequences associated with a consumer's actions" (Lu, Hsu, & Hsu, 2005, p. 109). When there is a higher level of expectation losses, it will affect the higher degree of consumers' perceived risk (Ariffin, Mohan, & Goh, 2018). According to (Laroche, et al., 2004) Perceived risk includes two sub-concepts as indecisions which mean the probability of unfavorable outcomes and consequences which mean the importance of losses. Perceived risk increases with uncertainty and the magnitude of the associated negative consequence (Lu, Hsu, & Hsu, 2005). In the context of online shopping, it is can be recognized as a risky activity (Almoussa, 2011). When consumers do online shopping, they tend to perceived higher risks compared to traditional retailing (Lee & Tan, 2003). According to Featherman & Pavlou, (2003) perceived risk comprises with performance risk, financial risk, time risk, safety risk, social risk, and psychological risk.

2.3 Financial Risk

Financial risk refers to the possibility that the product will not be worth the financial price (Lu, Hsu, & Hsu, 2005) and the probability of an internet

shopper suffering monetary loss from a purchase when the product does not perform well (Featherman & Pavlou, 2003). When online customers order products online, they prefer payment methods such as cash at delivery, bank account transfers and Pay Pal other than using their credit cards because of the uncertainty feeling with respect to using their credit cards and disclosing personal information (Ariff, *et al.*, 2014). According to the studies of Almousa, (2011) and Dai, *et al.*, (2014) financial risk negatively influence on consumers' online purchase intention.

2.4 Product Risk

Product risk is a risk that an online shopper may be perceived when a brand or a product does not perform as expected due to the shoppers' inability to accurately evaluate and examine the quality of the product online. (Ariff, *et al.*, 2014). Online marketers should be encouraged to minimize the product risk by providing more information about products by using virtual views of 3D images to illustrate product features, providing sizing charts, material components and providing product comparison (Masoud, 2013). Some research represents this product risk as to performance risk which negatively affects to the consumers' online purchase behavior (Almousa, 2011; Ariff, *et al.*, 2014; Thakur & Srivastava, 2015).

2.5 Security Risk

Security risk is the fear of the consumers about the privacy of their personal data and credit card details which may be misused by the seller (Ariff, *et al.*, 2014). When consumers are buying online, it needs to provide more personal information such as a delivery address, size required and personal preferences for style and prices for apparel (Dai, *et al.*, 2014). To reduce the consumers' perceived security risk privacy policies are needed (Adnan, 2014).

2.6 Time Risk

Time risk is one of the perceived risk facet that influences intention to purchase in e-marketplace and it means losing consumers' time when making bad purchasing decisions by wasting time in searching and making the purchase (Featherman & Pavlou, 2003). Further, time risk is that the fear of consumers about the product doesn't perform as described and caused the longer time of returning and waiting for processes for the product to be delivered Ariff, *et al.*, 2014).

2.7 Social Risk

Social risk is concerned with an individual's ego and the effect that a purchase will have on the opinions of reference groups Lu, Hsu, & Hsu, 2005. And it is the

fear of fraud transactions which may cause their referent groups (family members and friends) to blame them for making a bad decision (Ariff, *et al.*, 2014). To reduce the social risk, consumers try to obtain advice or consent from others in their social group (Almoussa, 2011).

2.8 Psychological Risk

Psychological risk is the fear of consumers regarding the doubts of e-transactions, especially when the product is expensive or urgently needed (Ariff, *et al.*, 2014). That psychological risk represents the less trust on the online company, fear of the product may not be delivered appropriately, fear of frustrating of the quality of the product in online shopping activity (Ariffin, Mohan, & Goh, 2018). So, consumers are disappointed if they do not meet the expectations as advertised and it can be easily influenced on consumers' online purchase intention.

3 METHODOLOGY

3.1 Research Philosophy and Approach

The research philosophy is positivism. Positivism researchers conduct their researches by identifying a clear research topic, explaining things with variables, constructing appropriate hypotheses by adopting a suitable research methodology. This research is based on a deductive approach where the existing theories and concepts are used in order to develop hypotheses and test them through a systematic methodology (Figure 1). The hypotheses of this study to be tested are;

- H₁: Perceived risk has an impact on online purchase intention of online shoppers in Colombo district.
- H_{1a}: Financial risk has an impact on online purchase intention of online shoppers in Colombo district.
- H_{1b}: Product risk has an impact on online purchase intention of online shoppers in Colombo district.
- H_{1c}: Security risk has an impact on online purchase intention of online shoppers in Colombo district.
- H_{1d}: Time risk has an impact on online purchase intention of online shoppers in Colombo district.
- H_{1e}: Social risk has an impact on online purchase intention of online shoppers in Colombo district.
- H_{1f}: Psychological risk has an impact on online purchase intention of online shoppers in Colombo district.

3.2 Method of Data Collection

Here the researcher selected the survey as the research strategy. Under that, a self-administered online questionnaire was the research instrument of this study for primary data collection. The questionnaire was comprised with three sections as section A, B and C. Section A included questions on general information such as gender, age, monthly income, education level, internet usage time per day, the product type that has purchased online and the frequency of the online shopping per year. In there, multiple-choice questions should be answered by the respondents. In both Section B and C, the questions were designed to gather data from the respondents based on the independent variable and dependent variable. For each item, the extent of the agreement is rated on a five-point Likert scales ranging from (1) strongly disagree to (5) strongly agree.

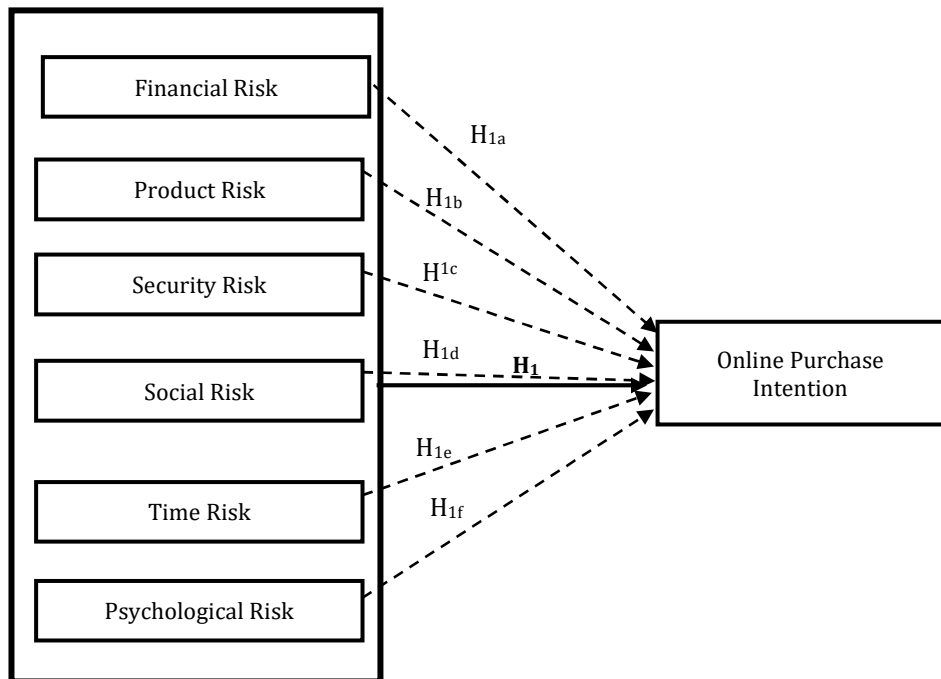


Figure 1: Conceptual Framework
 Source: (Ariffin, Mohan, & Goh, 2018)

3.3 Sample Selection

The population was comprised with the online shoppers who do online purchasing through the internet at least one time in Colombo district. The researcher selected that the Colombo district based on the internet usage rate

among household population districts wise Sri Lanka. Colombo district was represented the highest rate as 44.6 % (Department of Cencus and Statistics, 2017). When the population is unknown, the sampling method will be a non-probability and convenience sampling technique. Because the researcher can identify no sampling frame, the researcher selected a non-probability sampling method with a convenience sampling technique. To collect the data from the respondent self-administrated online questionnaire was prepared and distributed as a primary data collection method. Then the researcher distributed 384 questionnaires but 318 usable questionnaires were used for the analysis.

4 DATA ANALYSIS AND RESULTS

4.1 Descriptive Statistics

The results of the demographic variables of the sample showed the most of the online shoppers who purchased products online were in the age between 26-30 years and most of the consumers were female. And, the most of the respondents' monthly income level relied in between Rs.25, 000 -49,999 and they were at education level in A/L. Most of the respondents were used the internet the time between 2-3hours per day. Apparel and beauty products were the most purchased product category through online shopping by online shoppers in Colombo district and most of the respondents were buy products online less than 3 times per year.

4.2 Validity and Reliability

The research instrument was evaluated by an academic supervisor and two marketing-related industry persons and one industry expert. As pre-testing of the questionnaire, firstly 10 numbers of questionnaires were distributed for the industry persons including one of marketing manager before distributing for the respondents. To test the construct validity, Keiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity were used.

Table 2: Validity Test

	KMO value	Sig.
Financial risk	0.807	.000
Product risk	0.673	.000
Security risk	0.728	.000
Time risk	0.750	.000
Social risk	0.746	.000
Psychological risk	0.692	.000
Online purchase intention	0.709	.000

In this study, the KMO measure of sampling adequacy for all variables is greater than 0.5. Therefore, this instrument is validated. Based on these results, it can be concluded that factor analysis is appropriate (Table 2).

Table 3: Reliability Test

	No. of items	Cronbach's alpha
Financial risk	5	0.794
Product risk	5	0.785
Security risk	5	0.774
Time risk	4	0.796
Social risk	4	0.833
Psychological risk	4	0.845
Online purchase intention	3	0.846

All of the seven variables had the Cronbach's alpha above 0.7, thus the questionnaire can be considered as reliable. It can be concluded that the questionnaire of the study was reliable (Table 3).

4.3 Regression Analysis

Table 4: Simple Linear Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.877 ^a	.770	.769	.29385

The adjusted R² is 0.769, it can be concluded that 76.9% of the variance of online purchase intention is explained by the perceived risk under this study. Only 23.1 % of the variance of online purchase intention is explained by other influencing factors that are not covered by the current study (Table 4).

Table 5: Coefficient Table

Model	Unstandardized Coefficients B	Std. Error	Sig.
(Constant)	5.993	.109	0.000
Perceived Risk	-1.069	.033	0.000

The β coefficient for perceived risk is -1.069. It indicates that increasing 1 unit of perceived risk causes to decrease in online purchase intention in -1.069 units. The significant value is 0.000 at 95% confidence level. Therefore, it can be concluded that consumers' perceived risk has a significant negative impact on online purchase intention of online shoppers in Colombo district (Table 5)

Table 6: Multiple Linear Regressions

Model	Un-standardized Coefficients		Sig.
	B	Std. Error	
(Constant)	5.717	.104	.000
Financial Risk	-.019	.037	.607
Product Risk	-.200	.046	.000
Security Risk	-.438	.046	.000
Time Risk	-.140	.038	.000
Social Risk	-.014	.042	.743
Psychological Risk	-.209	.037	.000

The result of multiple linear regression analysis is presented in Table 5, which suggests that the dimensions of perceived risk, product risk, ($\beta = -0.200$, $\rho < 0.000$) security risk ($\beta = -0.438$, $\rho < 0.000$), time risk ($\beta = -0.140$, $\rho < 0.000$), and psychological risk ($\beta = -0.206$, $\rho < 0.000$) have negative impacts on online purchase intention while finance risk ($\beta = -0.019$, $\rho > 0.607$) and social risk ($\beta = -0.014$, $\rho > 0.743$) have no significant impact on online purchase intention online shoppers in Colombo district (Table 6)

Therefore it can be concluded that, H_1 perceived risk has an impact on online purchase intention of online shoppers in Colombo district while, H_{1b} (Product risk has an impact on online purchase intention of online shoppers in Colombo district.), H_{1c} (Security risk has an impact on online purchase intention of online shoppers in Colombo district) H_{1d} (Time risk has an impact on online purchase intention of online shoppers in Colombo district), H_{1f} (Psychological risk has an impact on online purchase intention of online shoppers in Colombo district.) were supported. Meanwhile, H_{1a} (Financial risk has an impact on online purchase intention of online shoppers in Colombo district.) H_{1e} (Social risk has an impact on online purchase intention of online shoppers in Colombo district) were not supported.

5 DISCUSSION AND FINDINGS

The main goal of this study is to investigate the impact of the perceived risk on online purchase intention of online shoppers in Colombo district in Sri Lanka. In addition to that, the researcher aimed to examine the impact of perceived risk dimensions as financial risk, product risk, security risk, time risk, social risk and psychological risk on online purchase intention. The perceived risk dimensions of consumers have been hypothesized to have a significant impact on online purchase intention (H_{1a} , H_{1b} , H_{1c} , H_{1d} , H_{1e} , and H_{1f}), while the main variable of consumers' perceived risk has been hypothesized to have an impact on online purchase intention (H_1). The result of this study investigated that only four dimensions have a significant negative impact on online purchase intention, which are the product risk, security risk, time risk, and psychological

risk. Meanwhile, financial risk and social risk have no significant impact on online purchase intention.

The finding H_{1a} is contrary to the previous research studies that stated financial risk has a negative impact on online purchase intention. The finding of this study reveals that financial risk not related to online purchase intention. It indicates that online shopping does not result in the worthiness of the online purchased product and spending more money when they buying products online. Mostly, in the selected geographical area of Colombo district, online sellers tend to offer free delivery charges for online consumers and they grant money back or pay after delivery services and offering more discounts and promotions. Hence, online shoppers may not be perceived on financial risk when they purchasing products online. However, according to this study, it can be concluded that financial risk has no significant impact on online purchase intention of online shoppers in Colombo district.

The finding of H_{1b} is aligned with the previous studies that stated product risk has a negative impact on online purchase intention. Product risk is the risk of loss for customers when the product does not perform as expected due to shoppers' inability to accurately evaluate the quality of the product online (Ariff, *et al.* 2014). Product risk determines the inability to find the desired product, not receive the exact quality of the ordered product and the size description may inaccurate (Ariffin, Mohan, & Goh, 2018). Most of the past researches on the related area were revealed that product risk has a negative impact on online purchase intention (Almoussa, 2011), (Ariff, *et al.*, 2014), (Ariffin, Mohan, & Goh, 2018). By purchasing online, consumers will not receive the exact quality of the products in terms of size, material, etc. One of the main limitation of online shopping is consumers cannot try the product like apparel and electronic items before purchasing. Hence, these reasons show that consumers' online purchase intention is perceived by product risk. Online marketers should be encouraged to minimize the product risk by providing more information about products by using virtual views of 3D images to illustrate product features, providing sizing charts, material components and providing product comparison.

According to the findings of H_{1c} , it reveals that security risk has a negative impact on online purchase intention. The perceived security risk is included insecurity in credit and debit card details, insecurity in the online website, disclosing personal information and the insufficient information about online shopping company (Ariffin, Mohan, & Goh, 2018). So that, if the credit card number and other sensitive information are safe enough, customers tend to increase online purchases. Thus, these reasons show that online purchase intention is perceived by online consumers' security risk.

According to the result of H_{1d} , the time risk has a negative impact on online purchase intention. Time risk can be described as the losing consumers' time when making bad purchasing decisions by wasting time in searching and making the purchase (Featherman & Pavlou, 2003). Most of the past researches revealed that time risk has a negative impact on consumers' intention to shop online (Masoud, 2013), (Thakur & Srivastava, 2015). To avoid time risk, online marketers can deal with the best and most trusted shipping service providers to avoid delay or damage during the delivery of the goods. However, based on the result of this study, online purchase intention of online shoppers can be predicted by their perceived time risk.

The finding of H_{1e} is revealed that there is no significant impact of consumers' social risk on online purchase intention. This finding is aligned with the study which is done by (Ariffin, Mohan, & Goh, 2018). This result indicates that consumers will not be judged their online purchase decision based on the family members' judgment or approval. And, consumers' do not perceive that others around them may be evaluated in terms of their online purchasing behavior. It is not necessary to be recognized by family members or friends that the product which is purchased through an online store, as it is based on individual preferences and tastes. Hence, it can be concluded that online purchase intention is not perceived by social risk.

The finding of H_{1f} is aligned with the previous research studies that claimed psychological risk has a negative impact on consumers' intention to shop online. Psychological risk can be defined as the probability of future contrition on consumers purchase decision influences the experience of mental pressure (Almoussa, 2011). Consumers would be frustrated and disappointed when the product purchased online did not meet their expectations as advertised. Hence, it can be concluded that consumers' decision to shop online is perceived by psychological risk.

The main hypothesis of the study is H_1 in order to achieve the objective of investigating the impact of consumers' perceived risk on online purchase intention. The finding of the H_1 is aligned with the past studies that claimed consumers' perceived risk has an impact on online purchase intention. According to (Ariffin, Mohan, & Goh, 2018) consumers' intention to buy products online is predicted by their risks perception. Most of the studies have treated perceived risk as a multi-dimensional construct. However, according to this, study perceived risk is comprised with four types of risks as product risk, security risk, time risk, and psychological risk while financial risk and social risk are not supported in Sri Lanka. In terms of that, consumers' risk perception online retailers have to face many threats in their online businesses, and this will affect the transaction and performance of the retailers. Therefore, online sellers have to formulate strategies to reduce risks in the online shopping environment, especially security risk for better e-commerce.

Finally, the researcher can be concluded that the perceived risk has a negative impact on online purchase intention of online shoppers in Colombo district.

6 CONCLUSION AND CONTRIBUTION

The results of the demographic variables of the sample showed the most of the online shoppers who purchased products online were in the age between 26-30 years and most of the consumers were female. And, the most of the respondents' monthly income level relied in between Rs.25, 000 -49,999 and they were at education level in A/L. Most of the respondents were used the internet the time between 2-3 hours per day. Apparel and beauty products were the most purchased product category through online shopping by online shoppers in Colombo district and most of the respondents were buy products online less than 3 times per year.

The results revealed that perceived risk has a negative impact on online purchase intention in Sri Lanka. And the dimensions of consumers' perceived risk, product risk, security risk, time risk, and psychological risk have negative impacts on online purchase intention while finance risk and social risk have no significant impact on online purchase intention of online shoppers in Colombo district.

The present study was not designed to examine the factors related to the moderator or mediator effect of perceived risk on online purchase intention. Examining the moderating role of trust is also can be suggested to the future studies as a theoretical implication.

Online sellers can be provided detailed information about their company and their security policies to avoid cyber fraud. The safety and privacy implementation mechanisms should be formulated by online retailers in order to protect the credit and debit card information of their buyers. By dealing with the best and most trusted shipping service providers, online marketers can avoid time risk by reducing delays or damages of the goods during the delivery. Online marketers can minimize the product risk by providing more information about products by using virtual views of 3D images to illustrate product features, providing sizing charts, material components and providing product comparison.

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