

## Customers Perception towards Various Risks in Purchase of Home Appliances through online in Hyderabad

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### Abstract

The rapid growth of online has transformed the way the customers purchase home appliances, offering convenience, variety, and competitive pricing. However, this shift has also introduced multiple risks that can undermine consumer trust and satisfaction. This paper explores the diverse risks associated with online shopping of home appliances, including financial risks such as fraud and hidden costs, product risks like counterfeit goods and quality discrepancies, delivery risks involving delays or damages, and privacy risks related to data security breaches. Additionally, issues of after-sales service and warranty claims are examined, as they often pose challenges in the digital marketplace compared to traditional retail. For the above said variables, self administered questionnaire is prepared by the scholar to collect the primary data from the customers who have purchased the home appliances through online. Descriptive Research design is used for this survey. Using convenience sampling method, 180 customers has been approached to collect the information related to various risks associated with the online shopping. The collected data are analysed with the descriptive statistics which possess mean and standard deviation values. By accessing the perception of customers towards various risks, the study aims to provide insights for consumers, retailers, and policymakers to develop strategies that ensure a safer and trustable online shopping experience for home appliances.

**Keywords:** Online Purchase, Financial Risk, Product Risk, Privacy Risk, Delivery Risk.

### 1. Introduction

In today's world online shopping has been made possible by the presence of Internet. Internet has obviated the need for the buyer and seller to be present at the same place at the same time. The buyer and seller need not see each other or know each other. The geographical boundaries have been obliterated as buyer in one continent can easily contact, interact with and buy products from sellers in other continents. The buyer does not have to follow any specific time zones for purchasing as the online shops are open round the clock (Hernández, et al. 2015). The Internet stores a huge amount of information, serves as a transaction medium and a communication medium and provides the benefit of 24x7 (Hernández, et.al.,2015). The vast variety of information that can be accessed on the Internet allows customers to browse products or services extensively, customize specific information according to their needs, compare prices from different sites, order online/change orders, and receive feedback without actually traveling to a physical retail outlet (Pappas, 2015). The assortment of goods available on the Internet offers an unlimited range of many products and services readily available to the consumers (Bhatnagar and Ghose, 2004) Similarly people can even buy and sell anything, anywhere at any time. Saimee (2001) declared Internet to be one of the most significant and perhaps the greatest marketing tools for the global marketing place. Internet being one of the world's most successful innovations is seen to show tremendous growth in two ways, one in its applications and two in the number of users. Its unique characteristics of interactivity, flexibility, and personalization have led to enormous opportunities for those interested in innovative business strategies. One unique transformation that has been brought about by the Internet is online shopping, which has resulted in increasing competition to off line retail stores and mail stores catalogues especially in areas like books and music. Internet has provided boundary less shopping unlike a brick and mortar outlet where there is a limitation of space and time (Tran,2020).

### 2. Research Problem

The research problem regarding customer perceived risk in online home appliance shopping centers on the unwillingness to buy due to the inability to physically inspect high-cost, technically complex products. Consumers face significant uncertainty about whether a large appliance will meet their performance expectations or arrive without damage, leading to a negative impact on purchase intentions. Research consistently identifies several risk factors that act as deterrents for online appliance buyers. The primary concern that the appliance will not function as expected or that its quality cannot be accurately judged through online visuals alone. Apprehension regarding potential monetary loss, including the risk of fraud, hidden costs or the product not being worth the high price paid. Concerns about bulky items being damaged during transit, late delivery, or the high difficulty and cost of returning a large appliance if it is defective.



**3. Review of literature**

Nouman Malik, Amna Khan, Kashif Siddique, and Wajiha Qasim (2025) stated that security and privacy risks being antecedents of online purchase intentions of customers. They found that perceived privacy risk negatively impacts online shopping intentions of consumers, while perceived security risk has no impact on online shopping intentions of consumers. Alhaimers (2024) stated that the financial risk had little impact on consumer purchasing decisions during the corona virus pandemic. This decision may be due to strict monitoring of online financial transactions, which may cause consumers to worry. While the source of financial risk in the context of the pandemic, it provides a good understanding of the relationship between financial risk and online commerce. Bhattacharya et al., (2023) conclude that consumer attitude towards online shopping and intention to engage in online shopping differs depending on the country in question. It was considered necessary to determine whether attitude mediates the relationship between perceived risk and consumer intention to shop online in the case of emerging-market consumers that perceived risk must be moderated by certain factors so as to reduce negative impact in online shopping. Prastiwi and Fitria (2021) highlight the need for a deeper understanding of the different risk factors affecting different groups of online shoppers. Perceived threats have an impact on online shopping. Consumer anxiety and stress can prevent them from making purchases or cause them to choose popular brands with good brands over unknown brands. Understanding these risks is important for online sellers and marketers who want to build trust among their target audience and grow their business. Tran (2020) found that product risk affects consumers perceived behavior on the web, as well as other risks such as financial security and privacy threats. The study also found that consumers purchase intentions are affected by perceived satisfaction and product risk, suggesting a relationship between many types of risk perception and consumer behavior. Security risks have affected the popularity of online shopping, particularly concerns about the security of financial and personal information.

**4. Research methodology**

**Type of Research**

A research methodology is logical and systematic planning and directing of a research process to accomplish research goals. This study used descriptive type of research.

**Population**

The population of the study is the customers who buy home appliances through online in Hyderabad city.

**Sample Unit**

The researcher approached the customers to ask whether they have experienced the purchase of home appliances through online. If they purchased home appliances through online, they are considered as the sample unit.

**Sample Size**

This study utilized the convenient sampling method. Through this method 180 customers who bought the home appliances in online are approached for this study.

**Study Variables**

Financial risk, product risk, performance risk, delivery risk, privacy risk, after sales service risk, social risk and psychological risk are taken as variables for this study.

**Research Tool**

Survey method is taken as research tool for this study. The researcher constructed questionnaire for financial risk, product risk, performance risk, delivery risk, privacy risk, after sales service risk, social risk and psychological risk.

**Data Collection**

The data were collected with the help of questionnaire prepared for the present study from the customers who buy the products online. The customers were administered the individual questionnaire thus they were regarded as the major source of information. After completion of the data collection, thorough checking of the data tabulation was done and finally the field data were processed accordingly for statistical analysis.

**Statistical Tools**

For analyzing the perception towards the Financial risk, product risk, performance risk, delivery risk, privacy risk, after sales service risk, social risk and psychological risk descriptive analysis has been carried out.

**5. Results and Discussion**

**Table 1. Customers Perception towards Financial risk.**

Financial risk	Mean	Std. Deviation
Buying home appliances online is risk of spending money	3.45	1.12
Overcharged in online appliance shopping.	3.79	1.06

Hidden costs in online shopping.	4.04	1.18
Value for the money is less in online shopping.	4.01	1.21

Table 1 explains the customers perception towards financial risk in online shopping of home appliances. From the mean values, it is inferred that the customers highly opined that hidden costs are applied more in online shopping (4.04) followed by less value for money(4.01), over charging in online shopping (3.79) and risk of spending money in online shopping. From the result of the analysis it is noted that the customers highly felt that hidden costs are charged more in online shopping. However the customers felt risky of spending money in buying home appliances through online is at low level.

**Table 2. Customers Perception towards Product Risk.**

Product risk	Mean	Std. Deviation
Delivered products did not match the description.	3.53	0.82
Differ in size, color, or features from what I expected.	3.76	0.86
I fear of appliances damaged in online shopping.	4.21	1.05
Online products may not be original.	4.02	1.01

Table 2 explains the customers perception towards product risk in online purchase of home appliances. From the mean values, it is inferred that the customers highly stated that they had fear of product getting damaged when buying the products online (4.21) followed by the Online products may not be original (4.02), the appliances delivered differ in size, color, or features from what they expected (3.76), and delivered products did not match the description (3.53). It is noted that, the customers though satisfied with the products matching the description, they highly get fear of home appliances being damaged when buying online

**Table 3 Customers Perception towards Performance Risk.**

Performance Risk	Mean	Std. Deviation
Appliances purchased online may not function properly.	3.72	0.89
Online appliances may not last as long as expected.	4.01	1.05
Risk that appliances will not perform as promised.	3.86	0.94
Lower durability compared to offline purchases.	4.13	1.21

Table 3 shows the customers perception towards performance risk in online shopping of home appliances. The result of the analysis inferred that the customers highly rated towards the risk factor of low durability compared to offline purchases (4.13) followed by online appliances may not last as long as expected (4.01), appliances online may not function properly (3.94), there is a risk that appliances will not perform as promised (3.86) and Online appliances may not last as long as expected (3.72). It is found the customers perceive high level of risk in lower durability compared to offline purchase while the customers have low risk in home appliances not functioning properly in online shopping.

**Table 4 Customers Perception towards Delivery Risk.**

Delivery Risk	Mean	Std. Deviation
Risk of arriving late.	3.98	1.08
Risk of Mishandling of appliances.	4.16	1.17
Risk of receiving the wrong appliances through online shopping.	3.57	0.84
Concerned about incomplete deliveries (missing parts/accessories).	3.65	0.89

Online deliveries are not always reliable..	3.87	0.99
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Table 4. shows the customers perception towards delivery risk of buying home appliances in online. From the mean values, it is observed that the customers highly rated that online delivery may mishandle or damage appliances (4.16) followed by risk of arriving late (3.98), online deliveries not reliable (3.87), concerned about incomplete deliveries (3.65) and Risk of receiving the wrong appliances through online shopping. It is inferred that, the customers felt high risk that there will be mishandling of home appliances when delivered through online shopping and have low risk in receiving wrong appliances.

**Table 5 Customers Perception towards Privacy Risk.**

Privacy Risk	Mean	Std. Deviation
Unsafe for personal information provided on online platforms.	3.63	0.91
Misuse of financial data.	3.58	0.83
Risk of credit/debit card details being stolen.	3.88	0.87
Risk of hackers may access my online shopping account.	4.01	1.03
Identity theft when purchasing appliances online.	3.92	0.93

Table 5 explains the customers perception towards privacy security risk in online purchase of home appliances. From the mean values it is inferred that the customers highly rated that they get fear of risk that hackers may access their online shopping account (4.01) followed by fear of the customers identity theft while purchasing online (3.92), Risk of credit/debit card details may be stolen (3.88), customer feel unsafe of providing personal information in online shopping platforms (3.63) and misuse of financial data in online purchasing (3.58). It is noted that the customers perceive high risk that the hackers may easily access their online shopping account while the customers perceive low risk in misuse of financial data in online shopping.

**Table 6 Customers Perception towards After-Sales Service Risk**

After-Sales Service Risk	Mean	Std. Deviation
Warranty services are often unreliable.	3.87	0.98
Returning appliances is difficult in online purchasing.	3.54	0.87
After-sales service quality is poor.	3.78	0.94
Installation support is not satisfactory.	4.06	1.04
Complaint resolution is slower.	4.18	1.02

Table 6 displays the customers perception towards After-Sales Service Risk factors in purchase of home appliances in online. From the mean values, it is found that the customers highly stated that Complaint resolution is slower (4.18) followed by Installation support is not satisfactory (4.06), Warranty services are often unreliable(3.87), After-sales service quality is poor (3.78) and Returning appliances is difficult in online purchasing (3.54). It is inferred that the customers highly perceived towards the risk that complaint resolution is slower in online shopping of home appliances while the customers less risk in returning appliances in online purchasing.

**Table 7 Customers Perception towards Social risk.**

Social Risk	Mean	Std. Deviation
Disapproval of friends and families if my online purchase fails.	3.76	1.25
People may think less of me if I buy defective appliances online.	3.89	1.05
I feel embarrassment if my online purchase turns out poorly.	4.03	1.39

Buying online may affect my social image.	3.63	0.95
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Table 7 shows the customers perception towards Social Risk in purchasing home appliances in online. From the mean values, it is found that the customers highly rated that they fear embarrassment if my online purchase turns out poorly. (4.03) followed by people may think less of me if I buy defective appliances online (3.89), disapproval of friends and families if my online purchase fails (3.76) and buying online may affect my social image (3.63) . It is found that the customers perceived high social risk of feeling embarrassment if my online purchase turns out poorly while the customers perceived low risk that buying home appliance online affects their social image.

**Table 8 Customers Perception towards Psychological Risk.**

Psychological Risk	Mean	Std. Deviation
Anxious when purchasing expensive appliances in online.	3.68	0.86
I fear making a wrong decision when shopping online.	3.75	0.92
Buying appliances online makes me uncertain and nervous.	3.96	1.02
I sometimes regret online appliance purchases.	3.55	0.81
I feel stressed until online appliance deliveries	4.08	1.06

Table 8 explains the customers perception towards Psychological Risk in buying home appliances online. From the mean values, it is noted that the customers highly stated that they feel stressed until online appliance deliveries (4.08) followed by customer feel stressed while waiting for online appliance deliveries (3.97), buying appliances online makes them uncertain and nervous (3.96), they get fear making a wrong decision when shopping online (3.75), anxious when purchasing expensive appliances in online (3.68) and they sometimes regret online appliance purchases (3.55). It is found that, the customers have perceived high risk that they feel stressed until online appliances being delivered while they perceive low risk in sometimes regretting online appliance purchases.

**6. Findings and Suggestions**

As the customers highly felt that hidden costs are charged more in online shopping, reading customer reviews to identify complaints about extra costs.

As the customers highly get fear of home appliances being damaged when buying online, online shopping platforms should improve packaging quality and ensure safe handling during transportation and sellers can provide product insurance The customers perceive high level of risk in lower durability compared to offline purchase while the customers have low risk in home appliances not functioning properly in online shopping

The customers felt high risk that there will be mishandling of home appliances when delivered through online shopping

The customers perceive high risk that the hackers may easily access their online shopping account, online retailers should adopt strong cyber security measures.

The customers highly perceived towards the risk that complaint resolution is slower in online shopping of home appliances, Online retailers can introduce 24/7 customer care, live chat support, and automated tracking systems to update customers about the status of their complaints

The customers perceived high social risk of feeling embarrassment if my online purchase turns out poorly, companies should focus on providing faster and more efficient customer support services.

The customers have perceived high risk that they feel stressed until online appliances being delivered companies should offer quick complaint resolution and hassle-free refunds or replacements if products arrive damaged.

**7. Conclusion**

Online purchasing of home appliances offers convenience, wider product choices, and competitive pricing, but it also involves several risks. This study presents the customers perception towards various risks such as financial risk, product risk, performance risk, delivery risk, privacy risk, after sales service risk, social risk and psychological risk. These risks can lead to financial loss and customer dissatisfaction if proper precautions are not taken. Therefore, buyers should carefully verify seller credibility, read customer reviews, compare products, use secure payment methods, and understand return and warranty policies before making a purchase. By staying informed and cautious, consumers can reduce potential risks and enjoy a safer and more satisfactory online shopping experience.

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