Contemporary Issues in Social Sciences and Management Practices (CISSMP)
ISSN: 2959-1023
Volume 4, Issue 2, June 2025, Pages 29-43
Journal DOI: 10.61503
Journal Homepage: https://www.cissmp.com

Influence of Financial Risk Awareness and Price Volatility Sensitivity on Online Buying Intentions: The Mediating Role of Perceived Economic Value and Purchase Anxiety

[1]Muhammad Khizar Hayat, [2]Zakee Saadat & [3]Khansa Masood
[1]Lecturer, Department of Economics, Thal University Bhakkar (Ex- UOS- Sub Campus Bhakkar).
[2]Assistant Professor, School of Professional Advancement, UMT, Pakistan.
[3]Assistant Professor, School of Professional Advancement, UMT, Pakistan.

Article History:
Received: Feb 02, 2025
Revised: April 12, 2025
Accepted: June 19, 2025
Available Online: June 30, 2025

Keywords: Financial Risk, Price Volatility Sensitivity, Buying Intentions

Funding:
This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

ABSTRACT

In an era of rising economic uncertainty and market volatility, consumers' financial behaviors are increasingly shaped by macroeconomic perceptions. This study investigates how financial risk awareness and price volatility sensitivity two critical economic constructs impact online buying intentions, with perceived economic value and purchase anxiety as mediating variables. Drawing on behavioral economics and marketing science, the study adopts a mixed theoretical lens to explore how individuals respond to fluctuating digital pricing environments and financial risk signals. Primary data were collected from 300 online shoppers in Pakistan using structured questionnaires. The data were analyzed using Structural Equation Modeling (SEM) in SmartPLS 4. Results demonstrate that financial risk awareness negatively influences online buying intentions, while price volatility sensitivity shows a mixed effect, dependent on perceived economic value. Perceived economic value positively mediates both relationships, while purchase anxiety acts as a suppressing mediator. The findings provide a unique contribution by linking economic volatility perceptions to micro level consumer behavior. Practical implications include the need for platforms to reduce price uncertainty signals and improve consumer access to real-time financial insights, especially in emerging digital markets.

Corresponding Author's Email: Khansamasood@umt.edu.pk
DOI: https://doi.org/10.61503/cissmp.v4i2.293
Citation: Hayat, M. K., Saadat, Z., & Masood, K. (2025). Influence of Financial Risk Awareness and Price Volatility Sensitivity on Online Buying Intentions: The Mediating Role of Perceived Economic Value and Purchase Anxiety's. *Contemporary Issues in Social Sciences and Management Practices*, 4(2), 29-43.

1.0 Introduction

In the modern, interconnected world economy, the growing financial instability and market volatility are becoming an increasingly dominant factor in consumer behavior, which is especially relevant in digital commerce. With the constant restructuring of the retail sector by technological innovation, online shopping has emerged as the most predominant form of consumption, especially in the emerging markets like Pakistan (Husain et al., 2024). This is developing in an economic environment where interest rates are volatile, inflationary pressures, devaluation of the currency, and unstable commodity prices all of which feed into the financial decision making of consumers. In such circumstances, people do not only act as passive recipients of market signals but also as active interpreters of macroeconomic indicators. Based on this, the purchasing behaviour in online marketplaces is increasingly dependent on the perception of economic risk and perceived value, thus, requiring an in-depth analysis on how this affects the consumer behaviour (Purcărea et al., 2022).

Economic volatility is perceived by consumers through two constructs, financial risk awareness and price volatility sensitivity. Financial risk awareness refers to the awareness and evaluation of the individual of the negative outcomes that might occur as a result of financial decisions, including uncertainty about income, inflation, and purchasing power. It is a mental assessment of monetary risks that may trigger the conservative or risk-averse response (Saltık et al., 2023). The price volatility sensitivity, in its turn, is the degree to which consumers react to frequent and unpredictable changes in price, especially in digital marketplaces where dynamic pricing is common. This sensitivity creates uncertainty, consideration and sometimes even reactive behavior like compulsive purchases when there are supposed price drops (Sherman et al., 2021). Collectively, these variables provide a psychological context in which consumers can bargain with an unstable and complicated financial landscape, which influences their willingness to make online purchases.

The theoretical framework of investigating the relationship between these constructs and online buying intentions is based on behavioral economics as well as consumer psychology. Behavioral economics argues that people do not tend to behave rationally in economic situations; rather they use heuristics, emotions, and perceptions, particularly when faced with uncertainty. Financial risk awareness complements the prospect theory that states that individuals place more emphasis on potential losses than on equivalent gains (Pursiainen et al., 2021). In this regard, increased financial risk awareness can reduce the intentions to buy by loss aversion and the increased sensitivity to perceived insecurity. Price volatility sensitivity, in its turn, reflects how the consumers feel secure in the fluid pricing mechanisms in the digital settings. In the view of the signaling theory, frequent price changes can be a negative signal regarding the stability of the market, and consumers will be less confident in the reliability of online platforms and will be reluctant to buy (Cui & Zhang, 2025). Nevertheless, price volatility, in selective conditions e.g. when price reductions or discounts are perceived as opportunities, enhances purchase intentions, which highlights its two-faced nature.

In order to explain these dynamics further, Mediating Variables are proposed: perceived

economic value and purchase anxiety. Perceived economic value is the cognitive computation of the consumer of the trade-off between the benefits obtained out of a product or service and the costs incurred- money, time, effort and so on. Positive affect due to high perceived economic value can offset negative affect of financial risk or price instability, and therefore offer rational basis in the face of cognitive complexity (Ahamed et al., 2025). Purchase anxiety, in its turn, includes the emotional unease, stress, or fear before making a purchase and is usually enhanced by the feelings of financial insecurity or dynamic pricing. Based on the stimulus-organism-response (S-O-R) model, financial risk and price signals (stimuli) affect internal psychological states, e.g. anxiety or value perception, which influence the behavioral outcome (response). This is a sequential theoretical framework that emphasizes the multidimensionality of online consumer behavior in situations of economic stress.

Despite the growing interest in the study of digital consumer behavior among scholars, certain research gaps remain remarkable. Up to date, the existing research has focused mainly on technical issues, i.e., usability of websites, trust, safety, and marketing techniques, e.g., personalization or customer involvement. The number of studies that have focused on the effects of macroeconomic perceptions, especially financial risk and price volatility, on consumer intentions on a psychological level is much smaller (Alhenawi & Yazdanparast, 2022). Even though certain empirical studies have linked economic circumstances to general consumption trends, there is still a lack of research that has explored the micro basis of behavior under financial uncertainty, particularly in online retailing in developing economies. Moreover, the mediating effects of constructs like perceived economic value and purchase anxiety have not been systematically explored and therefore there exists a gap in theory in explaining the entire causal chain between economic perceptions and consumer behavior (Hikam et al., 2024).

The situation in Pakistan, with its chronic fiscal limitations, constant price inflation, and the blistering growth of the local digital market, is an effective example of the environment in which the given research is conducted. The combination of frequent currency volatility, increased cost of living, and disproportionate governmental reforms within the nation make it a particularly ideal environment to study the effect of macro-level financial perception on online buying behavior. Despite the rising internet usage and e-commerce involvement, the consumer confidence is still fragile in nature and can easily be affected by exogenous economic shocks as well as endogenous institutional instability (Bai et al., 2025). In these conditions, the necessity to explore the processes by which the users of digital marketplaces orient themselves in the environment of perceived financial risk and unstable pricing regimes emerges both in the academic context of developing theoretical constructs and in the business context of designing resilient, adaptive e-commerce infrastructures.

The current study aims to clarify how the financial risk awareness and price volatility sensitivity regulate online purchase intentions through the two mediating paths of perceived economic value and purchase anxiety. The research problem, which is a crossroad between economics, psychology, and marketing, requires an analytical framework that can combine cognition and affect in the uncertain environment of modern digital commerce. Traditional

economic frameworks tend to make the assumption of rational actors whose preferences never change, thus overlooking the dynamic, emotional aspect of online decision-making. This study thus suggests a model, which explicitly integrates behavioral economics with marketing science, and which generates a more sophisticated model of consumer behavior that reflects the intricacies of the modern digital marketplace.

The work has twofold contribution. Theoretically, it goes beyond the current models of online consumer behavior by adding macroeconomic perceptions and psychological mediators. It challenges the traditional belief that online shopping is highly determined by convenience, price effectiveness, or brand loyalty, but rather a set of variables such as individual-level economic thought and emotional reactions. The study further explains the process of financial signals processing and internalization and leading to a purchase act by assuming perceived economic value and purchase anxiety as mediators (Ma et al., 2025). In practice, the results have direct implications to professional marketers, developers of e-commerce platforms, and policy makers. The awareness of the suppressive effect of purchase anxiety and the positive influence of perceived value implies that platforms may reduce uncertainty by implementing the following mechanisms: transparent pricing, real-time financial tools, and personalized risk information, which will help to instill confidence in consumers and promote sustainable online buying behavior (Rane et al., 2024).

The emphasis on Pakistan also provides a contextually rich perspective in which theories that are held universally can be localized and tested. Being a developing market, Pakistan is a good example of both the potential and the limitations of the fast digital development in the environment of significant financial instability. This means that the knowledge gained in this study can be applied not only to the Pakistani situation but also to other developing economies that are experiencing similar transitions (Raza & Lin, 2022). In this way, the study fills both an empirical gap and contributes to the international discussion of the influence of economic perceptions on consumer behavior in the digital age. It allows a strong structure to assess consumer resilience, flexibility, and behavior in the face of financial uncertainty by linking macroeconomic volatility and microeconomic behavior (Barkas, 2025).

Overall, the current research is an empirical investigation that aims to determine how financial risk awareness and price volatility sensitivity influence online purchase intentions through perceived economic value and purchase anxiety. It is based on behavioral economics and marketing theory and is located in the volatile economic environment of Pakistan, filling the relevant theoretical and practical gaps in the literature (Fatemah & ul Haq, 2024). The results contribute to knowledge of digital consumer behavior during economic pressure, and they provide meaningful contributions to the academic, industry, and policy worlds. Finally, the paper highlights the need to reconsider the consumer decision-making process in the era of ubiquitous, unpredictable and psychologically prominent economic cues, especially in internet retailing.

2.0 Literature Review

This current study is based on the background knowledge in behavioral economics, consumer psychology, and marketing science to explain how macroeconomic perceptions influence online consumer behavior. The most prominent theory in this analysis is Prospect

Theory, which states that people tend to be more responsive to possible losses than to equal gains, a cognitive biased that is especially relevant during economic uncertainty. Consumers that perceive an increased financial risk will tend to make conservative or loss-averse decisions thus reducing their willingness to engage in discretionary spending like online shopping (Atkinson & Mou, 2024). Simultaneously, the Stimulus-Organism-Response (S-O-R) model provides a normative framework by means of which macroeconomic stimuli (price changes, financial-risk indicators, etc.) are translated into internal psychological reactions (anxiety, value perception, etc.) that, in turn, affect consumer behavior. Signaling Theory also explains that price volatility is a form of communication: unstable price fluctuations can be used as a signal of market insecurity or unreliable platform (Kauder et al., 2023). Moreover, the Elaboration Likelihood Model (ELM) outlines two decision-processing channels, namely, central route processing, which is activated when the financial-risk awareness leads to further consideration of the economic consequences, and peripheral route processing, which is triggered by price-volatility sensitivity and is usually based on the heuristic-based judgments. These theoretical approaches, in combination, provide a sophisticated picture of how economic instability shapes the psychological mechanisms through which consumer behavior is regulated in digital marketplaces.

An empirical literature review shows that financial risk has a perceptible effect on consumer habits, especially in online-shopping environments. The results are always the same, that is, when financial-risk awareness is high, consumers are less willing to transact online. This fear can be explained by the fear that economic instability will threaten the purchasing power, job, or ability to pay bills in the future. As a result, consumers tend to be more hesitant to make a purchase, have a higher rate of cart abandonment, and more critical of pricing information (Esmeli & Gokce, 2025). However, the strength of these effects can be reduced by consumer experience or platform trust. Experienced buyers or buyers with a high level of familiarity with e-commerce often use coping strategies that reduce the perceived risk and diminish its effects on purchase intention. In addition, financial literacy and previous experience of economic volatility influence the translation of risk awareness into behavior (Jariyapan et al., 2022). Consumers who are located in developing economies, where macroeconomic instability is more common, can become desensitized to financial-risk cues or can become more responsive, based on their own resilience.

The sensitivity to price volatility has also become another factor that determines the consumer behavior in the dynamic digital environment. Even though episodic price reduction is beneficial to consumers, prolonged or random price changes create uncertainty and confusion. This volatility is often seen as a bad indication of seller reliability or quality of the product, which destroys trust and weakens intentions to buy (Jariyapan et al., 2022). Regret aversion can also be caused by sudden or unexplainable changes in prices, in which consumers worry that they have made a bad economic choice and thus delay or avoid purchasing altogether. Price volatility in such situations is not a rational, but an emotional and psychological stimulus (Niemeier & Pospisil, 2025). Although certain consumers might respond to price decreases positively, as a chance to maximize utility, the responses are conditional on the perceptions of the fairness and the transparency of the pricing mechanism.

The perceived economic value acts as an important mediator between the macroeconomic cues and intentions to buy. It is the internal evaluation of the consumer of the benefits versus the costs of a transaction. In the event of financial risk or price volatility, consumers will be more willing to complete online transactions when they perceive high value because the perception of value is a stabilizing mental framework that justifies decision-making in the face of external uncertainty. On the other hand, low perceived value enhances the negative impact of risk and volatility, and consumers feel that they are not being adequately compensated in terms of uncertainties they encounter (Shuhaiber et al., 2025). Therefore, perceived value is not just a passive evaluation but it is rather an active influence on the emotional and cognitive reaction of the consumer to economic cues.

Another notable mediator in the modern consumer studies is purchase anxiety. It can be defined as the emotional unease and anxiety that can be experienced in the process of making a decision and it often increases when there is financial uncertainty and price volatility where the consumer is afraid of choosing the wrong option or losing money. Increased purchase anxiety is expressed as hesitation, frequent self-analysis (second-guessing), and the related stress, which decreases the likelihood of making a purchase (Schlegel, 2024). In that regard, purchase anxiety acts as a negative moderator that reduces the positive effect that other positive cues, including discounts, product quality, or promotional incentives, may have. Its significance is especially apparent in the online environment, where customers cannot examine products physically and face the possibility of buyer remorse; what is more, the impersonal and irreversible nature of online transactions compounds the emotional unease, thus serving as a powerful deterrent, especially to those who are already financially constrained or risk-averse (Greimel & Sposato, 2021). The relationship between perceived value and purchase anxiety is not simple: although perceived value can regulate anxiety to a certain degree, it cannot completely get rid of it.

Despite the new developments in the field of consumer research which have shed light on how financial perceptions influence behavior, there are still a number of gaps. To begin with, majority of the previous research has focused on constructs in isolation as opposed to an integrated framework. The financial risk or price volatility is often studied separately by scholars without exploring their possible interactions or the way they are mediated by internal psychological states (Shi et al., 2024). Second, most empirical studies are focused in developed economies where exposure to economic turbulence is relatively limited. As a result, the results might not be able to represent the behavioral dynamics of the developing countries where volatility is more imminent and enduring. Third, there is a paucity of studies on the combined effect of cognitive and affective mediators on macroeconomic perceptions and the intention to purchase online (Sukesi, 2023). Although perceived value is well-researched as a rational anchor, the affective component, in particular, purchase anxiety, has been relatively under-researched. Lastly, the Pakistani context, which is defined by its peculiar mix of economic instability and a fast-growing digitalization, is under-researched even though it is relevant to both theory and practice.

The above theoretical backgrounds and empirical gaps lend themselves to a series of hypotheses to inform the current analysis. The hypothesis is that financial risk awareness has a

negative impact on the online buying intention since the increased awareness of economic instability promotes risk-averse behavior and, thus, reduces the purchasing activity (Reyes-Mercado & Reyes-Mercado, 2021). It is also hypothesized that the price volatility sensitivity has a conditional impact on online buying intention: whereas it can have a negative impact on intention when the perceived value is low, it can have a neutral or even positive impact when the consumers perceive high economic value. Perceived economic value is thus postulated to have a positive mediating effect on financial risk awareness and price volatility sensitivity since it provides a rational anchor that counteracts the adverse impact of uncertainty.

It is hypothesized that purchase anxiety negatively mediates these relationships and acts as an emotional barrier that inhibits the positive influence of the other variables. In addition, the interaction of perceived economic value and purchase anxiety is hypothesized, where the high level of perceived value reduces, but does not completely eliminate, the dampening effect of purchase anxiety. All these hypotheses form a holistic model by combining both cognitive and affective processes to describe online consumer behaviour in economically volatile environments (Parashar et al., 2024). The research contributes to the understanding of psychological processes that dictate consumer behavior in response to financial uncertainty in digital markets by filling in the gaps and applying this framework to a developing economy.

3.0 Methodology

The current study uses a quantitative paradigm which is based on positivism philosophy. In this context, the research aims at finding out empirically identifiable relations between economic perceptions, psychological mediators, and online purchasing intentions. The positivist approach promotes the use of methodical processes and strict empirical trials, which allows statistical generalization and hypothesis confirmation. The cross-sectional design was considered most suitable because the inquiry will focus on how macroeconomic signals impact consumer behaviour by mediating cognitive and emotional factors. This design allows collecting data at one time point, which will capture the perception and behaviours of respondents in the present economic conditions of Pakistan, which is characterised by chronic financial instability, inflationary pressures, and the blistering growth of its digital marketplace. The strategic choice of Pakistan allows examining the influence of financial risk awareness and price volatility sensitivity on digital consumption within the environment of an emerging economy.

The population of interest was the adult Pakistani online shoppers who had made at least one online purchase in the last six months. This criterion was chosen to make sure that participants had relevant and recent experiences of online shopping. A non-probability sampling approach, namely, purposive sampling, was used due to the practical limitations of the availability of complete sampling frame of all online consumers in Pakistan. This method enabled the researchers to sample people who were most likely to provide rich and salient data to meet the objectives of the study. The demographic variation was integrated in the process of recruiting the participants to make it more representative and as a result, the respondents were selected across the various age groups, gender, income groups, educational backgrounds and geographical locations in the urban centres of the country where online shopping is most common.

The information was collected through a self-administered questionnaire that was structured and required the respondents to answer questions based on the core constructs, which were financial risk awareness, price volatility sensitivity, perceived economic value, purchase anxiety, and online buying intention. The instrument was also distributed online using Google forms and shared on social media platforms, email invites, and online consumer forums, which allowed reaching the maximum number of respondents. A five-point likert scale was used to respond and this made the measurement consistent and enhanced reliability. All of them were based on scales that have been previously validated and only slight changes were made to fit the Pakistani context. The pilot study was carried out on 30 respondents before the actual data collection to test the clarity of the items, reliability and internal consistency. Experience with the pilot was used to make slight adjustments to wording of items and general questionnaire structure.

There were 300 valid answers, which is enough to conduct Structural Equation Modelling (SEM) analysis using SmartPLS 4, which is the analytical platform chosen. One of the strengths of SEM is that it allows testing complex models that incorporate numerous constructs and mediating variables and allows controlling measurement error simultaneously. SmartPLS is a variance-based method that is particularly suitable in exploratory studies and does not require strict multivariate normality assumptions, which makes it suitable to data obtained through non-probability sampling. The analysis was performed in two steps: initially, the measurement model was tested in terms of reliability and validity using such indicators as Cronbach alpha, composite reliability, and average variance extracted (AVE); secondly, the structural model was used to test the hypothesized relationships by analyzing the path coefficients, t-statistics, and R 2 values. Bootstrapping tests were used to test mediated effects through perceived economic value and purchase anxiety.

4.0 Findings and Results

4.1 Measurement Model

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Financial Risk Awareness	0.8058	0.8065	0.8565	0.504
Online Buying Intentions	0.71	0.7769	0.7958	0.545
Perceived Economic Value	0.7099	0.7186	0.8023	0.5085
Price Volatility Sensitivity	0.7745	0.8145	0.8438	0.5086
Purchase Anxiety	0.8378	0.8384	0.8833	0.5626

Those outcomes reflect reliability and validity of measurement constructs. The values of Cronbach Alpha are acceptable in all constructs (exceeding 0.7), which shows high internal consistency. The values of rho A, which is indicator of internal consistency, are also satisfactory,

with values all above 0.7. All constructs have values of Composite Reliability above 0.7 rounding off the confirmation of reliability. AVE values, 0.504 to 0.5626, indicate that every construct is explaining a sensible measure of variance in its indicators, whereby the values above 0.5 show that convergent validity is fairly acceptable. All in all, these findings could adhere to the reliability and validity of the measurement model.

Table 4.2 Discriminant Validity (HTMT)

	Financial Risk Awareness	Online Buying Intentions	Perceived Economic Value	Price Volatility Sensitivity	Purchase Anxiety
Financial Risk Awareness					
Online Buying Intentions	0.5132				
Perceived Economic Value	0.7969	0.5331			
Price Volatility Sensitivity	0.3214	0.7809	0.3273		
Purchase Anxiety	0.6598	0.5424	0.6099	0.3638	

The correlations show that the strongest correlations of Financial Risk Awareness are with Perceived Economic Value (0.7969) and Purchase Anxiety (0.6598). The correlation between Price Volatility Sensitivity and Online Buying Intentions is not very strong (0.7809). Purchase Anxiety has positive interrelations with Online Buying Intentions and Perceived Economic Value moderately (0.5424 and 0.6099 respectively). On the whole, the findings indicate that the perceived effects of financial risk awareness and price sensitivity on planned purchase and perceived product worth highly differ.

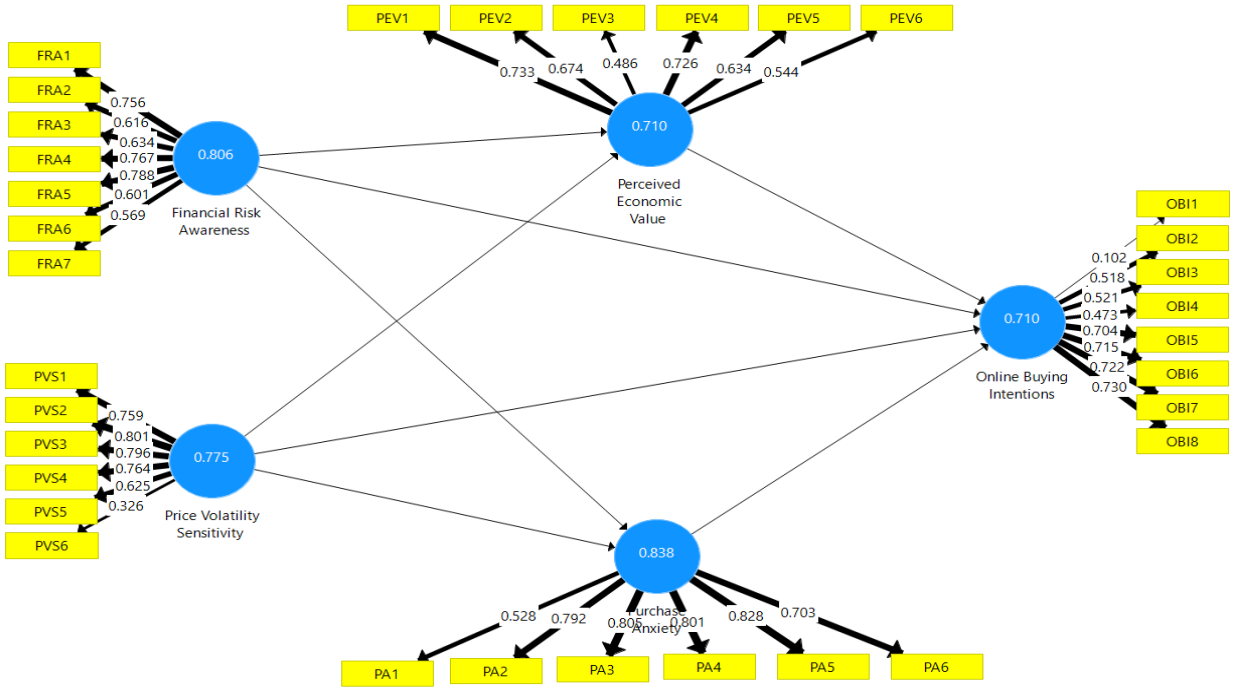

Figure 4.1 Measurement Model

4.2 Structural Equational Model

Table 4.3: Direct Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Financial Risk Awareness -> Online Buying Intentions	0.0964	0.0949	0.0402	2.3953	0.017
Financial Risk Awareness -> Perceived Economic Value	0.6306	0.6286	0.0334	18.8644	0
Financial Risk Awareness -> Purchase Anxiety	0.5403	0.5392	0.0302	17.8952	0
Perceived Economic Value -> Online Buying Intentions	0.0977	0.0949	0.037	2.6441	0.0084
Price Volatility Sensitivity -> Online Buying Intentions	0.5581	0.5592	0.0348	16.06	0
Price Volatility Sensitivity -> Perceived Economic Value	0.0861	0.085	0.0326	2.6423	0.0085
Price Volatility Sensitivity -> Purchase Anxiety	0.1673	0.1674	0.033	5.0618	0
Purchase Anxiety -> Online Buying Intentions	0.154	0.1527	0.0373	4.1257	0

Their results indicate all the relationships are statistically significant and their p-values are below 0.05. The relationship that is the strongest is that between Perceived Economic Value and Financial Risk Awareness (0.6306, p=0), and that between Purchase Anxiety and Financial Risk Awareness (0.5403, p=0). The Price Volatility Sensitivity is at high influence on Online Buying Intentions (0.5581, p=0) and Purchase Anxiety (0.1673, p=0). The factor of Financial Risk Awareness also amounts to a significant impact on Online Buying Intentions (0.0964, p=0.017). The rest of the relationships that consider being significant are the effects of Perceived Economic Value on Online Buying Intentions (0.0977, p=0.0084).

Table 4.4 Mediating Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Financial Risk Awareness -> Perceived Economic Value -> Online Buying Intentions	0.0616	0.0599	0.0242	2.5508	0.011
Price Volatility Sensitivity -> Perceived Economic Value -> Online Buying Intentions	0.0084	0.0082	0.0047	1.7937	0.0435
Financial Risk Awareness -> Purchase Anxiety -> Online Buying Intentions	0.0832	0.0822	0.0201	4.1397	0
Price Volatility Sensitivity -> Purchase Anxiety -> Online Buying Intentions	0.0258	0.0257	0.0086	2.9814	0.003

The findings depict high indirect correlations. And the direct influence of the Financial Risk Awareness on Online Buying Intentions is quite high via Perceived Economic Value (0.0616, p=0.011) and the indirect effect of Price Volatility Sensitivity on Online Buying Intentions is less significant, also positive via Perceived Economic Value (0.0084, p=0.0435). Financial Risk Awareness also affects Online Buying Intentions by the psychic strain known as Purchase Anxiety (0.0832, p=0), and is being equally affected by Price Volatility Sensitivity, which also influences Online Buying Intentions by Purchase Anxiety (0.0258, p=0.003). These results indicate the mediating mediators of Perceived Economic Value and Purchase Anxiety in the relationship among independent variables and Online Buying Intentions.

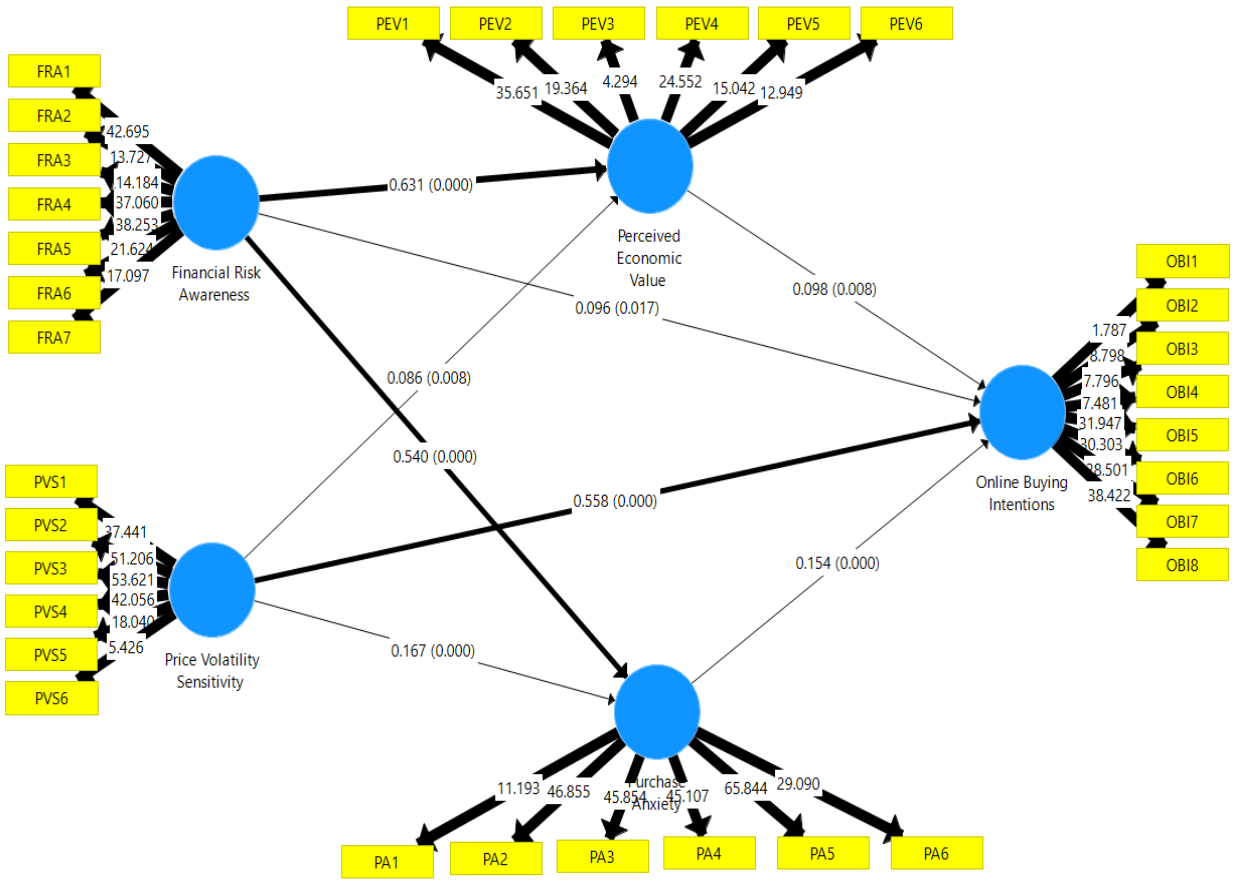

Figure 4.2: Structural Equational Model

.

5.0 Discussion and Conclusion

The current research will provide the much-needed knowledge on the factors that influence online purchase intentions in the vibrant digital market of Pakistan. A structural model revealed that increased financial risk consciousness has a negative influence on online purchasing intention, thereby confirming theoretical speculations that high economic insecurity depresses consumer confidence and reduces online buying behavior. This finding is comparable to the Prospect Theory,

which states that, particularly in the environment of market volatility, consumers, especially those who work in volatile currency rates, inflationary environment, and fluctuating income, become risk-averse and focus on the prevention of possible loss. As expected, this repulsion creates reluctance or avoidance of optional online purchases.

However, the role of price volatility sensitivity in buying intention was more complicated, and it depended on mediating factors. The direct impact of price volatility was not unanimously adverse since not every consumer reacts to changes in prices in the same way. To others, dynamic pricing environment triggers the feeling of opportunities, particularly when the perceived promotional deals or discounts are considered just or transparent. On the other hand, when such movements are perceived as random or manipulative, they become deterrents as they destroy consumer confidence and increase psychological uncertainty. This twofold aspect of price effect suggests that consumers consider price cues in psychological contexts, namely perceived economic value and purchase anxiety both of which were identified as important mediators of the relationships in question.

Perceived economic value was found to be a powerful positive mediator between financial risk awareness and price volatility sensitivity and online buying intention. This discovery supports earlier theoretical and empirical claims that consumers will be more likely to make commitments to online purchases when they feel that the economic gains will exceed the risks or uncertainties. In this case, perceived value acts as a stabilizing agent, which justifies the purchasing behavior even in an uncertain external environment. The finding confirms the importance of perceived value as a key element of the consumer decision making process, especially in online settings where the evaluation of physical products is restricted. Notably, the negative impact of financial risk and price volatility are significantly minimized when consumers perceive high economic value, which means that value perception can counteract the negative emotional and cognitive responses induced by external volatility.

Purchase anxiety, however, was discovered to mitigate the positive effect of perceived value on the buying intention and to increase the negative impact of financial risk and price volatility. This observation shows the emotional weaknesses of consumers who work under volatile financial conditions. Fear of making bad decisions, regret or loss of money in the form of purchase anxiety played a significant role in decreasing online buying intention even when the consumer felt that there was high economic value. The presence of rational judgments (value perception) and emotional reactions (anxiety) proves that the digital buying process is not a completely rational activity but it is extremely vulnerable to the economic and psychological factors. In line with this, any platform that aims to maintain or increase its consumer base should focus on maximizing prices and value propositions as well as filling the emotional pain points and trust gaps that exist in turbulent economic ecosystems.

The current study shows that macroeconomic volatility, which is expressed in market volatility and pricing dynamics, has a significant effect on online consumer behaviour, involving both cognitive and emotional processes. Specifically, in the context of the emerging economies, like Pakistan, where customers face the constant economic insecurity, the choice of what to buy

digitally is not only based on the factors of affordability and utility, but also on the judgments of fairness of the value and the desire to find the emotional comfort. Online purchase intentions are therefore not fully understood unless the internal processing of the external economic signals through value judgments and emotional reactions is considered. Therefore, the willingness of an individual to online shopping is the result of a complicated bargaining process between the perceived economic benefit and emotional safety.

These results have a number of practical implications on the e-commerce platforms in the emerging economies. First, platform designers ought to adopt the concept of transparency in pricing strategies to address the adverse signaling effect of price volatility. Effective communication on the causal factors of price change, e.g. currency fluctuation or supplier costs, can control consumer expectations and increase trust. Second, the platform is to invest in the tools that reinforce the sense of the economic value, such as personalized discounts, loyalty rewards, and clear cost-benefit comparisons, which can be used to offset the risk-related perceptions. Third, elements that increase anxiety in the user interface, like countdown timers, messages about stock scarcity, or complex return policies, should be mitigated because they may amplify emotional distress and hinder conversions. Anxiety can be mitigated by complementary actions, such as real-time customer service, easy returns, and post-purchase guarantees, which may help overcome purchase decisions, especially by first-time buyers or those with limited finances.

Theoretically, the research contributes to the interrelation of behavioural economics, consumer psychology, and digital marketing by expanding the knowledge on the way consumers in turbulent economies perceive external financial stimuli in cognitive and emotional dimensions. The findings confirm the primacy of the S-O-R model in the virtual environment, proving that both perceived economic value and purchase anxiety serve as key mediators, whereas confirming the applicability of dual-processing models like ELM in the context of how people process financial information along different cognitive routes. To policymakers and other interested parties, these results point to the necessity of promoting digital financial literacy, the development of stable e-commerce environments, and the establishment of consumer protection systems that appeal to the rational and emotional aspects of online shopping.

To conclude, the current study suggests that in economically unstable conditions, online consumer behaviour is not merely a complex utility maximization; the latter is a sophisticated interaction between perceived benefits, psychological safety, and situational trust. With the spread of digital commerce in the emerging markets, it will be necessary to consider the dual nature of the consumer in terms of economic signals to build robust and consumer-oriented online environments.

Muhammad Khizar Hayat: Problem Identification and Theoretical Framework
Khansa Masood: Data Analysis, Supervision and Drafting
Zakee Saadat: Methodology and Revision
Conflict of Interests/Disclosures
The authors declared no potential conflicts of interest in this article's research, authorship,and publication.

References

Ahamed, A. J., Jakubowska, D., & Sadílek, T. (2025). Financial anxiety of university students in Poland and Czechia: fsQCA analysis. *International Journal of Bank Marketing*, *43*(4), 757-779.

Alhenawi, Y., & Yazdanparast, A. (2022). Households' intentions under financial vulnerability conditions: is it likely for the COVID-19 pandemic to leave a permanent scar? *International Journal of Bank Marketing*, *40*(3), 425-457.

Atkinson, M. M., & Mou, H. (2024). *Fiscal Choices: Canada After the Pandemic*. University of Toronto Press.

Bai, Z., Wang, P., & Jia, M. (2025). Cryptocurrencies as a new trigger for credit card misuse during economic downturns. *International Journal of Bank Marketing*, *43*(4), 827-848.

Barkas, P. (2025). Innovation: Microeconomic, Policy. *Finance, Growth and Democracy: Connections and Challenges in Europe and Latin America in the Era of Permacrisis: Democracy, Finance, and Growth*, *33*, 263.

Cui, N., & Zhang, J. (2025). The influence of quality signals on consumers' online viewing behavior based on the signal authenticity and dual functions of price. *Nankai Business Review International*.

Esmeli, R., & Gokce, A. (2025). An Analysis of Consumer Purchase Behavior Following Cart Addition in E-Commerce Utilizing Explainable Artificial Intelligence. *Journal of Theoretical and Applied Electronic Commerce Research*, *20*(1), 28.

Fatemah, A., & ul Haq, A. (2024). Targeting debt in Pakistan: a structural macro-econometric model. *iRASD Journal of Economics*, *6*(2), 285-312.

Greimel, H., & Sposato, W. (2021). *Collision course: Carlos Ghosn and the culture wars that upended an auto empire*. Harvard Business Press.

Hikam, M., Siswanto, S., & Djalaluddin, A. (2024). Economic inequality and its impact on consumer behavior: Insights from the muslim Banjar community. *Al-Banjari: Jurnal Ilmiah Ilmu-Ilmu Keislaman*, *23*(2), 137-166.

Husain, M. D., Farooq, S., Siddiqui, M. O. R., & Khan, D. R. (2024). Textile dynamics in Pakistan: Unraveling the threads of production, consumption, and global competitiveness. In *Consumption and Production in the Textile and Garment Industry: A Comparative Study Among Asian Countries* (pp. 33-58). Springer.

Jariyapan, P., Mattayaphutron, S., Gillani, S. N., & Shafique, O. (2022). Factors influencing the behavioural intention to use cryptocurrency in emerging economies during the COVID-19 pandemic: Based on technology acceptance model 3, perceived risk, and financial literacy. *Frontiers in Psychology*, *12*, 814087.

Kauder, B., Busch, B., Kunath, G., Obst, T., Matthes, J., Grömling, M., & Demary, M. (2023). Why Price Stability Matters.

Ma, Y., Al Mamun, A., Masukujjaman, M., & Ja'afar, R. (2025). Modeling the significance of unified theory of acceptance and use of technology in predicting the intention and usage of eCNY. *Financial Innovation*, *11*(1), 24.

Niemeier, C., & Pospisil, R. (2025). Exploring Psychological Drivers in Dynamic Pricing and Consumer Decision Making. *Golden Ratio of Marketing and Applied Psychology of Business*, *5*(1), 95-109.

Parashar, N., Sharma, R., Sandhya, S., & Joshi, A. (2024). Market Volatility vs. Economic Growth: The Role of Cognitive Bias. *Journal of Risk and Financial Management*, *17*(11), 479.

Purcărea, T., Ioan-Franc, V., Ionescu, Ş.-A., Purcărea, I. M., Purcărea, V. L., Purcărea, I., Mateescu-Soare, M. C., Platon, O.-E., & Orzan, A.-O. (2022). Major shifts in sustainable consumer behavior in Romania and retailers' priorities in agilely adapting to it. *Sustainability*, *14*(3), 1627.

Pursiainen, C., Forsberg, T., Pursiainen, C., & Forsberg, T. (2021). Prospects of Loss and Gain. *The Psychology of Foreign Policy*, 89-116.

Rane, N., Choudhary, S. P., & Rane, J. (2024). Acceptance of artificial intelligence technologies in business management, finance, and e-commerce: factors, challenges, and strategies. *Studies in Economics and Business Relations*, *5*(2), 23-44.

Raza, M. Y., & Lin, B. (2022). Renewable energy substitution and energy technology impact in a transitional economy: a perspective from Pakistan. *Journal of Cleaner Production*, *360*, 132163.

Reyes-Mercado, P., & Reyes-Mercado, P. (2021). Financial Consumer Behavior and Decision-Making. *FinTech Strategy: Linking Entrepreneurship, Finance, and Technology*, 81-105.

Saltık, Ö., Söyü, R., Değirmen, S., & Şengönül, A. (2023). Predicting loss aversion behavior with machine-learning methods. *Humanities and Social Sciences Communications*, *10*(1), 1-14.

Schlegel, G. H. (2024). *Perceptions of Burden Among Informal Caregivers of Older Adults in Assisted Living* Walden University].

Sherman, C. E., Arthur, D., & Thomas, J. (2021). Panic buying or preparedness? The effect of information, anxiety and resilience on stockpiling by Muslim consumers during the COVID-19 pandemic. *Journal of Islamic Marketing*, *12*(3), 479-497.

Shi, W., Ali, M., & Leong, C.-M. (2024). Dynamics of personal financial management: a bibliometric and systematic review on financial literacy, financial capability and financial behavior. *International Journal of Bank Marketing*, *43*(1), 125-165.

Shuhaiber, A., Al-Omoush, K. S., & Alsmadi, A. A. (2025). Investigating trust and perceived value in cryptocurrencies: do optimism, FinTech literacy and perceived financial and security risks matter? *Kybernetes*, *54*(1), 330-357.

Sukesi, S. (2023). Determinant of online shopping intention: Satisfaction as an intermediary. *Journal of Innovation in Business and Economics*, *7*(01), 89-100.

.