



Exploring consumers perceived risk and trust for mobile shopping: A theoretical framework and empirical study[☆]

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ABSTRACT

Despite mobile device usage being at an all-time high, their utilisation for mobile shopping activities is inherently low. The study, first, identifies prominent areas of academic concern and examines areas requiring further insight. A theoretical model is developed to examine multi-faceted risk and trust effects on consumer adoption intention. Empirical results demonstrate several trust and risk perceptions as having varying effects on consumers' m-shopping intention. Inclusion of age and gender reveals discrepancies among positive and negative influencers of intention. Results contribute to theoretical and practical understandings surrounding deterrents of intention and potential risk-reduction mechanisms for future considerations.

1. Introduction

Worldwide utilisation of smartphones and tablets (“mobile devices”) is at an all-time high with their use greatly stretching beyond the confines of basic communication. Mobile devices offer users with innovative and functional operation system enhancements which present them with an opportunity to develop alongside technological advancements and allows for a more convenient and efficient way of life (Groß, 2015a; Chen, 2013). M-commerce comprises a variety of online services accessible through mobile devices across mobile websites and applications (apps) (Zhang et al., 2013), providing consumers and retailers with enhanced opportunities, faster access and greater accessibility (Nassuora, 2013), and has become one of the most conspicuous social changes within the last ten years (Groß, 2015b).

Mobile retail literature has drawn attention to the array of available m-commerce activities and has highlighted its three primary sub-sections, being mobile banking (m-banking), mobile payments (m-payments) and mobile shopping (m-shopping). M-banking concerns the use of mobile devices for managing finances (Shaikh and Karjaluto, 2015), m-payments concern the use of mobile devices to pay for products/services in-store (Slade et al., 2015), and m-shopping involves using mobile devices to search for, browse, compare and purchase products and/or services online (Groß, 2015a). Although all three areas demand further consideration, m-shopping is particularly under-researched and is subject to geographical constraints. For this research, m-shopping is

defined as the online browsing, searching, comparing and purchasing of products/services through handheld mobile devices (Chong, 2013; Groß, 2015a; Marriott et al., 2017). Although this definition is similar to that for m-commerce, m-commerce is an umbrella term encompassing several types of mobile business, whereas m-shopping concerns only those relating to the purchasing process, particularly in business-to-consumer and consumer-to-consumer settings.

M-shopping has been in existence for over 15 years, with the first study exploring differences between traditional and m-commerce technology adoption in 2002 (e.g. Pedersen et al., 2002). Despite mobile devices being utilised for a variety of services, current m-shopping adoption rates are relatively low; South Korea has seen a fundamental growth of consumers' m-shopping adoption in recent years, from 12.6% in 2013 to 51.2% in 2016 (Statista, 2017a), with the USA currently showing a 41% adoption rate which is expected to increase to 46% in 2020 (Biggs et al., 2017). Despite m-shopping in the UK contributing £ 25bn in mobile retail venue in 2017 (Statista, 2017b), the UK remains comparably slower to respond to this transforming digital retailing environment.

M-shopping has increased in academic and practitioner attention since 2007, and literature concerning its adoption has surged since 2015 (Marriott et al., 2017). M-shopping literature primarily examines positive influencers of intention, such as perceived ease of use (e.g. Hubert et al., 2017; Ko et al., 2009; Wong et al., 2012), perceived usefulness (e.g. Agrebi and Jallais, 2015; Aldás-Manzano et al., 2009;

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Hung et al., 2012) and social influence (e.g. Lu et al., 2017; Wong et al., 2012; Yang and Forney, 2014), and has made significant contributions to this under-researched area. However, m-shopping adoption rates are lower than expected and literature remains in its infancy regarding investigation into intention inhibitors. Although some research has developed insight into the role of risk and anxiety (e.g. Luarn and Lin, 2005; Natarajan et al., 2017; Wei et al., 2009; Yang, 2012), there is lack of understanding into the effects of risks towards m-shopping adoption intention, specifically, and there are repeated calls for further investigation in this under-developed area (e.g. Gao et al., 2015; Groß, 2015a; Yang, 2012).

Although the roles of risk and trust are beginning to be supported within m-shopping, e-commerce literature supports the multi-faceted treatment of risk and trust; although some studies have investigated the role of multi-faceted risk (e.g. Featherman and Pavlou, 2003; Suki and Suki, 2017) and trust (e.g. Lee and Turban, 2001), the number of mobile-related articles doing so is severely less, particularly in m-shopping. Work by Hubert et al. (2017) supports insight into several types of perceived risk in identifying financial risks as being particularly significant deterrents of m-shopping adoption behaviour.

With continuous support and calls for examination into the roles of risk and trust antecedents within this research context and geographical setting, the question is asked: *what factors contribute to consumers' overall risk and trust towards m-shopping intention?* Due to its convenience and accessibility, m-shopping has the potential to encourage spontaneous purchasing behaviour, subsequently increasing online sales margins and thus rendering the current lack of consumer engagement challenging for retailers. It is therefore important to investigate what factors specifically effect initial m-shopping adoption intention; this research aims to develop a risk and trust model to encompass a multi-faceted insight into risk and trust perceptions to aid digital retailers in shaping future m-shopping system developments and marketing schemes. To the best of the author's knowledge, no study has examined m-shopping intention from the perspective of multi-faceted risk and trust.

In response to existing research limitations and recommendations, this study encompasses dimensions of risk, as established by Jacoby and Kaplan (1972), and trust, as established by Lee and Turban (2001), into one conceptual model. Based on a dataset of 435 mobile shoppers, results of this study improve theoretical and practical understanding of factors effecting overall risk and trust, and subsequent behavioural intention, and their relevance across demographics. From a managerial perspective, results reveal which factors are primary deterrents of intention and which trust-enhancing mechanisms to consider.

The remainder of this paper is structured as follows: Section 2 provides a review of literature and discussion into theoretical foundation development. The research model and hypotheses development are then discussed in Section 3, followed by discussion into research method and data collection in Section 4. Data results and analysis are presented in Section 5 and discussed in Section 6. The conclusion is presented in Section 7 and draws on managerial and theoretical implications alongside research limitations and scopes for further research.

2. Literature review and theoretical foundation

2.1. Risk and trust in electronic and mobile commerce

Literature surrounding Information Systems, e-commerce, and m-commerce has long drawn attention to various antecedents contributing to academic and practitioner understanding into consumer adoption intention and highlights the significance of perceived risk and trust (e.g. Bezes, 2016; Chang and Wu, 2012; Chen and Dibb, 2010; Hubert et al., 2017). Although incorporation of risk and trust into technology acceptance research has been examined since the late 1960s and 1970s (e.g. Cunningham, 1967; Luhmann, 1979), more contemporary research highlight the relevance of improving understanding into both

positive and negative effects on service-based intention.

Risk is frequently found a negative influence on overall consumers' intention across digital retail contexts; Kim et al. (2008) found risk to negatively affect US consumers' e-commerce purchase intention, whilst Liébana-Cabanillas et al. (2017) found risk the most significant negative influence on m-payment acceptance, and Chang et al. (2016) found risk a significant deterrent of Chinese consumers' e-shopping purchase intention. Although most literature supports the negative effect of risk on intention, some conclude otherwise; these insignificant findings often derive from research within the mobile sphere, particularly concerning m-shopping (e.g. Wong et al., 2012) and m-payments (e.g. Tan et al., 2014). Due to discrepancies across research settings and geographical contexts, it is important to continue considerations into the role of risk within under-researched areas of digital retailing, particularly m-shopping.

The positive role of trust in consumer behaviour is also supported across electronic and mobile retailing contexts. Both Al-Louzi and Iss (2011) and Alalwan et al. (2017) found trust to positively contribute to Jordanian consumers' m-commerce adoption intention, whilst Chong et al. (2012) found trust significant towards m-commerce intention in China. As with risk, some empirical findings reveal trust to be immaterial towards consumers' intention, which is especially seen within m-commerce (Chong, 2013) and m-banking (Luo et al., 2010). Alongside discrepancies surrounding the role of trust on intention, its effect on perceived risk has also been debated. Trust is often found not only a significant influencer on intention but also a negative influencer of overall risk perceptions, particularly in e-commerce settings (e.g. Hsu et al., 2013; Kim et al., 2008). However, although some findings reveal trust to be significant on intention, they do not support its relationship with overall risk; for example, Slade et al. (2015) found trust to positively effect intention but have no relationship with UK consumers' overall risk towards m-payment intention. Others have found trust insignificant on both intention and perceived risk, such as Luo et al. (2010) who found US consumers to be uninfluenced by their trust towards m-banking risk perceptions or intention.

Despite risk and trust being considered collaboratively (e.g. Slade et al., 2015; Yang et al., 2015), examining them uni-dimensionally fails to provide sufficient understanding into consumer adoption intention. Rather, research increasingly finds merit in identifying more precise antecedents of risk and trust and indorse a more multi-faceted lens in consumer-based research (e.g. Belanche et al., 2014; Bezes, 2016; Hubert et al., 2017; Pappas, 2016; Suki and Suki, 2017). For example, Yang et al. (2015) examined eight antecedents of overall risk and found economic, functional and privacy risks to significantly enhance Chinese consumers' overall risk perceptions towards online payments. Furthermore, Zhou (2014) found m-vendor trust a highly significant influence on Chinese consumers' continuance usage of mobile internet services. Accordingly, as risk and trust are often expected to affect consumers' decision-making processes, it is more appropriate for further research to also examine which types of risk and trust influence intentions and behaviours; doing so will not only enhance theoretical understanding but also guide practitioners in marketing and system development efforts.

Although varying levels of risk are experienced across online and mobile channels and services, their precise effects differ across contexts, and are therefore non-interchangeable. For example, Luo et al. (2010) found financial risk the most significant predictor of US consumers' overall risk towards m-banking, whereas Suki and Suki (2017) found financial risk immaterial towards Malaysian consumers' online group purchasing attitudes. Furthermore, Lee and Ahn (2013) examined vendor trust against consumers' e-commerce and m-commerce intention; whereas vendor trust was insignificant in the e-commerce setting, it was the most significant predictor of Korean consumers' m-commerce intention. These findings not only highlight contextual discrepancies but also geographical differences. As such, results from e-commerce and m-commerce research cannot be presumed to be reciprocated in the m-

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