

**PERCEIVED RISK AND INFORMATION  
EXPECTATIONS TOWARD TELEVISION  
SHOPPING CHANNELS:  
A CROSSNATIONAL  
STUDY**

**By**

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# Chapter 1

## Introduction

In daily life, consumers need to make purchase decisions. However, in every decision making situation, people cannot be sure the choice they make will satisfy them. This uncertain feeling when a consumer makes a purchase decision is referred as perceived risk. Perceived risk varies with individuals due to purchase goals, prior knowledge, intended usage, and involvement (Dowling & Staelin, 1994).

The emergence of new retailing vehicles as a result of technological development, especially when used in direct marketing, has increased consumer uncertainty. Even though risk may be increased, direct marketing has grown rapidly due to 1) increased number of women at work place, 2) a greater desire for leisure time for self-development and creative expression, 3) increased stress on developing and maintaining individuality in goods and service, 4) increased demand for specialty goods and services, and 5) convenience in paying by credit card (Rosenberg & Hirschman, 1980).

Retailers and consumers have realized the potential of television as a convenient source for in-home shopping. Consequently, television shopping has emerged as a part of a system of distributing products and service to subscribing consumers. Television shopping or home shopping by television means "a method whereby viewers call and order products demonstrated on TV" (McKay & Fletcher, 1988). In comparison with conventional store shopping, television shopping allows people to shop without leaving home. Time pressure, safety issues, rising costs of gasoline, expanded use of credit cards, and increasing inconvenience of store shopping, such as inconvenient store hours,

unsatisfactory in-store service, and difficulty of parking have led consumers to use in-home shopping to save time, energy, and money. Therefore, retail establishments such as Bloomingdales, Macy's, and Nordstrom's have expanded their potential market areas without new store expenses. Today, television shopping channels offer a wide assortment of consumer goods such as electronic appliances, jewelry, and apparel.

However, the inability to evaluate merchandise attributes may cause consumers to experience a greater amount of perceived risk. The high perceived risk of buying only by description may explain why many consumers are reluctant to shop at home despite its recognized benefits. Cox and Rich (1964) reported that the higher perceived risk of buying by telephone instead of in person was the most powerful factor differentiating telephone shoppers from non-phone shoppers. However, perceived risk theory suggest that the level of perceived risk can be decreased by various risk-reducing activities such as seeking information and becoming brand loyal.

Since Bauer's seminal article (1960), many studies have investigated the construct of perceived risk and risk-reducing strategies to investigate various aspects of consumer behavior. However, studies have been conducted predominantly in the United States, even though the level of risk will vary with the person as much as the type of product and purchasing situation. Thus, international marketers must rely on information about consumer behavior which has been studied within the United States. The importance of culture in analyzing consumers' response to the marketing stimuli has been investigated by marketing scholars (Taylor, Miracle & Wilson, 1997; Keown, Jacobs, Schmidt & Ghymn, 1992). However, cross-national research about perceived risk in relation to television shopping is very rare.

This study tests the international applicability of the concept of perceived risk, and the relationship between perceived risk and information expectations on television shopping programs in two different countries. Consequently, the findings of this study will provide an important base for understanding consumer attitudes and expectations and building successful strategies to meet consumer needs in both national and international markets. In addition, the research will provide marketers with knowledge regarding selected clothing and service attributes important to the potential and present consumers of television shopping channels in two countries.

#### TV Home Shopping in the U.S.

The first home shopping channel began in 1982, which was titled the Home Shopping Network. In that same year, Speer and Paxson renamed the program the Home Shopping Club and put it on local cable TV. Annual sales soon shot into the millions. By 1986, annual sales reached \$160 million, then \$730 million in 1988 and crossed the \$1 billion in 1991 (Popeil, 1995). In 1993, there were nine shopping networks: Home Shopping Network I, II, Home Shopping Split, Macy/Bloomingdale Shopping Network, Nordstrom Catalogue of the Air, QVC Network I, II, Value Vision, and Global Shopping (Eicoff, 1994). One home-shopping channel, QVC, sold \$1.2 billion in 1994, representing 56 million orders from 4 million home viewers. In the beginning, home shopping was seen by many as a down-scale medium, far from the urban upscale consumer that merchants often try to reach. Business Week reported in a 1994 study that TV shoppers of today are young, well-educated, relatively affluent, fashion conscious, and not exclusively women (48 % of TV shoppers were men) (Popeil, 1995). According

to a market research study ("Meet the new competition", 1994), growth projections for the next ten years range from \$30 billion to \$250 billion.

#### TV Home Shopping in the Republic of Korea

The first cable television home shopping was started in August 1995, which was titled Hi-Shopping. A second home shopping channel was added in 1996, named 39 Shopping. During the first year, Hi-Shopping's annual sales were \$15 million (U.S.: Korea = \$1: 920 won). The company predicted sales volume will be \$217 million in 2000 ([http://www.lg.co.kr/h\\_lg/company/etc/etc5.html](http://www.lg.co.kr/h_lg/company/etc/etc5.html)).

#### **Purpose and Objectives**

This study investigates consumer's perceived risk and expectations of the information about selected clothing and service attributes, and how that perceived risk is related to information expectations on television shopping channels. Moreover, the study demonstrates cross-national differences between consumers in the U.S. and the Republic of Korea in relation to perceived risk and information expectations.

The reason for choosing Korea for this research is because Korea's television shopping network is relatively new. Consumers in Korea have been exposed to television shopping networks only since August, 1995. In addition, very little research of this market has been done, perhaps because marketers in Korea have little experience with and information about this new vehicle for in-home shoppers. Thus, this study is valuable in investigating cross-national differences and providing information about Korean consumers to the marketers in Korea and international marketers in the U.S. who have an interest in the Korean market. The second reason for choosing Korea is the need for improved understanding of Korea's status as an emerging market. Due to the growth

of the Korean economy, total GNP of Korea is forecast to reach more than \$800 billion (with a per capita income of \$13,000) by the year 2001, which will make Korea one of the 10 largest economies in the world (Hong, 1993).

This study attempted to achieve the following objectives:

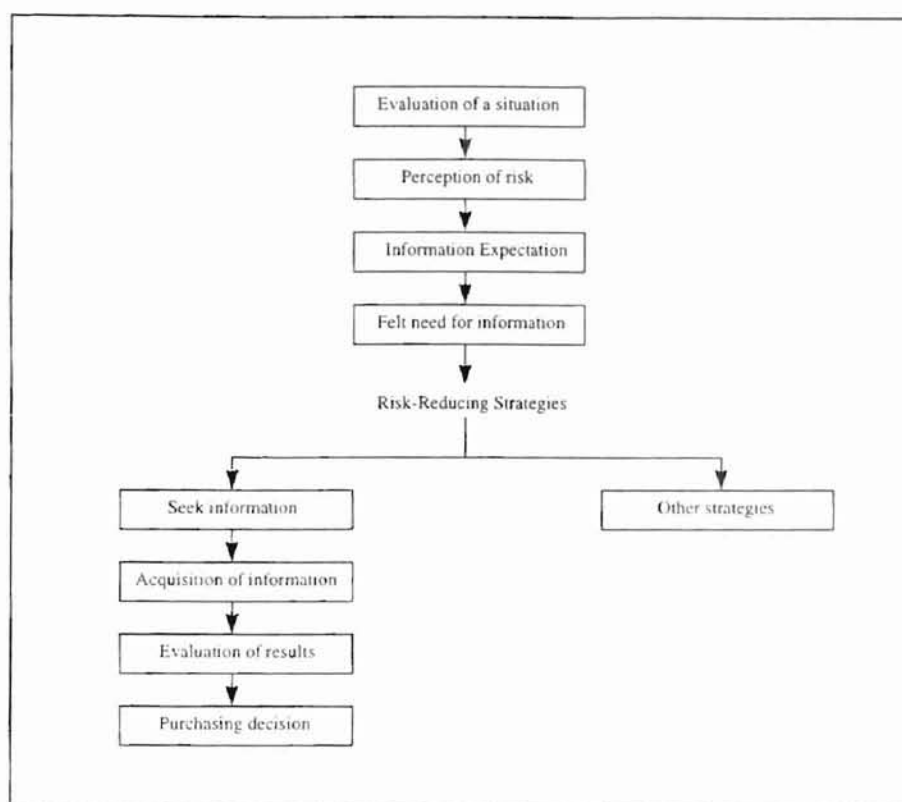
1. To investigate the level of perceived risk involving two hypothesized buying situations between American consumers and Korean consumers ;
2. To explore expected information content underlying clothing purchases by television shopping channels between American consumers and Korean consumers ;
3. To investigate the relationship between the level of perceived risk and the information expectations involving two hypothesized buying situations.

#### **Process Model for Perceived Risk and Information Search**

Figure1 presents consumers' perception of risk and information search behavior as one of the risk-reducing strategies in purchasing situations. A consumer's evaluation of a situation impacts his/her perception of risk in a purchasing situation. When a consumer perceives risk, he/she has expectation for information. If consumer's information expectation is not satisfied, then he/she will feel need for additional information. Felt need for information leads to information search behavior as risk-reducing strategy. The consumer acquires information from various information sources, then evaluates its results. Finally, the consumer makes a decision to buy or not to buy based on his/her evaluation of results.



Figure 1. Process model for perceived risk and information search



### Hypotheses

It is thought that those with less experience with a shopping venue would perceive buying from this venue as being higher in risk. Therefore, the following 20 hypotheses were generated from the process model for perceived risk and information search.

#### Group 1

H 1: Korean respondents will perceive higher performance risk than American respondents in relation to buying a high perceived risk product.

H 2: Korean respondents will perceive higher financial risk than American respondents in relation to buying a high perceived risk product.

H 3: Korean respondents will perceive higher social risk than American respondents in relation to buying a high perceived risk product.

H 4: Korean respondents will perceive higher time/convenience risk than American respondents in relation to buying a high perceived risk product.

H 5: Korean respondents will perceive higher overall risk than American respondents in relation to buying a high perceived risk product.

H 6: Korean respondents will perceive higher performance risk than American respondents in relation to buying a low perceived risk product.

H 7: Korean respondents will perceive higher financial risk than American respondents in relation to buying a low perceived risk product.

H 8: Korean respondents will perceive higher social risk than American respondents in relation to buying a low perceived risk product.

H 9: Korean respondents will perceive higher time/convenience risk than American respondents in relation to buying a low perceived risk product.

H10: Korean respondents will perceive higher overall risk than American respondents in relation to buying a low perceived risk product.

## Group II

The second group of hypotheses refer to strategies consumers might use to reduce perceived risk to acceptable levels. These hypotheses were generated to identify the relation between the perception of risk and information expectations.

H11: If a respondent perceives higher performance risk in relation to buying a high perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.

H12: If a respondent perceives higher financial risk in relation to buying a high perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.

H13: If a respondent perceives higher social risk in relation to buying a high perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.

H14: If a respondent perceives higher time/convenience risk in relation to buying a high perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.

H15: If a respondent perceives higher overall risk in relation to buying a high perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.

H16: If a respondent perceives higher performance risk in relation to buying a low perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.

H17: If a respondent perceives higher financial risk in relation to buying a low perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.

H18: If a respondent perceives higher social risk in relation to buying a low perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.

H19: If a respondent perceives higher time/convenience risk in relation to buying a low perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.

H20: If a respondent perceives higher overall risk in relation to buying a low perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.

### **Assumptions**

This study assumes that the level of risk perceived by consumers in different countries will vary due to cultural differences. For instance, Korean shoppers have been exposed to television shopping for a short period, while television shopping programs have been aired for more than one decade in the U.S. Television shopping networks are relatively new to Korean shoppers. Thus, Korean shoppers might not be aware of how a television shopping works and may not trust this shopping mode or television shopping channels due to lack of direct and/or indirect experience.

This study assumes that the perception of perceived risk will impact the amount of expected information about selected clothing and service attributes.

This study assumes that there will be no differences between shopper who had purchased an apparel product and those who have not experienced purchasing a apparel product from TV shopping channel. According to Spence, Engel and Blackwell (1970), there is no significant difference in risk levels between those who did and those who did not purchase a specific product (i.e., insurance) by mail.

### **Limitations**

The findings of the study have bias due to the following reasons:

1. The study involves use of a convenience sample.
2. The respondents drawn in one state do not represent the entire U.S. population.
3. The respondents drawn in one city in Korea do not represent the entire Korean population.
4. Because the respondents' demographic characteristics are not compared to averages for U.S. and Korean population, the sample may be unbalanced.
5. No analysis is examined on the influences of certain demographics. For instance, income, which was not examined in the study, may generate meaningless differences between American and Korean respondents, because most Korean students are supported by their parents.

Therefore, findings will not be generalizable to all populations.

### **Definitions**

The following operational definitions are used in this study.

1. **Expectation:** A person's prior belief about what should happen in a given situation.
2. **Financial risk:** The risk or chance that the outcome will harm the consumer financially.
3. **Information:** A body of facts that are in a format suitable for decision making or in a context that defines the relationship between two pieces of data.
4. **Likert scale:** A measure of attitudes designed to allow respondents to rate how

strongly they agree or disagree with carefully constructed statements; several scale items ranging from very positive to very negative toward an attitudinal object may be used to form a summated index (Zikmund, 1997).

5. **Perceived risk:** The amount or level of risk in a situation as perceived by the individual.
6. **Performance risk:** The risk or chance that the product will not perform as expected.
7. **Physical risk:** The risk or chance that the product will physically harm the buyer.
8. **Psychological risk:** The risk or chance that the product will lower the consumer's self-image.
9. **Social risk:** The risk or chance that friends or acquaintances will deride the purchase.
10. **Television shopping:** People shop at home by viewing a television shopping channel and order products demonstrated on television by calling a toll-free number.
11. **Television shopping channel:** The cable channel which carries 24-hour shopping shows and sell products to its viewers directly.
12. **Time/Convenience risk:** The risk or chance that a decision will spend too much time.

## **Chapter 2**

### **Literature Review**

The literature reviewed focused on five areas: 1) perceived risk, 2) consumer expectations, 3) information content in advertising, 4) evaluative criteria in apparel purchases, and 5) television shopping.

#### **Perceived Risk**

Since the concept of perceived risk was introduced (Bauer, 1960), researchers have attempted to explain perceived risk in various ways. Perceived risk refers to the nature and amount of risk perceived by a consumer in contemplating a particular purchase decision (Cox & Rich, 1964). When a consumer is motivated to make a purchase in order to satisfy several buying goals, the consumer cannot be sure whether the purchase will give satisfaction. According to Bauer (1960), an individual can respond to and deal with risk only as he/she perceives it subjectively, and it does not matter whether the situation is actually risky or not. The perception and amount of perceived risk depend on the consumer's subjective feelings, and these are believed to influence her/his behavior (Cox, 1967).

Perceived risk consists of two major concepts, the negative or undesirable outcomes of a decision and the probability that these outcomes will occur (Cox, 1967). These concepts extend to how important it is to avoid the unfavorable consequences (Vince & Zikmund, 1975). Taylor (1974, p. 57-58) explained perceived risk in the same way.

“Every choice situation has two separate types of risk involved in the decision. One type of risk is uncertainty about the outcome of the decision, and the other type of risk is uncertainty about the consequences of making a mistake. Both types of risk are thought to be part of every decision making situation but in varying importance to each other”

According to Bettman (1972, p. 394), perceived risk consisted of two components-inherent risk and handled risk and was related to the product class.

“Inherent risk is the latent risk a product class holds for a consumer, the innate degree of conflict the product class arouses in the consumer. Handled risk is the amount of conflict a product class engenders when the buyer chooses a brand from that product class in his usual buying situation. Thus, handled risk includes the effects of information and risk reduction processes as they have acted on inherent risk”

It seems that the types of product, consumer, and the purchase situation influence the amount and types of loss involved in a particular purchase. According to Sarason, Smith, and Diener (1975), situation effects accounted for an average of 12.8% of behavior, personality accounted for an average of 9.4%, and demographic factors accounted for an average of 1.5% of behavior. Dowling and Staelin (1994) also explained it in terms of four types of influential factors; purchase goals, intended usage, prior knowledge, and involvement (ego, purchase, and product), which affect a person's perception of risk.

A typical classification of perceived risk includes six dimensions: (a) financial/economic risk, (b) performance risk, (c) social risk, (d) psychological risk, (e)



physical risk, and (f) time/convenience risk (Bettman, 1973; Cox & Rich, 1964; Cunningham, 1967; Jacoby & Kaplan, 1972; Kaplan, O'Bannon, Feather, Vann & Dillard, 1988; Perry & Hamm, 1969; Roselius, 1971; Syzbillo & Jacoby, 1974).

Financial/economic risk was defined as a combination of the subjective uncertainty of losing money. Performance risk was defined as the subjective uncertainty of selecting poor quality clothing. Social risk was explained as the subjective uncertainty of clothing purchase that will cause others to think less of him/her. Physical risk was explained as the subjective uncertainty of selecting physically uncomfortable or dangerous clothing. Psychological risk was defined as the subjective uncertainty of selecting clothing that is not consistent with the way a person thinks about himself/herself. Each risk dimension is a combination of the consumer's subjective perception of risk and the importance of avoiding the negative consequences of the decision. Finally, overall risk was defined as a combination of the subjective uncertainty of all unfavorable consequences occurring due to a clothing purchase and the importance of avoiding all unfavorable consequences. In 1980, Winakor, Canton, and Wolins examined fashion risk, but concluded that it is a part of the performance, social, and psychological risk that researchers have identified previously.

Since perceived risk dimensions were introduced, many researchers in marketing and consumer behavior have tried to measure the perception of risk dimensions and the relationship among them. O'Bannon, Feather, Vann, and Dillard (1988) studied perceived risk using wheelchair-bound consumers in clothing purchase decisions. Perceived physical risk was ranked as highest, and perceived social risk was ranked as lowest for wheelchair-bound consumers. However, studies with able-bodied respondents

reported social risk was ranked as highest, and physical risk was ranked as lowest when making clothing purchase decisions (Jacoby & Kaplan, 1972; Kaplan, Szybillo & Jacoby, 1974).

Jacoby and Kaplan (1972) measured the relation among performance, social, financial, physical, psychological, and overall risk across twelve product categories, including three apparel products. They found that performance risk was most strongly correlated with overall perceived risk for eight of twelve products and second highest for another three products. In their cross validation study (1974), they also found performance risk correlated highest with overall perceived risk ( .79). Financial risk ( .76), psychological risk ( .69), social risk ( .67), and physical risk ( .33) followed respectively.

Perceived risk also was related to consumers' shopping patronage. In Cox and Rich's telephone survey (1964), when asked why they had not shopped by telephone during the past year, nearly two-thirds of non-telephone shoppers answered the perceived risk was too great so they had decided to avoid this mode of shopping. This study also found that highest-risk purchases included personalized items, high-priced products, and high-style clothing where fit, fabric and fashion are important.

A cross national study regarding perceived risk level between American and Mexican respondents was conducted (Hoover, Green & Saeger, 1978). The level of perceived risk was higher for American respondents than for Mexican respondents. They concluded cultural differences, such as strong fatalism in Mexican society, influenced different levels of perceived risk in the U.S. and Mexico.

## **Consumer Expectations**

To understand consumer satisfaction, researchers have focused on the concept of confirmation of expectations. Expectations are defined by Parasuraman, Zeithaml, and Berry (1988, p. 17) as “desires or wants of consumers, i.e., what they feel a service provider should offer rather than would offer.” The confirmation of expectations involves identification of a set of expectations which may lead to a purchase decision and can be assessed in terms of post-purchase evaluation, resulting either in confirmation or disconfirmation of expectations (Prakash & Lounsbury, 1984).

From Prakash and Lounsbury's expectation studies (1984), three major types of expectations were defined. The most frequently studied type is predictive expectation, which refers to consumer beliefs about how a brand is likely to perform on certain attributes. These beliefs may be formed on the basis of past experience, information from advertising, and opinions of other people. This type of expectation deals with realistic brand expectations. A second category is normative expectations. It is thought that there is a norm or a standard that should be met in order for a consumer to be satisfied. The major disadvantage of this approach is that it involves considerations of personal value, cultural norm, socioeconomic philosophy, and quality of life. A third type is comparative expectations, which refers to expectations about a brand as compared to similar brands. If the performance of the brand purchased is better than expectations about similar brands, consumers would be satisfied with the purchase. Expectations do not represent predictions about what a brand will offer, but rather what it ought to offer.

## **Information Content in Advertising**

Information allows consumers to evaluate product attributes, compare prices, and make more informed decisions (Elliott & Lockard, 1996). Due to this, advertising scholars have spent considerable effort in documenting the amount and types of useful information carried by advertisements.

According to James and Alman (1996), there are two main observations to be made about information content research. First, researchers have tended to focus on the information content of advertisements in specific media classes, such as television or magazines. A second is that the consumer's perspective, which has largely been ignored (James & Alman, 1996, p. 76). If advertising is to be successful, it must be congruent with the expectations or needs of consumers. However, today, the question of what consumers expect from advertising still remains unanswered.

Analysis of information content in advertising was investigated systematically, using a coding scheme developed by Resnik and Stern (1977). The coding scheme for the information content of advertising identifies the extent to which an advertisement contains one or more of fourteen information cues. Fourteen information cues comprise the coding scheme, which is broadly used by researchers studying information content (Elliott & Lockard, 1996; Keown, Jacobs, Schmidt & Ghymn, 1992; Stern, Krugman & Resnik, 1981; Stern & Resnik, 1991). (See Figure 2.)

Figure 2. Coding scheme for information content analysis

• Price/value	• Quality
• Performance	• Components/contents
• Availability	• Special offers
• Packaging or shape	• Guarantee and warranties
• New ideas	• Taste
• Nutrition	• Safety
• Company research	• Public research

In past studies of the information content of advertising, an advertisement which possessed at least one cue was viewed as informative. The more cues possessed by an advertisement, the more informative it was deemed to be.

Resnik and Stern (1977) investigated information content of television advertisements. Forty-nine percent of 378 network television advertisements contained one or more informational cues. Only 16.1 percent communicated two informational cues, while one percent of the advertisements had three or more cues.

Aaker and Norris (1982) analyzed commercial informativeness product by product from 524 prime time commercials. Commercials for clothing were ranked in the middle on the basis of information content with an average of 18.3 cues, but were perceived as less informative than other commercials such as those for services (i.e., credit card, insurance) and durable (i.e., auto, TV). This finding is in congruence with Stern, Krugman and Resnik' study (1981) of magazine advertising. Eighty-nine percent (107 out of 120) clothing advertisements were reported as informative ads, but ranked in the middle as compared with other products such as toys, electronics, or home furnishings.

Aaker and Norris (1982) also explored what characteristics of commercials are perceived as informative based on consumer perception. Only 18.2 percent of the people who had seen the ads described them as "informative". Characteristics that were perceived as informative were: newness of object, product type, hard versus soft sell, product class versus brand orientation, problem posed, expert testimonial, comparative advertising, price mentioned, product components, product test, government sponsored test, number of distinct claims or thoughts, institution, product use, new brand, government association, public testimonial, and brand name mentioned.

Stern and Resnik (1991) replicated their 1977 study to examine the changes over the last decade in terms of the number and types of cues communicated and the informativeness of ads for certain product categories. The three most frequently communicated types of information cues were related to (1) components or contents, (2) performance, and (3) price or value. Significant increases in the usage of the following types of informational cues were noted between the original and current studies: new ideas, guarantees or warranties, packaging and shape, and special offers. In a content analysis of advertisements by product categories, apparel products were included in the "other" product category which contained 1.088 cues compared with 0.917 in the original study. However, this is not a significant difference. The most important finding is that a much larger proportion of cable ads are informative as compared with network ads. "Other" products had a much higher mean number of cues in cable ads than in network ads (1.088 versus 1.590).

James and Alman (1996, p.79) explored consumer expectations of information content in advertising. They identified broad classifications of different advertising types:

corporate, brand image, political, retail, public service, advocacy, direct response, comparative advertising. (See Figure 3.)

Figure 3. Advertising types and summary description.

• Corporate	Promotes a company's mission or philosophy
• Brand image	Tries to create a positive portrayal of a given brand of consumer product
• Political	Tries to persuade consumers to elect candidates to public office or pass issues or policies of public interest
• Retail	Usually carried out in local markets by organizations and businesses to promote sales or increase traffic
• Public service	Serves social need, promotes social causes, or educates the public
• Advocacy	Tries to convince various sections of the public to accept an organization's position on some issues
• Direct response	Asks reader, listener or viewer for an immediate response to the message
• Comparative	Makes indirect or direct comparisons between brands, implying that one brand is better than another"

(James & Alman, 1996, p. 79)

They gathered information concerning what consumers expect to find in different advertising types. Consumers appeared to expect most of the information in retail advertising to be about products and services (40 percent), about the retailer (31 percent), and puffery/hype, which is to be ignored (16 percent). In direct response advertising, about forty-three percent was expected to pertain information about products and services. Ordering information and puffery were expected in almost even amounts, 23.7 percent and 23.2 percent, respectively. Company background information, special

offer/incentive information, and information about competitors were expected, in that order.

Elliott and Lockard (1996) studied the information content of infomercial programs, which are somewhat similar to TV shopping channels. They used Resnik and Stern's information cues to analyze 204 infomercials. A total of 1,189 cues were presented in the 204 infomercials, with an average of 5.82 cues per infomercial. The types of information frequently presented in infomercials were product or service availability (97%), components (87%), performance (77%), and guarantee or warranty (73%). Analysis was also conducted to determine if information content differed among product categories. Infomercials for household accessories possessed the greatest information content (7.83 cues per program). This was followed by exercise equipment ( $M = 7.63$ ), health and beauty aids ( $M = 6.25$ ), self-improvement products ( $M = 4.11$ ), business products ( $M = 3.91$ ), and entertainment products ( $M = 3.80$ ). The difference in the number of informational cues for the product categories was significant.

Analyses of the information content of advertising in different countries has been investigated. Taylor, Miracle, and Wilson (1997) studied the effectiveness of television commercials with varied levels of information content (high versus low) in the U.S. and Korea. Cultural differences (i.e., cultural context and individualism/collectivism) were used as a basis for the study. Korea was defined as high context culture and low individualism culture. They used 30 informational cues to determine the levels of information content: price, variety of product, value, quality, size, economy or saving, supply (quantity available or limitation), method of payment, dependability or durability, nutrition or health, taste, sensory information (other than taste), component or contents,



availability, packaging or shape, guarantee or warranty, safety, independent research results, company research results, research from unidentified sources, new idea or new use, performance or result of using, user's satisfaction or loyalty, superior claims, convenience in use, special offer or event, new product or new and improved features, use occasion, characteristics or image of users, and company information. A content analysis showed that Korean and U.S. ads contained different levels of information, with less information cues in Korean commercials than American commercials, and the U.S. subjects preferred commercials with high levels of information whereas Korean subjects did not show much preference for either high or low information levels. They concluded that cultural differences (i.e., high context and low individualism in Korean society) might cause high information levels to be received less favorably in Korea than in the U.S.

Another cross-cultural study was conducted in the U.S., Japan, the People's Republic of China, and Korea (Keown, Jacobs, Schmidt, & Ghymn, 1992). American television commercials have the highest number of informational cues per advertisement (2.68), followed by Japanese (2.14), Chinese (1.90), and Korean (1.86) commercials. Commercials in Japan, the U.S., and Korea had at least one cue per commercial, while four Chinese television commercials (8%) had no cues. They also found that frequently used informational cues varied by countries. Performance, components/contents, and availability were frequently presented in U.S. commercials. Quality, availability, and price/value were frequently used in Korea commercials. Components/contents, availability, and performance were frequently presented in Japanese commercials, and quality, availability, and performance were frequently used in Chinese commercials.

Korean and Chinese advertising make frequent note of quality, while American and Japanese advertising stress performance and components or contents. Availability is a cue used frequently in all four countries. Overall types of media, including newspaper, radio, and magazine, American advertising is the most informative and Korean advertising the least informative, with Japanese and Chinese advertising somewhere in between.

### **Evaluative Criteria in Apparel Purchases**

After finding that perceived risk is a very important factor in consumers' decision making processes, researchers have investigated the relationships of various risk-reducing strategies, such as information search. Cox (1961) suggested that information search was classified into (1) seeking information on the probable consequences of buying decisions and (2) relying on existing information obtained from past experience of self and/or others.

Study for identification of the kinds of information that a consumer requires or wants when making his/her purchase decision is rare. This is particularly evident in the area of fashion goods. One study attempted to investigate what consumers of fashion want to know prior to purchase. Martin (1972) found that price (86%) was the most requested information when consumers made buying decisions, followed by color (74%), material content (64%), brand name (44%), store identification (35%), and garment care (35%), respectively. A ranking of the informational factors by importance of use showed that price and the physical properties of the garment, such as color and material, contributed to the buying decision more than did psychological factors such as brand, store, and salesperson's evaluation of quality and style.

Seitz (1988) studied information needs of catalog shoppers. The study explored the relationship between the five selected clothing attributes and demographics of catalog shoppers. About two-thirds of the respondents considered price and garment care information vital to clothing purchases made through catalogs. Price was considered important to respondents at all educational levels tested; however, respondents who had attended college or graduated from college regarded price as somewhat less important than other respondents. Fifty-five percent of the respondents considered fabric important, and 47 percent considered color important. Forty-five percent of the respondents reported style as important to their clothing purchases. In general, as the respondents' level of education increased, the importance attributed to style also increased. Style was important to respondents living in urban as opposed to rural areas. However, only 18 percent said that brand names were important, while 58 percent noted brand names were either not important or least important. The interesting finding was that a majority (62 percent) of the married respondents reported brand name as not important or less important compared with 44 percent of single respondents.

The identification of the kinds of information which the consumer requires or wants to make his/her purchase decision has been studied in terms of apparel selection criteria or evaluative criteria. Knowledge of evaluative criteria may be useful to find the type of information the consumer use in evaluating the product. According to Engel, Kollat and Blackwell (1973), evaluative criteria were described as concrete manifestations of the consumer's underlying values and attitudes, stored information and experience, and various psychological, sociological, and economic influences. Therefore, people's needs vary not only in terms of products but also in terms of information.

Jenkins and Dickey (1976) studied evaluative criteria underlying clothing decisions of lower and middle socioeconomic level consumers. Researchers noted that evaluative criteria are the specifications or standards used by consumers in comparing and assessing alternatives and play a prominent role in the decision process. They used 22 product- and person-related variables to discriminate among the consumer segments, and divided consumers within middle and lower socioeconomic levels into four life-style profiles on the basis of the two major dimensions (i.e., appearance orientation and practicality orientation). In this study, the most effective variables in discriminating among the segments were six clothing-related evaluative criteria, such as quality conscious, appearance-brand conscious, economic conscious, approval conscious, care-performance conscious, and refinement conscious. Quality conscious use was indicative of high standards of quality in fabric, construction details, performance, and fit; willingness to shop carefully and use available information cues in the decision process. Appearance-brand conscious use was suggestive of high appearance standards; good fabrics and fashionable styles that were well made, fit smoothly, and were somewhat versatile; willingness to pay more for brands was indicative of good taste. Economy conscious use was indicative of eagerness to get the best clothing value for the money; willingness to shop around, to buy often at sales, to buy secondhand clothing, and to sacrifice quality for quantity. Approval conscious consumers were associated with the desire for the approval of significant others; choosing clothing that would be approved by one's circle of friends; appearance and what others think was more important than quality or durability. Care-performance conscious consumers were interested in and actively sought clothing that was easy to care for; they avoided items which might show soil

quickly or fail to perform as expected; indicative of concern for colors and designs which would fit into the existing wardrobe and be acceptable to family and friends. Refinement conscious consumers were indicative of conservative taste expressed in sedate style; preference and willingness to pay for brand names. It seems that consumers' use of certain evaluative criteria were related to personal values and interests and social factors.

Cassill and Drake (1987) investigated the relationship of life-style and evaluative criteria for apparel. Evaluative criteria used in this study were pleasing to others, brand and store name, quality of construction, fiber content, suitability to individual, price, good buy, appropriateness for occasion, good fit, durability, fabric type and quality, ease-of-care, comfort, beautiful or attractive, fashionable, color, sexy, and prestige. Life-style factors were self-confidence, attractive/fashionable, satisfaction with life, traditional, pro American/education, price conscious/information seeking, modern traveling/spending, and mobile/impulsive. They concluded that the specific relationship between the life-style and evaluative criteria are modified by the specifics of the situation in which the product is used (i.e., employment or social occasion).

Eckman, Damhorst and Kadolph (1990) attempted to identify criteria considered by consumers of retail store purchases in a field setting. In this study, researchers categorized 17 criteria into four dimensions: aesthetic criteria, usefulness criteria, performance and quality, and extrinsic criteria. The aesthetic criteria included color/pattern, styling, fabric, uniqueness, and appearance. The usefulness criteria included versatility, matching, appropriateness, and utility. The performance and quality criteria were fit, comfort, care, and workmanship. The extrinsic criteria were price, brand, and competition. During the interest phase, color/pattern, style, and fabric were

the most important criteria in influencing selection of garments from the store, while during the trial phase, fit, style, and appearance were more important in determining rejection or adoption of the garments. Researchers found that the observable aesthetic criteria were used more often than extrinsic criteria such as price or brand name for clothing evaluation. However, when researchers asked consumers to rate criteria, consumers tended to assign more salience to extrinsic characteristics than they did in the field setting.

Hirschman and Krishnan (1981) examined the validity of a distinction between objective and subjective evaluative criteria relevant to the selection of department stores. They found evidence that consumers use evaluative dimensions composed of both subjective and objective criteria. More specifically, they asked respondents to indicate whether each evaluative criterion was very important, moderately important, or very unimportant in deciding where to shop. They found objective and subjective evaluative criteria simultaneously exist among three dimensions. The first factor (aesthetic/service dimension) which was reported as very important included objective evaluative criteria such as sales clerk service, store credit, and billing policies and subjective criteria such as store layout and atmosphere and merchandise display. The second factor (merchandise dimension) was associated with merchandise quality, merchandise variety, and the store's guarantee/exchange/adjustment policies as objective evaluative criteria and merchandise display and store layout/atmosphere as subjective criteria. The third factor (economic utility dimension) included store location, merchandise price, real sale saving, and credit/billing policies to be composed of objective attributes.

O'Bannon, Feather, Vann, and Dillard (1988) studied importance of clothing information using wheelchair-bound consumers in clothing purchase decisions. They selected price, selecting mix and match garments, caring for clothing, fiber content, budgeting the clothing allowance, where to wear certain styles, selecting accessories, fashion trends in the town where you live, brand names, and fashion trends in a big city. The majority of the respondents rated information about price, caring for clothing, coordination of garment, fiber content, and budgeting the clothing allowance as quite important.

### **Television Shopping**

The emergence of home shopping offers a unique opportunity to study a distinctive type of advertising. TV shopping programs use a company spokesperson, called host or hostess, who show how the product works and then flash a phone number on the screen for viewers. TV shopping programs consist of two main program segments. The first segment attempts to inform and persuade viewers, whereas the second segment offers viewers an opportunity to purchase the product without leaving home. TV shopping represents a hybrid medium: part television commercial, part direct response advertising.

Home shopping is already \$2.5 billion and industry is undergoing a dramatic 20 percent annual sales growth ("Meet the new competition", 1994). Television shopping is an important marketing venue as the number of potential shoppers is very high: HSN has 69 million potential viewers; QVC has 59 million viewers ("Capturing customers", 1997). Furthermore, HSN and QVC plan to expand their shopping channels ("Teleshopping retailers revamp", 1996).

Researchers have attempted to identify consumer segments and demographic files as well as benefits provided by TV shopping. James and Cunningham (1987) explored motivational, attitudinal, psychographic, and socioenvironmental characteristics of television shoppers. This study revealed significant differences between direct marketing television shoppers and non-shoppers. Affiliation and convenience motivation, attitude toward risk, and social isolation were used for classifying differences between TV shoppers and non-shoppers. People who engage in television shopping are more likely to be guided by convenience and affiliation motivations, and they tend to be females, younger, highly socially isolated, less likely to be black, and less likely to have a nontraditional marital arrangement. This research provides a general understanding of the determinant characteristics of television shoppers.

McKay and Fletcher (1988) also studied consumers' attitudes toward television shopping. They explored consumers' attitudes by asking what were the advantages and disadvantages of traditional shopping, mail order, and TV shopping. Respondents considered television shopping to be easy, quick and convenient, to offer breadth of choice, easy comparison of price, door-to-door delivery, and relief from transportation and parking problems. Furthermore, TV shopping increases leisure time and relieves the burden of recalling and retaining information concerning products from memory. However, TV shopping disadvantages include the inconvenience of damaged goods in transit, refunds, and waiting for delivery. Researchers noted some consumers considered television shopping to have no perceived relative advantage over conventional shopping methods because it was rated negatively on a number of dimensions. They concluded



that consumer demand for television shopping services will remain at a low level as long as the majority of consumers derive pleasure from traditional shopping.

Other research showed different results. In a market research study ("Meet the new competition", 1994), consumers were less excited about shopping. Instead, consumers were focused on replenishment rather than acquisition. Consumers wanted value, speed, convenience, and the ability to compare prices. They also would pay more for speed and convenience. The majority of consumers like a great deal of information before they purchase an item. TV shoppers noted well-stocked and broad merchandise selection, good quality, convenience, quick checkout, knowledgeable sales help, easy to return or exchange, and safe and secure shopping environment as advantages. This research suggested several strategic methods to motivate television shopping: discounts, free returns, free gifts with purchase, etc.

Harden (1996) investigated consumers' attitudes regarding the use of TV shopping for apparel through a focus group discussion. Findings showed that older women viewed TV shopping as more advantageous, and viewed TV shopping as entertainment and as a way of alleviating loneliness. They felt that the quality of merchandise was good and selection was unique. Disadvantages of TV shopping were addicted or hooked buying behavior and some of the hosts were perceived as obnoxious. Younger participants indicated merchandise was good quality and less expensive than similar products in catalogs. However, some participants reported that products were ugly, gaudy and looked cheap. The perception of the convenience of returning products was viewed differently among younger participants. Some viewed it as convenient due to "no questions were asked", others felt it was inconvenient due to repackaging and paying

for return shipping. Another disadvantage of TV shopping for apparel includes the amount of time needed to watch for desired product to be displayed. Additional disadvantages were unreliable sizing, difficulty in visualizing apparel fit, and offensiveness of hosts perceived as phony. Both older and younger participants indicated a need for self-discipline to prevent addicted or hooked buying behavior.

## **Chapter 3**

### **Methodology**

This study investigated differences in perceived risk and expectations of the information content on television shopping programs involving two hypothesized buying situations, and how perceived risk is related to information expectations of consumers. Moreover, the study demonstrated cross-national differences between consumers in the U.S. and Korea.

#### **Dependent Measure**

The dependent measure for the study was based on the literature review. There were four sections: purchasing experience, perceived risk, information expectations, and demographic information. Questions regarding purchasing experience from television shopping channels, perceived risk, information expectations, and demographics are included.

The level of perceived risk was rated by using a five-point scale to indicate feelings about the degree of concern involved in two hypothesized purchasing situations. The first purchasing situation was related to buying a winter coat. A winter coat was considered as a product high in economic risk and social risk (Prasad, 1975). The second purchasing situation was related to buying underwear. According to Cox and Rich (1964), underwear is a frequently purchased apparel product and is low in perceived risk. In addition, underwear was also ranked at a low level in economic and social risk in Prasad's study (1975). Two products were selected to extract clear comparisons in the perception of risk dimensions.

Questions concerning financial risk, social risk, performance risk, time/convenience risk, and overall risk were adapted from Stanforth and Lennon's study (1996) of TV shopping. The dependent measure consisted of twelve questions: four questions about performance risk, two questions about financial risk, one question about social risk, four questions about time/convenience risk, and one question about overall risk.

Information expectations were examined by asking respondents to indicate their feelings about how much information they expect from television shopping programs. Expectations were rated on a five-point scale, with 1= not at all and 5= a great deal.

A total of 23 items concerning informational cues was gathered from the literature review on the information content in advertising, evaluative criteria in clothing selection, and content analysis of television shopping programs. Twenty-three informational cues used in the study are:

Clothing attributes: quality, color, stylish/fashion, care method, fiber content, fabric structure, size information, fabric hand, price, quantity information, country origin, designer, brand name information.

Service attributes: measurement information, payment method, easy payment price, delivery information, special delivery service, order takers phone number, money back guarantee, other users opinions, how item should be worn/used, whether item is good as a gift.

The dependent measure gathered demographic data including age, year in school, college, and marital status in order to aid in data analysis and description of the samples in the U.S. and Korea.

To test the readability of questions before distribution, the dependent measure was pretested with 6 female graduate students and 30 female undergraduate students in the College of Design, Housing, and Merchandising at Oklahoma State University.

The dependent measure for Korean students was translated to Korean by three bilingual students. In order to ensure that the questions were properly translated into Korean, the researcher used the back-translation process. The translated dependent measure was pretested by 10 Korean female students at OSU for readability.

### **Selection of the Sample**

The sample in this study included 196 American female students and 202 Korean female students in two countries. American female students were drawn from Oklahoma State University in Stillwater, Oklahoma. Korean female students were drawn from I-Hwa Women's University and Sook-Myeng Women's University in Seoul, Korea. Female students in classes offered by different colleges and majors were selected to produce a heterogeneous sample.

### **Data Collection**

The initial contacts were made to instructors through personal communication soliciting their assistance in allowing distribution of the dependent measures in the U.S. The dependent measures were delivered by the researcher to selected classes in January, 1998.

In Korea, the initial contacts were made to library supervisors in two women's universities, I-Hwa Women's University and Sook-Myeng Women's University through personal communication soliciting their assistance in allowing distribution of the dependent measures, and were delivered in December, 1997.

The respondents were told that the survey was designed to investigate their needs and attitudes regarding television shopping networks. After receiving dependent measures, participants were asked to spend 10-15 minutes completing and returning them to the researcher. In total, 398 dependent measures were distributed.

### **Data Analysis**

To investigate the level of perceived risk, the researcher calculated the mean scores of five dimensions of perceived risk, which represent the level of perceived risk. Data were analyzed using 2 (Nationality)  $\times$  5 (Risk dimensions) ANOVA to identify the significant differences in the level of perceived risk between American and Korean respondents.

To identify important informational cues in a certain buying situation, the researcher measured the mean scores of 23 informational cues, and the nine highest rated information cues were selected. Analysis of variance statistical procedure was used to identify the significance in mean scores for the 23 information cues between American consumers and Korean consumers.

To explore the relationship between the perception of perceived risk and information expectations about 23 information cues on television shopping programs, the perception of risk was used to create two groups, a low perceived risk group and a high perceived risk group. The respondents who ranked risk dimensions from 1.00 to 3.00 were labeled as being in the low perceived risk group, and those ranking the risk dimensions from 3.01 to 5.00 were labeled as being in the high perceived risk group. Chi-square analysis was used to compare respondents' risk perceptions with their information expectations.

## **Chapter 4**

### **Results**

The study investigated the differences between Americans' and Koreans' level of perceived risk and information expectations involved in two hypothesized buying situations via television shopping channels. The analyses were organized around twenty hypotheses given in Chapter 1. Analysis of variance and chi-square analysis were used to examine the differences between American and Korean consumers.

#### **Description of Respondents**

Respondents consisted of 196 American female students and 202 Korean female students. Demographic characteristics of the respondents are given in Table 1. Ninety-two percent of American respondents were between 18 and 22, while only eight percent were 23 or older. For Korean respondents, sixty-six percent were between 18 and 22, and thirty-four percent were 23 or older. A majority of American and Korean respondents were single (88 percent vs. 97 percent). (See Table 1.)

A majority (99 percent) of American respondents were in undergraduate program, while eighty-four percent of Korean respondents were in undergraduate program. Fifty-seven percent of American respondents and eleven percent of Korean respondents were in the College of Human Environment Science. Thirteen percent of American respondents and forty-one percent of Korean respondents were in the College of Arts and Sciences. Eighteen percent of American respondents and nine percent of Korean respondents were in the College of Business Administration. Eight percent of American respondents and nine percent of Korean respondents were in the College of Education. Only three percent

of American respondents and thirty percent of Korean respondents were in another college. (See Table 1.)

Table 1. Demographic characteristics of respondents

Variable	American (N=196)		Korean (N=202)	
	N	%	N	%
<u>Age</u>				
18-22	180	92	133	66
23-25	4	2	54	27
26-35	7	4	15	7
over 36	5	2	0	0
<u>Year in School</u>				
undergraduate	195	99	170	84
graduate	1	1	32	16
<u>College</u>				
HES	112	57	22	11
Arts & Sciences	26	13	82	41
Business	36	19	19	9
Education	16	8	19	9
Other	6	3	60	30
<u>Marital Status</u>				
single	173	88	196	97
married	19	10	6	3
other	4	2	0	0

### Differences in Experience with Television Shopping Channels

Sixty-four percent of American respondents have watched a television shopping channel, while only 40 percent of Korean respondents have watched. The results of chi-square analysis indicated that there was a significant difference between the percentage of American and Korean respondents who had experience with a television shopping



channel ( $\chi^2= 23.27$ ,  $p< .001$ ). A majority (94 percent) of American respondents watch less than once a week, and sixty-one percent of Korean respondents watch less than once a week. The chi-square analysis indicated the frequency of watching a television shopping channel was significantly different between American and Korean respondents ( $\chi^2= 34.698$ ,  $p< .001$ ), with Korean respondents watching more often. (See Table 2.) Only two percent of American and Korean respondents have purchased apparel product from television shopping. The most frequently purchased product was jewelry.

Table 2. Frequency distribution for TV shopping watchers

	American (N=196)		Korean (N=202)	
	N	%	N	%
Never watch	71	36	122	60
TV shopping watcher	125	64	80	40
Everyday	0	0	4	5
5-6 times a week	2	2	4	5
2-4 times a week	3	2	15	20
Once a week	3	2	7	9
Less than once a week	117	94	47	61

### Differences in Information Expectations

Respondents' mean scores for the expected information content about selected clothing and service attributes involving buying a high perceived risk product, the winter coat, were computed. The results of chi-square analysis for information cues indicate that information expectations for size, measurement, designer, brand name, payment method, easy payment price, delivery, special delivery service, order takers' phone number, and other user's opinion varied with the respondents' nationality. (See Table 3.) Information

expectations for all information cues were higher for the American respondents than for the Korean respondents, except information expectation for the order takers' phone number.

Table 3. Summary of chi-square analysis for information cues and nationality for a high risk product

Information cues	df	$\chi^2$	p<
Size	4	25.871	.001
Measurement	4	68.353	.001
Designer	4	70.569	.001
Brand name	4	33.834	.001
Payment method	4	49.572	.001
Easy payment price	4	19.071	.010
Delivery	4	56.966	.001
Special delivery service	4	10.046	.050
Order takers' number	4	9.904	.050
Other users' opinion	4	22.175	.001

Chi-square analysis indicated that information expectations varied with the respondents' nationality when considering buying a low perceived risk product. (See Table 4.) Information expectations for color, stylish/fashion, fabric structure, size, measurement, quantity, designer, brand name, coordinate method, payment method, easy payment price, delivery, special delivery service, money back guarantee, and other user's opinion were higher for the American respondents than for the Korean respondents except information expectation for the appropriateness as gift.

Table 4. Summary of chi-square analysis for information cues and nationality for a low risk product

Information cue	df	$\chi^2$	p<
Color	4	15.289	.010
Stylish/fashion	4	44.089	.001
Fabric structure	4	13.191	.050
Size	4	25.452	.001
Measurement	4	11.338	.050
Quantity	4	71.194	.001
Designer	4	67.316	.001
Brand name	4	30.515	.001
Coordinate method	4	23.356	.001
Appropriateness as gift	4	13.665	.010
Payment method	4	54.771	.001
Easy payment price	4	32.539	.001
Delivery	4	60.982	.001
Special delivery service	4	17.913	.010
Money back guarantee	4	14.990	.010
Other users' opinion	4	14.163	.010

### Importance of Information Content

Among 23 information cues, the nine highest rated attributes when considering buying a high perceived risk product are listed in Table 5. The five point scale was used, with 1= not at all and 5= a great deal. American respondents reported information about size was the most expected clothing attribute (M= 4.75) when considering purchase of a winter coat from television shopping programs. Information about price (M= 4.71), money-back guarantee (M= 4.63), and color (M= 4.54) followed respectively. Korean respondents expected information about price (M= 4.58), followed by information about money-back guarantee (M= 4.55), quality (M= 4.52), and size (M= 4.41).

Table 5. Important information cues for a high risk product

	American (N=196)	M	Korean (N=202)	M
1	Size	4.75	Price	4.58
2	Price	4.71	Money back guarantee	4.55
3	Money back guarantee	4.63	Quality	4.52
4	Color	4.54	Size	4.41
5	Measurement	4.52	Color	4.38
6	Quality	4.49	Measurement	4.28
7	Delivery	4.38	Stylish/fashion	4.05
8	Payment method	4.35	Order takers' number	4.05
9	Stylish/fashion	4.31	Care method	3.96

1= not at all 5= a great deal

Among 23 information cues, the mean scores for the nine highest rated attributes when considering buying a low perceived risk product are listed in Table 6. The five point scale was used, with 1= not at all and 5= a great deal. American respondents reported information about size was most expected clothing information cue when considering buying underwear from a television shopping channel (M= 4.75). Information about price (M= 4.64), measurement (M= 4.62), and quality (M= 4.51) followed respectively. Korean respondents expected information about price most (M= 4.51). Information about quality (M= 4.49), measurement (M= 4.45), and size information (M= 4.44) followed respectively.

Table 6. Important information cues for a low risk product

	American (N=196)	M	Korean (N=202)	M
1	Size	4.75	Price	4.51
2	Price	4.64	Quality	4.49
3	Measurement	4.62	Measurement	4.45
4	Quality	4.51	Size	4.44
5	Color	4.47	Money back guarantee	4.40
6	Money back guarantee	4.47	Fiber content	4.17
7	Payment method	4.41	Color	4.15
8	Delivery	4.30	Fabric hand	4.03
9	Stylish/fashion	4.18	Order takers' number	3.98

1= not at all    5= a great deal

### Testing the Hypotheses

The hypotheses were organized into two groups. Group I hypotheses were concerned with the level of perceived risk of American and Korean respondents involving two hypothesized buying situations. Group II hypotheses were concerned with the relationship between the level of perceived risk and information expectations.

#### Group I Hypotheses

Questions concerning each types of perceived risk are presented in Figure 4. The perception of each type of risk was determined by averaging the rating of each item to create a composite score. For instance, the perception of performance risk was determined by averaging scores for the four questions concerning the degree of importance of performance aspects of merchandise, such as quality and fit. Data were entered into a 2 (nationality)  $\times$  5 (risk dimensions) ANOVA.

Figure 4. Perceived risk and measurement

Performance risk	<ul style="list-style-type: none"> <li>• I would be concerned that the fit of the apparel would be unsatisfactory.</li> <li>• I would be concerned that the apparel quality would be unsatisfactory.</li> <li>• I would be concerned that I couldn't try on the apparel.</li> <li>• I would be concerned that I couldn't touch or feel the merchandise.</li> </ul>
Financial risk	<ul style="list-style-type: none"> <li>• I would be concerned that it would be difficult to get my money back</li> <li>• I would be concerned that it will be more expensive than when I shop in a retail store.</li> </ul>
Social risk	<ul style="list-style-type: none"> <li>• I would be concerned that my friends would not approve.</li> </ul>
Time/convenience risk	<ul style="list-style-type: none"> <li>• I would be concerned that I would be placed on "hold" for long period of time</li> <li>• I would be concerned that the merchandise will be back order.</li> <li>• I would be concerned that customer service representatives will be informed about color, sizing, fabrics and care.</li> <li>• I would be concerned that customer service representatives will not know the order will arrive at my door.</li> </ul>
Overall risk	<ul style="list-style-type: none"> <li>• How risky is buying a winter coat/underwear from television shopping channels?</li> </ul>

**H 1: Korean shoppers will perceive higher performance risk than American shoppers in relation to buying a high perceived risk product.**

The results of ANOVA showed that the level of performance risk and the respondents' nationality were related ( $F= 8.201, p< .01$ ), with Korean respondents less concerned with performance risk than American respondents. (See Table 7.) The

perception of performance risk was higher ( $M= 4.16$ ) for American respondents than for Korean respondents ( $M= 3.96$ ). (See Table 8.) Therefore, H 1 was not supported.

Table 7. Summary of ANOVA findings for the relation between nationality and perceived risk for a high risk product

Risk	df	F	p
Performance	1	8.201	.004*
Financial	1	.147	.702
Social	1	5.633	.018*
Time/convenience	1	49.177	.000*
Overall	1	1.662	.198

\* = Significant at  $p < .05$

Table 8. Means for perceived risk for a high risk product

Risk		American (N=196)	Korean (N=202)
Performance*	Mean	4.16	3.96
	Std. Deviation	.61	.69
Financial	Mean	3.53	3.57
	Std. Deviation	.85	.88
Social*	Mean	1.96	2.19
	Std. Deviation	.83	1.07
Time/convenience*	Mean	3.26	2.73
	Std. Deviation	.73	.79
Overall	Mean	3.79	3.68
	Std. Deviation	.90	.85

1= Strongly disagree 5= Strongly agree \* = Significant at  $p < .05$

**H 2: Korean shoppers will perceive higher financial risk than American shopper in relation to buying a high perceived risk product.**

The results of ANOVA indicated that the relation between the level of financial risk and the respondents' nationality was not statistically significant. (See Table 7.) Table 8 shows that the concern about financial risk was only slightly lower ( $M = 3.53$ ) for American respondents than for Korean respondents ( $M = 3.57$ ). Therefore, H 2 was not supported.

**H 3: Korean shoppers will perceive higher social risk than American shoppers in relation to buying a high perceived risk product.**

The results of ANOVA showed that the level of social risk and the respondents' nationality were significantly related ( $F = 5.633, p < .05$ ), with Korean respondents more concerned with social risk than American respondents. (See Table 7.) The concern about social risk was lower ( $M = 1.96$ ) for American respondents than for Korean respondents ( $M = 2.19$ ). (See Table 8.) Therefore, H 3 was supported.

**H 4: Korean shoppers will perceive higher time/convenience risk than American shoppers in relation to buying a high perceived risk product.**

The results of ANOVA indicated that the level of time/convenience risk and the respondents' nationality were significantly related ( $F = 49.177, p < .001$ ), with Korean respondents less concerned with time/convenience risk than American respondents. (See Table 7.) The concern about time/convenience risk was higher ( $M = 3.26$ ) for American respondents than for Korean respondents ( $M = 2.73$ ). (See Table 8.) Therefore, H 4 was not supported.



**H 5: Korean shoppers will perceive higher overall risk than American shoppers in relation to buying a high perceived risk product.**

The results of ANOVA showed that the relation between the level of overall risk and the respondents' nationality was not statistically significant. (See Table 7.) The level of overall risk was only slightly higher ( $M = 3.79$ ) for American respondents than for Korean respondents ( $M = 3.68$ ). (See Table 8.) Therefore, H 5 was not supported.

**H 6: Korean shoppers will perceive higher performance risk than American shoppers in relation to buying a low perceived risk product.**

The results of ANOVA showed that the level of performance risk and the respondents' nationality were significantly related ( $F = 43.574$ ,  $P < .001$ ), with Korean respondents less concerned with performance risk than American respondents. (See Table 9.) The concern about performance risk was higher ( $M = 4.31$ ) for American respondents than for Korean respondents ( $M = 3.81$ ). (See Table 10.) Therefore, H 6 was not supported.

Table 9. Summary of ANOVA findings for the relation between nationality and perceived risk for a low risk product

Risk	df	F	p
Performance	1	43.574	.000*
Financial	1	.301	.584
Social	1	3.273	.071
Time/convenience	1	38.075	.000*
Overall	1	34.425	.000*

\* = Significant at  $p < .05$

**H 7: Korean shoppers will perceive higher financial risk than American shoppers in relation to buying a low perceived risk product.**

The results of ANOVA indicated that the relation between the level of financial risk and the respondents' nationality was not statistically significant. (See Table 9.) The concern about financial risk was slightly higher ( $M= 3.71$ ) for Korean respondents than for American respondents ( $M= 3.66$ ). (See Table 10.) Therefore, H 7 was not supported.

**H 8: Korean shoppers will perceive higher social risk than American shoppers in relation to buying a low perceived risk product.**

The results of ANOVA showed that the relation between the level of social risk and the respondents' nationality was not statistically significant. (See Table 9.) The concern about social risk was not significantly higher ( $M= 2.08$ ) for American respondents than for Korean respondents ( $M= 1.89$ ). (See Table 10.) Therefore, H 8 was not supported.

**H 9: Korean shoppers will perceive higher time/convenience risk than American shoppers in relation to buying a low perceived risk product.**

The results of ANOVA showed that the level of time/convenience risk and the respondents' nationality were significantly related ( $F= 38.075$ ,  $p< .001$ ), with Korean respondents less concerned with time/convenience risk than American respondents. (See Table 9.) The concern about time/convenience risk was higher ( $M= 3.35$ ) for American

respondents than for Korean respondents ( $M= 2.83$ ). (See Table 10.) Therefore, H 9 was not supported.

**H 10: Korean shoppers will perceive higher overall risk than American shoppers in relation to buying a low perceived risk product.**

The results of ANOVA showed that the level of overall risk and the respondents' nationality were significantly related ( $F= 34.425$ ,  $p< .001$ ), with Korean less concerned with overall risk than American respondents. (See Table 9.) The concern about overall risk was higher ( $M= 4.12$ ) for American respondents than for Korean respondents ( $M= 3.54$ ). (See Table 10.) Therefore, H 10 was not supported.

Table 10. Means for perceived risks for a low risk product

Risk		American (N=196)	Korean (N=202)
Performance*	Mean	4.31	3.81
	Std. Deviation	.67	.83
Financial	Mean	3.66	3.71
	Std. Deviation	.93	.87
Social	Mean	2.08	1.89
	Std. Deviation	1.05	1.05
Time/convenience*	Mean	3.35	2.83
	Std. Deviation	.86	.80
Overall*	Mean	4.12	3.54
	Std. Deviation	1.00	.94

1= Strongly disagree 5= Strongly agree \* = Significant at  $p < .05$

### Group II Hypotheses

This group of hypotheses is concerned with a comparison of respondents' risk perceptions and their information expectations without concerning nationality, because no differences were found between American and Korean respondents in regards to this relationship. The perception of risk was used to create two groups, a low perceived risk group and a high perceived risk group for each type of risk. The respondents who ranked the risk components from 1.00 to 3.00 were labeled as being in the low risk group. Those ranking the risk from 3.01 to 5.00 were labeled as being in the high risk group. Information expectation was determined by mean scores for both low and high risk groups. Chi-square analysis was used because the high and low perceived risk groups were unbalanced.

**H 11: If a shopper perceives higher performance risk in relation to buying a high perceived risk product, then he/she will expect more information about selected clothing and service attributes.**

The results of chi-square analysis indicated that there was a significant difference in information expectations between low performance risk and high performance risk group ( $\chi^2 = 100.624$ ,  $p < .001$ ). (See Table 11.) A majority (90%) of the respondents were in the high performance risk group ( $n = 358$ ), and only ten percent of the respondents were in the low performance risk group ( $n = 40$ ). The information expectations were higher ( $M = 89.47$ ) for the high performance risk group than for the low performance risk group ( $M = 84.75$ ). (See Table 12.) Therefore, H 11 was supported.

Table 11. Summary of chi-square analysis for the relation between the level of risk and information expectations for a high risk product

Risk	DV	df	$\chi^2$	p
Performance	Inf. Expectation	57	100.624	.000*
Financial	Inf. Expectation	57	45.893	.854
Social	Inf. Expectation	57	42.286	.927
Time/con.	Inf. Expectation	57	65.439	.207
Overall	Inf. Expectation	57	60.530	.350

\* = Significant at  $p < .05$

Table 12. Frequency distribution for the respondents in risk groups and information expectations for a high risk product

		N	Mean	Std. Deviation
Performance*	Low	40	84.75	14.98
	High	358	89.47	12.29
Financial	Low	138	88.09	12.63
	High	260	89.47	12.65
Social	Low	372	88.89	12.48
	High	26	90.46	15.00
Time/convenience	Low	225	86.86	12.45
	High	173	91.77	12.39
Overall	Low	136	86.10	13.11
	High	262	90.50	12.15

\* = Significant at  $p < .05$

**H 12: If a shopper perceives higher financial risk in relation to buying a high perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.**

The results of chi-square analysis indicated that the difference in information expectations between low financial risk and high financial risk group was not statistically significant. (See Table 11.) Thirty-five percent of the respondents were in low financial risk group (n= 138), and sixty-five percent of the respondents were in high financial risk group (n= 260). The information expectations were higher (M= 89.47) for the high financial risk group than for the low financial risk group (M= 88.09), but not significantly different. (See Table 12.) Therefore, H 12 was not supported.

**H 13: If a shopper perceives higher social risk in relation to buying a high perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.**

The results of chi-square analysis showed that the difference in information expectations between low social risk and high social risk groups was not statistically significant. (See Table 11.) A majority (93.5%) of the respondents were in low social risk group (n= 372), and 6.5 percent of the respondents were in high social risk group (n= 26). Information expectations were higher (M= 90.46) for the high social risk group than for the low social risk group (M= 88.89), but not significantly different. (See Table 12.) Therefore, H 13 was not supported.

**H 14: If a shopper perceives higher time/convenience risk in relation to buying a high perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.**

The results of chi-square analysis showed that the difference in information expectations between low risk and high risk groups was not statistically significant. (See Table 11.) Fifty-six percent of the respondents were in low time/convenience risk group (n= 225), and forty-four percent of the respondents were in high time/convenience risk group (n= 173). Information expectations were higher for the high time/convenience risk group (M= 91.77) than for the low time/convenience risk group (M= 86.86), but not significantly different. (See Table 12.) Therefore, H 14 was not supported.

**H 15: If a shopper perceives higher overall risk in relation to buying a high perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.**

The results of chi-square analysis showed that the difference in information expectations between low risk and high risk groups was not statistically significant. (See Table 11.) Thirty-four percent of the respondents were in low overall risk group (n= 136), and sixty-six percent of the respondents were in high overall risk group (n= 262). Information expectations were higher for the high overall risk group (M= 90.50) than for the low overall risk group (M= 86.10), but not significantly different. (See Table 12.) Therefore, H 15 was not supported.

**H 16: If a shopper perceives higher performance risk in relation to buying a low perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.**

The results of chi-square analysis indicated that the difference in information expectations between low performance risk and high performance risk group was not statistically significant. (See Table 13.) Eighty-seven percent of the respondents were in high performance risk group (n= 345), and only thirteen percent of the respondents were in low performance risk group (n= 53). Information expectations were higher for the high performance risk group (M= 88.16) than for the low performance risk group (M= 81.15), but not significantly different. (See Table 14.) Therefore, H 16 was not supported.

Table 13. Summary of chi-square analysis for the relation between the level of risk and information expectations for a low risk product

Risk	DV	df	$\chi^2$	p
Performance	Inf. Expectation	59	77.603	.053
Financial	Inf. Expectation	59	79.432	.039*
Social	Inf. Expectation	59	107.514	.000*
Time/con.	Inf. Expectation	59	110.469	.000*
Overall	Inf. Expectation	59	100.463	.001*

\* = Significant at  $p < .05$

**H 17: If a shopper perceives higher financial risk in relation to buying a low perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.**

The results of chi-square analysis indicated that the difference in information expectations between low financial risk and high financial risk group was significant ( $\chi^2= 79.432, p < .05$ ). (See Table 13.) Sixty-nine percent of the respondents were in high financial risk group (n= 273), and thirty-one percent of the respondents were in low financial risk group (n= 125). Information expectations were higher for the high financial



risk group ( $M = 88.61$ ) than for the low financial risk group ( $M = 84.21$ ). (See Table 14.) Therefore, H 17 was supported.

**H 18: If a shopper perceives higher social risk in relation to buying a low perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.**

The results of chi-square analysis indicated that the difference in information expectations between low social risk and high social risk group was significant ( $\chi^2 = 107.514$ ,  $p < .001$ ). (See Table 13.) Ninety-two percent of the respondents were in high social risk group ( $N = 368$ ), and only eight percent of the respondents were in low social risk group ( $N = 30$ ). Information expectations were higher for the high social risk group ( $M = 92.77$ ) than for the low social risk group ( $M = 86.77$ ). (See Table 14.) Therefore, H 18 was supported.

**H 19: If a shopper perceives higher time/convenience risk in relation to buying a low perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.**

The results of chi-square analysis indicated that the difference in information expectations between low time/convenience risk and high time/convenience risk group was significant ( $\chi^2 = 110.469$ ,  $p < .001$ ). (See Table 13.) Forty-five percent of the respondents were in high time/convenience risk group ( $n = 178$ ), and fifty-five percent of the respondents were in low time/convenience risk group ( $n = 220$ ). Information expectations were higher for the high time/convenience risk group ( $M = 93.0$ ) than for the

low time/convenience risk group (M= 82.55). (See Table 14.) Therefore, H 19 was supported.

**H 20: If a shopper perceives higher overall risk in relation to buying a low perceived risk product, then he/she will expect a greater amount of information about selected clothing and service attributes.**

The results of chi-square analysis indicated that the difference in information expectations between low overall risk and high overall risk group was significant ( $\chi^2=100.463$ ,  $p<.01$ ). (See Table 13.) Sixty-six percent of the respondents were in high overall risk group (n= 261), and thirty-four percent of the respondents were in low overall risk group (n= 137). Information expectations were higher for the high overall risk group (M= 90.53) than for the low overall risk group (M= 80.93). (See Table 14.) Therefore, H 20 was supported.

Table 14. Frequency distribution for the respondents in risk groups and information expectations for a low risk product

		N	Mean	Std. Deviation
Performance	Low	53	81.15	16.51
	High	345	88.16	13.88
Financial*	Low	125	84.21	15.83
	High	273	88.61	13.56
Social*	Low	368	86.77	13.53
	High	30	92.77	22.39
Time/convenience*	Low	220	82.55	13.63
	High	178	93.00	13.29
Overall*	Low	137	80.93	13.45
	High	261	90.53	13.84

\* = Significant at  $p<.05$

## **Chapter 5**

### **Discussion**

This research examined the important information cues, the perception of perceived risk and information expectations, including selected clothing and service information cues, in two hypothesized buying situations in two different countries with television shopping channels. Television shopping programs in Korea have been broadcast since August, 1995 ("An unexpected", 1995), while those in U.S. were aired since 1982 (Popeil, 1995).

The research was conducted in two countries, and the sample consisted of 196 American female students at Oklahoma State University and 202 Korean female students at two women's universities in Seoul, Korea. Use of students limits the generalization of the study but homogeneity of the samples in education levels and age distributions allows for a strict testing of the relationships among the constructs (Tansuhaj, Gentry, John, Manzer & Cho, 1991).

Data were analyzed using analysis of variance and chi-square analysis to identify significant differences in the perception of perceived risk and information expectations between American and Korean shoppers.

#### **Differences in Experience with Television Shopping Channels**

A significant difference was found in the percentage of American and Korean respondents who had experience with television shopping channels. More American respondents have watched television shopping channels than Korean respondents. A possible explanation involves differences in availability of cable television. In Korea,

the percentage of distribution of cable TV is very low because of the technical difficulties. The cable TV system operators are located in Korea's six largest cities, Seoul, Incheon, Daejeon, Pusan, Taegu, and Kwangju. The remaining provincial areas currently have no system operator and no cable TV ("Korea to license", 1997). In Seoul, only 4.6 percent of households are wired ("An unexpected", 1995).

A significant difference was found in the frequency of watching a television shopping channel between American and Korean respondents. American respondents watched less often than Korean respondents. The 24-hours service of cable television shopping channels may attract consumers in Korea. In Korea, network televisions are allowed to broadcast only four hours in the morning and 5:30 p.m. to midnight on weekdays (Kilburn, 1995). Therefore, during afternoon and early morning, there are nothing to watch but cable television including television shopping channels.

A very small percent of the respondents in the US and Korea have purchased apparel products via television shopping. The most frequently purchased product was jewelry. This finding is in agreement with Darian (1987) who found that women's hosiery and accessories were most frequently in-home purchased merchandise.

### **Differences in Information Expectations**

Significant differences were found in information expectations about size, measurement, designer, brand name, payment method, easy payment price, delivery, special delivery service, order takers' phone number, and other users' opinion between American and Korean respondents when considering buying a high perceived risk product from a television shopping channel. Information expectations for all information cues

were greater for American respondents than for Korean respondents, except information expectation for the order takers' phone number.

In addition, significant differences were found in information expectations for color, stylish/fashion, fabric structure, size, measurement, quantity, designer, brand name, coordinate method, appropriateness as gift, payment method, easy payment price, delivery, special delivery service, money back guarantee, and other users' opinion between American and Korean respondents when considering buying a low perceived risk product. Information expectations for all information cues were greater for American respondents than for Korean respondents, except information expectation for appropriateness as gift. These findings are in agreement with Taylor, Miracle, and Wilson (1997) who found US subjects responded more favorably to commercials with high information level than did the Korean subjects.

### **Importance of Information Content**

Among 23 information cues, information about size of merchandise was expected most by the American respondents when considering buying both high and low perceived risk products via television shopping. This finding in relation to low perceived risk product is consistent with those of Cox and Rich (1964) who found the frequently purchased merchandise, such as underwear, in the department telephone shopping were low perceived risk products because these products can be identified by brand, size, or color. If a product can be identified by a certain attribute, it is obvious for shoppers to expect greater information about that certain attribute.

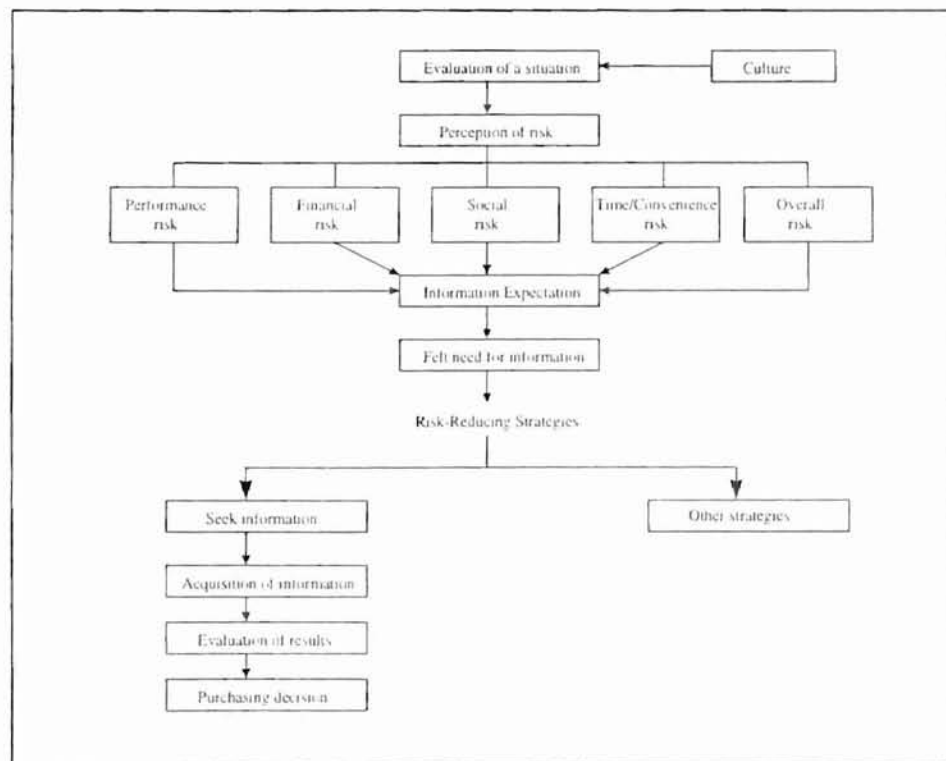
Korean respondents expected information about price most when considering buying both high and low perceived risk products. This finding is in agreement with

Seitz (1988) who found price was considered a very important factor to clothing purchases made through catalog by U.S. respondents. This finding also supports those of Martin (1972) who found that over fifty percent of the participants considered price as the prime factor in their buying decision.

### Testing Hypotheses

Twenty hypotheses were generated from the process model for perceived risk and information search given in Chapter 1. However, the results of the analyses yielded only partial support in the hypotheses tested. (See Table 15.) Therefore, the process model for perceived risk and information search was revised as follows. (See Figure 5.)

Figure 5. Revised process model for perceived risk and information search



The results of this study suggest that the consumer's evaluation of a situation may be influenced by his/her culture in purchasing situations. Culture therefore influences consumer's perception of risk components; performance risk, financial risk, social risk, time/convenience risk, and overall risk. Each component of perceived risk influences the consumer's expectations about what information should be provided by the seller. If a consumer's information expectations are not satisfied, then he/she will feel a need for additional information. Felt need for information may lead to information search behavior as one of several possible risk-reducing strategies. If the consumer acquires additional information, then he/she will evaluate that information and make a decision to buy or not to buy.

#### Group I

The results of analyses yield partial support of the first group of hypotheses tested. (See Figure 15.) Significant differences existed in the level of performance risk, social risk, and time/convenience risk between American and Korean respondents for a high perceived risk product. Significant differences also existed in the level of performance risk, time/convenience risk, and overall risk between American and Korean respondents for a low perceived risk product. The mean scores of performance risk, time/convenience risk, and overall risk for the American respondents were significantly higher than for the Korean respondents. It appears that perceived risk is a less important determinant of purchase behavior via television shopping channels in Korea than in the U.S. A possible explanation of these lower risk perceptions might be the fatalism which characterizes Korean society (Tansuhaj et al., 1991). Koreans are described as feeling they have much less control over their destiny than Americans. These feelings exist across all socio-

economic classes in Korea, including college students, which were the focus of this research. Another cross-national study of perceived risk (Hoover, Green & Saegert, 1978) also found the level of perceived risk for the American respondents was higher than for the Mexican respondents. They concluded that cultural differences (i.e., fatalism) impact consumers' perception of risk in two countries.

However, the level of social risk for Korean respondents was higher than for the American respondents in a high perceived risk product buying situation. A possible explanation might be the collectivism that is reported to characterize Korean society. In Korea, the self is conceived as part of the larger social context surrounding the individual, in which the individual learns to subordinate himself to a larger social system whose members are linked by close emotional bonds. To maintain the solidarity of the members constituting the group, the individual learns to see how his fellow members are feeling rather than how to assert his individuality (Taylor, Miracle, & Wilson, 1997). Therefore, buying a winter coat leads to higher perceived social risk for Koreans.

The rank order of the risk dimensions for both high and low perceived risk products went from performance risk, through financial risk and time/convenience risk to social risk for both American and Korean respondents. These findings are contrary to Jacoby and Kaplan (1972) who found social risk was the first in the order of the risk components for the three apparel products (i.e., suit, overcoat, and dress shoes).

## Group II

The results of analyses yield partial support of the second group of hypotheses tested. (See Figure 15.) A significant relationship was found in the perception of risk dimensions and information expectations. The respondents who were in the high



performance risk group expected more information than those who were in the low performance risk group for a high perceived risk product. Furthermore, the respondents who were in the high financial risk, social risk, time/convenience risk, and overall risk group expected more information than those in low perceived risk group for a low perceived risk product. Although the statistical significance was weak between low and high perceived risk groups for the remaining risk dimensions and information expectations, high risk perceivers expected more information than those in low perceived risk group. These findings are consistent with theory of perceived risk. These findings are consistent with Lutz and Reilly (1973) who found that consumers tend to use more sources of information when faced with a high degree of perceived performance risk. These findings also support Cunningham (1966) who found that consumers perceiving high risk were more likely to initiate conversations and to request information than were those in low perceived risk group. These findings support the view of the high risk perceiver as one who reduces risk through information seeking.

Table 15. Hypotheses

Group I Hypothesis	Supported	Group II Hypothesis	Supported
1	no	11	yes
2	no	12	no
3	yes	13	no
4	no	14	no
5	no	15	no
6	no	16	no
7	no	17	yes
8	no	18	yes
9	no	19	yes
10	no	20	yes

## **Chapter 6**

### **Conclusions and Implications**

This research examined the important information cues, the perception of perceived risk and information expectations, including selected clothing and service information cues, in relation to two hypothesized buying situations in two different countries with television shopping channels. The research was conducted in two countries, and data were collected through a survey in selected classes. The sample consisted of 196 American female students at Oklahoma State University in Stillwater, Oklahoma and 202 Korean female students at two women's universities in Seoul, Korea.

Data were analyzed using analysis of variance and chi-square analysis to identify significant differences in the perception of perceived risk and information expectations between American and Korean shoppers.

Ninety-two percent of American respondents were between 18 and 22, while only eight percent were 23 or older. For Korean respondents, sixty-six percent were between 18 and 22, and thirty-four percent were 23 or older. A majority of American and Korean respondents were single (88 percent vs. 97 percent).

A majority (99 %) of American respondents were in undergraduate program, while eighty-four percent of Korean respondents were in undergraduate program. Fifty-seven percent of American respondents and eleven percent of Korean respondents were in the College of Human Environment Science. Thirteen percent of American respondents and forty-one percent of Korean respondents were in the College of Arts and Sciences. Eighteen percent of American respondents and nine percent of Korean respondents were

in the College of Business Administration. Eight percent of American respondents and nine percent of Korean respondents were in the College of Education. Only three percent of American respondents and thirty percent of Korean respondents were in another college.

A significant difference was found in the percentage of American and Korean respondents who had experience with television shopping channels. More American respondents have watched television shopping channels than Korean respondents.

A significant difference was found in the frequency of watching a television shopping channel between American and Korean respondents. American respondents watched less often than Korean respondents.

A very small percent of the respondents in the US and Korea have purchased apparel products via television shopping. The most frequently purchased product was jewelry.

Significant differences were found in information expectations about size, measurement, designer, brand name, payment method, easy payment price, delivery, special delivery service, order takers' phone number, and other users' opinion between American and Korean respondents when considering buying a high perceived risk product from a television shopping channel. Information expectations for all information cues were greater for American respondents than for Korean respondents, except information expectations for the order takers' phone number.

In addition, significant differences were found in information expectations for color, stylish/fashion, fabric structure, size, measurement, quantity, designer, brand name, coordinate method, appropriateness as gift, payment method, easy payment price,

delivery, special delivery service, money back guarantee, and other users' opinion between American and Korean respondents when considering buying a low perceived risk product. Information expectations for all information cues were greater for American respondents than for Korean respondents, except information expectation for appropriateness as gift.

Among 23 information cues, information about size of merchandise was expected most by the American respondents when considering buying both high and low perceived risk products via television shopping. Korean respondents expected information about price most when considering buying both high and low perceived risk products.

The results of ANOVA using 2 (Nationality)  $\times$  5 (risk dimensions) indicated significant differences existed in the level of performance risk, social risk, and time/convenience risk between American and Korean respondents for a high perceived risk product. Significant differences also existed in the level of performance risk, time/convenience risk, and overall risk between American and Korean respondents for a low perceived risk product. The mean scores of performance risk, time/convenience risk, and overall risk for the American respondents were significantly higher than found in the Korean respondents. However, the level of social risk for Korean respondents was higher than for the American respondents in a high perceived risk product buying situation.

Results indicated the rank order of the risk dimensions for both high and low perceived risk products went from performance risk, through financial risk and time/convenience risk to social risk for both American and Korean respondents.

Results of chi-square analysis showed a significant relationship between the perception of risk dimensions and information expectations. The respondents who were

in the high performance risk group expected more information than those who were in the low performance risk group for a high perceived risk product. Furthermore, the respondents who were in the high financial risk, social risk, time/convenience risk, and overall risk group expected more information than those in low perceived risk group for a low perceived risk product.

According to Bettman (1973), perceived risk consists of two components: inherent risk and handled risk. Inherent risk is associated with the product class, while handled risk is the amount of conflict the product class engenders when the consumer chooses a brand from that product class in his/her usual buying situation. In the case of apparel products, consumers may feel there is a great deal of inherent risk associated with the product class. However, acquiring enough information to evaluate alternatives may help them to reduce the risk level.

The findings show that American respondents generally had higher perceived risk level than Korean respondents. The high risk level exhibited by Americans may be a result of past history. Consumerism is not well established in Korea (Rhee & Lee, 1996). Koreans have not been provided with product information and may not expect it to be provided. Risk may also not be as important a factor for Korean consumers, who view American-made products as higher quality than Korean-made products. As the respondents were aware that this was an American study, they may have assumed the apparel was American-made and thus better quality. If so, risk was reduced for the Korean respondents. In the other hand, Americans tend to be skeptical of claims and may view any shopping experience as riskier.

In conclusion, results of statistical analyses yield partial support of the hypotheses tested. Hypotheses 1, 2, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, and 16 were not supported, while hypotheses 3, 11, 17, 18, 19, and 20 were supported.

### **Implications**

Although this research must be qualified by the fact that the study employed only limited samples and was concerned with only one other country, the findings illustrate how marketers may have to question some of their assumptions about consumer behavior when they venture outside of the U.S. Furthermore, the findings of this research in regards to the process model for perceived risk and information search offer several implications for the marketers.

As we found in this study, a very small percent of television shopping channel viewers have purchased apparel products. Marketers should note the importance of implementing programs to educate consumers regarding the benefits of television shopping. In addition, such programs can stress clothing information and service information so that consumers can make satisfactory clothing purchases.

According to Martin (1972), consumers indicated that they used information supplied by sellers when buying fashion goods in retail stores. Therefore, host/hostess on television shopping programs and order taker/sales representatives play very important roles as sellers who provide information for television shoppers. Marketers should educate and inform host/hostess and order taker/sales representatives continuously.

As in-home shopping moves into internet shopping, marketers need to locate opportunities, efficiently delineate markets, and create more intelligent marketing strategies. To do so, marketers need a comprehensive, current, and detailed data base.

From the literature review, perceived risk was the most important determinant in discriminating shoppers and non-shoppers of television shopping (Kwon, Paek & Arzeni, 1991). Therefore, marketers associated with television shopping networks should establish risk-reducing strategies for consumers. For instance, marketers may address consumers' concerns by allowing risk-free trial or providing another method to increase consumers confidence.

Implications for international marketers suggest that merchandise directed toward the American market should have standardized or detailed size information. Merchandise should be identified by size, because American shoppers were very concerned about performance risk very much and expected information about size most. For the Korean market, marketers should formulate marketing strategies aimed at the possible financial advantages. For instance, giving price discounts to the membership card holders or providing a free gift can help consumers' price perception.

### **Recommendations**

The findings of this study suggest several areas for the future research

First, it would be valuable to replicate and expand on the results of the present study using a larger sample. The replicated research would provide more evidences for the process model for perceived risk and information search. In addition, an analysis of data on demographic variables of gender, age, income, education level, and geographic location would help to explain the relationship between the perception of perceived risk and information expectations.

Second, the researcher must deal with additional ventures in conducting cross-cultural analyses. Accurate translation of questionnaires to achieve conceptual

equivalency in meaning of terminology and using the same data collection method are imperative.

Third, it would be valuable to investigate the perceived risk associated with other product categories and buying situations. For instance, there are differences in the perceptions of risk dimensions between buying for “self” and buying for “other” as gift.

Fourth, it would be valuable to investigate other risk-reducing tactics of in-home shoppers using television shopping network. Perceived risk is considered as a very important reason for consumers to be reluctant to shop via television shopping. Therefore, it is important to know how consumers handle their perceived risk.

Fifth, it would be valuable to investigate the in-home shopping decision process. For instance, how do in-home shoppers using television shopping networks search for information, evaluate it, and arrive at purchase decision? Understanding the in-home shopping decision making process can be vital in selecting and implementing marketing strategy.

Sixth, the present research utilized a television shopping channel as a information source. Thereafter, different types of information cues were expected to be found on television shopping programs for the respondents. However, if consumers use other types of information sources, do they expect the same type of information cue as the present research? The researchers should investigate the relationship between the types of information sources and the types of information cues that are considered as important factors.



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## Appendixes



## Appendix A

### CONSENT FORM

I hereby authorize or direct Dr. Nancy Stanforth and Soo-Ran Kim to perform the following treatment or procedure.

The questionnaire will be given to you to complete. The purpose of this study is to determine informational needs of consumers when shopping from a television shopping channel. The entire procedure will take about 10 minutes. Your answers are absolutely confidential and no identification will be associated with any of your answers. The participant is not eligible for any bonus points as a result of the completion of the questionnaire.

Individuals wishing to further about the study may contact Dr. Nancy Stanforth at (405) 744-5035 or Soo-Ran Kim at (405) 377-2448. I may also contact Gay Clarkson, IRB Executive Secretary, 305 Whitehurst, Oklahoma State University, Stillwater, OK 74078; telephone number (405) 744-5700.

I have read and fully understand the consent form. I sign it freely and voluntarily.

Signed: \_\_\_\_\_  
Signature of Subject

## Questionnaires

1. Have you purchased any product from the TV home shopping channels?

If yes, what was that product (most recent purchased)?

1 2 3 4 5  
not at all absolutely yes

If yes, what was that product (most recent purchased)?

1 2 3 4 5  
not at all absolutely yes

If yes, how often do you watch TV home shopping channel?

☐ Every day  
☐ 5-6 times a week  
☐ 2-4 times a week  
☐ Once a week  
☐ Less than once a week

Indicate your feelings about the following statements.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

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5. How risky is buying a winter coat from the TV shopping channel, as far as you are concerned?

[illegible]

6. Please, indicate your opinion about how much information you expect to hear from a TV shopping channel when you are considering buying a winter coat from the TV shopping channel.

I wish they would tell me about	Not at all				Great deal
Quality	1	2	3	4	5
Price	1	2	3	4	5
Color	1	2	3	4	5
Stylish/Fashion	1	2	3	4	5
Care method (cleaning instruction)	1	2	3	4	5
Fiber content (e.g., cotton)	1	2	3	4	5
Fabric structure (e.g., knit or woven)	1	2	3	4	5
Quantity info (# of available inventory)	1	2	3	4	5
Size info (available in S, M, & L)	1	2	3	4	5
Measurement info(size XL measure 46" in the bust)	1	2	3	4	5
Fabric hand (soft, silky)	1	2	3	4	5
Country origin (made in Italy)	1	2	3	4	5
Designer	1	2	3	4	5
Brand name	1	2	3	4	5
How item should be worn/used	1	2	3	4	5
Whether item is good as a gift	1	2	3	4	5
Payment method (credit card, personal check)	1	2	3	4	5
Easy payment price (monthly pay)	1	2	3	4	5
Delivery info (delivery time)	1	2	3	4	5
Special delivery service (e.g., air express)	1	2	3	4	5
Order takers' phone number	1	2	3	4	5
Money back guarantee	1	2	3	4	5
Other users' opinions	1	2	3	4	5

7. Imagine that you are considering buying underwear (such as panty, brief, or bra) from the TV shopping channel. Indicate your feelings about the following statements.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

- ☐ I would be concerned that the fit of the apparel would be unsatisfactory.
- ☐ I would be concerned that I couldn't try on the apparel.
- ☐ I would be concerned that the apparel quality would be unsatisfactory.
- ☐ I would be concerned that I couldn't touch or feel the merchandise.
- ☐ I would be concerned that it would be difficult to get my money back.
- ☐ I would be concerned that my friends would not approve.
- ☐ I would be concerned that it will be more expensive than when I shop in a retail store.
- ☐ I am concerned that I would be placed on "hold" for long periods of time.
- ☐ I am concerned that the merchandise will be on back order
- ☐ I am concerned that customer service representatives will not be informed about merchandise color, sizing, fabrics, and care.
- ☐ I am concerned that customer service representatives will not know when the order will arrive at my door

8. How risky is buying underwear (such as panty, brief, or bra) from the TV shopping channels, as far as you are concerned?

1 2 3 4 5  
not at all extremely risk

9. Please, indicate your opinion about how much information you expect to hear from a TV shopping channel when you are considering buying underwear (such as panty, brief, or bra) from a TV shopping channel.

I wish they would tell me about	Not at all				Great deal
Quality	1	2	3	4	5
Price	1	2	3	4	5
Color	1	2	3	4	5
Stylish/Fashion	1	2	3	4	5
Care method (cleaning instruction)	1	2	3	4	5
Fiber content (e.g., cotton)	1	2	3	4	5
Fabric structure (e.g., knit or woven)	1	2	3	4	5
Quantity info (# of available inventory)	1	2	3	4	5
Size info (available in S, M, & L)	1	2	3	4	5
Measurement info(size XL measure 46" in the bust)	1	2	3	4	5
Fabric hand (soft, silky)	1	2	3	4	5
Country origin (made in Italy)	1	2	3	4	5
Designer	1	2	3	4	5
Brand name	1	2	3	4	5
How item should be worn/used	1	2	3	4	5
Whether item is good as a gift	1	2	3	4	5
Payment method (credit card, personal check)	1	2	3	4	5
Easy payment price (monthly pay)	1	2	3	4	5
Delivery info (delivery time)	1	2	3	4	5
Special delivery service (e.g., air express)	1	2	3	4	5
Order takers' phone number	1	2	3	4	5
Money back guarantee	1	2	3	4	5
Other users' opinions	1	2	3	4	5

The following are some personal questions about you. Your answers will be used for statistical purpose only.

What is your age?

18-22	23-25	26-35	Other
36-45	46-55	Over 56	

What year in school are you?

_____ Freshman	_____ Sophomore	_____ Junior	
_____ Senior	_____ Masters	_____ Ph.D	_____ Other

What is your college?

_____ HES	_____ Engineering	_____ Art & Science
_____ Business	_____ Education	_____ Other

What is your current marital status?

Married \_\_\_\_\_ Single \_\_\_\_\_ Other \_\_\_\_\_

## Appendix C

OKLAHOMA STATE UNIVERSITY  
INSTITUTIONAL REVIEW BOARD  
HUMAN SUBJECTS REVIEW

Date: January 15, 1998

IRB #: HE-98-039

**Proposal Title: PERCEIVED RISK AND INFORMATION EXPECTATIONS TOWARD  
TELEVISION SHOPPING CHANNELS: CROSS-NATIONAL STUDY**

**Principal Investigator(s):** Nancy Stanforth, Soo-Ran Kim

**Reviewed and Processed as:** Expedited

**Approval Status Recommended by Reviewer(s):** Approved

ALL APPROVALS MAY BE SUBJECT TO REVIEW BY FULL INSTITUTIONAL REVIEW BOARD AT NEXT MEETING, AS WELL AS ARE SUBJECT TO MONITORING AT ANY TIME DURING THE APPROVAL PERIOD.

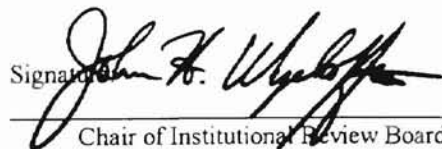
APPROVAL STATUS PERIOD VALID FOR DATA COLLECTION FOR A ONE CALENDAR YEAR PERIOD AFTER WHICH A CONTINUATION OR RENEWAL REQUEST IS REQUIRED TO BE SUBMITTED FOR BOARD APPROVAL.

ANY MODIFICATIONS TO APPROVED PROJECT MUST ALSO BE SUBMITTED FOR APPROVAL.

=====

**Comments, Modifications/Conditions for Approval or Disapproval are as follows:**

Signature



Chair of Institutional Review Board

Cc: Soo-Ran Kim

Date: January 22, 1998

## VITA

Soo-Ran Kim

Candidate for the degree of

Master of Science

Thesis: PERCEIVED RISK AND INFORMATION EXPECTATIONS TOWARD  
TELEVISION SHOPPING CHANNELS: A CROSSNATIONAL STUDY

Major Field: Design, Housing, and Merchandising

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