Kirkpatrick, Jerry

THE EFFECTS OF INDIVIDUAL DIFFERENCE AND BUYING SITUATION INTERACTIONS ON THE RISK REDUCTION STRATEGIES OF IN-HOME SHOPPERS

City University of New York PH.D. 1986

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THE EFFECTS

OF

INDIVIDUAL DIFFERENCE AND BUYING SITUATION INTERACTIONS

ON

THE RISK REDUCTION STRATEGIES OF IN-HOME SHOPPERS

By

Jerry Kirkpatrick

A dissertation submitted to the Graduate Faculty in Business Administration in partial fulfillment of the requirements for the degree of Doctor of Philosophy, The City University of New York.

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Abstract

THE EFFECTS OF INDIVIDUAL DIFFERENCE AND BUYING SITUATION INTERACTIONS ON THE RISK REDUCTION STRATEGIES OF IN-HOME SHOPPERS

by

Jerry Kirkpatrick

Advisor: Professor Leon G. Schiffman

The theoretical framework of this study was person-situation interactionism. The research questions were: Do person or situation variables, or their interactions, explain more variation in in-home consumption behavior? How do person and situation variables interact to influence the risk reduction strategies of in-home shoppers? How do heavy in-home shoppers reduce their perceived risk and how do their strategies differ from those of light in-home shoppers?

The study was operationalized using a number of general psychological personality scales, several consumer-behavior-specific measures, and demographics. Buying situation was operationalized by presenting respondents with four possibilities: a jacket available by mail, a jacket available in a department store, a smoked turkey available by mail, and a smoked turkey available in the store. The design was a between-subjects, 2 X 2 X 2 factorial experiment. A six-page questionnaire was mailed to 2000 Massachusetts consumers who had recently bought from a clothing mail-order catalog. Seven hundred and seventy-two usable responses were received from initial and follow-up mailings.

Three-way analysis of variance (ANOVA) was conducted, using product

(jacket vs. turkey), place (home vs. store), and individual difference variables (median split and 1st and 4th quartile split), as the factors. Covariance analysis on the quartile-split ANOVAs was also run, using purchase intention and prior experience (extent of in-home shopping) as the covariates.

Of the many ANOVAs that were run on the data, only 2.7% produced significant interaction terms that explained more variation than the main effects alone. For this reason, the basic hypothesis of interactionism is rejected. Of the significant interaction terms that did explain more variation than the main effects, the interactions were symmetrical and disordinal--meaning that the interaction effect is not an artifact of the measurement process. To this extent, there may be some basis for further research into the interactionist hypothesis.

The consumer-behavior-specific personality measures proved to be more reliable and better predictors of risk reduction strategy and purchase intention than the general psychological measures. The 23-item risk reduction strategy and the three-item inertia scales hold the greatest promise and should be tested further.

Risk reduction strategies did not discriminate heavy from light in-home shoppers. But in-home shoppers ranked the money-back guarantee as their primary risk reliever, whereas brand loyalty frequently appears at the top of the list in studies of in-store shoppers. Heavy in-home shoppers are middle aged, convenience-oriented, high in socioeconomic status, and have prior experience purchasing by mail as a child or teenager or have witnessed their parents doing so. Also, they are probably low risk perceivers and heavy risk reducers, although the relationship is not strong.

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Chapter I

INTRODUCTION

Objectives

The purpose of this study is to determine the interaction effects of individual differences and buying situation on the risk reduction strategies of in-home shoppers. In specific, the study examines how the individual difference variables of cognitive style, locus of control, self-confidence, error tolerance, perceived risk, inertia, shopping style, prior experiences, and demographics interact with the buying situation variables of place of purchase (in-home vs. in-store) and type of product (jacket vs. turkey) to influence how in-home consumers (heavy purchasers and light purchasers) handle or reduce perceived risk in arriving at purchase decisions. The paradigm of person-environment or person-situation interactionism forms the basic theoretical framework for the study. Analysis of variance is the statistical model of data interpretation.

The impetus for the study is the explosive growth of direct response marketing and the corresponding increase in in-home shopping. In 1979, sales resulting from direct marketing were $99 billion (*1981 Fact Book*); for 1984, sales are estimated at between $150 billion (Greene, 1984) and $200 billion (*Marketing News*, 1984)--approximately 14% of all retail transactions. Over a recent five-year period, mail-order sales grew 22% faster than retail store sales. Increases in some product categories were almost double the rate of store sales (Kobs, 1979).

Despite this dramatic growth in the importance of direct marketing,

little empirical work has been done by academic researchers on direct marketing and the in-home shopper. There has been even less theoretical work. The purpose of this study, then, is to fill some of the theoretical and empirical void that underlies direct marketing and in-home consumption behavior.

The specific research questions that this study attempts to answer are:

- Do person and situation variables by themselves, or do their interactions, explain more variation in in-home consumption behavior?
- In what way do person variables and situation variables interact to influence the risk reduction strategies of in-home shoppers?
- How do heavy users of in-home shopping handle or reduce their perceived risk? How do these risk reduction strategies differ from those of light users of in-home shopping?

Answers to these questions form the crux of the study. Initial hypotheses indicate that the person-situation interactions do explain more variation in in-home consumers than either of the main effects alone, and that the interactions differentially produce active and passive risk reduction strategies in heavy and light in-home shoppers, respectively.

Significance of the Study

The paucity of research on the in-home shopper is amply demonstrated in Table 1. The eleven studies listed there are all that this researcher has uncovered. None were done in the last five years. Gillett reviewed eight of them in 1976. In addition to the studies listed in Table 1 are two

TABLE 1

EMPIRICAL STUDIES ON THE IN-HOME SHOPPER

Reference	Independent Variable(s)	Dependent Variable(s)	In-Home Shopper Profile
Cox & Rich, 1964	perceived risk	order by phone to dept. & spec. stores	low perceived risk, high income, has charge account, convenience-oriented, reads ads, relies on past experience
Feldman & Starr, 1968	race (white/non-white) income	credit/no credit order by phone/mail buy from catalog	no differences at higher income levels whites dominate at lower incomes
Gillett, 1970	demographics socioecon. charact. attitudes	shop by phone/mail/ catalog	upscale in income/education, convenience/impulse-oriented, frequent store shopper
Spence, Engel, & Blackwell, 1970	perceived risk demographics	buy by mail vs. in-store or from salesperson	upscale in income/education subjects rated mail a high risk situation, but no differences in risk perception between mail/non-mail buyer
Peters & Ford, 1972	demographics personality	buy in-home from door-to-door salesperson buy in-store	low education, "locked-in" with children and/or no car, low income, blue collar/clerical head of household
Cunningham & Cunningham, 1973	socioecon. charact. attitudes	active/inactive in-home shopper	high income/education/occupation, less conservative, more cosmopolitan
DeKorte, 1973	demographics socioecon. charact.	extent of in-home shopping by mail or telephone	middle class, married, use credit cards or charge accounts, college educated, high income, self-confident
Reynolds, 1974	demographics attitudes	buy from catalogs	convenience-oriented, children under 12, low opinion of local shopping, high opinion of city shopping centers, younger, more venturesome, more self-conf., higher income

TABLE 1--Continued

EMPIRICAL STUDIES ON THE IN-HOME SHOPPER

Reference	Independent Variable(s)	Dependent Variable(s)	In-Home Shopper Profile
Schiffman, Schus & Winer, 1976	perceived risk	in-home consumer/ near-consumer	spent more on mail-order purchases, wider variety of product categories, low risk perceiver, high tolerance of error
Reynolds, Martin & Martin, 1977	media habits	non-, specialty-, & general in-home shopping	habits: news mags, Cosmopolitan, Consumer's Digest, week-day afternoon/late evening TV, sports/mystery/suspense programs, documentaries, FM radio
Berkowitz, Walton, & Walker, 1979	demographics attitudes situation	buy food in-home	higher educ., younger, not heavy food buyers, likes credit, convenience-oriented, less price conscious, tries new things, takes risks

tangentially related studies that relate message content to sales via direct response (Barry and Hansen, 1979; Capon and Farley, 1976) and one study that tests the effectiveness of a catalog to increase retail store traffic and sales (Bellenger and Pingry, 1977).

The significance of this study rests on its potential to be one of the first investigations in the in-home shopper literature to provide a fundamental theoretical framework. Only three of the studies in Table 1 (Cox and Rich, 1964; Spence, Engel, and Blackwell, 1970; Schiffman, Schus, and Winer, 1976) explicitly use any kind of theoretical framework--perceived risk theory--to explain in-home consumption behavior. This study adds, indirectly, to the perceived risk literature by examining the risk reduction strategies of in-home consumers, but more importantly, it attempts to provide direct response marketing and in-home consumption behavior with a solid, more deeply grounded, theoretical foundation based on some recent, extensively tested psychological and social psychological constructs.

The advent and possible merging of videotex, cable TV, electronic banking, computer shopping, and teleshopping (see Mayer, 1983) all portend the changes that are coming to the field of retailing--something predicted over fifteen years ago by Doody and Davidson (1967; updated by McNair and May, 1978). It behooves the academic community to be prepared for these changes by studying the center of the change: the in-home shopper. A knowledge of the in-home consumer's attitudes and behavior will prepare both academics and practitioners for future events.

Finally, the information obtained through this study could provide immediate benefit to the direct marketing practitioner. The offer--the basic proposition presented to prospective customers to motivate them to

take immediate action--is the direct marketer's means of lowering or relieving the in-home consumer's perceived risk. A knowledge of how consumers handle or attempt to reduce this risk should be invaluable to the practitioner.

Background

Person-Situation Interactionism

Lewin (1951, p. 239), the father of social psychology, explains the issues of interactionism in this way:

> In general terms, behavior (B) is a function (F) of the person (P) and of his environment (E), B = F (P, E). This statement is correct for emotional outbreaks as well as for "purposive" directed activities; for dreaming, wishing, and thinking, as well as for talking and acting.
>
> In this formula for behavior, the state of the person (P) and that of his environment (E) are not independent of each other. . . .

That is, applying the above principle to consumer behavior, personality traits alone cannot explain or predict consumer attitudes or behavior. Nor can environmental situations alone account for what consumers think, feel, and do. The complexities of human behavior, in other words, according to Lewin, require that the scientist look at the total interacting situation--the person as well as the person's environment--in order to elicit reliable principles.

The pitfalls of personality research, which attempts to predict human behavior as a function of the person only, are well documented in the psychological literature (e.g., see Mischel, 1973). They are equally well

documented in the consumer behavior literature (Kassarjian, 1971; Kassarjian and Sheffet, 1975). Situationism (or behaviorism), which is the attempt to predict behavior as a function of the environmental situation only, fares no better in the psychological literature (Bowers, 1973). In the consumer behavior field, situationism never took hold--the few studies that have focused on the situation as an independent variable, such as Belk (1974 & 1975), are strongly influenced by interactionism.

Owing to the problems referred to above in "single factor" research, a significant trend in recent years has been to emphasize interactionism as a better predictor of behavior. The movement is data-based and openly acknowledges its debt to Lewin (and others; see Ekehammar, 1974; Magnusson and Endler, 1977). Kassarjian issued a call in 1973 for consumer behaviorists to acknowledge the influence of Lewin (and interactionism) on their work. A few researchers in consumer behavior over the years have moved slowly and cautiously toward such an interpretation (see, in addition to the Belk articles cited above, Sandell, 1968; Dickson, 1982; Punj and Stewart, 1983).

The problem of explaining and predicting in-home consumption behavior seems ideally set for an interactionist framework. It is easy to imagine personality and other individual difference variables as differentiating predictors of in-home and non-in-home shopping. But common sense (and much past research) indicates that in two different people the same person variables, such as the willingness to take risk, yield different behaviors in regard to place of purchase. Some risk takers buy heavily by mail, for example; others don't even open the mail or catalogs they receive. On the other side of the coin, direct marketers know that some of the most timid and cautious people (and people who are

hostile to mail-order buying) can be turned into heavy in-home shoppers by getting them to buy by mail the first time--through, for example, an unusually strong offer. In relation to in-home consumption behavior, there seems to be little cross-situational consistency in personality or individual differences, or cross-personality consistency in situational influence. The whole situation or total "field," to put it in Lewinian terms, as a process of interaction and interdependence, would seem to be a better construct than personality alone or environment alone to use in studying in-home shopping.

Risk Reduction Strategies

The work of Bauer (1960) and Cox (1967) called attention to the issue of risk taking in consumer behavior. As a part of the larger issue of consumer decision making, perceived risk--the subjective chance that a purchased product will not be what the consumer expected or wanted--can be a major deterrent or obstacle to consumer buying. Consumers who experience high perceived risk--or a high chance of loss or injury--either forego the purchase or attempt to deal with and reduce risk, e.g., by acquiring information about the consequences of the purchase. A knowledge of consumers' risk perceptions and their risk handling behavior is clearly in the interest of the marketer.

Risk reduction strategies are the methods by which consumers lower the uncertainty they feel in connection with a specific purchase decision. The consumer can be relatively passive and simply buy the brand he or she has always bought, buy a well-known brand, or buy from a well-known store; or, he or she can be an active information seeker by asking friends

and family for advice, by comparison shopping, or by noting advertisements and media articles about the product in question.

A number of studies have focused on various risk relief strategies (e.g., Arndt, 1967; Hisrich, Dornoff, and Kernan, 1972; Perry and Hamm, 1969; Sheth and Venkatesan, 1968; Woodside, 1972). Most of these, however, tend to focus on only one or a few risk reduction methods at a time, such as information seeking, personal influence, or brand loyalty. Because there is likely to be an interaction among the various types of risk reduction methods, Roselius (1971) sought to investigate eleven methods of risk reduction and to obtain the consumer's preferences for each method under different buying situations. Roselius' study was conducted in the context of in-store shopping.

Since there does seem to be a relationship between risk perception and place of purchase, as evidenced by the three studies in Table 1 that used perceived risk, the present study focuses on risk reduction. Taking Roselius' study as a stepping-off point, the types of, and preferences for, risk reduction strategy are studied in the context of in-home shopping. Risk reduction methods or strategies, therefore, constitute the behavioral or dependent variable examined in the present study.

Scope and Limits

While adopting an interactionist framework, the present study emphasizes person variables. Place of purchase (in-home vs. in-store) and type of product (jacket vs. turkey) are the only two situational or environmental variables manipulated. From a marketing perspective, place and product, two of the "four P's," are important variables. However, from

the more fundamental, theoretical perspective of interactionist theory, place and product are a very small part of the total situation that can influence behavior. This limitation must be kept in mind when interpreting the results of the study. Research methodology to capture the intricacies and complexities of the total situation is not readily available to researchers today, although great strides are being made (e.g., see Bem and Funder, 1978; Kahle and Berman, 1979).

Because nearly all of the studies of the in-home shopper in Table 1 excluded men from the samples, including the Roselius study discussed above, every effort was made in the present study to obtain a representative sample of men. A number of direct marketers acknowledge the importance of the male shopper; for some catalog retailers, the majority of their customers are men. The absence of men in research samples can only be seen as a great weakness of much research to date. This study seeks to remedy the situation by going beyond the scope of previous research.

The present study samples consumers only in the Northeastern part of the country and is, therefore, limited in its generalizability. Also, the mail survey technique, which is the data collection method used, builds in a response bias that may not be overcome. The products used in the study also limit the generalizability of its results.

The ideal would be to conduct a nationwide probability study of the in-home consumer, using personal or telephone interviewing methods. Meanwhile, the results of the present study should prove enlightening. The major objective of this study is to acquire theoretical insight into the risk reduction strategies of in-home shoppers; practical application of the results is important, but secondary. Consequently, the shortcomings of the

data collection method may be tolerable.

Procedure

The experimental portion of this study manipulates place of purchase (in-home vs. in-store) and type of product (reversible jacket vs. smoked turkey), then measures the interaction effects between these buying situation variables and individual difference variables on the risk reduction strategies of in-home consumers. The design assigns separate groups of respondents to each cell of a 2 X 2 matrix (two situation X two products). Thus, each group is presented with the description of only one product/place-of-purchase pair. The respondents are asked to rate themselves along a number of personality and individual difference dimensions. In relation to the product/place stimulus presented to them, the respondents are asked to express their feelings of perceived risk, error tolerance, inertia, and specific self-confidence. Finally, the respondents are asked to indicate which risk reduction strategies they would use if they were to feel comfortable buying this product from the place specified (home or store). A likelihood of purchase measure is taken to control for extraneous covariation.

After data collection, the sample is further divided according to heavy and light in-home shopping behavior, based on responses to questions on extent of in-home shopping. This creates a total of eight study cells.

The sample is drawn systematically from a purchased "hotline" list of a major mail-order marketer. The marketer is a specialty catalog retailer of casual clothing, shoes, and other related items. A "hotline" list consists of people who have bought from the marketer by mail at least once within

the past six months. The list is estimated to be at least 20% "identifiably male." The list, consequently, insures a representative sample of males, and an adequate cross-section of recent in-home buyers. The study population of 2000 names from the state of Massachusetts was mailed a questionnaire, along with a cover letter explaining the study, and a postage-paid reply envelope. A total of 772 usable responses was received--648 from the initial mailing, 124 from a follow-up mailing.

Analysis of variance--fixed effects, between-subjects model--is the statistical technique used to test the major theoretical hypotheses. Covariance analysis is used to control for the effects of prior experiences with in-home shopping and for differences in likelihood of purchase of the different product/place pairs. Hays' (1963, pp. 323-329) omega-square is the measure of explained variance used to test the interactionist hypotheses.

Organization of the Study

Chapter II of this study takes a critically reviews the state of the art in the theory of person-situation interactionism, perceived risk theory, direct response marketing, and in-home consumption behavior. Together with some related concepts from other theories, the critique concludes with a model of in-home consumption behavior.

Chapter III presents in detail the hypotheses and their operationalization, the research design and sampling frame, the data collection methods and instrument, and the data analyses used in this study.

Chapter IV presents the findings of the study. Chapter V discusses the findings, especially in relation to the state of the art critiqued in Chapter

II. Chapter VI summarizes the study, presents conclusions, and offers suggestions for further research and practical applications.

Chapter II

THEORETICAL FRAMEWORK

A study of multivariable interaction effects on behavior should, properly, begin with a review of the theory that supports such interaction effects on behavior: person-situation interactionism. Thus, this chapter begins by presenting a review of the state of the art in interactionist theory, both as it stands in the psychological literature and as it has been applied in consumer behavior. Next, a review of perceived risk theory--as the construct underlying the present study's dependent variable of risk reduction strategy--is presented; this discussion includes a number of shortcomings in perceived risk theory that have been pointed out in the literature. A refinement of perceived risk theory is then presented. A discussion of direct response marketing follows, including an illustration of the importance of risk theory to the direct marketer. Next, related concepts, drawn from information processing and social learning theories, are discussed. Finally, a model of in-home consumer behavior is constructed, based on the above theories; the model forms the basis of the subsequent empirical research.

Person-Situation Interactionism

In Psychology

Science and the Single Case. The scientific search for the causes of

human behavior has proven to be a long and arduous task. One particular debate is still unresolved, although it was highlighted years ago by Allport (1937, p. 3):

> The outstanding characteristic of man is his individuality. . . .The man in the street is never in danger of forgetting that individuality is the supreme characteristic of human nature. It seems to him self-evident. But with the scientist the case is different. Of the several sciences devoted to the study of life-processes, none, peculiarly enough, recognizes as its central fact that life processes actually occur only in unified, complex, individual forms. Scientists find the very existence of the individual somewhat of an embarassment and are disturbed by his intrusion into their domains.

Science attempts "to trace order in nature through the discovery of regularities and uniformities *characteristic of a whole class* of objects" (pp. 3-4, emphasis Allport's). The particular case or individual person is merely an instance or example of the universal. Descriptions of individuals are not science; rather, they are literature or biography.

But the psychotherapist would like to help individual patients and the marketer would like to discover why individual consumers buy specific products. How can we understand these phenomena, if the aim of science is to know the universal, not the individual?

Two schools of thought--and consequent research traditions--have attempted to answer these questions. On the one hand, the personologists explain individual behavior by referring to "stable intraorganismic constructs, such as 'traits,' 'psychic structures,' or 'internal dispositions'" (Ekehammar, 1974). On the other hand, the situationists emphasize "environmental (situational) factors as the main sources of behavioral

variation" (Ekehammar, 1974). Both see their "constructs" or "factors" as universal threads running through every individual; but the threads exist in individuals in varying degrees or quantities. This difference in magnitude (of possessing a trait, for example, or of being influenced by an element of the environment) is what accounts for individual differences.

But, as pointed out in Chapter I, the person-only approach lacks the cross-situational consistency that it claims to provide (Mischel, 1973). And the situation-only approach lacks cross-person consistency (Bowers, 1973).

Lewin. The problem, according to Lewin, is that the traditional approaches have been mired in a rigid Aristotelian mode of thought--i.e., in too great an emphasis on regularity, frequency, and lawfulness, based on historical data. (Bem and Allen, 1974, pp. 508-510, call this the "nomothetic fallacy," especially when applied to personologists.) Lewin calls for a more modern, Galilelan mode of thought (1935, pp. 33-34):

> . . . physics since Galileo no longer regards the historic course of a process as the immediate expression of the vectors determinative of its dynamics. For Aristotle, the fact that the movement showed a certain total course was proof of the existence of a tendency to that course, for example, toward a perfect circular movement. Galilelan concepts, on the contrary, even in the course of a particular process, separate the quasi-historical from the factors determining the dynamics. They refer to the whole situation in its full concrete individuality, to the state of the situation at every moment in time.

The law of falling bodies, for example, expressed by the formula, $s = gt^2$, is a universal, Galilelan law that was derived from the total situation, not from historical repetitions; it captures the complex interdependencies of

all phenomena and explains the concreteness of the individual case. (The philosophical notion of a "concrete universal" comes from the German philosopher Hegel. See Jones, 1952, pp. 872-873.)

In psychological terms, Lewin expresses the Galilelan approach this way (1951):

> If one wishes to use the wealth of accumulated facts concerning development, personality, social relations, cognition, and motivation for the purpose of understanding, guiding, or predicting the behavior of any given individual, these data will have to be linked in such a way that they become applicable to a particular person at a particular time. (p. 238)

> A law is expressed in an equation which relates certain variables. Individual differences have to be conceived of as various specific values which these variables have in a particular case. In other words, general laws and individual differences are merely two aspects of one problem; they are mutually dependent on each other and the study of the one cannot proceed without the study of the other. (p. 243)

Hence, the theory of interactionism.

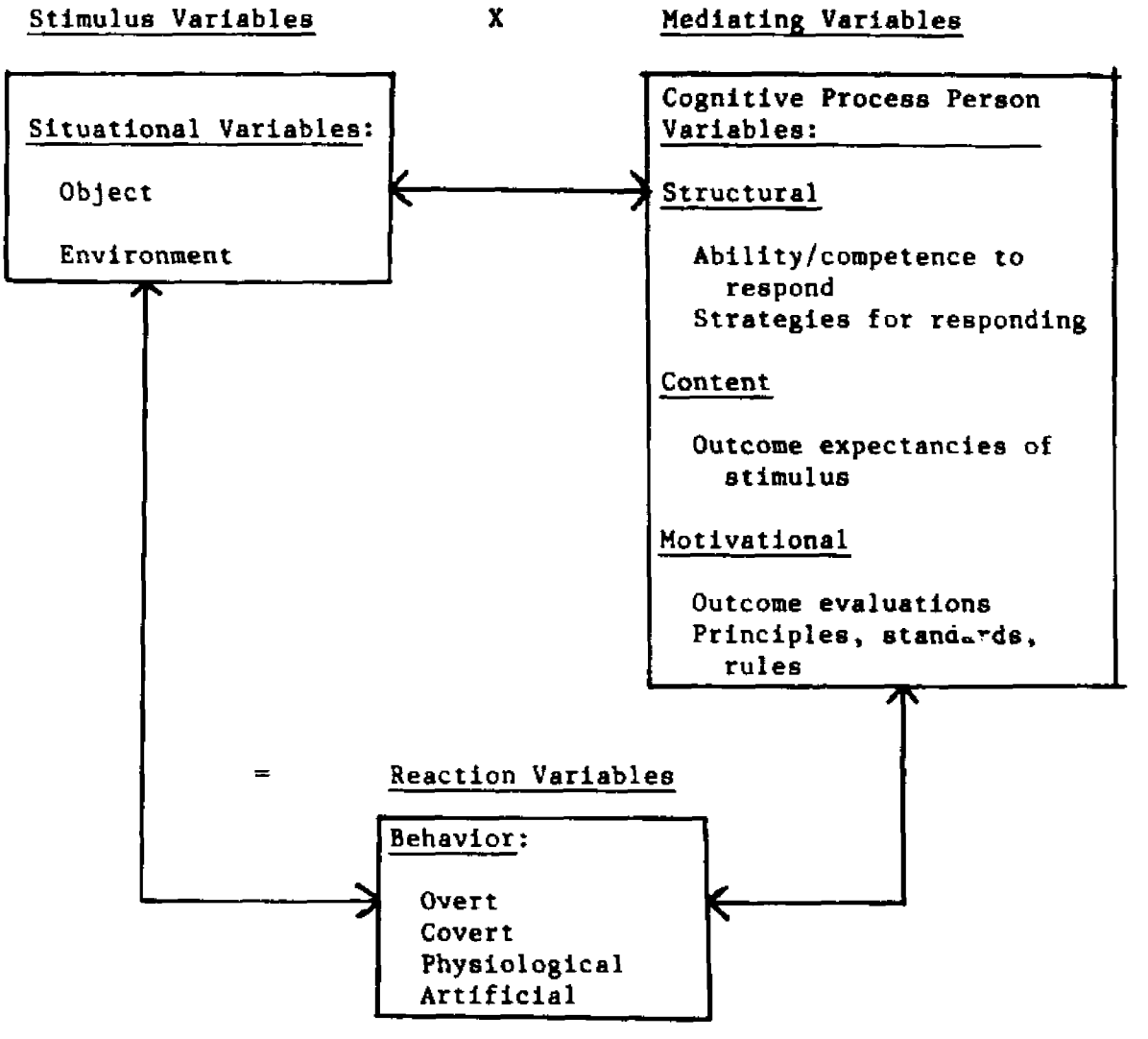
The Theoretical Model. Figure 1 presents a basic interactionist model, as adapted from Mischel (1973 & 1977) and Magnusson and Endler (1977b).

The stimulus variables consist of everything in the person's environment or "field" that is external to the person. If an object is not within the person's range of perception or contact, then it is not a stimulus variable. If the person has come into contact with an object on a previous occasion, the person's evaluations and expectancies about the object are now mediating variables; prior situational experiences become--in the present situation--person variables.

Structural variables are "characteristic properties of the mediating

FIGURE 1

MODEL OF PERSON-SITUATION INTERACTIONISM



Fundamental Hypotheses:

1. Strong situational stimulus ⟶ Weak person influence and Uniform behavioral response

2. Weak situational stimulus ⟶ Strong person influence and Varied behavioral response

system (e.g., intelligence, cognitive complexity)" (Magnusson and Endler, 1977b, p. 5). Content variables are "situationally determined or stored information (e.g., content of anxiety arousing situations)" (Magnusson and Endler, 1977b, p. 5). Motivational variables are "the arousing, directing, and maintaining forces of the processes, indicating *why* the individual selects and treats information and reacts as he or she does (e.g., values, drives, needs, motives)" (Magnusson and Endler, 1977b, p. 5, emphasis theirs). This three-way classification of mediating variables includes the traits belonging to personality theory and also shares elements with the tricomponent model of attitudes (Triandis, 1971).

The reaction variables are classified according to the kind of behavior that results from the person-situation interaction. (Covert behavior includes feelings and other emotional reactions; artificial behavior includes researcher-contrived reactions, such as self-reports on a questionnaire.)

The model is not strictly a traditional S-O-R model because the mediating variables are not moderator variables. They do not necessarily "moderate" the influence of the stimulus situations. The relationships are simultaneous, with all variables interacting (much as gravity and time interact to predict the position of an individual falling body in the formula for the law of falling bodies) to determine a specific "vector," to put it in Lewinian terms--namely, the reaction behavior of a specific magnitude and direction.

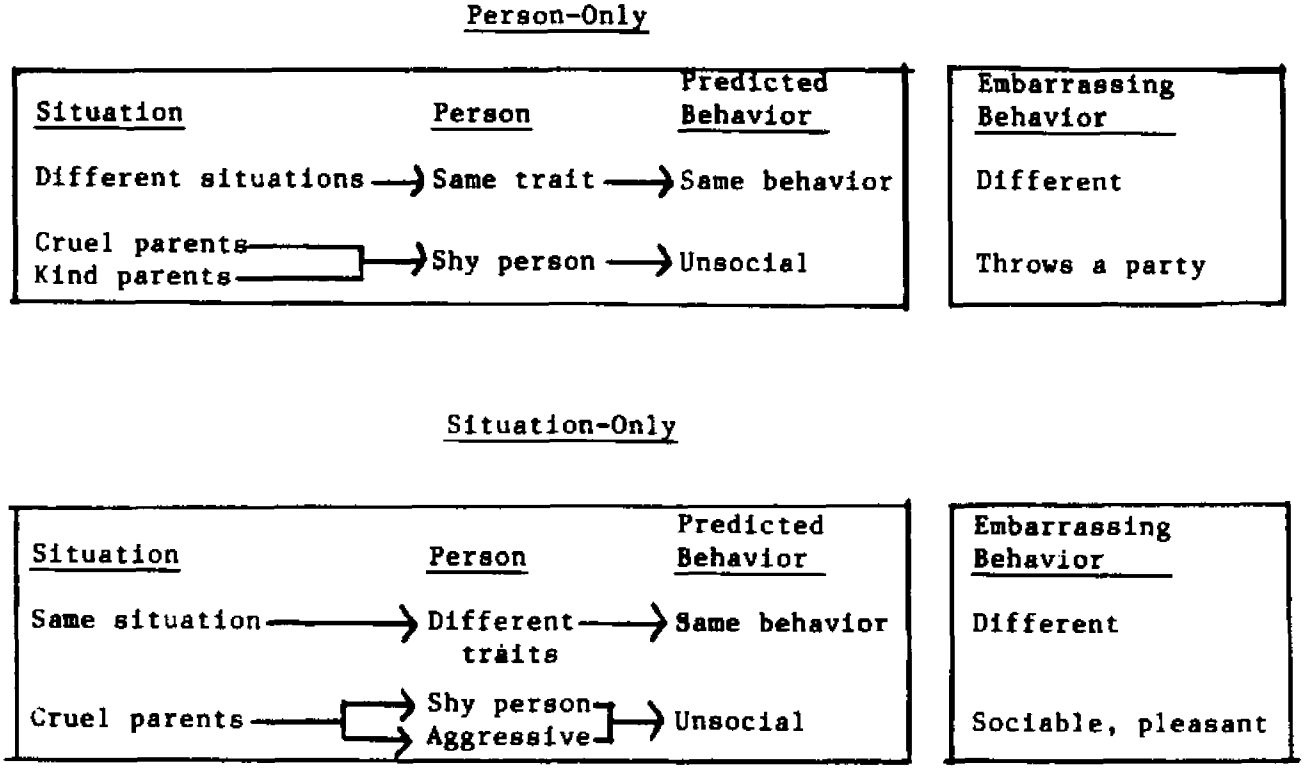
According to Mischel, the stimulus variables are information inputs for the mediating variables, which are aspects of cognitive processing. Understanding the nature of the interactions between information inputs

and cognitive processing is central to understanding some of the difficulties encountered by personologists and situationists. In effect, the personologist holds that in different situations, people with the same traits should exhibit the same behavior. The situationist holds that the same situation, regardless of people's traits, should lead to the same behavior. Unfortunately, both theories have been embarrassed when different, unexpected behaviors have resulted. Figure 2 illustrates the predicted and disconfirming relationships among the variables for these two theoretical positions. (The highly simplified example focuses on the influence of parental treatment of a child on the child's subsequent adult personality and behavior.)

According to the model of interactionism in Figure 1, and its fundamental hypotheses, the strength and clarity of the stimulus variables interact with the strength of the person variables to determine specific behavior. To an interactionist, the disconfirming ("embarassing") behaviors of Figure 2 are not a problem. The disconfirming behavior, "throws a party," is explained by the interaction effects of suppressing the person variable of shyness. The "sociable, pleasant" behavior is explained by the interaction effects of suppressing the situation variable "cruel parents." In both cases, according to interactionism, many other factors, in addition to the ones listed, must be taken into account. Any one person or situation variable, according to Lewin (cited in Allport, 1937, p. 16), is only a phenotype--a visible characteristic or influence common to many people or situations. What the scientist is searching for, however, is the genotype--the fundamental, underlying cause of the person or situation phenotype.

FIGURE 2

PREDICTED AND EMBARRASSING RELATIONSHIPS IN PERSON-ONLY AND SITUATION-ONLY RESEARCH



In Consumer Behavior

> Marketers have long recognized the potential influence of buying situations, but in researching the buyer such factors have either been treated as an unfortunate source of noise or they have been investigated as isolated causes which preclude assessment of the full impact of all but a few extreme situations. (Belk, 1974)

Howard and Sheth's (1969) model of buyer behavior explicitly acknowledged the interaction effects of the commercial/social environment and individual variables on response behavior. But little has been done by researchers to test the interaction effects that were hypothesized. Interestingly, one implied hypothesis is that, in an extensive problem solving condition, strong commercial and social stimuli will lead consumers to a uniform response behavior with weak person variable effects; while, in a routinized response behavior condition, strong person effects suppress the influence of the commercial and social environment (Howard and Sheth, 1967). This is essentially the same hypothesized relationship as that of Figure 1, discussed above.

The recent trend in consumer behavior research has been to focus on information processing--a person variable or set of variables. Bettman's (1979) seminal work in this area nevertheless acknowledges that interactions between situational influences and individual differences are decidedly relevant in explaining consumer behavior. In the information processing literature, Capon and Burke's (1980, p. 315) purpose "was to identify a stable individual characteristic that could explain [information] acquisition strategy"; but *de facto* the study analyzed person-product-task (information availability and use of memory aid)

interactions. In a review of recent information processing research, Punj and Stewart (1983) conclude that an interactionist framework, where "Behavior = Task + Individual + (Task X Individual) + Error," should be adopted to explain and predict consumer decision making.

Sandell in 1968 was a pioneer in the empirical study of interactionism in consumer behavior. Following Endler and Hunt (1966), he used a three-way analysis of variance test on individual, situation, and product for a number of drinking situations that a consumer might be in. The results showed substantial situational and interactional influence. Belk, more aggressively, challenged the person-only approach of many researchers in consumer behavior by demonstrating the importance of "circumstances, context, or situations," in purchase decisions (1974) and openly embraced a variation on the Lewinian perspective of interactionism (1975). Following Belk, Dickson (1982) tested and recommended a person-situation-object interaction framework as a basis for market segmentation.

While the interactionist influence in consumer behavior research is present, it is not substantial. The theoreticians acknowledge the importance of interactions in explaining behavior; what remains to be done is to add to the empirical literature cited above by testing the theory in a consumer behavior context. That is a major objective of the present study.

Perceived Risk Theory

Construct Validity

Nicosia, in his 1969 review of *Risk Taking and Information Handling in Consumer Behavior* (Cox, 1967), praised the book, but also expressed disappointment. He stated that shortcomings result from "a too direct dialogue between verbal hypotheses and empirical data (and their statistical manipulations) without the benefits of an intervening formalization" (p. 165). A more solid theory of consumer decision making is what is needed to tie the many empirical studies together. The lack of this formalization, said Nicosia, has led researchers to use the concept of perceived risk ambiguously. What we are left with is a rigorous study of only one aspect of the decision process, in effect, a "research effort" that is "suspended in a vacuum" (p. 166).

Spence, Engel, and Blackwell (1970) expressed misgivings about the value of the perceived risk construct when two of their three hypotheses concerning telephone shopping behavior were unsupported by the test results. Their data supported the hypothesis that purchase by mail (versus from a salesperson or in a retail store) differentially affects the level of perceived risk. But the data failed to support differences in perceived risk between buyers and nonbuyers of mail-order hospitalization insurance. The authors blame the measuring instrument and suggest that future research focus on "finding a criterion of risk. What other measures or types of behavior exist which are known to reflect high risk perception? Such a criterion must be available before a paper and pencil scale of any type can

be meaningfully validated" (p. 369).

Jacoby and Kaplan (1972) represent a lone attempt to validate a typology of perceived risk. Construct validity of the five (now commonly accepted) types of risk was demonstrated by examining the rank orders of risk types within clusters of similar products and also by regressing the five types on an overall perceived risk rating. The five types of perceived risk were shown to explain nearly 80% of the variance in overall perceived risk. Another isolated research study was Sheth and Venkatesan's (1968) experimental manipulation of level of perceived risk. They studied the effects of perceived risk on risk reduction methods, finding a definite relationship between risk and brand loyalty.

The most devastating--and constructive--criticisms of the perceived risk construct are probably those in Ross's 1975 review article. Ross begins his review by pointing out the confusions in the literature over the meaning of perceived risk and its operationalization. Ross comments that, after reading several studies, one wonders whether the authors are all talking about the same thing. Confusion abounds over the factors that allegedly underlie perceived risk: Are they uncertainty and consequences? Or is importance one of the factors? or danger? Is the construct inherent risk vs. handled risk (Bettman, 1973)? Or is perceived risk really the same as cognitive dissonance? Are the factors additive or multiplicative? Many of the studies that have examined correlates of perceived risk, including word-of-mouth communication and opinion leadership, new product adoption and brand/store loyalty, mode of shopping, risk reduction methods, and personality (especially self-confidence), have provided valuable insight into consumer behavior, but also many of them are equivocal.

Ross (1975) points out a serious "criterion contamination" problem in perceived risk research, wherein "researchers have assumed that there *is* risk in decision-making simply because, using the instruments they have developed to measure it, they have measured it" (p. 11, emphasis his). Arndt (1968), Cox and Rich (1964), and Schiffman (1972) are cited as examples. (Concerning the Schiffman study, however, Ross' comments do not seem appropriate, especially in connection with Schiffman's measure of perceived error tolerance.) Of the Cox and Rich study, Ross states:

> The *construct* of perceived risk has become obscured by defining (measuring) it in a *situation-specific* context (ordering by telephone) which is the *same* context used to "validate" and interpret the effect of the construct. The logic here (or lack of it) is akin to the assertion that "not having a telephone is likely to be a strong deterrent to purchasing an item by telephone" (1975, p. 12).

The measures of risk in this and other studies were taken *after* purchase--a procedure that invites confusion of perceived risk with post-purchase cognitive dissonance.

Ross concludes the review with suggestions for further research. He recommends disguised measures of risk and risk reduction to avoid the sensitization of subjects that takes place with more intrusive measures. And he recommends the use of multiple experimental manipulations, especially in the study of different modes of shopping or places of purchase, where "one might create an environment where consumers could choose among these modes, each with fixed costs (e.g., postage, gasoline, time, etc.), in deciding on a purchase" (p. 7). A goal of the present study is to incorporate some of these recommendations in order to advance the

understanding of perceived risk.

A Refinement of Perceived Risk Theory

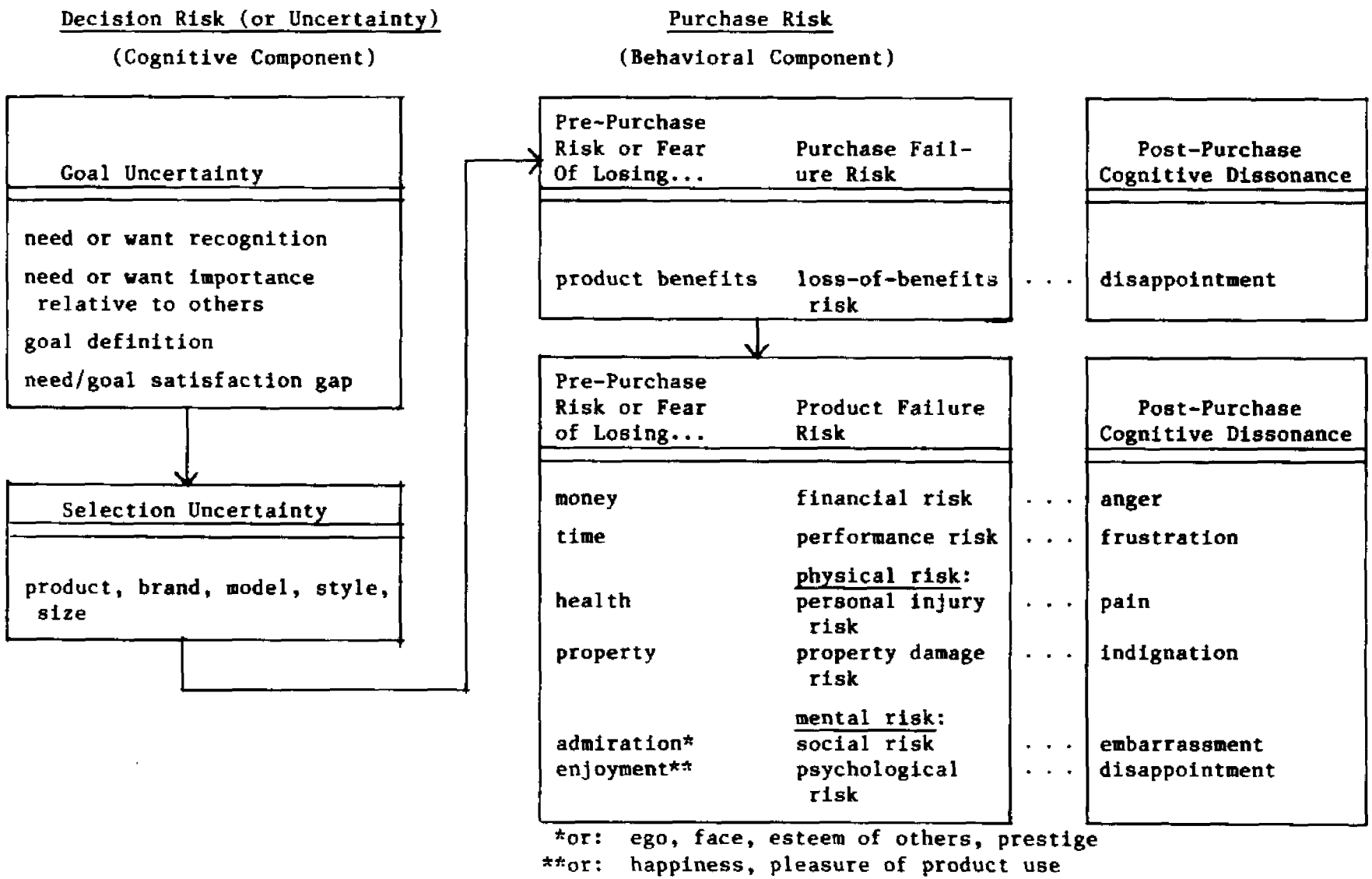
Little work over the years has sought to clarify and expand the construct of perceived risk. Taylor (1974) and Stem, Lamb, and MacLachlan (1977) are perhaps the only ones to have tried. Their efforts are to be lauded, but the present researcher finds it valuable to elaborate a new clarification of the theory.

In a sense, the research tradition of perceived risk is similar to a piece of wood furniture that has been varnished, shellacked, and painted with six or eight coats; its beauty has been covered and hidden by well-meaning but sometimes short-sighted finishers. So, too, has the meaning (and beauty) of perceived risk been obscured by well-meaning, competent researchers who were perhaps not always mindful of fundamentals. Just as the piece of furniture needs to be stripped of its many coats to uncover the fine grain that lay hidden for many years, so also perceived risk theory needs to be stripped of the confusions of recent research to uncover the true underlying construct that was originally set forth. A look at Bauer (1960) and Cox (1967) provides clues to a refinement of the theory.

Figure 3 illustrates the present writer's clarification and restructuring of the perceived risk construct. The model is not a radical departure from Bauer and Cox. In fact, all components have been derived from Cox's elaboration of the construct in his introduction to the 1967 book (especially, from pp. 5-10). Interpretation of the components, however, in

FIGURE 3

REFINEMENT OF PERCEIVED RISK MODEL



addition to their names, does vary considerably from Cox's.

The first thing to notice in Figure 3 is that the two major components--Decision Risk and Purchase Risk--are the counterparts of "uncertainty" and "consequences," the two factors frequently discussed in the literature and by Cox. Decision Risk, or uncertainty, is not a part of the Purchase Risk component because, in the present writer's opinion, risk concerning purchase consequences and risk concerning purchase goals are not only qualitatively different, but also conceptually different. Interestingly, Cox does not use the term "uncertainty" in connection with the consequences component (in the Introduction to the book; he is not so consistent elsewhere); he simply refers to the two factors of "uncertainty" and "consequences"--a distinction that has become badly muddled in recent years.

The "uncertainty about consequences" component, as discussed in the literature, refers to the chance or fear of loss consumers experience when they think about the possibility that the product will not meet their purchase goals. The uncertainty involved here is *inherent* in the nature of things. Certainty is theoretically unachieveable because no one can predict future events with certainty. It seems more useful to describe this factor simply as a chance, expectation, anticipation, or fear of some kind of loss, i.e., Purchase Risk.

The "uncertainty about purchase goals" component, on the other hand, is more introspective. The consumer, here, looks inward (rather than to the future) to decide first: do I have a need or want for a new product? If so, what general kind of value or goal would satisfy the need? Then, finally, what specific product, brand, model, style, and size will meet this need?

Consumers can be and are at various stages of this decision making process. Theoretically, certainty about one's purchase goals can be achieved even though the certainty depends, most likely, on many factors, such as ability and motivation to introspect and ability and desire to search for product information. Qualitatively, however, this kind of uncertainty is different from the risk or fear of purchase failure. Hence, the name "Decision Risk (or Uncertainty)."

To be sure, the two factors overlap and influence one another. In set theory terms, the two components of perceived risk intersect. For example, perceived physical risk can have an effect on goal definition, and vice versa. But the general flow or direction of the risk perception process probably tends to move in accordance with the arrows in Figure 3.

A case can even be made that the "Decision Risk" component in Figure 3 is not truly a risk and should be separated completely from the construct of perceived risk. It should, perhaps, be renamed "Decision Uncertainty" or "Decision Clarity." For wherein lies the risk in *deciding* that you would like to buy a Mercedes Benz? If you do not have the money, you will feel perceived financial risk and that will stop you from actually *purchasing* the car. Does not perceived risk, however, apply only when the consumer has an evoked set of brands and is seriously considering a *purchase?*

There is a difference between a *decision* and a *purchase*. The distinction is that a decision is the choice of product and brand--the selection from among alternatives. A purchase is the behavioral implementation of a decision--the actual giving-up of money and acceptance of the product. Consumers can and do make decisions long before they are seriously in a position to make the purchase. There is such

a mental activity as *wishful* decision-making--an activity that usually occurs in the early stages of the purchase decision process. In this sense, "Decision Risk" involves little or no chance of loss or injury. The risk associated with purchase behavior, however--which occurs near the end of the purchase decision process--does bring in the constraints of budget (money), time, health, property, admiration, and enjoyment. Consequently, it seems that Decision Risk should, more properly, be labeled "Decision Uncertainty" or "Decision Clarity." For convention's sake, however, and especially until further theoretical explorations can take place, the terminology of Figure 3 will remain.

It should be noted that the first subcomponent of Purchase Risk, "Purchase Failure Risk," is derived from Cox's presentation (but is little, if ever, dealt with in the literature). This construct simply is the fear of loss that consumers experience when a limited supply of the product is available, or when the product is available only for a limited time, and there is a real chance that a consumer with money in hand may be turned away unsatisfied.

The last column in Figure 3--"Post-Purchase Cognitive Dissonance"--is included to underscore the relationship between perceived risk theory and dissonance theory. Bauer (1960), in his original article on risk taking, states:

> One body of work deserves our attention. Most of it is reported in Leon Festinger's book called *A Theory of Cognitive Dissonance*. Festinger and his associates have concentrated on the ways in which people reduce perceived risk *after* decisions are made. (Emphasis his).

The present writer would just clarify two points: first, "decisions" should

be interpreted here as "actual purchases," and second, the writer would argue--for consistency--that perceived risk is a phenomenon that occurs entirely *before* purchase, cognitive dissonance occurs *after* purchase. One can argue that the two phenomena are separated only by the act of purchase. Perceived risk can be said to be a fear or expectation of the dissonant feelings of anger, frustation, pain, etc., should the product fail to meet the buyer's purchase goals. The two theories, it seems, should have many linkages.

In elaborating the meaning of Figure 3, it is also necessary to refer to the issue of information handling and risk reduction. One stream of consumer behavior research views all pre-purchase behavior as an information seeking process. No doubt, consumers seek information to help them define their purchase goals, and also to increase their confidence that any feared losses--and resulting dissonant feelings--will not occur. But it seems quite unjustified to assert that all risk reduction behavior is information seeking or information handling behavior (aside from behavior that seeks to reduce the amount at stake). For instance, consumers buying a product to which they are brand loyal do not need to undertake an information search. Brand loyalty itself seems to be a means of reducing risk that is an alternative to information seeking--an issue to be raised in the next section of this chapter.

Direct Response Marketing

Theory

Most studies focused on the manipulation of one or two variables;

> however, no attempt has been made to develop an underlying theory which explains the results achieved. There is no systematic body of knowledge, nor conceptual framework, which relates specific techniques to. . . response behavior except in an intuitive sense. Few findings are related to scientific theory. (Kanuk and Berenson, 1975.)

"Questionnaire" is the word omitted in the ellipsis. Without it, the preceding paragraph is an excellent summary of the state of the art in direct response marketing theory. (Of course, questionnaire surveys conducted by mail are a subset of direct marketing.)

Little academic research on direct marketing can be found. Banks (1950) reported a study that predicted mail-order purchases based on a previous survey of preferences. Mayer (1951), in the *Harvard Business Review*, wrote a practitioner's defense of the benefits of direct mail advertising. Starling (1973-74) discussed the phenomenon of "direct merchandising" or "third party direct mail advertising" to credit clientele. Occasionally, an advertising journal will report work done on direct mail as a medium of advertising (Barry and Hansen, 1979; Bellenger and Pingry, 1977; Capon and Farley, 1976).

Perhaps the only theory underlying the practice of direct marketing comes from the practitioner Lester Wunderman, head of the largest direct marketing agency in the United States--Wunderman, Ricotta, & Kline. He states (contrasting direct marketing with general advertising):

> Direct marketing is Skinnerian--it modifies behavior directly and reinforces that change in behavior. General advertising is more Freudian--it attempts to alter behavior by first changing attitudes. (Quoted in Fisher, 1983.)

The problem in direct marketing, as in mail survey research, is that many

techniques or tactics are known to work well, but no one knows for sure *why* they work so well. Practitioners base their decisions on intuitive hunches. However, Wunderman's comments perhaps are the seed of what could eventually become a theory of direct marketing.

The contrast that Wunderman makes between direct marketing and general advertising is not quite complete. As he points out elsewhere (Wunderman, 1983a), the contrast is direct marketing and direct response advertising versus *indirect* marketing and general advertising. Wunderman spells out the meaning of direct marketing in detail:

- Direct marketing is getting your message direct to the consumer to produce a desired action.

- Direct marketing is a *marketing process* which uses advertising to originate an ongoing dialogue between a prime supplier of goods or services and the ultimate consumer.

- Direct marketing creates a database which is constantly refined as it is used to define, locate and communicate with and sell to prime prospects and customers.

- This database makes possible a unique and totally relevant ongoing dialogue between producer and consumer.

- Direct marketing *creates customers* as well as sales.

- Direct response is a form of advertising which selects and locates targeted prospects in all media, causes them to respond, provides ongoing information, directs purchases through any distribution channel. It results in accountable advertising which creates measurable transactions. Direct marketing uses all media . . . . (p. 26, emphases his.)

(It should be obvious from this quote that direct marketing is not the same

as "direct distribution"--the distribution strategy that eliminates the middleman. In fact, today, some of the premiere direct marketers are middlemen, especially retailers.)

Indirect marketing, on the other hand, always operates through two stages. The first stage attempts to affect the audience's awareness and attitude; the second stage concentrates on generating action. Direct marketing combines both stages into one.

Part of the success of direct marketing today, says Wunderman, can be attributed to its ability to bring back the service element to product marketing. "All products were originally created as services. Pots were for cooking, clothes for warmth or modesty . . . ." But "we took a big turn away from service and toward commodity values when we detached the product from its maker or any human champion at retail" (and introduced self-service; Wunderman, 1983b, p. 32). Direct marketing creates what he calls a "prodice," a good that acts like a service. Wunderman's favorite example is the Book-of-the Month Club, a "prodice" he helped create in 1946 with Maxwell Sackheim. With the Book-of-the-Month Club, "buyers of books become customers of an ongoing service, with the product *becoming* a service" (Fisher, 1983, p. 19; emphasis hers).

Practice

The literature dealing with the practice of direct marketing is also limited. For many years, direct marketing, known best for its primary advertising medium--direct mail--was considered the ugly stepsister of advertising. In marketing textbooks, it merited hardly more than a

paragraph, if even that. Today, however, things are different. Dramatic--and possibly accurate--predictions are being made about the growth of direct marketing; e.g., "by 1990, half of all consumer goods will be purchased from the home" (Lazarus, 1983). Now, direct marketing is a "Cinderella" girl, and general advertising agencies are buying up every available independent direct marketing agency.

With this "coming of age," a number of reputable books on the practice of direct marketing have been written. Stone's (1979) has long been considered the basic text. Others have covered the basics just as well (Baier, 1983; Kobs, 1979; Nash, 1981; Simon, 1981). Exhibits 1 and 2 present a concise description of direct marketing practice. (Taken from *Direct Marketing* magazine, these Exhibits appear in the front section of every issue of the magazine.)

Direct marketing practitioners use simple formulas as guidelines to developing their programs. All practitioners use some variant of the "40-40-20" formula for direct marketing planning (Jutkins, n.d., pp. 3-4; the formula is attributed to Freeman Gosden, Jr., President of Smith/Hemmings/Gosden Direct Response Advertising in El Monte, California). According to this formula, the success of any direct marketing campaign depends on three elements, weighted as follows: identifying the right audience (40%, though some practitioners say this element can account for as much as 50-80% of the success or failure); presenting the right offer (40%, which includes the product, the price and payment terms, and any additional incentives); and developing the right creative elements--i.e., the copy and graphics or production execution (20%, much to the chagrin of the creative staff). To the general, indirect marketer, these

EXHIBIT 1

DIRECT MARKETING - What Is It?

An Aspect of Total Marketing - not a fancy term for mail order.

Marketing is the total of activities of moving goods and services from seller to buyer. (See chart). Direct Marketing has the same broad function except that Direct Marketing requires the existence and maintenance of database.

a) to record names of customers, expires and prospects.

b) to provide a vehicle for storing, then measuring, results of advertising, usually direct response advertising.

c) to provide a vehicle for storing, then measuring, purchasing performance.

d) to provide a vehicle for continuing direct communication by mail and/or phone.

THUS

DIRECT MARKETING is interactive, requiring database for controlled activity: By mail, by phone, through other media selected on the basis of previous results.

DIRECT MARKETING makes direct response advertising generally desirable since response (inquiries or purchasing transactions) can be recorded on database for building the list, providing marketing information.

DIRECT MARKETING plays no favorites in terms of Methods of Selling.....and there are only three:
a) Where buyer seeks out seller - retailing, exhibits
b) Where seller seeks out buyer - personal selling
c) Where buyer seeks seller by mail or phone - mail order

DIRECT MARKETING requires that a response or transaction at any location be recorded on cards, mechanical equipment or, preferably, on computer.

DIRECT MARKETING can be embraced by any kind of business as defined by the U.S. Census Standard Industrial Classification system:

Manufacturing	1520-1799
Transportation/Communications	4010-4399
Wholesale	5010-5999
Retail	5210-5999
Department Stores (5311)	
Financial Services	6010-6799
Services	7010-7999
Advertising Agencies (7311)	
Computer Houses (7372)	
List Brokers (7338)	

DIRECT MARKETING is an interactive system of marketing which uses one or more advertising media to effect a measurable response and/or transaction at any location.

(Source: Direct Marketing Magazine)

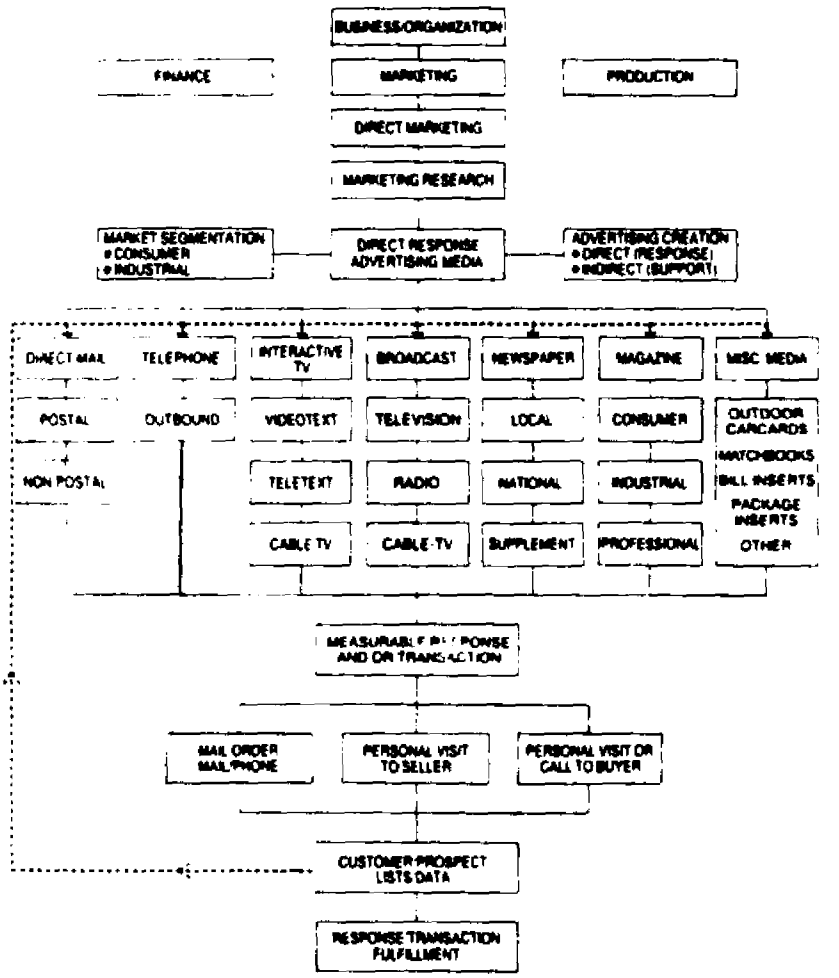
EXHIBIT 2

Direct Marketing... An Aspect of Total Marketing

Direct Marketing is an interactive system of marketing which uses one or more advertising media to effect a measurable response and/or transaction at any location.

Direct Marketing Flow Chart

Martin Baier, Henry R. Hoke, Jr., Robert Stone



Direct marketing is a concept, an attitude toward marketing, a sub-set of marketing. It can be embraced by any kind of business supporting one or more methods of selling. Importantly, direct marketing suggests that more than one method of selling can and perhaps should be integrated to achieve maximum sales from the defined market segment(s), geographically, demographically, psychographically.

Fundamental to direct marketing are all of the rules, disciplines and practice of direct mail. In a narrow sense, direct marketing is a media concept, the cornerstone of which is the building, maintaining and enriching the database of customers, former customers and prospects to the exclusion of suspects. Thus direct response techniques are most often injected into the total advertising program.

The existence of database for each company permits analyses, research, precise follow-up by mail and phone, to target specific appeals to different customer segments by source, dollar volume, recency and frequency of purchase.

- *Direct Response Advertising* in any medium, is that which effects a measurable response and/or transaction at any location.

  Mail-order is a *Method of Selling*, which relies on direct response advertising alone, to effect a measurable response and/or transaction by mail, telephone or other interactive medium.

  Alternative *Methods of Selling*, encompassed in the definition of Direct Marketing, are those in which, as a result of Direct Response Advertising:

  the buyer personally visits the *seller's location* (store, market, exhibit, etc.) to effect a transaction;

  the seller calls at the *buyer's location* (home, business, organization, etc.) — in person or by telephone — to effect a transaction.

(Source: Direct Marketing Magazine)

three components of the formula are basically an adaptation of the 4P's and the definition of the market. Distribution strategy, or the "place" component of the 4P's, does not appear in the formula because distribution in direct marketing is usually "direct."

The "offer," as an element of direct marketing success, is of special interest to the present writer, because the offer seems to be geared, at least in many situations, to overcoming and reducing the in-home shopper's perceived risk.

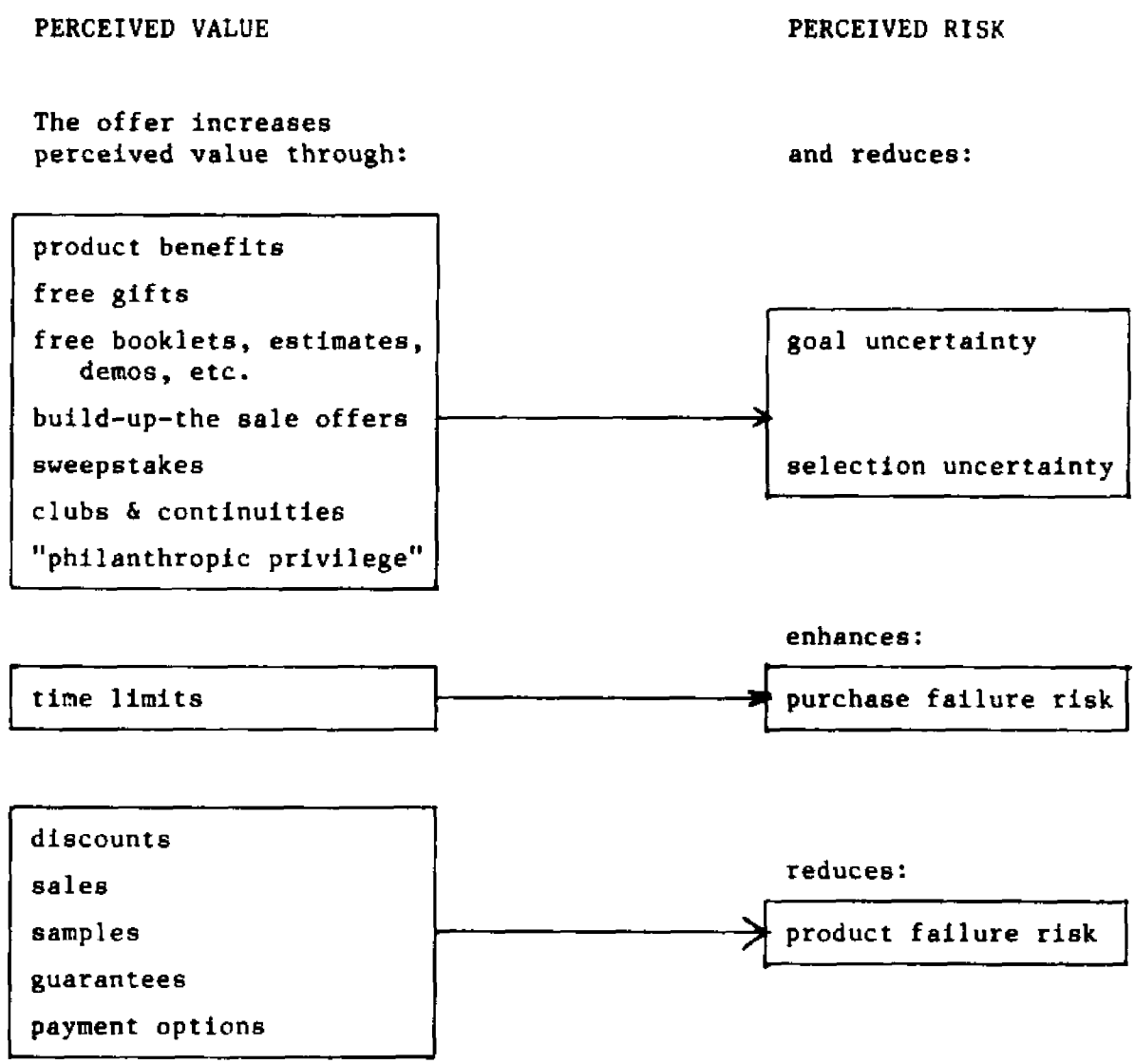
The Offer as Risk Reliever

Kobs (1979, p. 32) states that "two basic offers have become real standbys. Both are designed to reduce the risk of ordering by mail." These offers are the "free trial" and the "money-back guarantee." Other offers also seem to be "risk relievers." "Cash with order" is a payment term that appeals to the desire to save money by omitting the postage and handling charge, if the payment is made up front; this offer serves to reduce financial risk. "Build-up-the-sale" offers (a deluxe model option is offered for negligibly more money) and "free booklet" offers both operate on prospects to reduce their decision uncertainty. These offers seek to build up the total perceived value of the package that is being offered; the marketer hopes the prospects will see this bundle of benefits as more valuable than the uncertainty and risk they experience by not having the product.

Stone (1979) lists 25 different direct marketing offers; Kobs (1979) lists 99, but he also divides them into eleven categories. Figure 4

FIGURE 4

THE OFFER AS RISK RELIEVER (OR RISK ENHANCER)



illustrates the relationships between Kobs' eleven categories (thirteen, including the product itself and payment terms) of offers and the perceived risk that the consumer can experience. Figure 4 can be explained as follows:

Primacy of the Product. The old truism--"without a good product, you have nothing"--applies across all types of marketing. Accordingly, the first box under the "Perceived Value" heading focuses on increasing the value of the benefit package to a level that exceeds the prospects' perceived risk and helps reduce their decision uncertainty. The key to presenting products to prospects in direct marketing is to focus on the benefits--the results of product use that help the customer either do something better or feel better--i.e., the "service" element that Wunderman talks about. Emphasizing product features has driven direct marketers to come up with another truism: "it's not what you have to sell, but what your customer wants to buy" that makes the difference. It is the product benefits that help customers recognize their needs, define their purchase goals, and, it is hoped, select the brand being offered.

The remaining offer categories in the first box are designed to add value to the product benefits. The "free gift" offer provides a premium. The "free booklet, estimate, demo, etc.," offer can operate as in business-to-business direct marketing, where the offer of "send me a salesman with no obligation to buy" frequently generates highly qualified leads for the sales force. A sweepstakes is a bonus thrown in with the product to increase the total package value. It adds drama and excitement to the offer and the prospect perceives a large chance (though, actually, it is a very small chance) of getting something for nothing (the consumer does

not have to buy to enter). Clubs and continuities offer the consumer a chance to belong to a select group. "Philanthropic privilege" is the offer of fund-raising direct marketers. The consumer receives nothing tangible in return for a contribution, but does get the feeling of helping make the world a better place to live in.

Risk Enhancement. The time-limit offer is perhaps the only one that can be said to be a risk *enhancer*. It is designed specifically to operate on the consumer's fear of losing out on the benefits offered in the package. "If you don't act now," the message is, "you'll be sorry when the offer expires." The consumer's method for reducing purchase failure risk, actually, is purchase. Buying the product eliminates the chance and fear that time may run out; consequently, the consumer feels relief, rather than disappointment at having wanted the product and failing to get it. (Of course, deciding that one did not really want the product is another way to reduce this particular kind of risk.)

Risk Reduction. In the third box of offers shown in Figure 4, discounts and sales both operate to reduce financial risk. They also operate in other areas: the discount can work to increase the total value of the package; the sale can create a time-limit pressure. Payment options also reduce financial risks. Samples and guarantees operate to reduce the risk of the product's not performing satisfactorily.

Inertia

Direct marketers use one more concept that may be helpful in understanding in-home consumer behavior. They call it "inertia." For

example, Wunderman refers to it as follows:

> Successful mailings produce a response range of 2-5 percent. Magazine and newspaper ads and TV commercials are judged successful at a response rate of fractions of one percent. What accounts for the inertia of the majority of the audience? (1983c, p. 20.)

(Their reponse rates, direct marketers usually hasten to point out, are huge compared to the response rates of general, especially television, advertising--if the results could be measured, which they cannot.) Thus, inertia is the lack of desire or motivation to act. Wunderman points out that this inertia is caused by the prospect's lack of ability, willingness, and readiness to buy.

Lack of "ability to buy" means the prospect does not have enough money, or is not the right age, sex, etc. In other words, this kind of inertia is outside the immediate control of the direct marketer and also probably outside the control of the consumer. To overcome this form of inertia, the direct marketer should strive to pinpoint the target market or audience to those who are able to buy. Lack of "willingness to buy" is obviously something that is in the consumer's control. For the direct marketer, consumer inertia can be a fear of buying by mail or telephone or fear of an unknown company or product. Inertia here is a hesitancy in the consumer to take action; it is perceived risk. The direct marketer's solution to this is the offer--proof of claims, guarantees, free trials, etc. Lack of "readiness to buy" means the consumer does not now have a need for the product. "You can't sell a house to a person who just bought one," says Wunderman. For whatever reason this type of inertia exists--a person who does not have a need for the product, or is not sure of what he or she would like--the only

solution is an offer with high perceived value and, perhaps, a timeliness element.

To summarize the discussion above, it would seem that inertia can be described as:

the consumer's lack of--	because the consumer--
• ability to buy	• has the wrong demographic characteristics
• readiness to buy	• has no current perceived need
• willingness to buy	• has perceived risk

Thus, two of the three inertia factors--readiness to buy and willingness to buy--seem to have elements of the two factors of perceived risk that were discussed earlier in this chapter--namely, decision uncertainty and purchase risk. The direct marketing offer is designed to overcome this inertia and to reduce uncertainty and perceived risk. Offers, in other words, are also "inertia breakers."

Related Concepts

The purpose of this study is to determine the interaction effects of individual differences and buying situation on the risk reduction strategies of in-home shoppers. In order to develop a testable model of in-home consumption behavior, it is appropriate to examine a number of additional, related concepts that pertain to the individual difference variable. These concepts are cognitive style, locus of control, self-confidence, perceived error tolerance, and shopping style.

Cox (1967b, c) examined the risk handling characteristics of

"simplifiers" and "clarifiers." These are concepts drawn from the notion of "cognitive style." The assumption is that people, generally, and consumers, in specific, react mentally in different ways to ambiguous stimuli. Clarifiers, Cox reported, actively pursue clarity and understanding in an ambiguous situation; when confronted with the ambiguous situation of having to decide whether or not to purchase a new product, the clarifier obtains information and weighs the evidence carefully, usually arriving at a balanced evaluation of the brand. Simplifiers, on the other hand, try to keep dissonant or incongruent information out of their minds; ambiguity for them is too uncomfortable to deal with. In a purchase situation, simplifiers make "black or white" product evaluations, paying attention to only certain pieces of information, and evaluate the product as "all good" or "all bad."

Rotter's (1966) construct--attributions of internal vs. external locus of control--is highly relevant to a person-situation interaction test. A person exhibits internal locus of control when he or she believes that benefits, rewards, and success are the direct result of his or her own effort. A person exhibits external locus of control when "he feels the reward is controlled by forces outside of himself and may occur independently of his own actions." Locus of control, in other words, is a person's belief or expectation about how reinforcement is controlled--by oneself, i.e., the person, or by external situational variables, or some combination (interaction) of the two. A mail order in-home buying situation would seem to make a good test of this construct.

The constructs of generalized and specific self-confidence have been used by a number of researchers (Cunningham, 1967; Dash, Schiffman, and

Berenson, 1976), especially in relation to perceived risk. Generalized self-confidence is an overall feeling of competence and well-being; it is highly related to self-esteem. Specific self-confidence is the feeling of competence regarding a specific task, such as buying by mail or telephone. Schiffman (1972) modified Pettigrew's (1958) concept of category width by measuring "perceived error tolerance," which he defined as a measure of "general risk handling with respect to new products within a broad category." Self-confidence and error tolerance both seem to be likely candidates for person variables that interact with place of purchase in influencing risk reduction strategies.

In studies of retail store patronage, Bellenger, Robertson, and Greenberg (1977) and Bellenger and Korgaonkar (1980) have profiled what they call "recreational" shoppers and "convenience (economic)" shoppers. The recreational shopper goes shopping for the enjoyment of the activity--to be with other people and to browse and accumulate product information. The convenience/economic shopper, on the other hand, is convenience- and cost-oriented, does not consider shopping a leisure-time activity and does not continue shopping after making a purchase. The recreational shopper is more likely to be an upscale, white-collar female than the convenience/economic shopper and is apt to be more innovative but less traditional. Time and information seeking are the two dimensions that distinguish the shopper types. The recreational shopper spends a lot of time and seeks information when shopping; the convenience/economic shopper does neither.

The concepts presented in this chapter form the basis for the preliminary model of in-home consumption behavior that is described next.

Model of In-Home Consumption Behavior

Figure 5 presents the model to be used for empirical testing, the details of which are discussed in Chapter III. A few points of elaboration, however, need to be covered here.

A person-situation interactionism paradigm, in essence, looks like this:

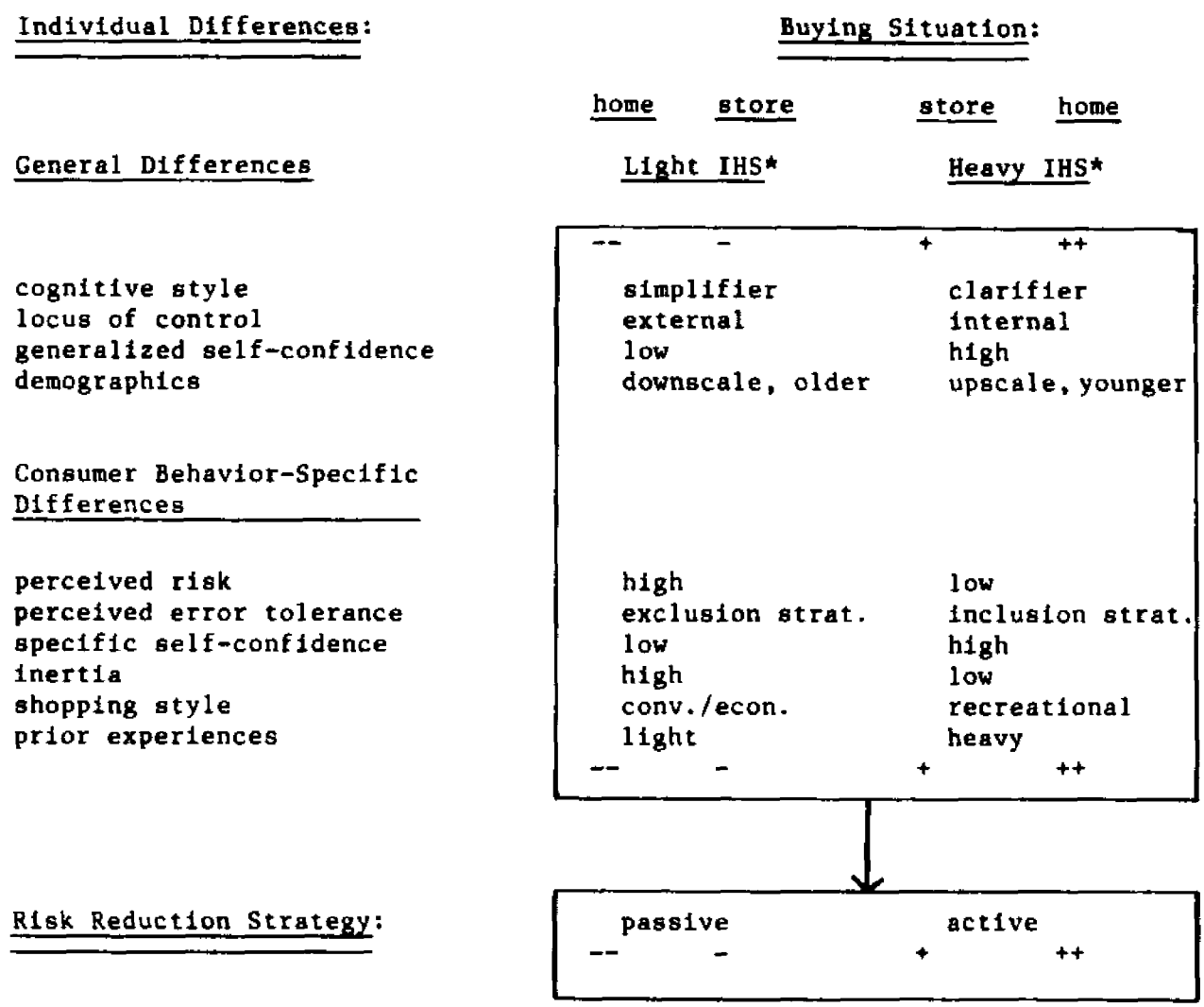
The study model in Figure 5 is simply an elaboration of this basic model, with the specific individual difference and buying situation variables listed under the appropriate headings.

The division of individual differences into two categories is done to separate the variables that have no direct bearing on consumer behavior from those that do. The former group, the general differences variables, includes global personality variables, as well as demographic variables. The latter group, the consumer-behavior-specific variables, are those that are directly relevant to marketplace behavior. The rationale for this division is Kassarjian's (1971) call for "simple variables," measured with "marketing-oriented instruments."

Within the Buying Situation and Risk Reduction Strategy boxes of Figure 5, the plus and minus symbols indicate the direction and extent of the hypothesized relationship. For example, for subjects who are light in-home shoppers, the experimental presentation of an in-home shopping situation is expected to interact with cognitive style to explain and predict that these subjects are extreme simplifiers who are extremely passive

FIGURE 5

STUDY MODEL AND HYPOTHESIZED RELATIONSHIPS

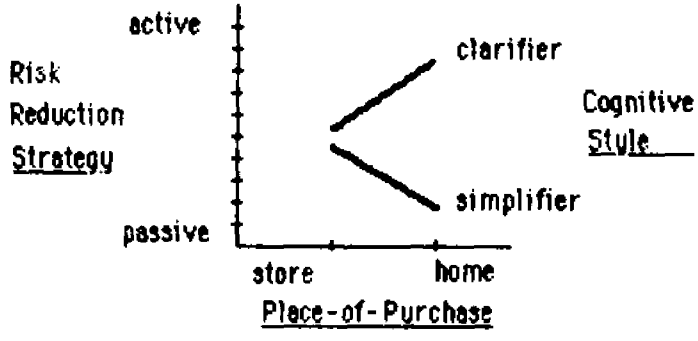


Overall hypothesis: Person-situation interactions explain more variation than the individual variables alone.

*Light In-Home Shopper and Heavy In-Home Shopper groups

risk reducers. An in-store situation presented to a light in-home shoppers would predict subjects who are moderate simplifiers and moderately passive risk reducers, etc.

Graphically, these hypothesized interactions could take on the following appearance:



Discussion of these hypotheses and their rationale follow in Chapter III.

Chapter III

RESEARCH METHODOLOGY

A goal of the research methodology of this study is to incorporate many of the recommendations of previous researchers, as discussed in Chapter II. Figure 3 (in Chapter II) has attempted to offer a clearer "formalization" of perceived risk, called for by Nicosia (1969). The Study Model of Figure 5 presents the basic interactionist framework. Following the recommendations of Kassarjian (1971), the model tests the interactions among global personality traits, marketplace-specific traits, and environmental situations. This is achieved through experimental manipulation of the buying situation--place of purchase (in-home vs. in-store), replicated with two products--and the use of a conventional, self-report questionnaire to measure the person variables and dependent variable. Analysis of variance is the primary statistical method of analysis used to determine interaction effects.

Hypotheses

The research questions that this study seeks to answer are: (1) Do person and situation variables by themselves, or do their interactions, explain more variation in in-home consumer behavior? (2) In what way do person and situation variables interact to influence the in-home shopper's risk reduction strategies? (3) What are the risk reduction strategies of the heavy users of in-home shopping and how do they differ from those of the

light users of in-home shopping?

To answer the above questions, the following hypotheses are tested:

1. The interaction effects of individual differences and buying situation explain more variation in the risk reduction strategies of in-home shoppers than the main effects alone.

2. The interaction effects of place of purchase and the following individual difference variables explain more variation in the risk reduction strategies of the in-home shopper than the main effects alone:

   a. cognitive style
   b. locus of control
   c. generalized self-confidence
   d. demographics
   e. perceived risk
   f. perceived error tolerance
   g. specific self-confidence
   h. inertia
   i. shopping style
   j. prior experiences

3. The interaction effects of type of product and the individual difference variables listed in 2a-2j above explain more variation in the risk reduction strategies of the in-home shopper than the main effects alone.

4. The interaction effects of place of purchase, type of product, and the individual difference variables listed in 2a-2j above explain more variation in the risk reduction strategies of the in-home shopper than the main effects alone.

5. Individual differences and buying situation interact in a nonsymmetrical, disordinal manner to influence the risk reduction strategies of the in-home shopper.

6. Place of purchase and the individual difference variables listed in 2a-2j above interact in a a nonsymmetrical, disordinal manner to influence the risk reduction strategies of the in-home shopper.

7. Type of product and the individual difference variables listed in 2a-2j above interact in a nonsymmetrical, disordinal

manner to influence the risk reduction strategies of the in-home shopper.

8. Place of purchase, type of product, and the individual difference variables listed in 2a-2j above interact in a nonsymmetrical, disordinal manner to influence the risk reduction strategies of the in-home shopper.

9. Individual differences and buying situation interact to influence the heavy in-home shopper to adopt an active risk reduction strategy and to influence the light in-home shopper to adopt a passive risk reduction strategy.

10. Place of purchase and the individual difference variables listed in 2a-2j above interact to influence the heavy in-home shopper to adopt an active risk reduction strategy and to influence the light in-home shopper to adopt a passive strategy.

11. Type of product and the individual difference variables listed in 2a-2j above interact to influence the heavy in-home shopper to adopt an active risk reduction strategy and to influence the light in-home shopper to adopt a passive strategy.

12. Place of purchase, type of product, and the individual difference variables listed in 2a-2j above interact to influence the heavy in-home shopper to adopt an active risk reduction strategy and to influence the light in-home shopper to adopt a passive strategy.

Hypotheses 1-4 address the first research question, hypotheses 5-8 address the second question, and hypotheses 9-12 deal with the third.

Hypothesis 1 expresses the global premise of this study: interactionism. It is, simply, a test of the interaction effects of the combined individual difference measures and the buying situations.

Hypotheses 2 and 3 test the two-way interactions of specific person

variables with type of product or place of purchase, respectively. "Type of product" is included as a factor because "objects," as well as the general environment, are an integral part of the overall situation confronting the individual. (See Figure 1 in Chapter II above, and Magnusson and Endler, 1977b.) Hypothesis 4 is a three-way test of interactions among the specific person variables and both type of product and place of purchase.

Hypotheses 5-8 test the specific nature of the interactions. In short, they all predict the kind of interactions illustrated in Figure 5 (Chapter II) and graphed on page 49. In other words, one factor is hypothesized to be strongly related to the second factor at one level of the second factor, but not as strongly at the second level of the second factor. As graphed, the differences between the factors are not parallel--i.e., they are hypothesized to interact. But the differences will be incrementally different from one level to the next--i.e., their slopes will move in opposite directions. Thus, the interactions will be disordinal. The interactions will be nonsymmetrical because the means, going from one level to the other of the factors, will not cross over.

Hypotheses 9-12, finally, focus on the nature of the risk reduction strategies of in-home shoppers. An "active" strategy is one that requires effort and action on the part of the shopper, in the form of information-seeking or actual product trial or testing. The "passive" strategy relies on past experience, recommendations from friends, and, in general, few mental and behavioral actions directed toward making purchase decisions.

Operationalizing the Variables

Appendix I presents the results of an exploratory survey of direct marketing experts that was used in the preparation and operationalization of this study. Appendix II presents the measuring instrument (and its several versions) that was used. Details of its development follow.

The variables used in this study that required operationalization are the following:

Buying Situation

- place of purchase
- type of product

Individual Differences

General:

- cognitive style
- locus of control
- generalized self-confidence
- demographics

Consumer-Behavior-Specific:

- perceived risk
- perceived error tolerance
- specific self-confidence
- shopping style
- prior experiences

Behavior

- risk reduction strategy
- purchase intention

Buying Situation

The place of purchase and type of product variables are nominally scaled and subdivided into two categories each, yielding four product/place

pairs. Price is held constant for all four combinations in order to control for the effect of price. The use of two different products--a soft good (reversible jacket) and a perishable good (smoked turkey)--and two different places of purchase--in the home by mail or telephone and in a department store--effectively constitutes a manipulation of two of the marketer's four P's--product and place.

Described below is the operationalized type-of-product variable in its two manifestations, each offered in the home by mail or telephone. (The other versions are described in Appendix II.) Since in-home shopping is usually stimulated by a catalog or a direct-mail package, the researcher has adapted product descriptions from two major catalogers. Here are the descriptions:

Soft Good - Jacket

REVERSIBLE SOUTH SHORE JACKET. A casual classic. One side is handsome poplin, the other water-repellent nylon taffeta. Dry clean. Tan reverses to Navy, Navy to Kelly. Men's S(34-36), M(38-40), L(42-44), XL(46-48). Women's S(6-8), M(10-12), L(14-16). $36.00. Mail your order today or call 1 800 XXX-XXXX and charge it!

Perishable Good - Smoked Turkey

SMOKED TURKEY. We select only tender young broad-breasted hen turkeys, then smoke them slowly over hickory to a succulent, delicate perfection. Each bird weighs 9-1/2 to 10-1/2 pounds. Ready to serve and savor--hot or cold. $36.00. Mail your order today or call 1 800 XXX-XXXX and charge it!

The actual, catalog price of the jacket is $36.00 (plus shipping charges). The actual price of the turkey is $37.95 delivered. The prices of the two products are effectively identical.

These products were selected to meet a number of criteria: They had to appeal to a cross-section of people who would be familiar with the products and who could, at least possibly, readily identify a need for them. The products, also, had to be appropriate for both men and women; this ruled out a number of products, such as cosmetics. The products had to be available both by mail and in stores, and they had to be of equal value in terms of price.

The most critical criterion, however, for selection of the products was the control and maximization of experimental variance. The main purpose of the study is to determine whether--and/or to what extent--person effects, situation effects, and person-situation interaction effects *systematically* vary the risk reduction strategies of in-home shoppers. To determine this systematic variation in the dependent variable, the variance of the experimental, independent variables must be maximized and controlled. (See Kerlinger, 1973, pp. 306-313.)

The two experimental variables in this study are product and place. Place variance is maximized as far as it will go: home versus store. But in maximizing product variance, many options are available. It was thought that the contrast between a lightweight reversible jacket and a smoked turkey should provide considerable variation in risk reduction strategy. The jacket is priced in the low to middle range of its product category; the turkey is priced in the high end of its category. The jacket is bought primarily for personal use; the turkey is bought frequently as a gift. An Ogilvy & Mather study (Januz, 1983) found that 27% of its respondents bought clothing by mail, whereas only 10% bought food by mail; only books and magazines were bought by a larger percentage of respondents than

clothing and no other categories of products were listed below foods as being bought by mail. These three types of difference alone should provide a substantial amount of experimental variance.

That the two products chosen may produce considerably different degrees of perceived risk, brand loyalty, seller loyalty, information seeking, etc., is another reason and justification for their selection. It is a subsidiary purpose of this study to measure those different degrees.

As noted above, an independent variable whose variance is not maximized at all is price. Although price is known to have a pronounced effect on perceived risk and risk reduction strategies, for the purposes of this study, it is an extraneous, unwanted factor because of its potential to confound the results. In standard experimental design, such extraneous variables are explicitly controlled by maintaining them at a constant value. Given the nature of the sample used in this study (see Table 3 in Chapter IV), the $36.00 price on the two products is not outside of the budgets of the respondents. In fact, the sample was drawn from a catalog mailing list of proven in-home buyers whose average unit of purchase from the catalog is $50.00. Price, therefore, should not be a confounding factor.

Individual Differences

The set of general individual difference measures comprises global personality traits, which have no obvious or direct relationship to consumer behavior, and demographic variables. These are discussed next, followed by a discussion of the consumer-behavior- specific measures.

Individual Differences--General:

Cognitive Style. The measure of cognitive style is taken from Cox's (1967c) measure which, in part, is taken from Budner (1962). Cognitive style is the "individual's characteristic way of dealing with ambiguity." The measure consists of the following twelve items:

1. I like parties where I know most of the people more than ones where all or most of the people are complete strangers.
2. It is better to keep on with the present method of doing things than to take a way that might lead to chaos.
3. People who fit their lives to a schedule probably miss most of the joy of living.
4. Many of our most important decisions are based upon insufficient information.
5. In the long run it is possible to get more done by tackling small simple problems rather than large and complicated ones.
6. A smart person gets his life into a routine so that he is not always being bothered by petty details.
7. There is more than one right way to do anything.
8. The best leaders give specific enough instructions so that those under them have nothing to worry about.
9. Nobody can have feelings of love and hate toward the same person.
10. Teachers and supervisors who hand out vague assignments give a chance for one to show initiative and originality.
11. A good teacher is one who makes you wonder about our way of doing things.
12. People who insist upon a yes or no answer just don't know how complicated things really are.

These twelve items were measured on a five-point Likert-type agree/disagree scale, where 1 = strongly agree and 5 = strongly disagree. Respondents who agree with items 1, 2, 5, 6, and 8 are classified as "simplifiers." Respondents who agree with the remaining items are classified as "clarifiers." Cognitive style was factor analyzed in order to

provide an element of construct validity for the scale. Six newly created factor scales were used in subsequent analyses. Each factor scale was divided at the median to define two subgroups: those respondents who are strong simplifiers and those who are strong clarifiers. The factor analysis and construction of the factor scales are discussed in more detail in Chapter IV.

Locus of Control. Rotter's (1966) 23-item locus of control scale was reduced to five single-statement items, which were rated on a five-point Likert-type agree/disagree scale, following Villani and Wind (1975). Villani and Wind deliberately reduced and modified a number of personality tests in order to evaluate their robustness and reliability. According to their results the modified tests were reliable. (Rotter's IE scale was not as reliable as the others tested, but it, nevertheless, did show results in the "right direction.") The five items are:

1. Becoming a success is a matter of hard work; luck has little or nothing to do with it.
2. Getting a good job depends mainly on being in the right place at the right time.
3. Many times I feel that I have little influence over the things that happen to me.
4. What happens to me is my own doing.
5. Sometimes I feel that I don't have enough control over the direction my life is taking.

These five items were scored similarly to cognitive style. Respondents who agree with items 1 and 4 are classified as being high in internal locus of control and those who agree with items 2, 3, and 5 are classified as being high in external locus of control. Unlike cognitive style, however, this scale was used in subsequent analyses as a summed scale.

Items 2, 3, and 5, consequently, were reversed prior to the analysis process, thus making all respondents who agree with the items high in internal locus of control. The scale was split at the median in order to provide two subgroups one consisting of respondents high in internal locus of control and the other consisting of those high in external locus of control.

Generalized Self-Confidence. Following Cunningham (1967), this variable was measured by two items, again using a five-point Likert-type rating scale:

1. Very often, I feel bothered about what other people think of me.
2. In general, I feel very confident about my abilities.

This scale was scored in the same way as locus of control. Item 1 was reversed when summing the scores of the two items. Consequently, respondents who agree with the items are high in generalized self-confidence. Again, the "median-split" provided two subgroups for subsequent analysis.

Demographics. The following demographics were measured: place of childhood and youth, chronological age, perceived age (following Barak and Schiffman, 1981), sex, education, income, marital status, number of children in household and age of youngest child, and occupation. The composite variables of social class and family life cycle were derived for further analysis.

Individual Differences--Consumer-Behavior-Specific:

Perceived Risk. This and the next three variables were measured in relation to the product/place stimuli. Two components of perceived purchase risk--risk of product failure and risk of purchase failure--were

measured using a five-point Likert-type scale. The first six descriptive statements below measure product failure risk; the seventh statement measures purchase failure risk:

If I bought this product . . .

1. I'd expect it to work really well, with no defects or malfunctions that would cause me to lose time returning or replacing it.
2. I'd just be throwing away a lot of money.
3. I'd be afraid for my health; that is, some type of personal injury would likely result.
4. There's no chance it would cause damage to any of my property, if it malfunctioned or didn't work out.
5. I'd get a lot of admiration from friends and other people.
6. I'd expect to enjoy it thoroughly and be happy I bought it.

If I didn't buy this product . . .

7. I'd lose out on the wonderful benefits it offers.

The first six items were scored in the same way as locus of control and generalized self-confidence. Items 2 and 3 were reversed in the scoring process. Consequently, respondents who agree with the six items are low in perceived (product failure) risk. Item 7 measures purchase failure risk, which is inversely related to product failure risk. (That is, respondents high in purchase failure risk are, according to the theory, low in product failure risk, and vice versa.) The item was reversed when scored for subsequent analysis. Consequently, respondents who agree with the item (after reversal) are low in purchase failure risk.

Perceived Error Tolerance. Following Schiffman, Schus, and Winer (1976), this variable was measured with one statement, rated on a

five-point Likert-type agree/disagree scale:

> The wiser consumer is one who sees a product in a mail-order catalog and buys it, rather than one who sees a product in a mail-order catalog and then attempts to find it in a store.

Respondents who agree with this statement are low in perceived error tolerance. Consequently, they practice a strategy of "inclusion" and can be described as "broad categorizers," whereas those who disagree practice a strategy of "exclusion" and can be described as "narrow categorizers." The median split provided subgroups for analysis.

Specific Self-Confidence. From Cunningham (1967), this variable was measured with the following item:

> I'd say that I feel very confident in my ability to judge the quality of this product (jacket or turkey).

Respondents who agree with this item are high in specific self-confidence. Those who disagree are low in specific self-confidence. The median-split was used to form subgroups.

Inertia. Again with a Likert-type scale, this concept derived from the direct marketing field was measured by three descriptive statements, preceded by a lead-in statement:

> In trying to decide whether or not to buy this product, I would probably ...
>
> 1. Feel like I'm not the right kind of person for it.
> 2. Say that I have no current need for the product.
> 3. Feel like there is no reason for me to buy it.

This scale was summed, as in the perceived risk and other summed

scales. Respondents who agree with these items are high in inertia; those who disagree are low in inertia. The median-split technique provided subgroups for further analysis.

Shopping Style. Bellenger and Korgaonkar (1980) and Korgaonkar (1981) provide the basis for item measures that discriminate the convenience/economic shopper from the recreational shopper. These items were developed further in work on the recreational shopper by Topol (1984) and his associates:

1. I enjoy browsing even when I am not out to buy anything.
2. When shopping, it is not necessary that the store have an appealing atmosphere.
3. Store personnel aren't courteous enough.
4. I enjoy a real bargain.
5. I sometimes go shopping when I am bored.
6. I feel shopping takes up too much of my time.
7. I try to buy most things when they are on sale.
8. I can't stand waiting in line to pay for my purchases.
9. I usually continue to shop after making a purchase.
10. I go shopping every chance I get.
11. I am not one of those people who enjoys shopping.
12. I like to go shopping with my friends or relatives.
13. When I go shopping, I usually have an idea of what I am going to buy.
14. I never seem to have enough money to buy the things I want.
15. In general, I find shopping enjoyable.
16. I usually buy products that I like but don't need immediately.
17. I usually buy what I would like to have.

As with cognitive style, these seventeen items were measured on a five-point Likert-type agree/disagree scale, where 1 = strongly agree and 5 = strongly disagree. Respondents who agree with items 1, 5, 9, 10, 12, and 14 through 17 are classified as "recreational shoppers." Respondents who

agree with the remaining items are classified as "convenience/economic shoppers." As with cognitive style, shopping style was factor analyzed in order to provide an element of construct validity for the scale. Six newly created factor scales were used in subsequent analyses. Each factor scale was divided at the median to define two subgroups: those respondents who are strong recreational shoppers and those who are strong convenience/economic shoppers. The factor analysis and construction of the factor scales are discussed in more detail in Chapter IV.

Prior Experiences. Based on an exploratory survey (see Appendix I), it was decided to measure the extent of past in-home shopping experience by asking respondents to indicate from which of several categories they have ever purchased any products by mail or telephone at home. Here, diversity of products purchased is considered to be as important a variable as specific product purchased or dollar amount of purchase. Almost everyone, it is assumed, has bought something by mail--at least a magazine subscription.

In addition to the product categories from which the respondent has ever purchased, the respondent was asked to indicate from which categories he or she has bought within the last twelve months, and how much was spent. This information, combined with questions about the mail-order shopping behavior of the respondent's parents and of the respondent as a child, were weighted and combined into an in-home shopping behavior index. This index is similar to the "recency-frequency-monetary" formula that many direct marketers use to evaluate the sales potential of names on a mailing list (Stone, 1979). The construction of the index is discussed in more detail in Chapter IV. Based

on the index, respondents were divided into heavy and light in-home shopper groups.

Behavior

Risk Reduction Strategy. This dependent variable was measured with a Likert-type scale containing 23 items. Exhibit 3 presents the basic list of items; Appendix II illustrates the full operationalization of the variable--items 45 to 67 on the questionnnaire. The near-exhaustiveness of the listing of risk reduction strategies is motivated, in no small part, by the exploratory survey, discussed in Appendix I.

Risk reduction strategy was scored in exactly the same manner as cognitive style and shopping style. That is, the items were factor analyzed, producing five newly created factor scales. The regression factor scores were then saved and used in a series of analyses of variance to test the major theoretical hypotheses of the study. A further explanation of this scale can be found in Chapter IV.

Purchase Intention. Finally, this last variable was measured on an eleven-point probability or likelihood of purchase scale--ranging from zero (not likely at all to buy) to ten (definitely will buy). Purchase intention was asked of each of the four product/place pairs.

Research Design and Sampling Procedure

Figure 6 displays the study design. Table 2 summarizes the research methodologies used by the eleven previous studies of the in-home shopper.

EXHIBIT 3

RISK REDUCTION STRATEGIES*

Past Experience Strategies

1. Rely on your own past experience through brand loyalty
2. Rely on others' past experience through the brand image
3. Rely on others' past experience through the seller's image

Reassurance Strategies

4. Choose the brand that's guaranteed
5. Choose the brand that has a warranty
6. Choose the brand that's been government tested
7. Choose the brand that's been privately tested
8. Choose the brand that has endorsements or testimonials

Price/Quality Strategies

9. Choose the most expensive brand
10. Choose the less or least expensive brand
11. Choose the discounted brand
12. Choose the brand on sale
13. Choose the brand that offers payment options

Information Seeking Strategies

14. Ask friends, neighbors, family
15. Shop around to compare
16. Talk to salespeople in person
17. Call on the phone to talk to salespeople
18. Collect information from newspaper and magazine articles, books, etc.
19. Check advertisments
20. Get a free booklet describing the product

Direct Action Strategies

21. Take a free sample and try the product
22. Buy product if offered with related product at nominally higher price
23. Buy two similar products with the intention of returning one
24. Buy the product if a premium or free gift is offered with it
25. Buy the product before the time limit or supply runs out

*Adapted from Schiffman and Kanuk (1983) p. 163.

FIGURE 6

RESEARCH DESIGN

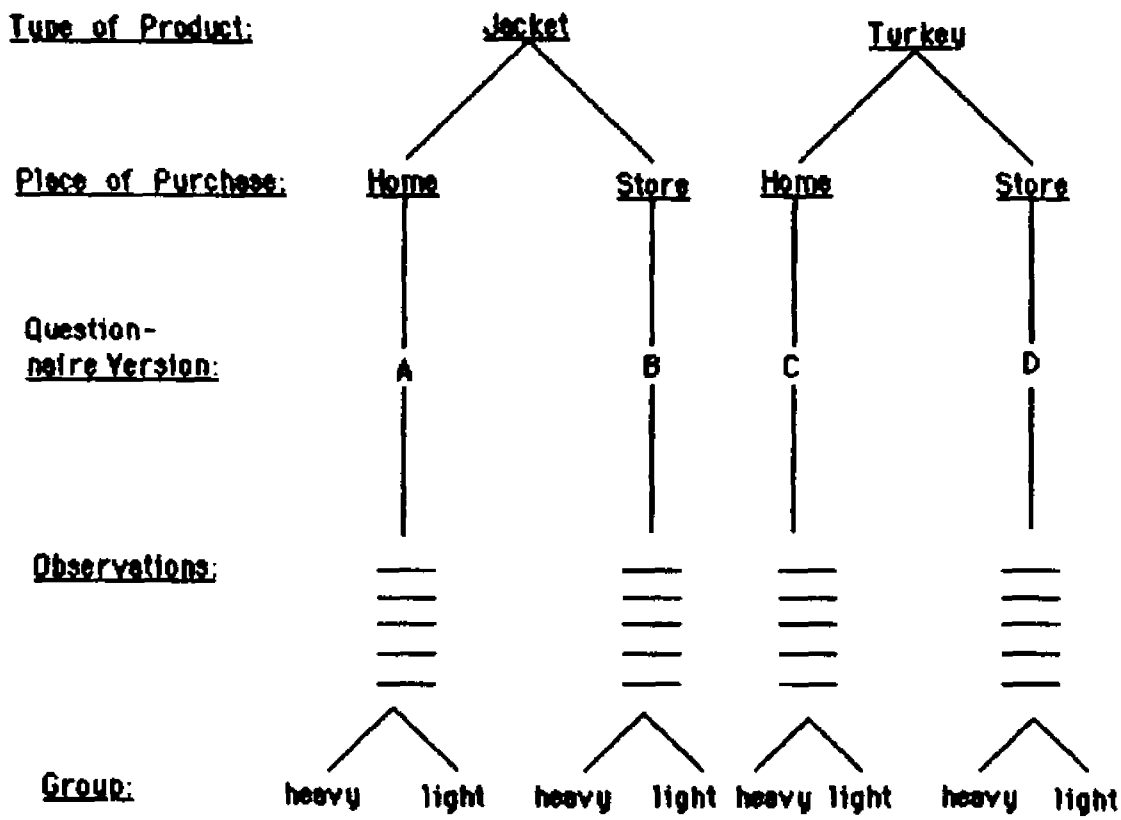


TABLE 2

RESEARCH METHODOLOGY USED IN IN-HOME SHOPPER STUDIES

Reference	Study Population	Sample Size	Sampling Procedure	Data Collection Method	Analysis
Cox & Rich, 1964	women, age 20+ in NY & Cleveland in 1962	2092 in NY 853 in Cleveland 723 in NY 461 in Cleveland	one-stage area " " " simple random " "	personal interview " " telephone " " "	cross-tabulation
Feldman & Starr, 1968	telephone & non-tele. homes in Chicago 1962	760 white 240 non-white	random	personal interview	cross-tabulation
Gillett, 1970	adult women in Grand Rapids, MI	50 white upper inc. 50 wht. middle inc. 50 wht. lower inc. 50 blk. " "	area quota--subjects sequentially selected	personal interview	cross-tabulation
Spence, Engel, & Blackwell, 1970	adults in Columbus, Ohio area	100 insurance policy holders, 100 prospects, 100 control	random	personal interview	difference scores
Peters & Ford, 1972	690 female cosmetic buyers, age 20-49, in Madison, WI	136 in-home buyers 113 in-store	judgment--subjects invited by mail to attend group sess.	self-administered	cross-tabulation
Cunningham & Cunningham, 1973	1000 women in 5 income tracts, Lansing, MI in 1970	519 active & inactive in-home shoppers	200 subjects in each tract, randomly selected	mail	discriminant analysis canonical correlation
DeKorte, 1973	868 telephone numbers in Madison, WI	309 female heads of household	random digit, computer generated	telephone interview	regression analysis

(continued on next page)

TABLE 2--continued

RESEARCH METHODOLOGY USED IN IN-HOME SHOPPER STUDIES

Reference	Study Population	Sample Size	Sampling Procedure	Data Collection Method	Analysis
Reynolds, 1974	1099 female homemakers in GA community of 18M in 1971	41 freq catalog buyers, 186 infreq. cat. buyers, 75 cat. buyers	study population randomly selected	mail with two follow-ups	factor analysis cross-tabulation
Schiffman, Schus, & Winer, 1976	1000 women in U.S. who bought fashion catalog	305 in-home consumers (who bought from cat.), 284 near-consumers (who bought cat. only)	systematic, 500 each group	mail with follow-up	cross-tabulation
Reynolds, Martin, & Martin, 1977	450 upper income women in Athens, GA in 1974	275 mail, phone, or desk order shoppers	systematic, 50 each of 9 areas	mail with one follow-up	cluster analysis cross-tabulation
Berkowitz, Walton, & Walker, 1979	1500 in-home food retail customers, 500 noncustomers	797 customers 266 noncustomers	study pop. randomly selected	insert in customer orders, mail to noncustomers	cross-tabulation

Research Design

The design used in this study is a 2 X 2 X 2 factorial experiment, using two groups of proven in-home shoppers for comparison. Buying situation and individual differences are the experimental treatment factors. Buying situation consists of two factors at two levels each: type of product (jacket vs. turkey) and place of purchase (home vs. store). For each individual difference variable, respondents were divided into two groups using the median split procedure described above to provide two levels of the third treatment factor.

The comparison groups represent two levels of in-home purchasing behavior. Respondents whose past in-home buying experience exceeds the median value of the constructed index of in-home shopping behavior constitute the first group: the heavy in-home shopper. The second group consists of those respondents whose index equals or falls below the median; they constitute the light in-home shopper group.

While the "ex post" determination of groups seemingly lacks the experimental control of randomly assigning subjects to groups, the original sample was drawn on a random basis. The response rate from the initial questionnaire mailing was 32.4%. A follow-up mailing, which increased the total response rate to 38.6%, was used to evaluate the differences between original respondents and nonrespondents. Because there were no nonresponse differences (discussed in more detail in Chapter IV), the integrity of the experimental design is maintained. (The response rates here are calculated following the recently issued guidelines of the Council of American Survey Research Organizations, as reported in Wiseman and

Billington, 1984.)

Sampling Procedure

The sample population consisted of a purchased "hotline" list of 2000 people who had bought from a particular mail-order catalog at least once within the last six months. The list came from a specialty catalog retailer of casual clothing, shoes, and other related items. The names were selected on a systematic, random ("Nth-name select") basis. The sample was restricted to buyers from the state of Massachusetts.

Data Collection

The data collection instrument was the paper and pencil questionnaire exhibited in Appendix II. The questionnaire was pre-tested on a group of 38 students during August 1984. The pre-test resulted in a restructuring of the questionnaire to its present form. Prior to the pre-test, the product-related questions appeared on the first page of the questionnaire, followed by the personality-related questions. The pre-test indicated that respondent interest could be maintained better by leading off with personality items.

The method of data collection was a mail survey. A cover letter (see Appendix II) with a nickel monetary premium affixed to it and a postage-paid reply envelope were included with the questionnaire. The package was mailed at the third-class bulk postage rate during the week of September 24, 1984.

From the purchased list, the 2000 names were sent four different versions of the questionnaire, with 500 people receiving version A, 500 receiving version B, etc. The distribution of the four versions was randomized by sending every fourth name on the list one version of the questionnaire. The list of names was in zipcode order, ranked from lowest zipcode number to the highest. The follow-up mailing of 1000 questionnaires--250 of each version--was mailed the week of October 29, 1984 (see Appendix II for a copy of the follow-up letter that went out with this mailing). The follow-up mailing was restricted to 1000 because of the large response to the initial mailing and because of budgetary constraints.

As of November 21, the cut-off date for data analysis, 648 usable questionnaires from the initial mailing and 124 usable questionnaires from the follow-up mailing had been received. Twenty-two questionnaires were returned unusable and 24 nickels were returned. Cost per completed questionnaire was $2.77; this does not include the labor required to affix labels, stuff envelopes, and mail the questionnaires, nor the computer time for data analysis which was provided by Northeastern University in Boston, Massachusetts.

Analysis

Two- and three-way analysis of variance, using a fixed-effects model, is the primary method used to test the hypotheses. Covariance analysis, in addition, is used to control for the effects of prior experiences with in-home shopping and for differences in likelihood of purchase of the different product/place pairs. The covariance analysis of prior experiences

is used mainly on the first eight hypotheses. Prior experiences is used to split the sample into heavy and light in-home shopper groups in order to test hypotheses 9-12. Hays' (1963) omega-squared statistic is used to evaluate the percentage of variance explained by each of the main effects and the interaction components.

Post hoc analyses were conducted in order to rank the risk reduction strategies adopted by in-home shoppers. This ranking was achieved by computing a "net favorable percentage" score, following Roselius (1971). Further post hoc analyses examined the differences in risk reduction strategies between heavy and light in-home shoppers, using type of product and place of purchase as controlling variables.

Chapter IV

THE FINDINGS

This chapter presents the basic findings of the study. Chapter V discusses the findings in relation to the state of the art in the current literature. After a discussion of some initial editing and coding problems with the questionnaires, a univariate profile of the sample is presented. The bulk of this chapter, however, focuses on the multivariate analyses of the sample data, primarily on the analyses of variance and covariance, used to test the major theoretical hypotheses. The chapter concludes with a profile of the heavy in-home shopper and the risk reduction strategies of in-home shoppers.

Editing and Coding

A six-page questionnaire such as the one used in this study is bound to present some editing and coding problems. The length caused some respondents to fatigue, with as many as 29 respondents omitting answers to questions on pages 3 and 4 of the questionnaire. The largest number of refusals occurred on the income question, number 88; 42 respondents omitted answers to that question. There were also problems with question 80--the place you call "home"--which was used to code a "Home" variable according to Census Bureau definitions of Central City, Urban Fringe, Other Urban Places, and Rural Area; 37 of these instruments had either missing or unusable data because of the kind of answer given (some people, for

example, listed a state only, with no city). A Rand McNally Road Atlas was consulted for coding this variable. Question 79--what's the population of the place where you grew up?--was omitted entirely from all analyses; respondents do not know the populations of their home towns.

Occasionally, missing data occurred on pages 1 and 2, particularly in the group of eight questions at the top of page 2 (see Appendix II). The closeness of the lines there seems to have led a number of respondents either to circle two numbers on the same line or to skip a question altogether.

The largest editing problem occurred on question 78, page 5, of the questionnaire--the measure of prior in-home shopping experience. The vast majority of respondents completed the detailed question quite faithfully. Some, however, indicated how many times they had bought within the last 12 months and how much they had spent, but did not check whether or not they had bought from other product categories longer ago than 12 months. The coder, in such a case, simply checked in the "everbought" (far left) column those categories for which the respondent provided the current information. If that respondent had bought anything from other categories more than 12 months ago, the data are missing. A more serious editing problem occurred when respondents checked the money columns (on the far right) but not the "how many times" column (the middle one), and vice versa. Judgment and a rule were used to complete the answers for these respondents. The rule was: code a 1-time purchase within the last 12 months, if the $1-50 column was checked; 2 if $51-100; 3 if $101-200; etc., and vice versa for the opposite response pattern. The rule is probably too conservative for some product categories and too liberal for others.

The index that was constructed from this question combines all data from the various product categories; hence, the dispersion averages out.

Three additional variables were derived, based on answers to the questions on page 6 of the questionnaire. A Census Region variable classified respondents' childhood home according to the nine Census Bureau regions (plus codes for Canada and foreign). Family Life Cycle was derived from answers to questions 81, 89, and 90; generally, widowed/divorced respondents with children were coded as full nesters, and older (50+) respondents who failed to indicate any kind of answer to question 90 were classified as either empty nesters or solitary survivors.

Social Class was obtained by using income, education, and occupation--plus judgment based on several rules derived from Schiffman and Kanuk (1983, pp. 365-371). Generally, a respondent having an income of $50,000 or more, a graduate school education, and a professional or executive occupation was coded as upper-middle class. A respondent having an income in the $15,000 to $50,000 range, an undergraduate education, and a white-collar, teaching, or middle management occupation was coded as middle-middle class. The remaining respondents were coded in the lower-middle class, except for respondents indicating the following occupations: disabled, student, homemaker, and retired. Income and education, as discussed above, were the primary criteria used for classification. (The upper-lower or blue-collar class--the term used by Schiffman and Kanuk--was renamed the lower-middle class on the premise that few blue-collar workers today would call themselves members of the lower class.)

Profiling the Sample

Measure of Nonresponse Error

The initial mailing generated 648 usable questionnaires and the follow-up mailing produced 124. Are the initial "nonresponders" significantly different from the initial responders? T-tests on some 100 quantitative variables and chi-square tests on some 65 categorical variables produced few significant differences. The t-tests showed four quantitative items to be significantly different between the two groups at the .05 level or better. Six categorical variables showed significant differences; five of those, however, showed either small (a frequency of less than 5) or empty cells in the chi-square tests. None of the demographic variables showed differences. Consequently, the researcher concluded that nonresponse error was not present in this study. Therefore, the initial response and follow-up response data were collapsed into one sample.

One-Way Tabulations

Table 3 presents the frequency and percentage data for most of the demographic and other classification variables used in this study. Table 4 displays the frequencies and percentages for chronological age and the four measures of perceived age.

A quick glance at the two tables reveals a markedly upscale sample. Thirty-five percent of the respondents reported a household income of over

TABLE 3

FREQUENCIES AND PERCENTAGES FOR DEMOGRAPHIC VARIABLES

Variable	Frequency	Percent
Census Bureau Home		
Central City	195	25.3
Urban Fringe	428	55.4
Other Urban Places	94	12.2
Rural Area	18	2.3
Missing	37	4.8
	772	100.0
Sex		
Male	259	33.5
Female	500	64.8
Missing	13	1.7
	772	100.0
Education		
Some Grade School	1	.1
Some High School	5	.6
Completed High School	42	5.4
Some College	141	18.3
Completed College	229	29.7
Some Graduate School	129	16.7
Completed Graduate School	215	27.8
Missing	10	1.8
	772	100.0
Marital Status		
Never Married	195	25.3
Married	481	62.3
Widowed/Divorced	85	11.0
Missing	11	1.4
	772	100.0
Children Living At Home		
None	441	57.1
One	133	17.2
Two	127	16.5
Three	43	5.6
Four	9	1.2
Five	5	.6
Missing	14	1.8
	772	100.0

Variable	Frequency	Percent
Census Region		
New England	492	63.7
Middle Atlantic	142	18.4
South Atlantic	22	2.8
East North Central	51	6.6
East South Central	1	.1
West North Central	12	1.6
West South Central	4	.5
Mountain	4	.5
Pacific	8	1.0
Canada	4	.5
Foreign	9	1.2
Missing	23	3.0
	772	100.0
Income		
Less Than $5000	4	.5
$5001 To $10,000	14	1.8
$10,001 To $15,000	29	3.8
$15,001 To $20,000	47	6.1
$20,001 To $25,000	55	7.1
$25,001 To $30,000	67	8.7
$30,001 To $35,000	54	7.0
$35,001 To $40,000	70	9.1
$40,001 To $45,000	66	8.5
$45,001 To $50,000	54	7.0
Over $50,000	270	35.0
Missing	42	5.4
	772	100.0
Family Life Cycle		
Unmarried	218	28.2
Married (No Children)	122	15.8
Full Nest I	119	15.4
Full Nest II	72	9.3
Full Nest III	122	15.8
Empty Nest I	59	7.6
Empty Nest II	22	2.8
Solitary Survivor I	9	1.2
Solitary Survivor II	9	1.2
Missing	20	2.6
	772	100.0

(continued on next page)

TABLE 3 --Continued

FREQUENCIES AND PERCENTAGES FOR DEMOGRAPHIC VARIABLES

Variable	Frequency	Percent
Age of Youngest Child		
No Children	383	49.6
1-5	118	15.3
6-12	73	9.5
13-19	96	12.4
20-24	38	4.9
25+	43	5.6
Missing	21	2.7
	772	100.0
Social Class		
Lower-Middle	49	6.3
Middle-Middle	520	67.4
Upper-Middle	182	23.6
Missing	21	2.6
	772	100.0
Questionnaire Version		
A - Jacket/Mail	202	26.2
B - Jacket/Store	203	26.3
C - Turkey/Mail	199	25.8
D - Turkey/Store	168	21.8
	772	100.0

Variable	Frequency	Percent
Occupation		
Disabled	1	.1
Student	39	5.1
Homemaker	82	10.6
Retired	32	4.1
Blue Collar Worker	19	2.5
Secretary/Clerk	34	4.4
White Collar Worker	233	30.2
Teacher (Primary/Secondary)	49	6.3
Middle Manager	91	11.8
Business Owner	12	1.6
Artist/Entertainer	10	1.3
Executive/Top Manager	48	6.2
Professional	100	13.0
Missing	22	2.8
	772	100.0

TABLE 4

FREQUENCIES AND PERCENTAGES FOR CHRONOLOGICAL AND PERCEIVED AGE VARIABLES

	Chronological Age		Perceived Age							
			Feel-Age		Look-Age		Do-Age		Interest-Age	
Category	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Teens	10	1.3	16	2.1	19	2.5	10	1.3	12	1.6
20's	152	19.7	255	33.0	272	35.2	250	32.4	208	26.9
30's	287	37.2	282	36.5	242	31.3	288	37.3	315	40.8
40's	136	17.6	118	15.3	120	15.5	131	17.0	138	17.9
50's	105	13.6	50	6.5	70	9.1	50	6.5	55	7.1
60's	48	6.2	28	3.6	25	3.2	20	2.6	16	2.1
70's	10	1.3	4	.5	4	.5	3	.4	4	.5
80's	2	.3	0	.0	0	.0	1	.1	1	.1
Missing	22	2.9	19	2.4	20	2.6	19	2.4	23	2.9
	772	100.0	772	100.0	772	100.0	772	100.0	772	100.0

$50,000, and 44.5% reported at least some graduate school education. Most of their occupations fall in the "white collar" or higher social status categories. Most are married; 40.5% are full nesters. Ages range from 14 to 84; the mean age is 39.3, with 58.2% of the sample under the age of 40 (most of the sample also seem to perceive themselves to be younger than they actually are, at least according to the perceived age measures). In short, the study respondent can perhaps best be described as a relatively young, relatively affluent urban professional.

The male/female ratio of the sample is new for a study of this type. Previous studies of the in-home shopper did not include men in their samples. The list manager from whom the study sample was rented reported that at least 20% of the catalog buyers were "identifiably male." The researcher, upon receiving the mailing labels, visually examined the list and estimated the male percentage to be 30-35%. The actual responses closely reflect this estimate without any bias toward either the males or the females.

The "Census Bureau Home" and "Census Region" variables indicate the place the respondents considered "home" for most of their childhood and youth. It is *not* their *current* home or Census Region (all respondents are residents of Massachusetts). The assumption in acquiring this information was that geographical location of the respondent's childhood might influence current in-home consumption behavior. As indicated in Table 3, most of the respondents grew up in the suburban Northeast, primarily in New England.

The variable--"Questionnaire Version"--indicates responses to the four product/place pairs that were presented to the respondents. No

response bias was produced by versions A, B, or C. Version D, however, does evidence response bias. Perhaps the evaluation of a smoked turkey, available "in your local department store," was not a believable situation; hence, the lower percentage of returned questionnaires. At the time of preparing the four questionnaire versions, the researcher considered adding the phrase "in the gourmet foods section" of your local department store, to make the turkey/store combination more believable. However, for the sake of parallelism with the other versions, especially the jacket/store combination, and the prevention of a "treatment bias," the phrase was not included. Nonetheless, 168 responses to the turkey/store version are sufficient for analysis purposes.

Testing the Hypotheses

Scale Reliability

Seven multi-item scales were used in the present study. These scales and their reliability estimates are listed below:

Scale	Number of Items	Standardized Alpha
Risk Reduction Strategy	23	.89
Shopping Style	17	.68
Locus of Control	5	.57
Cognitive Style	12	.32
Generalized Self-Confidence	2	.46
Perceived Risk	6	.53
Inertia	3	.71

The use of split-half techniques, between forms techniques, and equal or

unequal length techniques (depending on the scale evaluated) yielded roughly comparable reliability estimates.

Considerable item analysis was conducted on the Cognitive Style scale to try to improve its reliability coefficient. The maximum alpha achieved through these efforts was .37. Cognitive Style is used in subsequent analyses, but its low reliability coefficient effectively precludes drawing any valid conclusions from it's use. (The subsequent analyses, in fact, reveal that the Cognitive Style scale does not yield trustworthy results.)

Multi-item scales frequently mask fundamental factors that underly the many individual items of a scale. Factor analysis is a tool used to unmask these hidden constructs; it is a "form of construct validity, because factors may be viewed as theoretical constructs used to explain the sources of individual differences in a variety of psychological measurements" (Jensen, 1980, p. 304). Factor analysis was used on three of the above scales as a form of construct validity and to create new factor scales. This procedure is discussed next.

Creating Factor Scales

Principal components factor analysis with the varimax rotation was used to reduce three scales--Risk Reduction Strategy, Shopping Style, and Cognitive Style--to their fundamental, underlying factors. For these scales, regression factor scores were generated and saved on each factor, thus creating new factor scales for each original scale. Five new scales for Risk Reduction Strategy, and six each for Shopping Style and Cognitive Style. These new factor scales were then later used in the analyses of

variance that test the major theoretical hypotheses of the study.

The remaining scales listed above were considered too small to factor analyze for scale-creation purposes. Kim and Mueller (1978b, p. 77) report that most researchers think there should be at least twice as many variables as factors that are finally derived. Hence, the smaller scales--i.e., the scales with fewer items--do not meet this criterion. The smaller scales--Locus of Control, Perceived Risk, Generalized Self-Confidence, and Inertia--were used merely as summed scales.

In the factor analyses, the scree test criterion was used to determine how many factors to extract for rotation, interpretation, and use in subsequent analyses. "This rule directs one to examine the graph of eigenvalues, and stop factoring at the point where the eigenvalues (or characteristic roots) begin to level off forming a straight line with an almost horizontal slope" (Kim and Mueller 1978b, p. 44; also, see Cattell 1978, pp. 72-91). Factors beyond that point are said to be "factorial litter" or "scree." The scree test criterion led the researcher to extract and interpret the factors that are listed in Tables 5, 6, and 7. These tables list all factor loadings (varimax rotation, Kaiser normalization), of .4 or higher--with the exception of "Payment Option," factor 5, in Table 5, where the factor loading, when rounded to two decimal places, would be .40.

Many researchers, according to Kim and Mueller, use loadings of .3 as the cutoff point for interpreting factors. The present researcher did consult these lower values, especially when trying to describe particularly vague factors. In Table 6, for example, factor 6 loads highly only on one item: "When shopping, it is not necessary that the store have an appealing atmosphere." However, positive .3 loadings occurred on two other items:

TABLE 5

FACTOR LOADINGS, VARIMAX ROTATION: RISK REDUCTION STRATEGY

Item	Information On Quality	Incentive/ More Value For Money	Best Deal On Price	Reassurance/ Proof of Quality	Reassurance/ Financial
	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
Ask friends, neighbors	.68375				
Private testing agency	.63510				
Free booklet	.61759				
Advertisements	.60817				
Government tested	.58385				
Read articles, etc	.55945			.40301	
Build-up offer		.77784			
Buy 2-return 1		.76556			
Limited time/supply		.66190			
Premium/free gift		.62293			
Least expensive brand		.52584			
Talk to salespeople		.51250			
Endorsements	.44261	.45698			
Discounted			.81992		
On Sale			.78975		
Free sample	.51808		.54459		
Well-known seller				.71942	
Well-known brand				.71711	
Most expensive brand				.61496	
Bought before	.43395			.47440	
Money-back guarantee					.68897
Make comparisons					.56648
Payment option					.39741

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .89166

Cumulative percent of variation explained by the five factors = 56.4

TABLE 6

FACTOR LOADINGS, VARIMAX ROTATION: SHOPPING STYLE

Item	Browser Factor 1	Recreational Shopper Factor 2	Non-Economic Shopper Factor 3	"Poor" Shopper Factor 4	Patient Shopper Factor 5	Window Shopper Factor 6
Not one who enjoys shopping	-.75834	.....	.....	.....	.....	.....
Find shopping enjoyable.....	.72098	.....	.....	.....	.....	.....
Enjoy browsing.....	.71604	.....	.....	.....	.....	.....
Takes too much time.....	-.69259	.....	.....	.....	.....	.....
Go shopping when bored.....	.53896	.45734	.....	.....	.....	.....
Buy what don't need.....	.....	.66501	.....	.....	.....	.....
Shop every chance.....	.....	.64407	.....	.....	.....	.....
Continue after purchase.....	.....	.55236	.....	.....	.....	.....
Go with friends.....	.....	.50111	.....	.....	.44699	.....
Enjoy real bargain.....	.....	.....	-.78650	.....	.....	.....
Buy when on sale.....	.....	.....	-.63129	.....	.....	.....
Have idea before going.....	.....	.....	-.40733	.....	.....	.....
Buy what would like to have	.....	.....	.....	-.80285	.....	.....
Never enough money.....	.....	.....	.....	.62622	.....	.....
Store personnel not courteous.....	.....	.....	.....	.....	-.69286	.....
Hate waiting in line.....	.....	.....	.....	.....	-.66215	.....
Appealing atmosphere not necessary.....	.....	.....	.....	.....	.....	-.80720

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .83011

Cumulative percent of variation explained by the six factors = 59.0

TABLE 7

FACTOR LOADINGS, VARIMAX ROTATION: COGNITIVE STYLE

Item	Likes Freedom Factor 1	Likes the Unknown Factor 2	Tolerates Ambiguity Factor 3	Challenged By Ambiguity Factor 4	No Black & Whites Factor 5	Pragmatist Factor 6
Get life into routine	-.83313	.....	.....	.....	.....	.....
Best leaders give specific instructions	-.51115	.....	.....	.....	.....	.....
Like parties where I know people	.....	-.77224	.....	.....	.....	.....
Keep on with present method of doing things	.....	-.66934	.....	.....	.....	.....
Scheduled lives miss joy	.....	.....	.73360	.....	.....	.....
Get more done tackling small simple problems	.....	.....	.59971	.....	.....	.....
Many decisions based on insufficient information	.....	.....	.57739	.....	.49409	.....
Vague assignments allow initiative, originality	.....	.....	.....	.81030	.....	.....
Good teacher makes you wonder	.....	.....	.....	.60126	.....	.48613
No one can love & hate the same person	.....	.....	.....	.....	-.69379	.....
Yes & no people don't know how complicated	.....	.....	.....	.....	.57913	.....
More than one right way to do anything	.....	.....	.....	.....	.....	.78266

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .57867

Cumulative percent of variation explained by the six factors = 61.9

"When I go shopping, I usually have an idea of what I am going to buy" (.32) and "Store personnel aren't courteous enough" (.35). These two items, along with the heavily loaded item, led the researcher to describe this factor as a construct measuring the "window shopper"--i.e., a person who perhaps enjoys browsing, but not buying. The mediocre measure of sampling adequacy for Cognitive Style results apparently from the extraction of six factors out of only twelve items.

In an attempt to achieve factorial and theoretical parsimony, another factor analysis of these three scales extracted only two factors each (see Appendix III). Each scale did, in fact, factor nicely into two major underlying constructs. Cognitive Style separated along the lines of respondents who are unafraid of the new and respondents who are unafraid of ambiguity (both variations of the clarifier construct). Shopping Style separated along the lines of recreational shoppers and patient/noneconomic shoppers (both variations of recreational shopping). Risk Reduction Strategy factored into those items describing the person who needs a strong incentive before buying the products described and those items describing a person who needs strong proof or reassurance of quality. Using these two-factor scales in subsequent analyses of variance, however, produced *no* significant interaction terms.

The In-Home Shopper Index

Prior experiences, or the extent of in-home shopping that the respondent may have done, was measured by constructing an index similar to one used today by direct marketers, particularly catalog firms. The

index uses the "recency-frequency-monetary" formula which Stone (1979, pp. 323-324) calls "the ultimate in maximizing profits from a customer list." Stone continues:

> In its simplest form, the method calls for a point system to be established with purchases broken down by quarter of the year. A typical formula might be as follows:
>
> Recency points:
> 24 points--current quarter
> 12 points--last six months
> 6 points--last nine months
> 3 points--last twelve months
>
> Frequency points: Number of purchases x 4 points
>
> Monetary points: 10 percent of dollar purchase with a ceiling of 9 points. (The ceiling avoids distortion caused by an unusually large purchase.)
>
> Number of points allotted vary among those using R-F-M formulas, but the principle is the same . . . .

Baier (1983, pp. 183-184), for example, uses points as well as weights for each of the recency, frequency, and monetary components. In general, R-F-M formulas usually put extra weight on "recency," followed in turn by "frequency," then "monetary." Recency carries the most weight because of the time-honored premise: "your best prospect is your most recent customer."

The present study asked respondents to indicate only whether purchases were made within the last 12 months or over 12 months ago. Also, it obtained only categorical information on amount of money spent. Consequently, the index was constructed as follows:

Recency points:	3 points for purchases within the last 12 months 1 point if over 12 months
Frequency points:	number of purchases x 4 points
Monetary points:	2 points x the code of the monetary category checked on page 5 of the questionnaire (categories were coded 1 to 5 from lowest dollar amount to the highest)

Thus, looking at page 5 of the questionnaire (in Appendix II), if respondent #1 placed two orders in the food & drink category within the last 12 months, totalling $110, he or she would be given 3 points for recency, 4 x 2 = 8 points for frequency, and 2 x 3 = 6 points for monetary. Total points in the food and drink category would be 17. Each product category would be computed similarly. Then all categories would be summed for the in-home shopping index of respondent #1. Again, this procedure is based on the assumption of this study that it is diversity across product categories that determines whether or not a respondent is a heavy or light in-home shopper.

The range of the in-home shopping index for this sample is from 0 to 1469, with the mean 208.6, and the median 165. The median was used to split the sample into "heavy" and "light" in-home shopper groupings. The index itself was used as a covariate in testing the theoretical hypotheses. Measurement error seems to have occurred in the present study in that, supposedly, all members of the sample had ordered something by mail within the past six months. Zero in the range of the in-home shopping index indicates otherwise. The number of such zeroes, however, is negligible.

The Results

Analysis of variance (hereafter: ANOVA) was the statistical technique used to test the theoretical hypotheses of this study. The first eight hypotheses were tested using the entire sample of respondents. Hypotheses 9-12 were tested by running ANOVAs on heavy in-home shoppers only, then again on light in-home shoppers. All of the hypotheses predict that significant interaction terms in the ANOVA tables will explain more variation in risk reduction strategy than the main effects--particularly interaction terms that involve an individual difference variable and a product or place variable (i.e., product x place interactions, while interesting, are not theoretically relevant to the present study).

The Analyses. A three-way, fixed-effects model was used in the ANOVAs. "Product" and "place" were two of the three independent variables used in the analyses and were included in all runs. ("Product" consists of two categories: people who responded to the jacket questionnaires vs. those who responded to the turkey questionnaires. "Place" also has two categories: those who responded to products available by mail vs. those who responded to products in the store.) The third independent variable consisted of one of 35 individual difference variables. They are:

Shopping Style - 6 factor scales
Cognitive Style - 6 factor scales
Locus of Control
Perceived Risk
Generalized Self-Confidence
Purchase Failure Risk
Inertia
Age (chronological)
Perceived Age:
  Feel-Age
  Look-Age
  Do-Age
  Interest-Age
Sex

Perceived Error Tolerance	Education
Specific Self-Confidence	Income
Whereshop (mall, downtown, etc.)	Marital Status
Storetype (department, specialty, discount)	Family Life Cycle Stage
	Occupation
Census Bureau Home	Social Class
Census Region	

Most of the variables were split at the median to form two categories. On the demographic variables, where a median split was not feasible, the most conceptually sensible grouping possible was done.

The dependent variable in the study is Risk Reduction Strategy. Since five new factor scales were created for this variable, five dependent variables were used in the ANOVAs. The new factor scales were used one at a time in analyses with the individual difference variables; a multivariate analysis of variance would not have been appropriate for the present study, since the new scales are considered to be essentially different measures of the same construct.

Because of the large number of variables involved, 175 ANOVAs were run to test hypotheses 1-8. To test hypotheses 9-12, the sample was split into heavy and light in-home shoppers. Consequently, another 175 ANOVAs were run for each of these hypotheses for a total of 525. Categorizing the individual difference variables by a median split, however, produced very few significant interaction terms. Additional runs were conducted, this time splitting the sample into quartiles, omitting the second and third quartiles. The purpose of this procedure was to examine the extremes, under the assumption that considerable measurement error in the middle quartiles could have been distorting the results of the median splits. Finally, the covariates of purchase intention and prior experience with in-home shopping were introduced and run with the variables that had been

broken into quartiles.

In total, 1575 ANOVAs were run. Tables 8A, B, and C display the significant interaction terms that explained more variation in risk reduction strategy than the main effects alone (.05 is the criterion used to determine significance level). Hays' omega-square (w^2) is the statistic used to measure explained variance. Kerlinger (1973, p. 232) points out that the omega-square is a more conservative estimate of the "magnitude of the relation between the independent and dependent variables" than either eta-square (E^2) or the intraclass correlation coefficient (RI). All of these measures, he points out, are similar in principle to R^2, the multiple coefficient of correlation used in regression analysis. (Note: only one covariate term was significant at the .05 level among the ANOVAs in Table 8. Generally, however, purchase intention was significant as a covariate when used with most of the remaining ANOVAs. Prior experience was only rarely significant.)

The evidence of Table 8 indicates that the interactionist hypothesis is overwhelmingly rejected. Of the interaction terms that were significant, the largest omega-square was 4.7% of the explained variance and that term was a product x place interaction--a term which actually lends supports to the situationist perspective, since product and place are elements of the consumer's situation or environment. In general, more than half of the ANOVAs produced main product effects that were significant. Nearly that number of main effects from place were significant. Main effects from the individual difference variables were significant in far fewer cases, but there were far more significant terms from the main effects of individual differences than from the interaction terms listed in Table 8. (Further

TABLE 8

SIGNIFICANT INTERACTIONS AMONG PRODUCT, PLACE, AND INDIVIDUAL DIFFERENCES THAT EXPLAIN MORE VARIATION IN RISK REDUCTION STRATEGY THAN THE MAIN EFFECTS

A. Total Sample

Dependent Variable	Individual Difference Variable	Interaction Term	Median Split		Quartiles		Quartiles With Covariates	
			p	w^2	p	w^2	p	w^2
RRS-2[a]	Locus of Control	product x locus	.009	.0084	.005	.0151	.003	.0185
RRS-3	Family Life Cycle	product x FLC	.....	.....	.....	.....	.012	.0130
RRS-2	Occupation	place x occupation	.038	.0049	.038	.0077	.037[1]	.0079

[a]Read: risk reduction strategy, factor scale #2. [1]Prior experiences covariate significant at .046.

B. Heavy In-Home Shopper

Dependent Variable	Individual Difference Variable	Interaction Term	Median Split		Quartiles		Quartiles With Covariates	
			p	w^2	p	w^2	p	w^2
RRS-2	Shop-3[b]	place x shop-3	.....	.....	.....	.....	.037	.0235
RRS-5	Shop-6	product x place	.....	.....	.....	.....	.009	.0358
RRS-3	Cog-2[c]	product x cog-2	.....	.....	.....	.....	.033	.0218
RRS-2	Perceived Risk	3-Way	.....	.....	.041	.0156	.....	.....
RRS-3	Occupation	3-Way	.....	.....	.026	.0178	.016	.0213

[b]Read: shopping style, factor scale #3.
[c]Read: cognitive style, factor scale #2.

p = significance level of F test for interaction term in the ANOVA table
w^2 = Hays' omega-square measure of explained variance

(continued on next page)

TABLE 8--Continued

SIGNIFICANT INTERACTIONS AMONG PRODUCT, PLACE, AND INDIVIDUAL DIFFERENCES THAT EXPLAIN MORE VARIATION IN RISK REDUCTION STRATEGY THAN THE MAIN EFFECTS

C. Light In-Home Shopper

Dependent Variable	Individual Difference Variable	Interaction Term	Median Split		Quartiles		Quartiles With Covariates	
			p	w^2	p	w^2	p	w^2
RRS-2	Shop-3	3-Way	.045	.0101	.....	.....	.....	.....
RRS-3	Shop-3	3-Way	.007	.0199	.....	.....	.....	.....
RRS-3	Shop-5	product x place	.....	.....	.015	.0337	.014	.0358
RRS-3	Cog-1	3-Way	.003	.0236	.....	.....	.....	.....
RRS-3	Cog-2	product x place	.....	.....	.003	.0470	.005	.0418
RRS-3	Cog-3	product x place	.....	.....	.041	.0197	.....	.....
RRS-2	Locus of Control	product x locus	.008	.0174	.024	.0188	.020	.0205
RRS-3	GenSC[d]	place x GenSC	.018	.0130	.....	.....	.....	.....
RRS-3	Failrisk[e]	product x place	.....	.....	.022	.0157	.021	.0161
		product x failrisk	.037	.0096	.....	.....	.....	.....
RRS-2	Inertia	3-Way	.016	.0143	.....	.....	.....	.....
RRS-3	ErrTol[f]	product x place	.....	.....	.040	.0148	.026	.0181
RRS-2	SpecSC[g]	product x SpecSC	.047	.0086	.....	.....	.....	.....
RRS-3	SpecSC	product x SpecSC	.039	.0092	.....	.....	.....	.....
RRS-3	Whereshop	place x whereshop	.015	.0152	.....	.....	.....	.....
RRS-2	Look-Age	place x Look-Age	.015	.0145	.....	.....	.....	.....
RRS-2	Do-Age	product x Do-Age	.004	.0212	.025	.0184	.....	.....
RRS-3	Education	product x place	.....	.....	.009	.0324	.....	.....
		product x education	.029	.0147	.....	.....	.....	.....

[d]Generalized Self-Confidence
[e]Purchase Failure Risk
[f]Perceived Error Tolerance
[g]Specific Self-Confidence

p = significance level of F test for interaction term in the ANOVA table
w^2 = Hays' omega-square measure of explained variance

discussion of the main effects is continued below.) The maximum explained variation (eta-square) of main effects plus interaction effects of any of the ANOVAs was 15%.

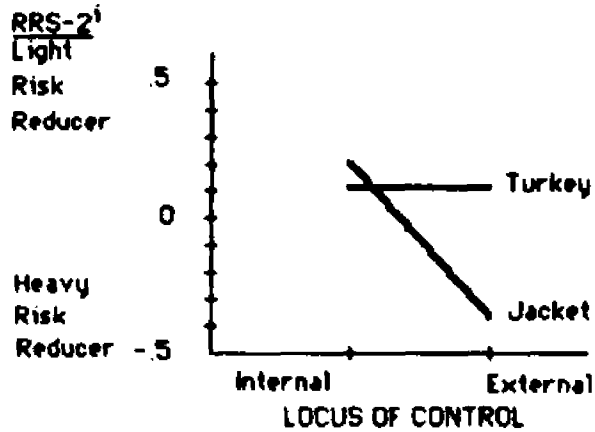
Hypotheses 1-4. Table 8A provides the results for these hypotheses. H-1 is a global hypothesis, asserting that individual differences and buying situation interact to explain more variation than the main effects alone. This is clearly not supported. H-2 asserts place x individual differences explains more than the main effects, H-3 asserts product x individual differences explains more, and H-4 asserts a three-way interaction of product x place x individual differences explains more. H-4 is not supported, according to Table 8A. The three significant interaction terms of Table 8A do not constitute support for the second and third hypotheses.

Hypotheses 5-8. Table 8A also provides the results for these hypotheses. The hypotheses all assert the nature of the interaction that influences risk reduction strategies, namely that product, place, and individual differences will interact in various two- and three-way combinations to produce "nonsymmetrical, disordinal" effects with slopes moving in opposite directions. In other words, the lines of the two factors, when their means are graphed, will not be parallel--they will be "disordinal." The lines also will not cross over--they will be "nonsymmetrical." These hypotheses assume significant interaction effects. If hypotheses 1-4 are rejected, these hypotheses also must be rejected.

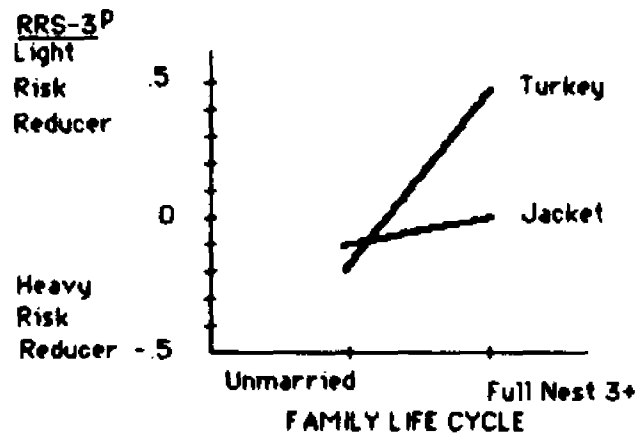
However, there are three significant interaction terms in Table 8A. Figure 7A presents the graphs of these three terms to illustrate what form the interaction does take. (The means and the vertical axis are based on

FIGURE 7A. TOTAL SAMPLE

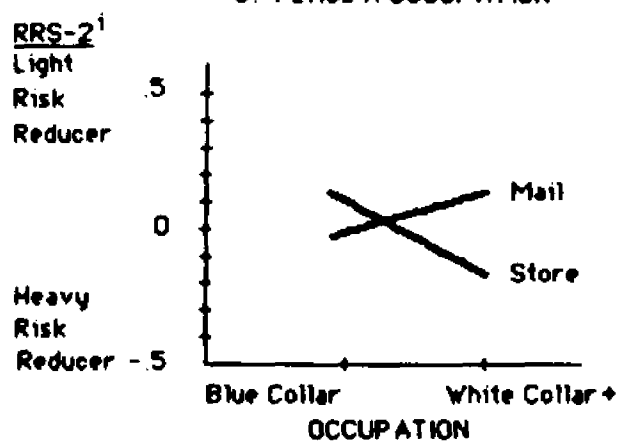
1. PRODUCT X LOCUS OF CONTROL



2. PRODUCT X FAMILY LIFE CYCLE



3. PLACE X OCCUPATION



i = incentive/more value for the money
p = best deal on price

the regression factor scores of the factor scales created in the factor analyses of risk reduction strategy; the data in the graphs are based on individual difference variables that were split at the first and fourth quartiles.) Clearly, all three of the interaction terms are disordinal, but their lines also cross over. In other words, they are symmetrical. The importance of this finding is that the interactions are substantial and not merely measurement error. As Green (1973, p. 415) points out:

> . . .[in] experiments involving behavioral-type responses, e.g., ratings data . . . strict metric ANOVA procedures may yield significant interaction terms that could be merely artifactual, in the sense of reflecting how the subject might use the rating scale, rather than anything more basic to his decision processes.

Monotonic transformations, Green demonstrates, can remove "artifactual" interactions. But they cannot remove "cross-over" interactions.

The three graphs of Figure 7A can be interpreted as follows:

1. People whose locus of control is internal are slightly more likely to pursue incentive-type risk reduction strategies for a perishable good (turkey) than for a soft good (jacket), whereas people with an external locus of control strongly pursue incentive-type strategies for the soft good, but not so for the perishable good.

2. (Mostly young) single people are slightly more likely to pursue price concession risk reduction strategies for a perishable good than for a soft good, but older full nesters and empty nesters pursue price concession strategies for a soft good less actively than the singles and very inactively for a perishable good.

3. Blue collar workers pursue incentive-type risk reduction strategies more actively for products offered by mail than for products offered in a store, but white-collar workers and professionals are more active in pursuing incentive-type

strategies for products offered in a store and less active in pursuing the same strategies for products offered by mail.

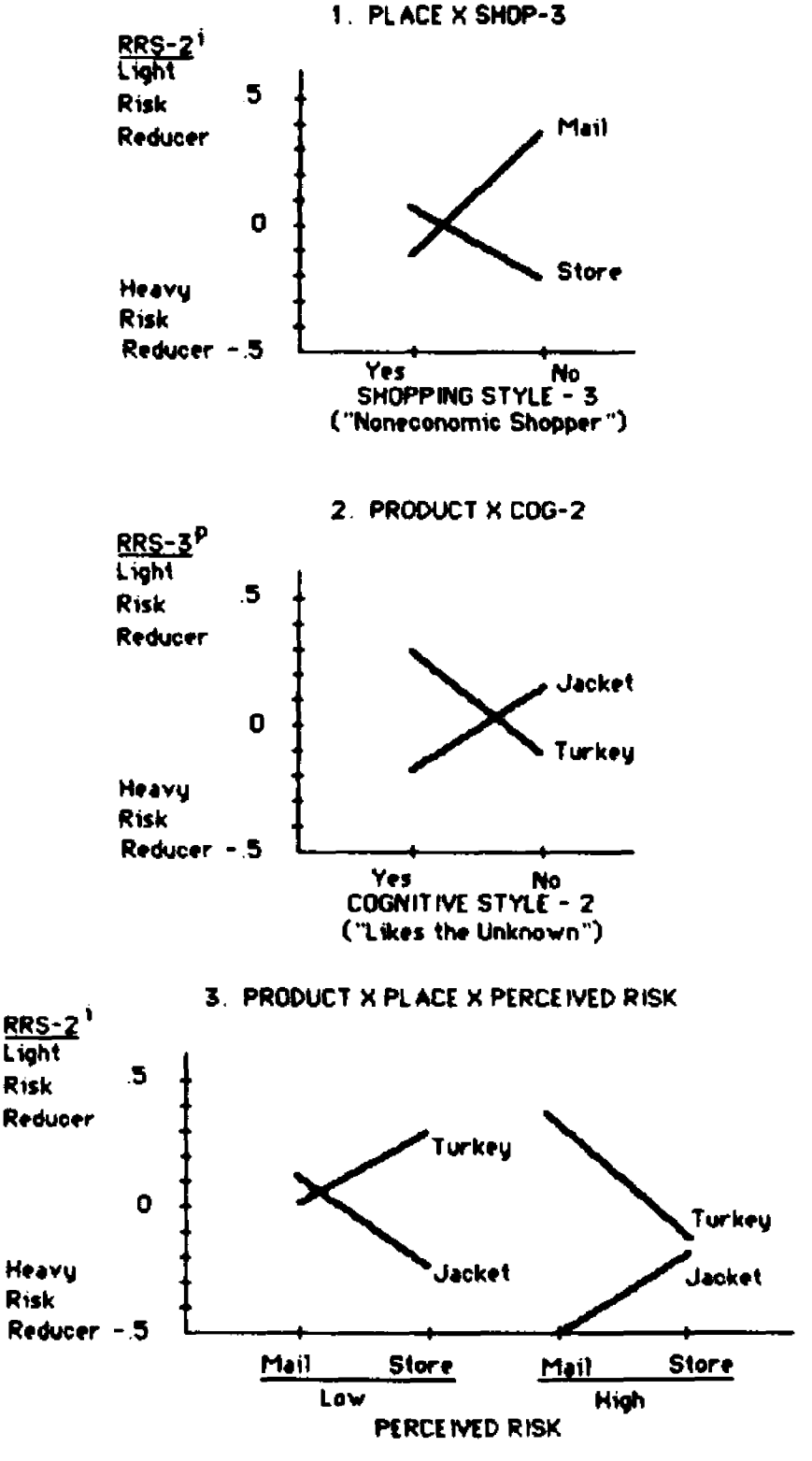
Such are the interpretations of significant interactions. Intuitively, most of the interpretations make sense. They clearly indicate the direction of relationships. However, the low percentage of variance explained by the interactions still calls for a rejection of hypotheses 5-8.

Hypotheses 9-12. These hypotheses assert that the interaction effects influence heavy in-home shoppers to pursue active risk reduction strategies and influence light in-home shoppers to pursue passive risk reduction strategies. Once again, the minimal number of ANOVAs with significant interaction terms and the paltry percentages of explained variance lead one to reject the hypotheses.

Tables 8B and C display the significant interaction terms of heavy and light in-home shoppers that explain more variation than the main effects alone. Figures 7B and C graph the means for some of those terms. (The first two graphs in Figure 7C are based on individual difference variables that were split at the median; the other graphs in Figures 7B and C are based on quartile splits. The remaining graphs of the significant interaction terms can be found in Appendix IV.) Despite the small number of significant interaction terms, there are some comments that can be made. One immediate observation from Tables 8B and C is that there is a greater likelihood of finding interaction effects among light in-home shoppers than among heavy in-home shoppers (or, for that matter, among the entire sample). There are even a few three-way interaction terms in Tables 8B and C--and also a few product x place terms.

The graph of 7B--the heavy in-home shopper--can be explained as

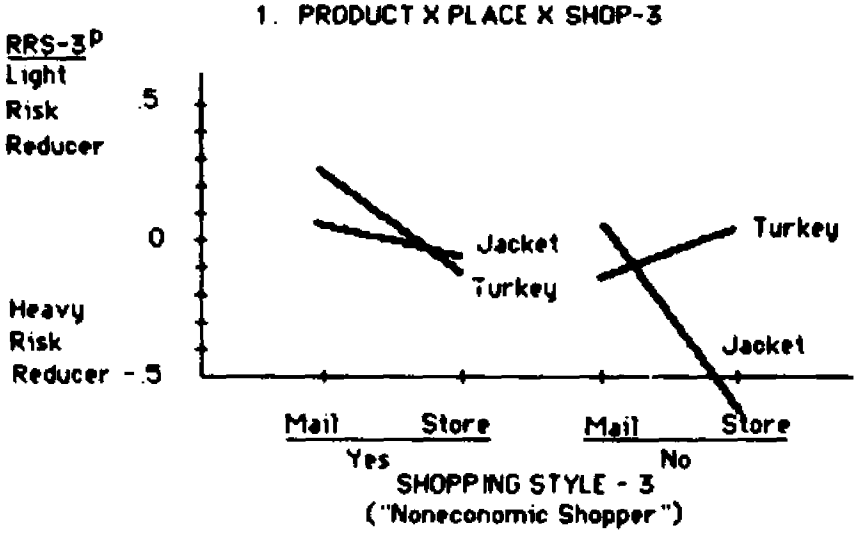
FIGURE 78. HEAVY IN-HOME SHOPPER



i = incentive/more value for the money
p = best deal on price

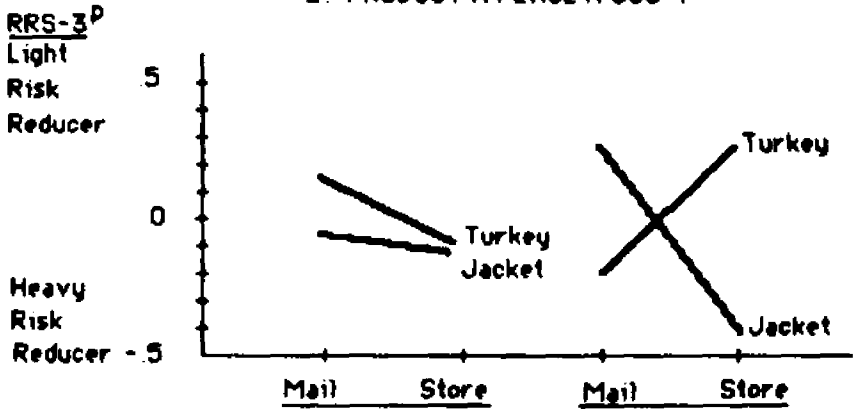
FIGURE 7C. LIGHT IN-HOME SHOPPER

1. PRODUCT X PLACE X SHOP-3



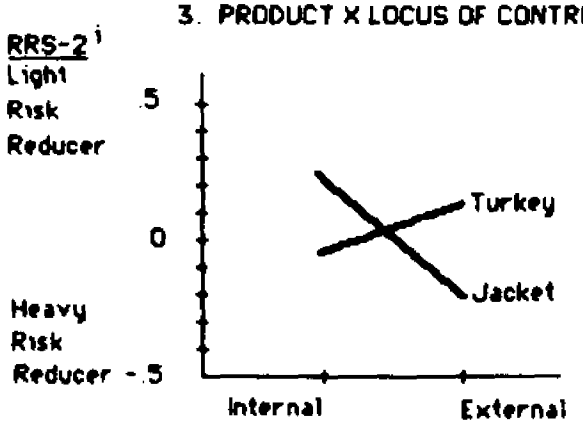
SHOPPING STYLE - 3
("Noneconomic Shopper")

2. PRODUCT X PLACE X COG-1



COGNITIVE STYLE - 1
("Likes Freedom")

3. PRODUCT X LOCUS OF CONTROL



LOCUS OF CONTROL

p = best deal on price
i = incentive/more value for the money

follows:

1. Noneconomic (non-price-conscious) shoppers are more likely to pursue incentive-type risk reduction strategies for products offerd by mail than for products offered in stores, whereas economic (price-conscious) shoppers are even more likely to pursue incentive-type strategies for products available in stores but are substantially less likely to pursue such strategies for products available by mail.

2. People who "like the unknown" pursue price concession strategies when buying a soft good, but do not do so when buying a perishable good. People who do not like the unknown pursue strategies that fall between the two extremes of the "likes the unknown" group. People who do not like the unknown are more likely to pursue a price concession strategy for a perishable good than for a soft good.

3. Among low risk perceivers, buying by mail is only a little more likely to produce incentive-type risk reduction strategies for a perishable good than for a soft good, but buying in a store produces heavy use of incentive-type strategies for a soft good and very light strategies for a perishable good.

   Among high risk perceivers, on the other hand, buying by mail produces very high use of incentive-type strategies for a soft good and very low use of such strategies for a perishable good, but buying in a store produces only slightly higher use for a soft good than for a perishable good.

Figure 7C--the light in-home shopper--can be interpreted as follows:

1. Among noneconomic (non-price-conscious) shoppers, shopping in a store generally produces greater use of price concession risk reduction strategies than buying by mail and greater use for a perishable good than for a soft good.

   Among economic (price-conscious) shoppers, shopping in a store for a soft good produces extreme use of price concession

strategies. But shopping by mail or for a perishable good produces use of the strategies equivalent to those of the in-store noneconomic shopper.

2. Among those respondents who are high in liking freedom, shopping in a store produces more use of price concession risk reduction strategies for a soft good than it does for a perishable good and more so in general than when shopping by mail.

   Among those respondents who are low in liking freedom, shopping by mail produces greater use of the strategies for a perishable good than it does for a soft good, but shopping in a store produces the greatest use of price-concession strategies for a soft good and very minimal use of them for a perishable good.

3. People whose locus of control is internal more actively pursue incentive-type risk reduction strategies for a perishable good than for a soft good, but people whose locus of control is external pursue the strategies even more actively for a soft good and less actively for a perishable good.

The key issue in evaluating Hypotheses 9-12 is whether the significant interactions found provide a positive answer to the question: Do these interactions influence heavy in-home shoppers to pursue "active" strategies and the light in-home shopper to pursue "passive" strategies? The answer to this question depends on how "active" and "passive" are operationalized.

In Chapter III, referring to Exhibit 3, it was suggested that active risk reducers are those people who use information seeking strategies and direct action strategies, while passive risk reducers use past experience, reassurance strategies, and probably most of the price/quality strategies. A comparison of the means of the individual risk reduction strategy items

and the five risk reduction strategy factor scales should shed light on which half of the sample are "active" risk reducers and which are "passive." T-tests were performed on all 23 items and the five factor scales. None of the factor scales and only two of the individual items were significant.

Respondents rated the "money-back guarantee" and "endorsements" items as follows (low score on the questionnaire = agree, which means use of the item to reduce risk):

	Light In-Home Shoppers	Heavy In-Home Shoppers	p
Money-back guarantee:	2.35	2.14	.029
Endorsements:	4.16	3.94	.005

Heavy in-home shoppers, based on these two items, would seem to be heavier risk reducers, but, according to the conceptualization of Exhibit 3, more passive risk reducers. Although the means on the other items and scales were not significantly different for the two shopper subgroups (three items--"bought before," "free booklet," and "least expensive brand"--were significant at the .10 level), their directions in more than half of the cases indicate that heavy in-home shoppers are heavy risk reducers of the active type. For practical purposes, however, the data in this study indicate that there are no differences in the risk reduction strategies of heavy and light in-home shoppers.

One additional means of comparing the risk reduction strategies of heavy and light in-home shoppers is to factor analyze the risk reduction strategy items for the two halves of the sample separately. Such an analysis was done, extracting five factors (in order to compare the new analyses with the factors derived for the whole sample). Except for an

occasional change in the value of the factor loading, the factor structure of the total sample and the heavy in-home shopper did not differ from the previous analysis reported in Table 5.

Table 9 shows the new factor structure that underlies light in-home shoppers. The congruence coefficient, r_c, following Cattell (1978, pp. 251-255), was computed to test the similarity of factor structures between the light and heavy in-home shopper groups. The congruence coefficients for Factors 1 through 5 were, respectively: .89, .97, .93, .73, and .60. Using Cattell's "Tables for Significance of Congruence Coefficients in Factor Matching" (p. 568), all coefficients are significant at the .025 level.

While the changes in factor structure between light and heavy in-home shoppers are not radical, the structure of light in-home shoppers seems to clarify the factor structure of Table 5. Factors 2 and 3 are essentially unchanged, hence the high congruence coefficients. Factor 1, however, loads highly on two additional items, which strengthens the conceptual interpretation that this is a factor describing a search for information on product quality. There also seems to be a strong need for reassurance underlying this factor, which would intuitively make sense in the case of light in-home shoppers. Factors 4 and 5 have changed, also, solidifying the interpretation of light in-home shoppers as people who perceive a high degree of risk and who want reassurance before buying. In addition, these changes explain the lower congruence coefficients for Factors 4 and 5.

Does this factor analysis provide answers to the "active" vs. "passive" issue? Perhaps it lends some support to the view that light in-home shoppers pursue passive strategies. The heavy reliance on reassurance

TABLE 9

THE LIGHT IN-HOME SHOPPER
FACTOR LOADINGS, VARIMAX ROTATION: RISK REDUCTION STRATEGY

Item	Reassurance/ Information On Quality	Incentive/ More Value For Money	Best Deal On Price	Reassurance/ Financial	Reassurance/ "Seeing is Believing"
	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
Read articles, etc.	.67480				
Bought before	.64496				
Government tested	.61218				
Ask friends, neighbors	.60375				
Free sample	.57265		.44584		
Advertisements	.55932				
Private testing agency	.54045				.40102
Most expensive brand	.48646				
Build-up offer		.75832			
Buy 2-return 1		.74973			
Limited time/supply		.68706			
Premium/free gift		.62606			
Least expensive brand		.59239			
Talk to salespeople		.51846			.49119
Endorsements		.50266			
Discounted			.83812		
On Sale			.81836		
Well-known seller				.74309	
Well-known brand	.50902			.62126	
Money-back guarantee				.60656	
Payment option				.56147	
Make comparisons					.72189
Free booklet	.42381				.57124

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .88607

Cumulative percent of variation explained by the five factors = 57.9

would seem to indicate this.

The Main Effects. Table 10 presents a summary of the relationships among the main, interaction, and covariate terms used in the ANOVA runs involving the personality variables.

Clearly, product is the variable that most often determines variation in risk reduction strategy. Place of purchase is the second most important variable. Even the personality variable explains variation more often than the interaction terms. This table also clearly illustrates that the main effects are less likely to be influential on the light in-home shopper than the heavy in-home shopper and that the interaction terms--to the extent that they are significant--were more likely to be significant on the light in-home shopper.

A distinct pattern emerges among the significant main effects in relation to the five risk reduction strategy factor scales. Type of product was significant on the first two risk reduction strategy scales. Place of purchase was significant on the third scale. Both product and place were generally significant on the fourth and fifth scales. There was no particular pattern of significance among the personality terms.

The pattern of significance of product and place points to several relationsips. There seems to be a relationship between type of product sought, on the one hand, and information-seeking behavior and the use of incentives, on the other. There seems to be a relationship between place of purchase and the desire for price deals. Finally, there seems to be a relationship between both product and place, on the one hand, and the need and desire for reassurance, i.e., for quality reassurance and for financial reassurance, on the other hand. The relationship between product and

TABLE 10

PERCENTAGE OF SIGNIFICANT MAIN, INTERACTION, AND COVARIATE TERMS PRODUCED IN THE ANOVA RUNS USING A PERSONALITY INDEPENDENT VARIABLE

A.

Term	Shopping Style				Cognitive Style				Locus of Control			
	T	H	L	Mean	T	H	L	Mean	T	H	L	Mean
product	53	57	37	49	57	57	40	51	60	80	40	60
place	47	37	27	37	47	27	23	32	60	60	20	47
person	33	27	30	30	13	17	10	13	20	20	....	13
product x place	07	13	17	12	03	07	03	04	20	....	20	13
product x person	....	....	....	....	....	13	....	04	20	20	20	20
place x person	03	03	07	04	07	....	13	07	....	....	....	....
3-Way	....	07	07	04	07	03	10	07	....	....	....	....
Intent	23	03	27	18	37	10	37	27	20	....	20	13
Index	03	na	na	na	....	na	na	na	....	na	na	na

B.

Term	Perceived Risk				Generalized Self-Confidence				Purchase Failure Risk			
	T	H	L	Mean	T	H	L	Mean	T	H	L	Mean
product	60	60	60	60	80	60	60	67	60	60	40	53
place	40	40	40	40	60	20	40	40	60	40	20	40
person	....	....	40	13	60	40	20	40	20	20	20	20
product x place	....	....	....	....	....	....	20	07	20	20	20	20
product x person	....	....	20	07	....	....	....	....	....	....	....	....
place x person	....	....	....	....	....	....	....	....	....	....	....	....
3-Way	....	20	....	07	....	....	20	07	....	....	....	....
Intent	60	....	60	40	20	40	40	33	40	....	40	27
Index	....	na	na	na	....	na	na	na	....	na	na	na

(Continued on next page - see next page for notes)

TABLE 10--Continued

PERCENTAGE OF SIGNIFICANT MAIN, INTERACTION, AND COVARIATE TERMS PRODUCED IN THE ANOVA RUNS USING A PERSONALITY INDEPENDENT VARIABLE

C.

Term	Inertia				Perceived Error Tolerance				Specific Self-Confidence			
	T	H	L	Mean	T	H	L	Mean	T	H	L	Mean
product	60	60	40	53	60	60	40	53	40	40	40	40
place	60	60	40	53	60	60	20	47	60	60	....	40
person	20	....	....	07	20	40	....	20	40	40	20	33
product x place	....	....	....	....	....	20	20	13	....	20	....	07
product x person	....	....	....	....	20	....	20	13	....	....	....	....
place x person	....	20	....	07	....	....	....	....	....	....	....	....
3-Way	....	....	....	....	....	....	....	....	20	....	....	07
Intent	20	....	40	20	20	....	20	13	20	....	40	20
Index	....	ne	ne	ne	....	ne	ne	ne	....	ne	ne	ne

T = total sample
H = heavy in-home shopper
L = light in-home shopper
ne = not applicable

Note: When using shopping style or cognitive style as the person variable, thirty ANOVA runs were made on the total sample, thirty runs on the heavy in-home shopper, and thirty on the light in-home shopper. When using the remaining variables, five runs for each group were made.

place--and risk reduction strategy--is explored further in Chapter V.

Experimental Variance. In order to evaluate the maximization of experimental variance, a series of one-way ANOVAs were conducted, using "Questionnaire Version" as the independent variable (and the four product/place pairs as the categories of the variable). The 23 individual items of risk reduction strategy (page 3 of the questionnaire), the 11-point purchase intention item (page 4), and the 24 individual product categories from the prior experiences data (page 5, using data from the middle column, "how many times within the last 12 months" did you buy from each category?) were the dependent variables. Both intuitively and according to the theory of Chapter II of this study, risk reduction strategies and purchase intention ought to differ across the four product/place pairs, but extent of prior in-home shopping by product category ought not differ across these pairs.

The ANOVAs support the above hypothesis and, consequently, indicate that a substantial amount of experimental variance was introduced into the research design. Specifically, there were no differences at the .05 significance level among any of the prior experience product categories. There were only four items of risk reduction strategy that did not significantly differ at the .05 level: question items #50 (most expensive brand), #62 (private testing agency), #64 (buy 2-return 1), and #65 (build-up offer). Private testing agency, #62, was significant at the .06 level.

Difference in purchase intention across the four pairs was significant at the 0.00 level. The means for the four pairs (based on a 0-10 scale) are:

Jacket/Mail.....	3.59	Turkey/Mail.....	1.71
Jacket/Store.....	3.25	Turkey/Store.....	2.68

The high mean score for the jacket-by-mail is to be expected, since the sample consists of recent buyers from a clothing mail-order catalog. The means, in other words, fall for the most part where one would expect them to, given the extremes of product and place. Even the turkey-in-a-department-store did not distort the mean scores of those respondents in relation to the other means.

The Heavy In-Home Shopper

Risk reduction strategy is a variable that cannot be readily used in practice to distinguish heavy in-home shoppers from light in-home shoppers. However, there are possibly other variables that can profile the two groups. A series of t-tests and cross tabulation chi-square tests were run in order to profile heavy in-home shoppers and distinguish them from their light counterparts. All of the individual difference variables used in the theoretical hypothesis testing were used here.

Shopping style factor scale #5, perceived error tolerance, and age produced significant t's at the .05 level or better. Individual items from the perceived risk and inertia scales also produced significant differences. The categorical variables whereshop, do-age, interest-age, income, marital status, and family life cycle stage produced significant chi-squares. Table 11 displays the means and percentages for these variables. Note that such variables as purchase intention, sex, education, and occupation did not distinguish the two groups. The purchase intention score for the light

TABLE 11

THE DIFFERENCES BETWEEN LIGHT AND HEAVY IN-HOME SHOPPERS

A. Means and Significance Levels (T-Test) of Quantitative Variables

Item	Mean		p
	Light In-Home Shopper	Heavy In-home Shopper	
Scales			
Shopping Style #5	-0.0869	.0820	.032
Perceived Error Tolerance	3.1505	2.0167	.006
Demographic			
Age	38.1019	40.1213	.025
Individual Items			
Store personnel not courteous	3.2460	3.4267[1]	.019
Buy products I don't need	3.7373	3.5040[2]	.004
Psychological Risk	1.8204	1.6667	.027
Inertia (no current need for product)	2.3544	2.1590[2]	.026

[1]High score = agree [2]Low score = agree

B. Means and Significance Levels (T-Test) of Age Controlling for Income

Income Level	Mean Age (n)		p
	Light In-Home Shopper	Heavy In-home Shopper	
$0 - 25,000	35.9149 (94)	40.7255 (51)	.057
$25,001 - 50,000	37.2752 (149)	38.0719 (153)	.527
Over $50,000	41.4175 (103)	41.2564 (156)	.906

C. Percentages and Significance Levels (Chi-Square Test) of Categorical Variables

1. Parshop: Did your parents ever shop by mail?
2. Youshop: Did you, as a child or teenager, ever order anything by mail?

Group	Parshop				Youshop			
	Yes	No	n	p	Yes	No	n	p
Light In-Home Shopper	53.7	46.3	376		64.6	35.4	376	
Heavy In-Home Shopper	65.4	34.6	376	.0014	73.9	26.1	376	.0072

(continued on next page)

TABLE 11—Continued

THE DIFFERENCES BETWEEN LIGHT AND HEAVY IN-HOME SHOPPER
C. Percentages and Significance Levels (Chi-Square Test) of Categorical Variables

3. Whereshop: Where do you usually shop?

Group	Code							n	p
	1	2	3	4	5	6	7		
Light In-Home Shopper.....	47.2	10.6	24.7	6.5	5.7	4.9	0.5	369	
Heavy In-Home Shopper...	46.4	17.8	16.7	4.9	5.9	7.0	1.3	371	.0134

Codes: 1 - closed shopping mall
2 - open shopping center
3 - downtown
4 - 1 and 3
5 - 1 and 2
6 - 1, 2, and 3

4. Feel-Age: You feel as though you were in what age range?
5. Do-Age: You do most things as though you were in what age range?
6. Interest-Age: Your interests are mostly those of a person in what age range?

Group	Decade								n	p
	Teens	20's	30's	40's	50's	60's	70's	80's		
Feel-Age										
Light In-Home Shopper.....	2.7	38.9	34.8	13.7	6.6	3.3	0.0	0.0	365	
Heavy In-Home Shopper.....	1.6	29.5	40.5	17.4	6.2	3.8	1.1	0.0	373	.0402
Do-Age										
Light In-Home Shopper.....	1.6	38.5	35.4	15.4	7.1	1.6	0.0	0.3	363	
Heavy In-Home Shopper.....	1.1	29.3	41.1	19.4	5.6	3.5	0.5	0.0	374	.0464
Interest-Age										
Light In-Home Shopper.....	1.9	32.5	38.8	17.4	8.0	1.1	0.0	0.3	363	
Heavy In-Home Shopper.....	1.4	24.2	45.7	19.8	6.0	3.0	0.8	0.0	371	.0287

7. Marital Status

Group	Never Married	Married	Widowed/Divorced	n	p
Light In-Home Shopper.....	31.6	57.6	10.8	370	
Heavy In-Home Shopper.....	20.5	68.5	11.2	375	.0022

(continued on next page)

TABLE 11--Continued

THE DIFFERENCES BETWEEN LIGHT AND HEAVY IN-HOME SHOPPERS
C. Percentages and Significance Levels (Chi-Square Test) of Categorical Variables

8. Family Life Cycle Stage

Group	Code									n	p
	1	2	3	4	5	6	7	8	9		
Light In-Home Shopper.....	35.2	16.3	13.6	7.6	15.5	7.1	2.9	1.1	0.8	369	
Heavy In-Home Shopper.....	23.4	16.1	18.3	12.0	16.9	8.7	2.2	1.1	1.3	367	.0323

Codes: 1 - Bachelor
2 - Married
3 - Full Nest I
4 - Full Nest II
5 - Full Nest III
6 - Empty Nest I
7 - Empty Nest II
8 - Solitary Survivor I
9 - Solitary Survivor II

9. Income

Group	Code									n	p
	1	2	3	4	5	6	7	8	9		
Light In-Home Shopper.....	8.5	8.5	9.9	9.4	7.4	9.7	8.5	8.2	29.8	352	
Heavy In-Home Shopper.....	4.1	4.4	5.5	8.8	7.4	9.6	9.6	6.9	43.5	363	.0018

Codes: 1 - 0 to $15,000
2 - $15,001 to $20,000
3 - $20,001 to $25,000
4 - $25,001 to $30,000
5 - $30,001 to $35,000
6 - $35,001 to $40,000
7 - $40,001 to $45,000
8 - $45,001 to $50,000
9 - Over $50,000

in-home shopper was 2.77 and for the heavy in-home shopper was 2.89 ($p = .565$). The data for the nonsignificant demographic variables are presented in Appendix III.

In brief, heavy in-home shoppers can be profiled as older, wealthier, married, full or empty nesters who experience a low level of psychological risk, a high degree of tolerance for error, and a high degree of inertia (i.e., low readiness or need to buy). Heavy in-home shoppers, also, are convenience-oriented, have purchased something by mail as a child or teenager or have observed their parents purchasing by mail, are more likely to shop at an open shopping center, and perceive their ages to be in their 30's or 40's (at least, in terms of their interests or the things that they do).

Risk Reduction Strategies and In-Home Shopping Behavior

Table 12, using Roselius' (1971) net percent of favorable responses score, displays the respondents' rankings of their risk reduction strategies. Table 13 presents the actual purchasing behavior this sample of in-home shoppers has exhibited in recent months.

Discussion of these and the other findings of the study is continued in more detail in the next chapter.

TABLE 12

THE IN-HOME SHOPPERS' RANKINGS OF RISK REDUCTION STRATEGIES

Ranking	Item	Net Favorable Percentage[a]	Mean
1	Money-back guarantee	43.12	2.27
2	Well-known brand	40.59	2.41
3	Make comparisons	28.86	2.62
4	Well-known seller	27.13	2.59
5	Bought before	14.29	2.74
6	Discounted	9.80	2.94
7	On sale	5.81	2.98
8	Read articles, etc	-4.94	3.13
9	Free sample	-8.48	3.17
10	Ask friends, neighbors	-20.24	3.38
11	Government tested	-22.56	3.34
12	Payment option	-23.37	3.43
13	Advertisements	-23.47	3.40
14	Free booklet	-27.88	3.44
15	Private testing agency	-42.67	3.71
16	Talk to salespeople	-47.04	3.79
17	Most expensive brand	-57.54	3.91
18	Premium/free gift	-62.17	4.03
19	Endorsements	-65.42	4.06
20	Build-up offer	-73.66	4.18
21	Least expensive brand	-73.90	4.18
22	Limited time/supply	-74.50	4.23
23	Buy 2-return 1	-79.92	4.34

[a]Net Favorable Percentage = $\frac{\text{(number of favorable responses - number of unfavorable responses)}}{\text{total responses}} \times 100$.

Favorable reponses = strongly agree or somewhat agree.
Unfavorable responses = strongly disagree or somewhat disagree.

TABLE 13

PURCHASING BEHAVIOR OF IN-HOME SHOPPERS

What have you ever bought by mail? %	Product category	How many times within the last 12 months? Mean	How much have you spent within the last 12 months? $1-50 %	$51-100 %	$101-200 %	$201-300 %	$300+ %
32.7	Food & drink.....	.405	15.4	4.4	1.3	0.7	1.0
4.2	Smoking materials.....	.069	2.1	0.5	0.1	0.1	....
13.5	Health & medical.....	.289	6.5	2.6	0.8	0.4	0.3
18.4	Cosmetic/Beauty Aids.	.289	9.2	3.1	0.7	0.4	0.3
90.2	Clothing, shoes.....	3.609	10.8	20.7	23.1	15.0	15.8
9.5	Jewelry.....	.112	4.5	1.2	1.2	0.3	0.8
15.5	Auto/boat accessories.	.366	4.1	3.8	1.2	0.5	3.1
80.4	Magazine subscriptions	2.225	46.7	19.5	6.4	0.9	0.7
51.4	Books.....	1.605	21.2	12.0	5.1	1.3	1.7
5.0	Correspondence school courses.....	.076	2.6	0.7	0.7	0.1	....
22.2	Information services...	.420	12.6	2.9	1.7	0.1	1.2
31.2	Records/tapes.....	.610	12.6	4.3	1.2	0.3	0.8
7.5	TV/Radio/Stereo.....	.148	1.4	1.6	1.7	0.5	2.0
23.5	Photo/film.....	1.001	10.3	4.2	2.1	0.5	1.4
35.9	Garden supplies.....	.621	17.6	7.1	3.0	0.8	0.1
24.3	Hobbies/guns, stamps.	.421	8.1	4.5	2.6	0.9	1.6
10.8	Art supplies/prints.....	.170	2.6	1.6	1.6	0.3	0.7
24.3	Credit/insurance.....	.435	11.8	2.1	1.2	0.4	3.4
17.9	Toys.....	.359	8.6	4.3	1.2	0.4	0.7
45.6	Printing/labels.....	.671	31.5	4.4	1.3	0.4	....
12.5	Homes/furniture.....	.205	3.4	3.1	1.3	0.8	1.8
21.8	Housewares/appliances	.379	9.5	4.7	2.0	0.8	1.0
7.6	Typewriters/Telephones/computers.....	.107	2.4	1.2	0.8	0.7	1.6
4.3	Other[1].....	.099	1.6	0.8	0.4	0.4	0.8

[1] "Other" products bought by mail included: exercise equipment, puzzles & games, novelties, vacation and travel packages, tools, computer software, tickets, pet products, luggage, china and silver, swimming equipment, golf clubs, and bicycle supplies.

Note: read the first line of the table as follows--32.7% of the respondents have at sometime bought food or drink by mail, average number of purchases from the category within the last 12 months was .405, and 15.4% of the sample spent $1-50.

Chapter V

DISCUSSION OF THE FINDINGS

The findings of this study pose some difficult problems for the advocates both of interactionism and of personality theory. In fact, the findings of this study can be said to support the situationist perspective. Although there were some significant disordinal interactions among the independent variables, the low level of explained variance prevents the researcher from concluding support for interactionism. Nevertheless, there may be some reason to explore the subject further. This chapter begins with a discussion of interactionism vs. situationism. This is followed by a discussion of the influence of product and place on the risk reduction strategies of in-home shoppers and a comparison of the study's profile of in-home shoppers with those of previous researchers. The chapter concludes with a discussion of the personality variables that were used in the study in the light of their possible use in future research.

Person-Situation Interactionism

The .30 Problem

The first of the three research questions posed at the beginning of this study focused on the issue of whether or not person variables or situation variables--or their interactions--explain more variation in in-home consumption behavior. Mischel (1968) argued that most

personality research produces--at best--explained variation of no more than 30%. Situationist research has fared no better. On the other hand, with an interactionist approach, Sandell (1968) reported 82.1% of the variation explained by three 2-way interaction terms and one 3-way term in his study of product (drinks) X thirst situation X individuals interactions. Belk (1974) reported as much as 40.43% variation explained by the interaction terms in his series of product X consumption situation X persons studies. It is this kind of improved explained variance, presumably, that Mischel was calling for.

In general, however, it seems that interactionism, too, explains little more variance than 30%. Endler and Hunt (1966) reported three studies with interaction terms explaining 33.38%, 27.73%, and 28.11%. Bowers (1973) displays a table of 19 studies that have interaction components explaining from 9.14% of the variation to 40.2%. The average of the interaction percentages is 20.77%. Again, this is not an impressive figure, although better than the figures Bowers found for person only and situation only components. For person variables, the mean percentage of variation was 12.71%; for situation variables it was 10.17%.

The present study reported a maximum explained variance of 4.7%, which was a product X place interaction, i.e., a composite of situation variables (see Table 8). The maximum explained variance for a person-situation interaction is 2.36% for the three-way interaction term of product X place X cognitive style. These figures hardly provide support for interactionism.

There is one difference in design, however, between the present study and many of the interactionist studies reported in the literature that may

be relevant to the low explained variance obtained here. Many interactionist studies use the subjects as random factors in a within-subjects, repeated-measures design. Thus, in a two-way ANOVA, for example, interactionists "employ a sample of individuals, a sample of situations, and a dependent variable. A measure of the dependent variable is collected for each individual in each situation . . .The interaction variance can be separated from the error term by collecting more than one measurement for each cell in the Individual X Situation matrix" (Ekehammar, p. 1039, 1974). Personality scales, if used, are the dependent variable, not the independent variable. The ANOVA model is, consequently, a mixed-effects model--subjects are random but situation is fixed (Endler and Hunt, however, used a random effects model). Hays' omega-square is appropriate only for a fixed-effects model; the method of estimating variance components via expected mean squares is used for the mixed (or random) model.

The method of calculating explained variance is not the issue here (the expected-mean-squares method yields values similar to the omega-square). The issue is that the present study used personality scales (and demographics) as the person measure, as well as a personality scale for the dependent variable. The present study, in other words, resembles the more traditional personality studies (i.e., between-subject, one-measure experiments) that have been used in the past. These past studies have also produced traditionally low explained variances. A study using subjects as random factors might well produce larger percentages of explained variance on the interaction terms.

It is interesting to note here that Lutz and Kakkar (1975) used a

between-subjects design in order to test and challenge the findings of Belk (1974). They found an explained variance of less than 6% for the situations X products interaction term, an amount not far from the percentage of explained variance found in the present study. Belk challenges the validity of their methodology but also does not deny the possibility that the within-subjects design could produce inflated percentages of explained variance.

The present study--and the more traditional personality studies--are based on what Bem and Allen (1974, pp. 508-509) call the "nomothetic assumption," which means "that a particular trait dimension or set of trait dimensions is universally applicable to all persons and that individual differences are to be identified with different locations on those dimensions." In contrast, Bem and Allen call for Allport's "idiographic" assumption that some traits may not *at all* be applicable to some people. A large percentage of such people in a study sample can easily cause explained variance to be small or nil. Thus, studies with such subjects will never "do any better than predicting some of the people some of the time (p. 512)." Their advice to researchers is to select subjects "who are cross-situationally consistent on the trait-dimension and throw the others out." A study based on this assumption might produce larger explained variances.

Thus, while the present study meets Kassarjian and Sheffet's (1975) request for studies of interactions between personality and the situation (or field), it has failed to produce a substantial explanation of the variation in the data.

Task X Individual Difference Interactionism

Punj and Stewart (1983) provide a detailed taxonomy and framework for interactionism in consumer behavior. They comment (p. 192):

> A model of consumer choice behavior that explicitly considers not only the task and the individual, but also the interaction between task and individual is more complete and more useful both in a descriptive and in a predictive sense than are models which fail to consider the interaction. This does not mean that interactions will always emerge as statistically significant or will always account for appreciable amounts of the variance in consumer behavior. In well-defined, well-structured situations, task effects are likely to be the dominant effect. In poorly structured, ill-defined situations, individual differences are most likely to be important predictors of behavior....

In the present study, the purchase (or purchase intention) of a product at home by mail or in a store constituted the "task" the consumer had to perform. The personality and demographic variables constituted the individual difference variables. Consequently, the present study did focus on interactions between task and individual. However, the results seem to have produced "dominant task effects," due to the "well-defined, well-structured situations" that were used to "treat" the sample. Indeed, individual difference and, especially, interaction variables were largely suppressed by the stronger situational influences.

Had this study succeeded in producing substantial numbers of significant interaction terms, the subsequent goal would have been to develop relationships, concepts, and principles that define interaction effects in consumer behavior. Product and place, as used in this study, were part of Punj and Stewart's interactionist taxonomy called "*The*

exposure situation, where predispositions together with environmental stimulation form new dispositions, such as knowledge, beliefs, and so on" (p. 188, emphasis theirs). New dispositions in consumers that are the result of interactions between product, place, and the consumer's own personality are what the present study sought as one step in the scientific discovery of lawlike generalizations (as discussed by Hunt, 1976, pp. 16 & 66-67). This goal can be understood better by examining the few significant interaction terms that did result in relation to the study model of Figure 5 in Chapter II.

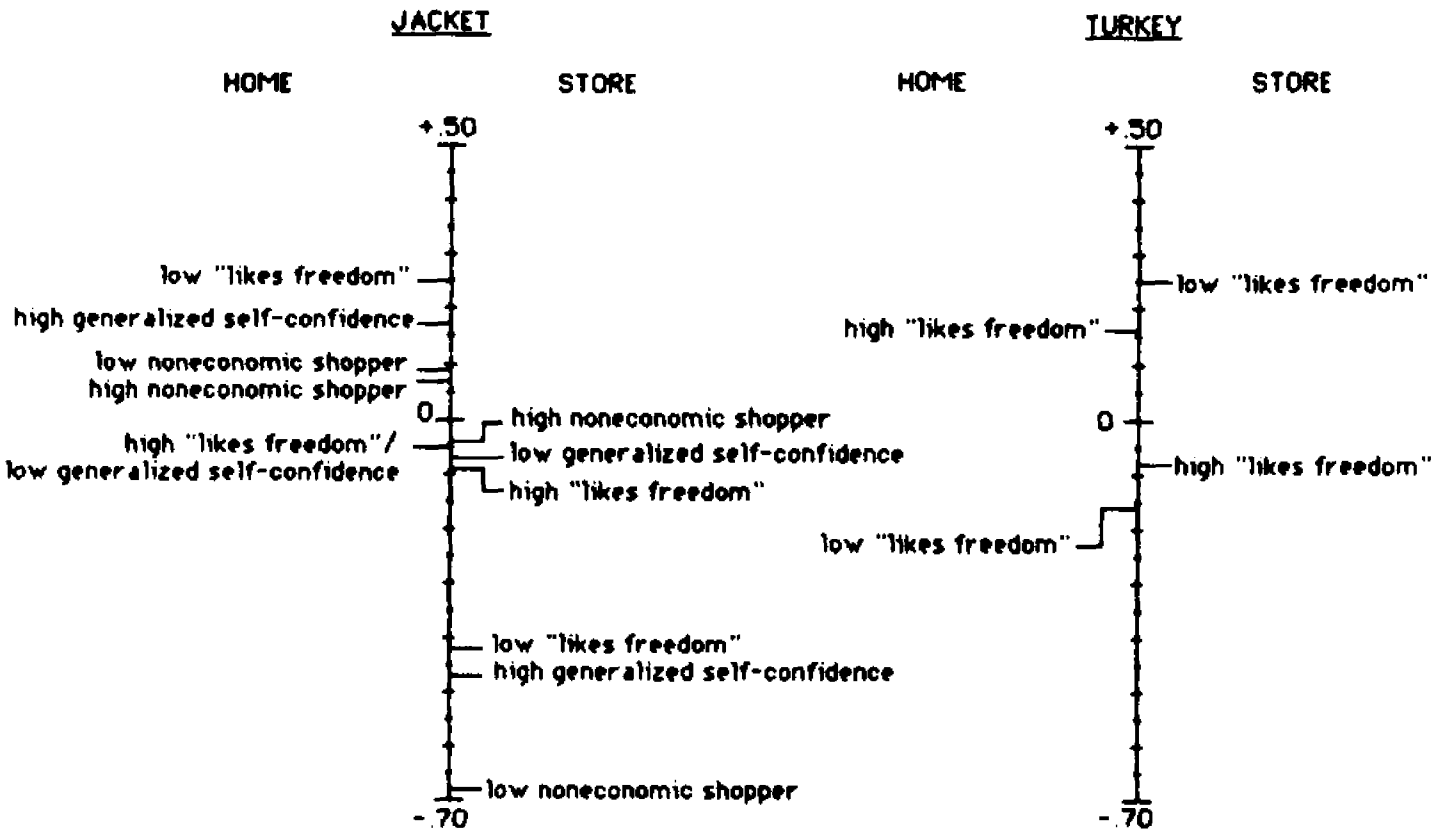
The Study Model. Figure 5 in Chapter II presents the hypothesized relationships among individual differences, buying situation, and risk reduction strategy. It suggests specific interaction effects between place of purchase and individual differences on the in-home shopper's risk reduction strategies--independently of type of product. That is, when type of product is held constant, according to Figure 5, the relationships illustrated should be revealed. As the analysis in Chapter IV has indicated, even when type of product is not held constant, very few relationships are revealed. It is interesting, nevertheless, to examine the interaction effects of place and personality, *controlling for product*, on the risk reduction strategies of the light in-home shopper, the group for which there were more effects. Figure 8 illustrates the place X personality interaction terms that were significant (at the .05 level) when controlling for product.

The second factor scale on risk reduction strategy (RRS-2: Incentive/More Value for the Money) produced no significant interaction terms for the smoked turkey, but it did produce differential effects

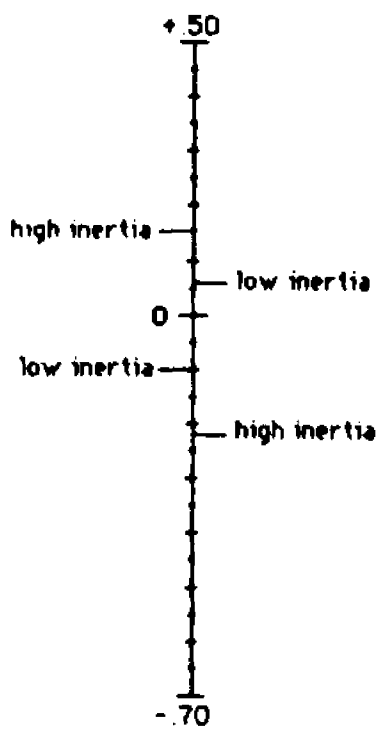
FIGURE 8

THE LIGHT IN-HOME SHOPPER: SIGNIFICANT PLACE X PERSON INTERACTIONS

RRS-3: BEST DEAL ON PRICE



RRS-2: INCENTIVE/MORE VALUE FOR THE MONEY



(not significant)

Note: low score = heavy risk reducer

between inertia and place of purchase for the jacket. That is, a person high in inertia is more likely to pursue incentives as a risk reduction strategy for products available in stores, whereas a person low in inertia will want incentives in order to make a purchase decision for products available by mail. To express this finding in the terminology of Punj and Stewart: the exposure situation of a soft good available either by mail or in a store interacts with the consumer's feelings of inertia to form a new disposition in terms of incentive-seeking. That is, incentive-seeking behavior depends on both the place of purchase and the consumer's level of inertia.

The third risk reduction strategy factor scale (RRS-3: Best Deal on Price) produces a much richer description of new interaction dispositions. As shown in Figure 8, deal-seeking behavior depends on place of purchase and shopping style, generalized self-confidence, and cognitive style. It also obviously depends on type of product, though there are fewer interactions on which to base observations in the turkey case. The jacket portion of the figure seems to indicate that an in-home buying situation does not stimulate a large amount of deal-seeking behavior. This would be consistent with the finding that in-home shoppers are convenience-oriented and, therefore, not terribly concerned about the price paid for the products they buy.

The present study sought to discover many more of these types of interactionistic dispositions in order to formulate lawlike generalizations about the in-home shopper. The results, however, do not permit doing so.

Person-Situation Segmentation. The practical significance of the theory of interactionism is that the theory can provide the basis for an integrated framework of market segmentation. Dickson (1982, p. 58)

provides such a framework:

> Person-situation segmentation is viable when different groups have distinctly different demand schedules for different usage situations. This condition produces demand functions of the form $Q_{ij} = F_{ij}(x_1, x_2, \ldots, x_n)$ where i defines the i^{th} group and j defines the j^{th} usage situation or subset of situations....[T]he important point is that it is not people or situations that are segmented, but demand curves. These demand curves reflect the needs that arise from consumers' interactions with usage situations.

Belk (1974; 1975) and Sandell (1968) studied usage situations. The present research, however, studied buying situation--home vs. store. As with usage situation, it seems reasonable to assume that different personality groups of consumers could have different demand schedules for different buying situations. Buying situation could then fit into a person-situation segmentation paradigm.

Among light in-home shoppers, for example, the person X buying situation interaction revealed (according to Figure 8) the following deal-seeking behaviors:

	Personality	
	Low	High
Buying Situation	Noneconomic Shopper	Noneconomic Shopper
Home.....	moderate/light deal-seeking	moderate/light deal-seeking
Store.....	heavy deal-seeking	moderate deal-seeking

Thus, the findings imply that the direct marketer could offer a product to either low or high noneconomic shoppers without having to rely heavily on discounts, sales, or free samples. The in-store marketer, on the other

hand, would want to feature discounts, sales, and samples when promoting products to low noneconomic shoppers (i.e., high economic or price-conscious shoppers). To high noneconomic shoppers, the in-store marketer would also want to feature discounts, sales, and samples, but would not have to feature them as prominently as to low noneconomic shoppers.

The results of this study concerning interactions between personality and buying situation are tenuous at best. Nevertheless, a person X buying situation segmentation paradigm does seem feasible and should warrant further exploration.

It is interesting to note at this point that the studies conducted by both Belk (1974; 1975) and Sandell (1968) produced product X usage situation interaction terms that explained more variation than any of the other terms, including the person X situation, product X person, and three-way interaction terms. These results are consistent with the findings of the present study. As indicated in Table 8, product X place interactions were abundant and the interaction terms explained some of the largest amounts of variation listed there. Since product and place main effects also seem to be important factors in explaining risk reduction strategies of the in-home shopper, it now seems time to discuss the influence of product and place on the in-home shopper.

The In-Home Shopper

The Influence of Product and Place on Risk Reduction Strategy

Table 14 presents the means of the 23 items and five factor scales of risk reduction strategy, broken down by product--jacket vs. turkey--and place--home vs. store. To facilitate comparisons, Figure 9 presents the rankings of the top ten risk reduction strategies along a vertical scale for each category of product and place.

On examining the means of the factor scales, one sees that this sample of in-home shoppers strongly seeks financial reassurance (money-back guarantees, comparisons, and payment options) as a risk reliever when considering the purchase of a soft good. Financial reassurance and quality reassurance (the reassurance of buying from a well-known seller, of buying a well-known brand, of buying the most expensive brand, or of having bought the product before) both are used to relieve the risk of purchase by mail. Strategies of seeking quality reassurance and information on quality (by asking friends, by looking for brands that have been tested by private or government agencies, or by reading free booklets, advertisements, or other articles about the product) are the risk relievers used to reduce the risk of buying a perishable good. Deal-seeking behavior (discounts, sales, free samples) seems to be the preferred method of reducing risk in stores.

A glance at the display in Figure 9 of the ten highest ranking individual risk reduction strategies shows some distinctive patterns. It indicates that an in-store buying situation stimulates the lowest level of risk reduction of the four alternatives and that the money-back guarantee is not

TABLE 14

THE INFLUENCE OF PRODUCT AND PLACE ON THE RISK REDUCTION STRATEGIES OF IN-HOME SHOPPERS

Mean Ratings of Individual Items and Factor Scales by Type of Product and Place of Purchase

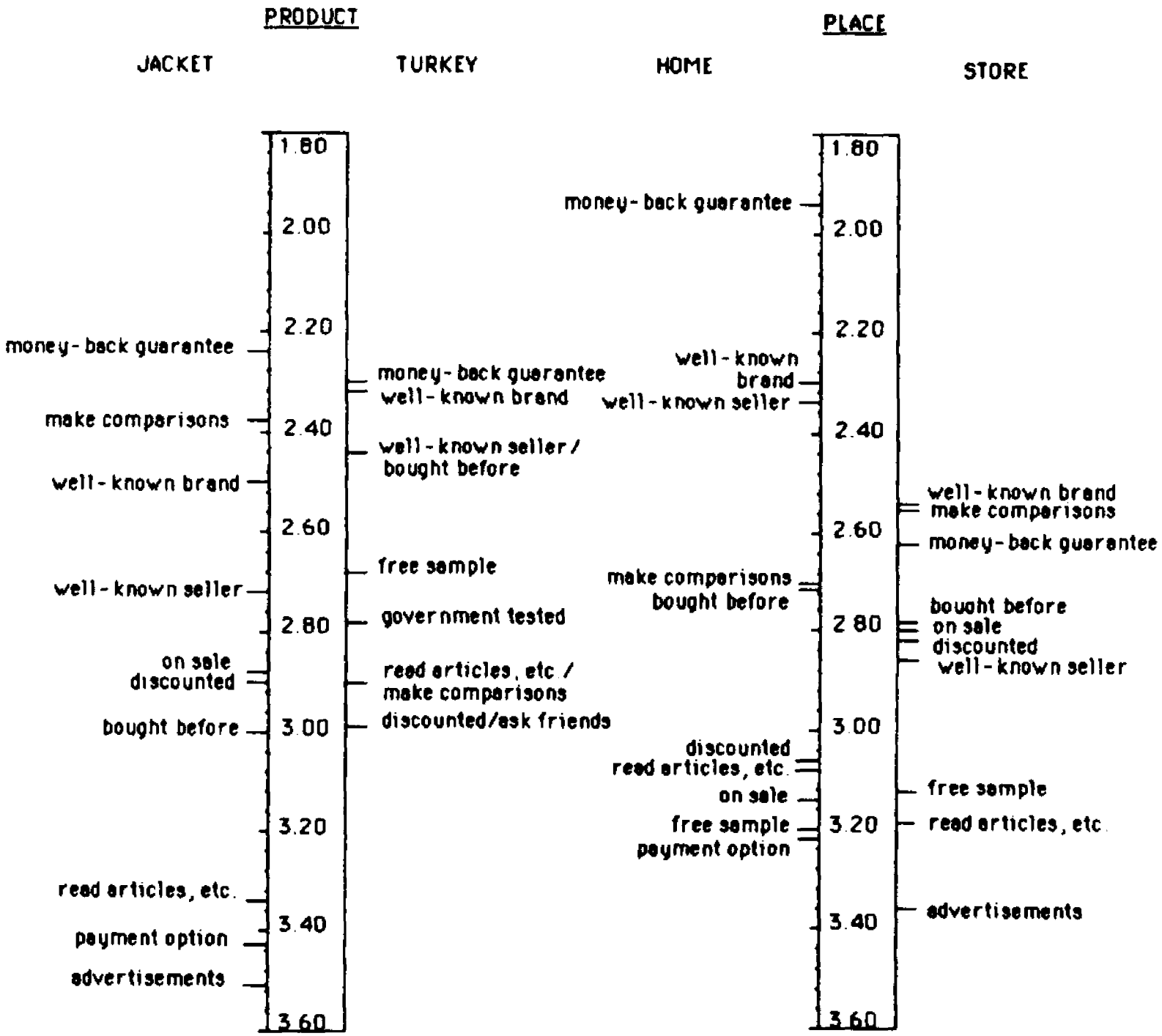
Item	Product		Place	
	Jacket	Turkey	Home	Store
Individual Items				
Well-known seller	2.72	2.44[2]	2.34	2.85[2]
Bought before	3.02	2.44[2]	2.71	2.78
Government tested	3.84	2.79[2]	3.24	3.45[1]
Money-back guarantee	2.24	2.30	1.94	2.62[2]
Well-known brand	2.50	2.31[1]	2.31	2.53[2]
Most expensive brand	3.96	3.86	3.90	3.93
Read articles, etc	3.34	2.90[2]	3.08	3.19
Payment option	3.43	3.44	3.22	3.66[2]
On sale	2.88	3.09[1]	3.14	2.81[2]
Free sample	3.61	2.68[2]	3.20	3.13
Discounted	2.90	2.99	3.05	2.82[2]
Ask friends, neighbors	3.74	2.99[2]	3.38	3.39
Advertisements	3.51	3.27[2]	3.43	3.36
Free booklet	3.53	3.35[1]	3.35	3.54[1]
Make comparisons	2.28	2.90[2]	2.70	2.55
Endorsements	4.17	3.93[2]	4.03	4.08
Premium/free gift	4.09	3.96	4.10	3.96
Private testing agency	3.81	3.59[2]	3.68	3.74
Least expensive brand	4.28	4.08[2]	4.19	4.17
Buy 2-return 1	4.31	4.36	4.35	4.33
Build-up offer	4.17	4.20	4.20	4.17
Talk to salespeople	3.81	3.77	3.94	3.63[2]
Limited time/supply	4.21	4.24	4.33	4.11[2]
Factor Scales				
Information on quality	.37	-.38[2]	.02	-.01
Incentive/more value for money	-.06	.08	.06	-.04
Best deal on price	-.04	.04	.13	-.14[2]
Reassurance/proof of quality	.15	-.16[2]	-.19	.21[2]
Reassurance/financial	-.22	.29[2]	-.12	.19[2]

[1] $p < .05$ (t-test)
[2] $p < .01$ (t-test)

Note: low score means heavy use of the risk reduction strategy.

FIGURE 9

THE INFLUENCE OF PRODUCT AND PLACE ON RISK REDUCTION STRATEGY



Note: low score means heavy use of the risk reduction strategy

the most sought after risk reliever. The Figure also shows a compressed distribution of risk reduction strategies for the smoked turkey; this perhaps resulted from a confusion over having to evaluate such an unusual and seldom purchased product. Nevertheless, the results are revealing as to what risk reduction strategies the consumers would seek in order to make a purchase decision for such a product. The in-home shopping situation, as expected, produced the heaviest levels of risk reduction strategies. The jacket produced a wider range of strategies wherein price, name image, and careful shopping were the primary means of reducing risk.

Because of the extreme variance between the two types of products selected in this study, it seems appropriate to examine the risk reduction strategies of in-home shoppers by controlling for product--that is, to examine the influence of place (home vs. store) on risk reduction broken down by type of product. Table 15 presents such data for the 23 items and five factor scales of risk reduction strategy. Figure 10 presents a ranking of the top ten items, using the vertical scale technique.

When product is controlled for, the means of the factor scales reveal the strength of product influences over place. It can be seen that, regardless of place of purchase, information-seeking behavior is the primary risk reduction method this sample uses when considering the purchase of a perishable good such as the smoked turkey. On the other hand, place exerts a stronger influence than product on deal-seeking behavior; that is, regardless of type of product, respondents show a high degree of deal-seeking behavior in an in-store buying situation--although the behavior is more pronounced for a soft good than for a perishable one.

Figure 10 illustrates in more detail than Figure 9 how the in-store

TABLE 15

THE INFLUENCE OF PLACE ON THE RISK REDUCTION STRATEGIES OF IN-HOME SHOPPERS

Mean Ratings of Individual Items and Factor Scales by Place of Purchase, Controlling for Product

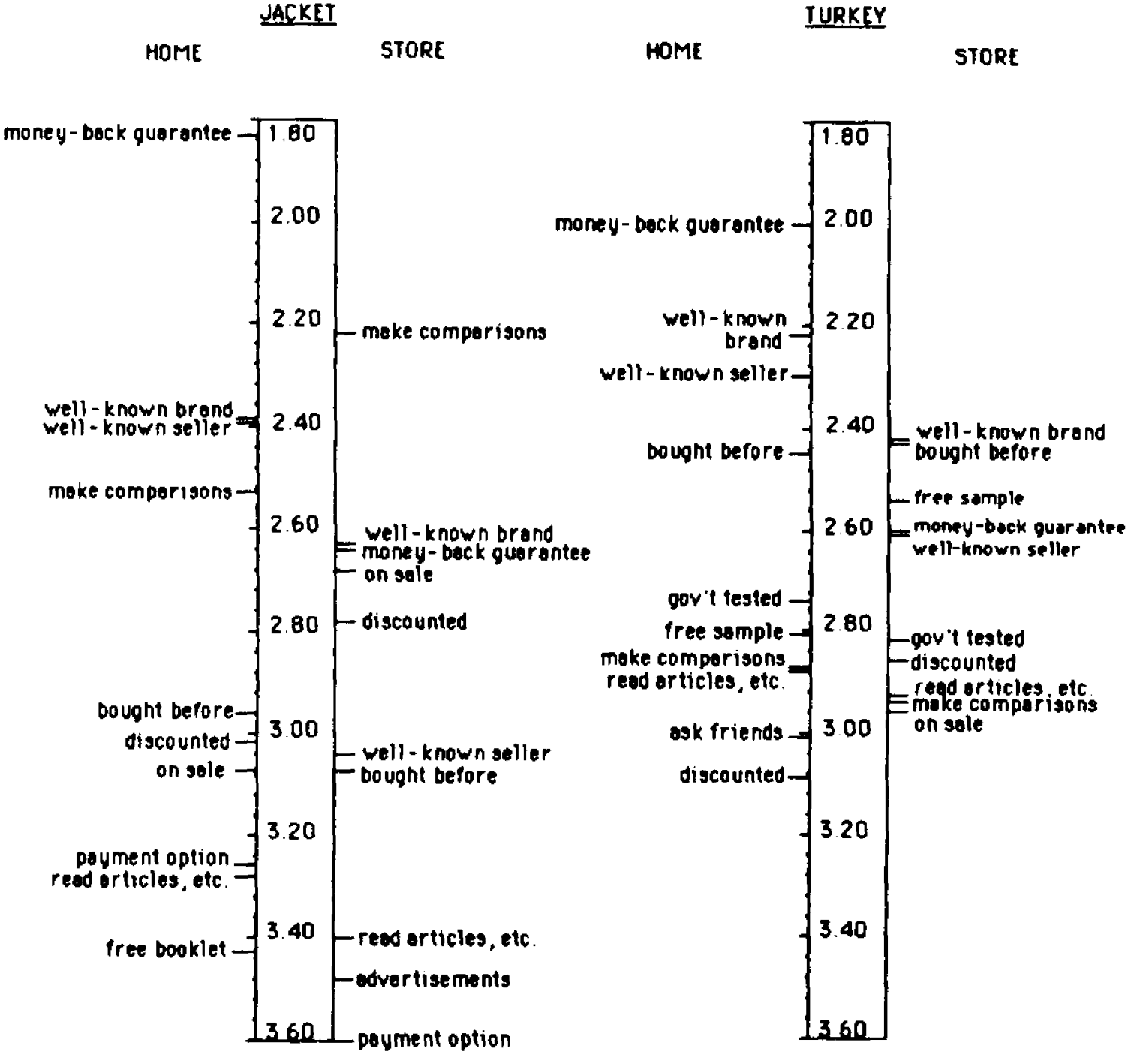
Item	Jacket		Turkey	
	Home	Store	Home	Store
Individual Items				
Well-known seller	2.39	3.04[2]	2.30	2.61[1]
Bought before	2.96	3.07	2.45	2.43
Government tested	3.72	3.97[1]	2.75	2.82
Money-back guarantee	1.83	2.64[2]	2.04	2.60[2]
Well-known brand	2.39	2.62[1]	2.22	2.42
Most expensive brand	3.93	3.99	3.85	3.86
Read articles, etc	3.28	3.39	2.88	2.93
Payment option	3.26	3.59[1]	3.13	3.74[2]
On sale	3.07	2.68[2]	3.21	2.96
Free sample	3.59	3.65	2.82	2.52[1]
Discounted	3.02	2.78	3.09	2.88
Ask friends, neighbors	3.73	3.75	3.01	2.96
Advertisements	3.54	3.48	3.31	3.22
Free booklet	3.43	3.62	3.26	3.45
Make comparisons	2.53	2.22[1]	2.87	2.94
Endorsements	4.15	4.18	3.91	3.96
Premium/free gift	4.19	4.00[1]	4.00	3.91
Private testing agency	3.78	3.84	3.57	3.62
Least expensive brand	4.28	4.27	4.10	4.04
Buy 2-return 1	4.35	4.28	4.35	4.38
Build-up offer	4.18	4.16	4.21	4.19
Talk to salespeople	3.97	3.64[2]	3.90	3.62[1]
Limited time/supply	4.34	4.09[2]	4.32	4.15
Factor Scales				
Information on quality	.37	.37	-.33	-.44
Incentive/more value for money	-.00	-.11	.12	.04
Best deal on price	.11	-.18[2]	.16	-.08[1]
Reassurance/proof of quality	-.09	.38[2]	-.30	.01[2]
Reassurance/financial	-.36	-.08[2]	.11	.50[2]

[1] $p < .05$ (t-test)
[2] $p < .01$ (t-test)

Note: low score means heavy use of the risk reduction strategy.

FIGURE 10

THE INFLUENCE OF PLACE ON RISK REDUCTION STRATEGY



Note: low score means heavy use of the risk reduction strategy

buying situation stimulates a lower level of risk reduction activity than the in-home situation. It reveals that the compression of risk relief strategies shown in Figure 9 is produced by the in-store buying opportunity of the smoked turkey; the in-store buying opportunity of the jacket is, apparently, much less confusing for the in-home shopper to evaluate. The money-back guarantee, regardless of product, is the first risk reduction strategy that in-home shoppers pursue. In contrast, the in-store buying situation produces a less clear picture, although the primary risk relievers seem to be careful shopping, a name image, and brand loyalty.

Purchasing Behavior

Dividing the sample into heavy and light in-home shoppers according to the extent of their in-home shopping makes it a foregone conclusion that there are likely to be significant differences in what and how much heavy vs. light in-home shoppers buy. Nevertheless, there may be some practical significance to looking at such a breakdown. Table 16 presents these data.

The product categories from which in-home shoppers buy the most are, in rank order, clothing, magazines, books, photo supplies/film processing, printing/cards/labels, garden supplies, and records/tapes. This finding matches well an Ogilvy & Mather study cited in Appendix I of this study. One difference is that the Ogilvy & Mather study put magazines first and clothing third. Again, since the respondents in the present study were all recent buyers from a clothing catalog, hence the higher percentage of in-home buyers of wearing apparel is not surprising. A recent Simmons panel study (*Marketing News*, 1984) produced the following rank order of

TABLE 16

PURCHASING BEHAVIOR OF LIGHT VS. HEAVY IN-HOME SHOPPERS

Product category	How many times within the last 12 months?[1]	How much have you spent within the last 12 months?[2]				
	Mean	$1-50 %	$51-100 %	$101-200 %	$201-300 %	$300+ %
Food & drink ..... L[a]	.157	11.2	2.4	.3	.3	.3
H[b]	.633	19.7	6.6	2.4	1.1	1.9
Smoking materials L	.029	1.6	.5	...	...	...
H	.112[c]	2.7	.5	.3	.3	...[d]
Health & medical L	.079	4.0	1.3	...	.3	...
H	.508	9.3	4.0	1.7	.5	.5[e]
Cosmetic/Beauty Aids L	.079	5.1	.8	.3	...	...
H	.467	13.3	5.3	1.1	.8	.5
Clothing, shoes L	2.215	15.2	25.5	22.1	8.2	6.6
H	5.006	6.4	16.0	24.2	21.3	25.3
Jewelry L	.040	1.9	1.1	.3	.3	...
H	.189	7.2	1.3	2.1	.3	1.6
Auto/boat accessories L	.069	2.9	1.9	...	...	.3
H	.676	5.3	5.9	2.4	1.1	6.1
Magazine subscriptions L	1.332	50.8	12.2	1.9	.3	...
H	3.133	43.4	26.9	10.6	1.6	1.3
Books L	.535	17.6	7.2	.8	...	...
H	2.649	24.5	16.5	9.3	2.7	3.5
Correspondence school courses L	.021	1.6	.5	.3	...	...
H	.133[f]	3.7	.8	1.1	.3	...[g]
Information services L	.168	7.2	1.3	1.1	...	.3
H	.676	17.9	4.5	2.4	.3	2.1
Records/tapes L	.178	7.4	1.3	...	...	...
H	1.045	17.6	6.9	2.4	.5	1.6
TV/Radio/Stereo L	.021	.5	...	.8	...	.3
H	.277	2.4	3.2	2.4	1.1	3.7

(Continued on next page - see next page for notes)

TABLE 16--Continued

PURCHASING BEHAVIOR OF LIGHT VS. HEAVY IN-HOME SHOPPERS

Product category		How many times within the last 12 months? Mean	How much have you spent within the last 12 months? $1-50 %	$51-100 %	$101-200 %	$201-300 %	$300+ %
Photo/film	L	.178	6.1	1.3	.8	...	.3
	H	1.817	14.7	6.9	3.2	1.1	2.4
Garden supplies	L	.231	11.7	3.5	.8	...	...
	H	.997	23.9	10.9	5.3	1.3	.3
Hobbies/guns, stamps	L	.117	4.0	2.9	.3	...	.3
	H	.739	12.5	6.1	5.1	1.9	2.9
Art supplies/prints	L	.021	.5	.3	.5	...	...
	H	.325	4.8	2.9	2.7	.5	1.3
Credit/insurance	L	.210	6.8	.8	1.1	...	1.1
	H	.662	14.9	3.5	1.3	.8	5.6
Toys	L	.104	5.9	1.1	...	.3	...
	H	.609	11.7	7.4	2.4	.5	1.1
Printing/labels	L	.279	22.1	.8	...	...	...
	H	1.061	41.0	8.0	2.7	.8	...
Homes/furniture	L	.053	2.7	1.3	...	.5	.3
	H	.356	4.3	5.1	2.4	1.1	3.5
Housewares/appliances	L	.120	6.6	1.6	.3	.3	...
	H	.633	12.5	7.4	3.7	1.3	2.1
Typewriters/telephones/computers	L	.016	.8	...	.3	.3	.3
	H	.202	4.0	2.4	1.3	1.1	2.9
Other	L	.048	1.6	.3	.5	...	.5
	H	.154[h]	1.6	1.3	.3	.8	1.1[i]

[1]All t-tests are significant at the .000 level, except as indicated; n=376 for each group.

[2]All chi-square tests are significant at the .000 level, except as indicated; n=376 for the light in-home shopper and 375 for the heavy. The $00 category has been omitted, but was used in calculating the percentages and the chi-squares.

[a]Light in-home shopper

[b]Heavy in-home shopper

[c]p=.069

[d]p=.547

[e]p=.003

[f]p=.006

[g]p=.167

[h]p=.026

[i]p=.240

categories: apparel, magazine subscriptions, home accessories, home maintenance, kitchen equipment, and home office supplies.

A study by Schiffman, Schus, and Winer (1976) allows a nearly direct comparison of results. This was a study of in-home consumers and near-consumers, where near-consumers are defined as people who have received the same catalog as the in-home consumer but have not bought from it. The sample was all female, and the catalog was an apparel catalog. The following comparison with the present study can be made:

	SS &W		Present Study	
Amount Spent In Past 12 Months On Clothing	Near-Consumer %	In-Home Consumer %	Light Shopper %	Heavy Shopper %
$50 or less	72.2	39.9	37.6	13.2
$51 - $100	10.6	12.6	25.5	16.0
$101 - $200	8.1	18.8	22.1	24.2
$201 - $300	4.8	7.2	8.2	21.3
Over $300	4.3	21.5	6.6	25.3
	100.0	100.0	100.0	100.0

Allowing for inflation in the years that have passed between studies (eight years), the percentages show a quite similar pattern from one study to the next. Clearly, the heavy in-home shopper and the in-home consumer both have spent more money on clothing within the past 12 months than either the light in-home shopper or the near-consumer. The present study would seem to lend a certain amount of replication and validity to the Schiffman, Schus, and Winer study, especially since the perceived error tolerance measure--which proved to be a discriminating measure of heavy and light in-home shoppers in both studies--was based on Schiffman, Schus, and Winer.

The Personality Variables

The following discussion presents evidence of predictive validity for the personality measures that were used in this study.

Risk Reduction Strategy, Shopping Style, and Cognitive Style

The risk reduction strategy and the shopping style scales produced respectable reliability coefficients. These two scales and the cognitive style scale produced usable factor scales. The following comments can be made about the scales.

Risk reduction strategy factor scales #1, #2, and #5 correlated significantly (at the .05 level or better, two-tail test) with purchase intention. Factor scale #1, information on quality, produced a Pearson correlation coefficient of .08; scale #2, incentive/more value for the money, produced a coefficient of -.09; and scale #5, reassurance/financial, produced an r of -.10. Because the items for risk reduction strategy were coded in the reverse direction, low scorers are the heavy risk reducers. Consequently, as purchase intention goes up, information-seeking goes down, desire for incentives goes up, and the desire for financial reassurance goes up.

Although these correlations are not strong, they do indicate intuitively correct directions. Thus, the risk reduction strategy factor scales might be useful in additional studies. (None of these factor scales, however, was significantly correlated with the in-home shopping index. Purchase intention correlated positively with the index with a .08 coefficient.)

Shopping style correlated neither with purchase intention nor with the in-home shopping index at a significant level. However, shopping style produced a host of correlations with risk reduction strategy (significant at the .05 level):

Shopping Style Factor Scale #	RRS-1	RRS-2	RRS-3	RRS-4	RRS-5
1 - Browser					.08
2 - Recreational	.17	.24	.11	.08	
3 - Noneconomic			-.19	-.24	
4 - "Poor" Shopper			.16	-.09	.10
5 - Patient Shopper			-.09	-.13	
6 - Window Shopper			-.11	.13	.10

These correlations can be interpreted as follows: people who are browsers will seek financial reassurance; people who are recreational shoppers will actively seek information and incentives, and, to a lesser extent, price deals and quality reassurance; noneconomic shoppers will not seek price deals or quality reassurance; "poor" shoppers (people who have little money to spend or who desire more than they can afford) want price deals and financial reassurance but not quality reassurance; patient shoppers do not seek price deals or quality reassurance; and the window shopper (the person who likes to look but not buy) is not concerned about price deals but does look for quality and financial reassurance.

These correlations between shopping style and risk reduction strategy provide an elegant profile of different shopping styles that consumers can adopt. The findings also support the results of other studies, such as Bellenger and Korgaonkar (1980).

Cognitive style, however, presents a much less clear picture. Cognitive style factor scale #1 correlated significantly with risk reduction

strategy #5 with a -.14 coefficient; scale #2 correlated with risk reduction strategy #1 with a -.12 coefficient; and scale #6 with risk reduction strategy #2 at -.15 and risk reduction strategy #5 at .08. Cognitive style was not correlated with purchase intention or the in-home shopping index. Thus, the person who "likes freedom" does not seek financial reassurance; the person who "likes the unknown" does not seek information on quality; and the pragmatist does not respond to incentives but does seek financial reassurance.

While the present study has not produced strong and reliable relationships between cognitive style and consumer behavior, it does support the theoretical point that simplifiers (people who do *not* like freedom and who like the known) cannot tolerate uncertainty and ambiguity. Simplifiers seek reassurance and information in order to make sense out of the world. The reason there are only a few other (and low) correlations between cognitive style and risk reduction strategy is likely that cognitive style is a general personality variable rather than consumer-behavior-specific. The range of variation in a nonspecific personality trait is much greater than in one designed specifically to measure consumer behavior. Hence, the low correlations.

In general, the results of cognitive style in consumer behavior studies show it to be much less than satisfactory as a usable personality variable. The scale was based on Cox (1967c), who, in turn, based his scale on Budner (1962). The low reliabilities and low predictive power of cognitive style might well result from the changes Cox made in Budner's original measuring instrument, a practice Kassarjian warned against where, "Items are taken out of context of the total instrument, words are changed, items

are arbitrarily discarded, and the test is often shortened drastically" (1971).

One additional comment here is appropriate: It is interesting to compare the rankings of the individual items of risk reduction strategy with those of Roselius (1971). Even though Roselius broke down his rankings by type of loss, the rankings across the four categories of loss remained essentially the same. For the "money loss" category, listed below are Roselius' eleven risk relievers in declining order of importance (the net favorable percentages for Roselius' measures are given for comparison with the net favorable percentage figures of the present study, which are defined and listed in Table 12).

98.0 Brand loyalty	11.9 Gov't testing
65.4 Major brand	6.9 Word of mouth
29.7 Store image	-1.9 Money back guarantee
26.8 Free sample	-12.9 Endorsements
19.8 Shopping	-35.6 Private test
	-68.2 Expensive model

Table 12 (Chapter IV) presents the rankings of risk reduction strategies used by the in-home shoppers in the present study. There are some interesting differences between the two lists. In-home shoppers seem most concerned about a money-back guarantee, whereas the consumers in Roselius' study rank brand loyalty the highest. Brand loyalty ("bought before") in this study is ranked fifth. Well-know brand and well-known seller seem to be equally ranked in the two studies. Expensive brand is last in the Roselius study, but is ranked 17th (out of 23) in the present study. Most of the other risk relievers, however, are in much the same rank order.

Locus of Control, Perceived Risk, and Inertia

Locus of control is another scale that has been "drastically" altered from the original. However, Villani and Wind (1975) tested the altered, five-item scale for validity and reliabilty. Their results did not achieve significance, but the researchers did find correlations between the modified scale and the original instrument to be in the "right direction." Reliability in the present study (.57) was moderate.

An exploratory factor analysis of the five items constituting the scale was undertaken to see whether any underlying constructs emerged. The analysis was exploratory because, as Kim and Mueller (1978b, p. 77) point out, factor analysis should have twice as many variables as factors. Nevertheless, it is interesting to look at the factors that were produced (loadings under .40 are suppressed):

	Factor 1	Factor 2	Factor 3	Factor 4
Don't have enough control over direction of life	.90	.....	.....	.....
Feel I have little influence	.79	.....	.....	.....
Getting good job means being in the right place	.....	.99	.....	.....
What happens to me is my own doing	.....	.....	.97	.....
Becoming a success is matter of hard work	.....	.....	.....	.99

Robinson and Shaver (1973, p. 229) have pointed out that factor analyses on Rotter's (1966) 23-item locus-of-control scale have produced two constructs: "personal control"--"on which the items with the highest loadings are phrased in the first person," and "control ideology" or "control attribution"--"in which the items are phrased in the third person." In the

analysis above, the first, second, and fourth items are phrased in the first person, the remaining two in the third. The modified scale seems to measure essentially the same constructs as the longer instrument.

As a correlate of risk reduction strategy, purchase intention, and in-home shopping, however, this modified scale fared poorly. It correlated significantly only with the second risk reduction strategy factor scale, with a coefficient of -.09. Thus, the more a person possesses an internal locus of control, the less likely he or she will pursue a risk reduction strategy of seeking incentives or more value for the money, i.e., the less of a risk reducer he or she will be.

The six-item perceived risk scale was also factor analyzed for exploratory purposes, as was done above with locus of control. The results (with loadings under .40 suppressed) are:

	Factor 1	Factor 2	Factor 3	Factor 4
Psychological risk.....	.88	.....	.....	.....
Performance risk.....	.87	.....	.....	.....
Personal injury risk.....	.....	.88	.....	.....
Financial risk.....	.....	.73	.....	.....
Social risk.....	.....	.....	.96	.....
Property damage risk.....	.....	.....	.....	.99

The first two factors are particularly interesting because the paired items are not usually linked together in theoretical discussions of the construct in the literature. The first factor seems to be identifying a fear or chance of loss of satisfaction and a corresponding cognitive dissonance (if the perceived risk is not reduced) of frustration. The second factor seems to be identifying a much stronger and more personal fear or chance of loss: loss of security or comfort, with the corresponding dissonances of insecurity and discomfort. In other words, the first factor seems to

describe a nuisance or annoyance risk, whereas the second factor describes a more centrally serious or egocentric risk. Perceived risk is, indeed, a complex construct and more work in this area needs to be done.

Perceived risk correlated significantly with the first risk reduction strategy scale, information seeking, with a coefficient of -.13, and with the fifth risk scale, financial reassurance, at .25. It correlated with purchase intention at -.34; it did not correlate significantly with the in-home shopping index. Thus, low risk perceivers are low risk reducers when it comes to information seeking, but high risk reducers when it comes to financial reassurance (presumably, high risk perceivers would not even buy the product, and therefore, would not have to confront the issue of financial reassurance). Low risk perceivers express high purchase intention, and vice versa--a finding that is consonant with other research.

Inertia, a three-item scale prepared by the present researcher in order to measure a consumer state the direct marketer constantly confronts, proved to be highly reliable (.71) and produced the highest correlation with purchase intention of any of the personality variables used in this study. It correlates with purchase intention at .40, meaning that people low in inertia are more likely to buy than people with high inertia. It also correlated significantly with risk reduction strategy scale #1 with a coefficient of .14; thus, high inertia people will be heavy risk reducers seeking information on product quality. The results of this scale are promising. It should be tested further for possible predictive use in consumer behavior.

The One- and Two-Item Measures

Purchase failure risk and perceived error tolerance are theoretically related to perceived risk. They produced similar results in the present study.

Perceived error tolerance was significant in distinguishing heavy from light in-home shoppers (see Table 11A, Chapter IV above); this finding supports a similar finding by Schiffman, Schus, and Winer (1976). Perceived error tolerance did not, however, correlate with purchase intention. It did correlate with risk scale #3, with a coefficient of -.11, and was the only personality variable to correlate significantly with the in-home shopping index, with a coefficient of -.08. This means that a person low in perceived error tolerance will seek a good deal on price but a person high in perceived error tolerance will likely be a heavy in-home shopper.

Purchase failure risk did not distinguish heavy from light in-home shoppers, but it correlated with purchase intention, with a .33 coefficient, and with risk scale #2, with a -.21 coefficient. Thus, a person with a high purchase failure risk will exhibit a higher purchase intention and will be a strong responder to incentives.

Generalized self-confidence and specific self-confidence, the remaining measures, were based on Cunningham (1967). Neither one had strong predictive power, though the directions of the correlation coefficients make sense. People high in general self-confidence are light risk reducers in information seeking (r=-.09) and in responding to incentives (-.15). People who are self-confident about evaluating a

specific product are heavy risk reducers in seeking the best deal on price (r=.09) and in seeking financial reassurance (r=.12), but are light risk reducers in seeking reassurance on product quality (r=-.08). A person high in specific self-confidence is also more likely to buy the product (r=-.12).

In general, the nine personality scales discussed above produced what was expected. In specific, these results support Kassarjian's contention that consumer behavior researchers must avoid using the general personality variables and start using more consumer-behavior-specific scales. In other words, shopping style, perceived risk, purchase failure risk, perceived error tolerance, inertia, and specific self-confidence--all consumer-behavior-specific scales--produced much better and more usable results than the other, more psychologically oriented scales. Even so, much work needs to be done on these specific consumer-related scales.

Chapter VI

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Summary

The problem that inspired this study was the lack of research--both theoretical and practical--in the field of direct marketing, especially the lack of research dealing with the in-home shopper. This lack of research has persisted despite impressive sales from direct marketing; estimates for 1984 sales have ranged from $150 billion (Green, 1984) to $200 billion (*Marketing News,* 1984). The purpose of this study was to fill some of the theoretical and empirical void.

The theoretical framework of the study was person-situation interactionism. The overall hypothesis was that the interaction effects between individual difference variables and buying situation variables (type of product and place of purchase) explain more variation than the main effects alone. The specific research questions were: Do person or situation variables, or their interactions, explain more variation in in-home consumption behavior? How do person and situation variables interact to influence the risk reduction strategies of in-home shoppers? How do heavy in-home shoppers reduce their perceived risk and how do their strategies differ from those of light in-home shoppers?

The study was operationalized using a number of general psychological personality scales, several consumer-behavior-specific measures, and demographics. Buying situation was operationalized by presenting

respondents with four product/place combinations: a jacket available by mail, a jacket available in a department store, a smoked turkey available by mail, and a smoked turkey available in the store. The measuring instrument was a six-page questionnaire, administered by mail. The design was a between-subjects, 2 X 2 X 2 factorial experiment. The questionnaire was sent to 2000 Massachusetts consumers who had recently bought from a clothing mail-order catalog. Six hundred and forty-eight responses were received from the initial mailing. A follow-up mailing of 1000 produced 124 additional responses, which were used as a measure of nonresponse error. Nonresponse error was not significant.

Three-way analysis of variance was conducted, using product (jacket vs. turkey), place (home vs. store), and individual difference variables (median split and 1st and 4th quartile split), as the factors. Covariance analysis on the quartile-split ANOVAs was also run, using purchase intention and prior experience (extent of in-home shopping) as the covariates.

Out of 1575 ANOVAs that were run on the data, only 43 (2.7%) produced significant interaction terms that explained more variation than the main effects alone. For this reason, the basic hypothesis of interactionism is rejected. The most frequently produced significant terms in the ANOVAs were product and place main effects. Since product and place are situation variables, this result actually supports the situationist perspective that situation influences behavior regardless of individual differences. Of the significant interaction terms that did explain more variation than the main effects, the interactions were symmetical and disordinal--meaning that the interaction effect is not an artifact of the measurement process. To

this extent, there may be some basis for further research into the interactionist hypothesis.

The consumer-behavior-specific personality measures proved to be much more reliable and better predictors of risk reduction strategy and purchase intention than the general psychological measures. The 23-item risk reduction strategy and the three-item inertia scales hold the greatest promise and should be tested further.

Risk reduction strategies did not discriminate heavy from light in-home shoppers. But in-home shoppers rank the money-back guarantee as their primary risk reliever, whereas brand loyalty frequently appears at the top of the list in studies of in-store shoppers. Heavy in-home shoppers are high in socioeconomic status, middle aged, convenience-oriented, and have prior experience purchasing by mail as a child or teenager or have witnessed their parents doing so. Heavy in-home shoppers are probably low risk perceivers and heavy risk reducers, although the relationship is not strong.

Conclusions

The specific conclusions of this study focus on interactionism, perceived risk, and the relationship between direct marketing offers and risk reduction strategies.

Interactionism. The present study did not support interactionism, but some clues in the disordinal interactions that were uncovered point to its possible presence. Intuition says that interactions between consumers and their environments should account for behavior more than either

independent variable alone. Consumers react differently to different products; they also react differently to different places of purchase. "The outstanding characteristic of man is his individuality," said Allport (1937, p. 3). But what determines this uniqueness? Personality studies show that the determinant is not personality. Situationist studies show that it is not the situation. By elimination, it must be the interaction of the two, the complex field in which behavior occurs.

The largest number of disordinal interactions that were significant in this study occurred for the group of light in-home shoppers. Furthermore, as shown in Table 8C of Chapter IV, the second and third factors of the risk reduction strategy scale are virtually the only dependent (risk) measures appearing in these interactions, and the independent (person) variables used in the study are also well-represented. The two risk reduction factors are "incentive/more value for the money" and "best deal on price." Their presence would seem to indicate that among light in-home shoppers there exists an interactive relationship between buying situation and individual differences that influences these shoppers' pursuits of incentives or deals. Or, to put it another way, whether a given consumer will respond to an incentive or a price deal depends on the type of product being offered, the place of purchase, and the consumer's own personal characteristics. Perhaps, light in-home shoppers are more ambivalent or less set in their ways than heavy in-home shoppers when they are evaluating types of products and places of purchase.

A replication of this study that produced interactions in light in-home shoppers similar to the ones found here would support the presence of interactionistic dispositions of the type that Punj and Stewart (1983)

discuss. Such a replication could also provide the groundwork for a place X personality approach to market segmentation.

Appendix IV presents the graphs of the remaining ANOVAs that were not discussed in Chapter IV. Of particular interest are the graphs of the product X place interactions. Because these interactions are between two situational variables, the results can be said to support the situationist perspective. On the other hand, these are interactions. Product and place do seem to interact *between* consumers--the research design was a between-subjects model--to influence their risk reduction strategies. Risk reduction strategy, the dependent variable is a person variable that has been affected by two situational variables.

The critical question, however, is: Do product and place interact *within* consumers--or within subjects--to influence their risk reduction strategies? While the graphs of Appendix IV lend some support to the interactionist perspective, a credible answer to this question would require a different research design from the present one--a within-subjects, repeated-measures design. The present study--mail survey, between-subjects--no doubt contained a fair amount of measurement error. To the extent that this question has not been answered, interactionism is still worth pursuing as a theoretical foundation of consumer behavior.

Perceived Risk. There seems to be some support for the refined view of perceived risk that was discussed above in Chapter II. That is, perceived risk is conceptualized as "purchase" risk with its two major components: product failure risk and purchase failure risk (see Figure 3, Chapter II). This study maintains that "purchase risk" is best described or defined as

"uncertainty about consequences." In contrast, most researchers to date have studied a construct that either mixes uncertainty about consequences with cognitive dissonance or is one step back in the decision-making process, referring to uncertainty about decisions, which the present writer argues should more properly be called "decision risk" or "decision clarity."

The present study attempted to incorporate some of Ross's (1975) suggestions about how to research perceived risk. Ross suggested disguised measures, experimental designs, and the measure of perceived risk before purchase (to avoid "criterion contamination"). These suggestions were followed as far as possible. Perceived risk was found to be present in subjects, at least in some cases. For example, psychological risk discriminated between light and heavy in-home shoppers, the perceived risk scale (product failure risk) interacted significantly with product and place among heavy in-home shoppers (Figure 7B), and purchase failure risk and product failure risk correlated highly with purchase intention.

Spence, Engel, and Blackwell (1970) found no differences in perceived risk between buyers and nonbuyers of mail-order hospitalization insurance. In this study, the summed scale of perceived (product failure) risk did not distinguish light in-home shoppers from heavy in-home shoppers, although the total sample did perceive higher risk in an in-home buying situation than in a store ($p = .000$). This finding thus coincides with that of Spence, Engel, and Blackwell. Spence *et al.* concluded that the measuring instrument they used was not valid. The alternative conclusion is that there are no actual differences between consumer groups. Although doubtlessly the perceived risk scale used in the present study can be

improved, it is possible that there is really no difference in perceived risk or risk reduction strategy between the light and heavy in-home shopper groups. In other words, it is possible that among heavy in-home shoppers there are high risk perceivers and low risk perceivers, and heavy risk reducers and light risk reducers. Also, it is possible that among light in-home shoppers there are high risk perceivers and low risk perceivers, and heavy risk reducers and light risk reducers.

What has to be clarified in future research on perceived risk is the causal relationship between risk perception and risk reduction strategies. Are low risk perceivers people who have pursued many risk reduction strategies, which pursuit, in turn, gives them a low risk perception personality? Or are there people who are naturally low risk perceivers (and who, therefore, do not pursue risk reduction strategies)? Or, is it possible that heavy risk reducers remain heavy risk perceivers, regardless of the amount of risk reduction activity that they engage in? These questions indicate some of the complexity that underlies the perceived risk construct and the consequent research difficulties.

The exploratory factor analysis of the six-item product failure risk scale presented some additional questions about the structure of the construct. Do consumers really combine money and health (financial risk and personal injury risk) as one common factor of perceived risk? Do they also combine time and enjoyment (performance risk and psychological risk) as one factor? These groupings usually are not found in research studies on perceived risk, yet they do have intuitive appeal.

Far from being a construct to abandon as hopelessly unmeasurable, perceived risk presents considerable opportunities for future research.

Probably, the only way the complexities of the construct can be sorted out is to conduct a longitudinal study, using several measures at various stages of the purchase decision process.

The Offer as Risk Reliever. The key to direct marketing success is the offer--which accounts for as much as 40% of the success, depending on which practitioner one talks to. The offer is the direct marketer's "reason why" the consumer should buy the product. The reason why many consumers do not buy is "inertia." One component of inertia is perceived risk which causes a lack of willingness to buy. The offer seeks to overcome this inertia by lowering the consumer's perceived risk, and, consequently, to motivate the consumer to act.

The present study seems to indicate a relationship between the direct marketing offer and risk reduction strategies. "Two basic offers...designed to reduce the risk of ordering by mail," according to Kobs (1979, p.32) are the "free trial" and the "money-back guarantee." The in-home shoppers in this study ranked the money-back guarantee first among 23 risk reduction strategies (Table 12, Chapter IV) and the free sample ninth. Other components of the offer were ranked these two. Clearly, it seems that offers work because they reduce perceived risk. Direct marketers would do well to pay attention to these rankings when developing their marketing strategies.

A further relationship between the direct marketing offer, risk reduction strategies, and perceived risk can be noted. Figure 4 (Chapter II) hypothesizes the relationship: information-giving offers and incentives work to reduce decision risk or uncertainty, time limit offers attempt to stimulate purchase failure risk, and price and reassurance offers operate

on product failure risk. The rankings of risk reduction strategies in Table 12 put most of the price and reassurance strategies at the top, the information seeking strategies in the middle, and the incentive and time limit strategies at the bottom. This finding seems to indicate that consumers use different risk reduction strategies for different kinds of perceived risk and at different stages of the purchase decision process. Information and incentives seem to be needed by consumers to help them reduce their decision risk (by helping to resolve goal uncertainty and selection uncertainty). When the critical point of actually handing over the money to make a purchase is at hand, however, price, payment terms, guarantees, discounts, samples, etc., become exceedingly important.

One final point can be noted concerning the relationship of risk reduction strategies to type of product and place of purchase: they clearly interact and influence consumers' risk reduction strategies in different ways. Appendix IV shows that a soft good (the jacket) available in a store produces the heaviest risk reduction activity, especially when seeking the best deal on price. A perishable good (the turkey) available in a store produces the least activity. Between these two extremes, the perishable good available by mail produces more risk reduction activity than the soft good available by mail. These results indicate that risk perception, as well as risk reduction strategy, varies by type of product and place of purchase. They also indicate that store purchases can produce higher perceived risk than mail purchases. This interaction effect could explain why Spence *et al.* found no differences in perceived risk and why the present study found few differences in risk reduction strategy between light and heavy in-home shoppers. Tables 14 and 15 (Chapter V) reflect this same point. When

tailoring the offer to relieve risk the direct marketer must first know which risk reduction strategy the consumer prefers.

Recommendations

Considering the findings and conclusions of this study, the following recommendations for further research can be made:

1. To test further the interactionist hypothesis, a more rigorous design should be adopted. The mail survey technique, using a between subjects design, is not the most rigorous research method available. The personal interview technique, using a within-subjects, repeated-measures design, would be much more valid and reliable. Behavioral measures other than risk reduction strategy and purchase intention should be used. Actual purchase by mail and store would, of course, be the ideal measure. Short of that, perhaps a variant of the Information Display Board technique could be used. This technique seems well suited to the evaluation of a large number of risk reduction strategies and product/place combinations. In any event, it would cause the respondent to take a more definite action than circling a number on a questionnaire.

2. The theory of perceived risk should be continually refined and tested. In particular, a longitudinal study--perhaps a panel study--could be undertaken to separate the various components of perceived risk from one another and from the various stages of the purchase decision process. Also, perhaps, a path analysis could be undertaken to determine the direction of causation between risk perception and risk reduction strategy.

3. More theoretical and empirical work is definitely needed on the

in-home shopper and in the direct marketing field generally.

a. The present study used proven in-home shoppers as the sample and then compared light vs. heavy in-home shoppers. Future research should try to obtain samples of proven, heavy in-home shoppers and proven, non-in-home shoppers (i.e., people who would never buy by mail or who strongly dislike buying by mail). The lack of this kind of sharp contrast between groups could have led to some of the more disappointing findings in the present study (such as the lack of significant differences in risk reduction strategy).

b. The practitioner Lester Wunderman has stated: "Direct marketing is Skinnerian--it modifies behavior directly and reinforces that change in behavior" (quoted in Fisher, 1983, and above in Chapter II). This quote is the extent of any direct marketing theory. The present study has attempted to contribute to that "body" of theory. In fact, lack of person-situation interaction effects on the in-home consumer, and the weak person effects, can be viewed as support of Wunderman's contention that direct marketing is "Skinnerian." The present writer thinks that more complex activities must be underlying response to direct marketing than can be explained by a simple situationist type of behaviorism, even though the findings of this study seem to support Wunderman. Consequently, there is much room for more theoretical work on the concept of direct marketing. A more refined and developed model of the present interactionist theory, perhaps, would be a place to start.

APPENDIX I

RESULTS OF EXPLORATORY SURVEY

An exploratory survey of direct marketing experts was undertaken in the early part of November 1983 in order to generate additional input on the notions of perceived risk and risk reduction strategies. A copy of the survey is included below. Tables 17 and 18 show the summary results of the survey. The questionnaire was mailed to 64 direct marketers who work, primarily, on the agency side of the business. Most, also, were located in Southern California. A total of 21 questionnaires were completed and returned. As can be seen from the age distribution in Table 17B, senior, as well as junior, direct marketers replied.

The impetus for the exploratory study was the present writer's doubt that Roselius (1971) had considered all of the possible types of risk or loss or all possible risk reduction strategies. Figure 3 (Chapter II), especially the breakdown of product failure risk, is a result of the direct marketers' input on the different types of loss one can suffer. Exhibit 3 (Chapter III) is a result of their input on risk reduction strategies.

Perhaps one of the more significant points of information that came out of this study is the breakdown of product failure risk. Several respondents conveyed a feeling of disappointment or that the product just didn't turn out to be what they expected it to be--when perceiving risk in a mail-order situation. To the present writer, this seems like what can only be described as "psychological risk." However, the perceived risk literature insists on treating psychological risk as an issue of ego or self-image--which seems many times to be more like social risk. The distinction between psychological and social risk has not been clearly

TABLE 17

SUMMARY STATISTICS FROM EXPLORATORY SURVEY

A. Number Of Product Categories From Which Respondent Bought By Mail Or Telephone

Sample Size	21	Median	8	Range	2 - 19
Mean	8.7	Modes	5 and 8		

B. Frequencies, Percentages, and Cross-Tabulation With Number Of Product Categories Respondent Bought From By Mail Or Telephone

Question	Answer	Frequency	Percent	Mean*
Did your parents ever shop by mail or telephone?	Yes	11	52	9.5
	No	10	48	7.9
If yes, did they shop this way regularly?	Yes	6	29	9.5
	No	15	71	8.4
Where did you grow up?	Major City	6	29	8.7
	Suburb	11	52	7.9
	All Other Areas	4	19	11.0
What is your age?	24 or younger	2	10	7.6
	25-34	6	29	6.7
	35-44	7	33	10.0
	45 or older	6	29	9.6
Sex?	Male	12	57	9.5
	Female	9	43	7.7
Education?	Some college	2	10	6.5
	College Graduate	11	52	10.3
	Graduate Degree	8	38	7.1
Marital Status?	Single	11	52	8.5
	Married	10	48	9.0
Occupation	Account	13	62	10.0
	Creative	3	14	6.3
	Other	5	24	6.8

*Mean number of product categories from which respondent bought, broken down by category of answer.

TABLE 18

NUMBER AND PERCENT OF RESPONDENTS WHO BOUGHT BY MAIL OR TELEPHONE

Type of Product	Number	Percent	The Most Spent On A Single Order (number only)				
			Under $50	$50-99	$100-149	$150-199	$200+
Food and drink--meat, fruit, cheese, wine	12	57	9	2	-	-	1
Smoking materials--cigars, pipes, tobacco	1	05	-	-	1	-	-
Health and medical products--vitamins, drugs, diets	3	14	3	-	-	-	-
Cosmetic and beauty aids	7	33	4	1	1	-	-
Clothing, shoes, etc.	16	76	3	7	2	2	2
Jewelry--diamonds, rings, watches	3	14	3	-	-	-	1
Auto and boat accessories	2	10	2	-	-	-	1
Magazine subscriptoions	21	100	20	1	-	-	-
Books--single volumes, sets, clubs	17	81	8	6	-	1	2
Correspondence school courses	3	14	-	-	2	-	1
Information services--newsletters, directories, stock market advice	8	38	5	-	3	-	-
Phonograph records, audio/video tapes	7	33	6	-	1	-	1
Home Entertainment--TVs, radios, Stereos	4	19	-	2	-	1	1
Photographic cameras, equipment, film processing	8	38	5	-	1	-	2
Garden supplies, plants, seeds	5	24	3	2	-	-	-
Hobbies--guns, fishing tackle, stamps, coins, crafts, tools, outdoor equipment	8	38	3	1	2	-	2
Art--supplies, prints, collectibles	6	29	4	1	1	-	-
Money--loans-by-mail, insurance, credit cards	12	57	7	1	-	-	4
Toys	6	29	5	1	-	-	-
Printing--stationery, greeting cards, return address labels	9	43	8	-	-	-	1
Homes and home furnishings--land, furniture, house plants	5	24	3	-	2	-	-
Housewares--cookware, appliances	8	38	5	1	2	-	-
Computers, typewriters, telephones	3	14	-	-	1	-	2
Other--"gifty, junky stuff"	1	05	1	-	-	-	-
--airline/theatre tickets	1	05	-	-	-	-	1

maintained. Disappointment, or the loss of expected enjoyment or pleasure, seems to be a better description of psychological risk.

The comments from respondents on "inertia" and risk reduction strategies resulted in Figure 4 (Chapter II). One respondent's comments on why she is not an in-home shopper were quite enlightening and may offer clues to the motivation of non-in-home shoppers. Here are some of her comments:

> I *feel* it's wasting time, *just waiting* for mail orders to arrive. That's probably why I have never really been an "in-home shopper"--except for things I *can not* get otherwise. (All products I marked in that part of this questionnaire are in that category.) I have usually wanted what I wanted--*right now!* If I can't get exactly what I was looking for in a store, I will usually *substitute* or go without. For most products you have listed, I want to be able to see, hear, feel, try on, smell, etc., *before* I buy.

As for her risk reduction strategies: if she were to shop through the mail, brand loyalty, free sample, and money-back guarantee were most important. This respondent, it seems, suffers from in-home inertia because of a high level of perceived risk.

On the other side of the coin, direct marketers generally demonstrated that they are heavy in-home buyers. The data in Table 17B, however, do show some interesting differences. Given that the survey was strictly a convenience sample and that t-tests were not significant at the .05 level, parental background and place-of-youth, age, and sex do seem to distinguish the heavy in-home shopper from the light. Table 18 shows that there are few products--and none listed there--that people do not buy from the home. It is interesting to compare the percentages of respondents buying from the product categories with a similar study of 1500 mail order

buyers, conducted by Ogilvy & Mather (Januz, 1983). Ten product categories were used in the study. Here is the percentage of respondents who bought from each category:

magazines	54%
books, book clubs	33%
shoes, clothing	27%
records, tapes, cassettes	23%
credit cards	22%
seeds, plants, garden supplies	20%
film, film developing	18%
hobby, craft equipment, supplies	14%
housewares	10%
foods	10%

The "hard core" in-home shopper seems to be the person who buys many different kinds of products by mail or telephone. Many people today are accustomed to buying magazine subscriptions and books by mail. But to go beyond those products seems to require a different sort of person. For this reason, the number of categories from which the respondent bought by mail or telephone was selected as the measure of extent of in-home shopping.

Dear Direct Marketing Expert:

Please help!

I'd like your advice and counsel in the development of my doctoral dissertation.

Please take a few minutes to complete this brief questionnaire. I'm especially interested in your opinions and comments, based on your experience in direct marketing.

This study is strictly preliminary and exploratory--so let go with whatever comes to mind. Your answers will be combined with other information I have gathered to construct a more formal questionnaire. The formal questionnaire will then be submitted to in-home shoppers to determine their methods of arriving at mail and telephone purchasing decisions.

Thank you for your help.

Sincerely,

Jerry Kirkpatrick

---

1. The decision to buy a new product always involves an element of risk--the chance of loss or injury that the product will fail to meet your expectations. Listed below are four types of risk or loss that you can suffer:

Time	You can waste time, convenience, and effort getting a failed product adjusted, repaired, or replaced.
Physical Injury	Some products are dangerous and, should they fail, your health or safety can be at stake.
Embarrassment	Sometimes an unsatisfactory product can make you feel foolish or embarrassed, or other people can make you feel embarrassed.
Money	Of course, a product that does not meet your expectations can cause you to lose the money it takes to make the product work properly, or to replace it with a satisfactory product.

What other types of risk or loss can you think of that, especially, an in-home mail or telephone buyer might experience?

_____

_____

_____

_____

(over, please)

2. To deal with, and help reduce, this element of risk, buyers resort to a number of methods or strategies. Listed below are some of the more common "risk reduction" methods you can use:

   a. Buy the product that has endorsements or testimonials from a person like you, from a celebrity, or from an expert on the product.

   b. Buy the product you have used before and have been satisfied with in the past.

   c. Buy a major, well-known brand of the product, and rely on the reputation of the brand.

   d. Buy whichever product has been tested and approved by a private testing service.

   e. Buy the product that is carried by a seller (store, cataloger, direct marketer) you think is dependable, and rely on the reputation of the seller.

   f. Use a free sample of the product on a trial basis before buying.

   g. Buy whichever product offers a money-back guarantee with the product.

   h. Buy the product that has been tested and approved by an official branch of the government.

   i. Buy only after shopping around to compare the product features and benefits of several brands offered by several sellers.

   j. Buy the most expensive and elaborate model of the product.

   k. Ask friends or family for advice about the product.

These "risk reduction" methods might also be called "risk relievers." Can you think of others?

_____

_____

_____

_____

3. Which of the above "risk relievers" would you say constitute what direct marketers call "inertia"? What is consumer inertia, anyway?

_____

_____

4. Now, I'd like to ask you some questions about your own in-home shopping behavior. These questions pertain to the kinds of products you may have bought by mail or telephone. A list of product types or categories that are frequently sold directly to in-home shoppers is provided below on the left, along with a few examples of specific products. Review the list and if you have ever bought from one or more of the categories, please answer the questions at the right of the appropriate category.

Type of Product	If you've ever bought from this category, what specifically did you buy?	The most you've spent on a single order from this category, is: Under $50	$50–99	$100–149	$150–199	$200+
Food and drink--meat, fruit, cheese, wine	_____	—	—	—	—	—
Smoking materials--cigars, pipes, tobacco	_____	—	—	—	—	—
Health and medical products--vitamins, drugs, diets	_____	—	—	—	—	—
Cosmetic and beauty aids	_____	—	—	—	—	—
Clothing, shoes, etc.	_____	—	—	—	—	—
Jewelry--diamonds, rings, watches	_____	—	—	—	—	—
Auto and boat accessories	_____	—	—	—	—	—
Magazine subscriptions	_____	—	—	—	—	—
Books--single volumes, sets, clubs	_____	—	—	—	—	—
Correspondence school courses	_____	—	—	—	—	—
Information services--newsletters, directories, stock market advice	_____	—	—	—	—	—
Phonograph records, audio/video tapes	_____	—	—	—	—	—
Home entertainment--TVs, radio, stereos	_____	—	—	—	—	—
Photographic cameras, equipment, film processing	_____	—	—	—	—	—

(over, please)

Type of Product	If you've ever bought from this category, what specifically did you buy?	The most you've spent on a single order from this category, is: Under $50	$50–99	$100–149	$150–199	$200+
Garden supplies, plants, seeds						
Hobbies--guns, fishing tackle, stamps, coins, crafts, tools, outdoor equipment						
Art--supplies, prints, collectibles						
Money--loans-by-mail, insurance, credit cards						
Toys						
Printing--stationery, greeting cards, return address labels						
Homes and home furnishings--land, furniture, house plants						
Housewares--cookware, appliances						
Computers, typewriters, telephones						
Other_____						

5. Now, looking back into your foggy, distant past--when you were growing up--

   a. Did your parents ever shop by mail or telephone? ___Yes ___No

   b. If yes, did they shop this way regularly (i.e., more than just once or twice a year)? ___Yes ___No

   c. If yes, did they order through-- ___Sears? ___Wards?
   ___Spiegel? ___Aldens?
   ___Other_____

6. Did you grow up primarily in a-- ___Major metropolitan city (LA, SF, Chicago)?
   ___Suburb of a major metropolitan city?
   ___Non-metropolitan, non-suburban city (population: 20,000 - 100,000)?
   ___Town of fewer than 20,000 people?
   ___Rural, unincorporated area?

7. Finally, I'd like to ask some basic demographic questions?

   a. Age? ___less than 24 ___25-34 ___35-44 ___45-54 ___55-64 ___65+

   b. Sex? ___Male ___Female

   c. Education--circle highest level completed:

High School	1	2	3	4	
College	1	2	3	4	
Graduate School	1	2	3	4	Highest degree held_____

   d. Marital status? ___single ___married (or living together)

   e. Number of children living with you? _____ Age of youngest child? _____

   f. Occupation--do you work primarily on the:
   ___account side of the business?
   ___creative side?
   ___other_____

Thank you for taking the time to answer these questions. Please return the completed questionnaire to me as soon as possible in the enclosed, postage-paid envelope.

APPENDIX II

(cover letter)

Northeastern University

360 Huntington Avenue, Boston, Massachusetts 02115

College of Business Administration
Department of Marketing
617-437-3260

Nickel for your thoughts? (A nickel was taped here)

That's a little higher than the traditional penny. But the cost of information keeps going up.

Your thoughts and responses on the enclosed questionnaire are needed to complete my doctoral dissertation. Won't you take a few minutes now to answer the questions?

The study focuses on the thoughts and feelings you have when trying to decide whether or not to buy certain products. It also looks at some actions you might take in the process. One product in particular is presented to you here to evaluate.

Your answers, of course, will be kept confidential and will be used only in combination with those of others to compile statistical tables.

When you have completed the questionnaire, just return it to me in the enclosed postage paid reply envelope.

Sincerely,

Jerry Kirkpatrick

Jerry Kirkpatrick
Lecturer, Marketing Group

P. S. The number on the top of the first page is for control purposes only and will be used to avoid sending a second questionnaire to those who return the first one. However, if you prefer complete anonymity, just clip off the number when returning the questionnaire.

(Version 4)

STUDY OF THE CONSUMER DECISION MAKING PROCESS
(Completion time: approximately 15 minutes)

This study begins by asking you to respond to a variety of descriptive statements. These statements could describe your style of shopping for products or your feelings and attitudes about life in general. At the right of each statement, circle the number that best indicates the extent of your agreement or disagreement with each description.

		Strongly Agree				Strongly Dis-Agree
1.	I enjoy browsing even when I am not out to buy anything	1	2	3	4	5
2.	Sometimes, I feel that I don't have enough control over the direction my life is taking	1	2	3	4	5
3.	When shopping, it is not necessary that the store have an appealing atmosphere	1	2	3	4	5
4.	Becoming a success is a matter of hard work; luck has little or nothing to do with it	1	2	3	4	5
5.	I like parties where I know most of the people more than ones where all or most of the people are complete strangers	1	2	3	4	5
6.	Getting a good job depends mainly on being in the right place at the right time	1	2	3	4	5
7.	It is better to keep on with the present method of doing things than to take a way that might lead to chaos	1	2	3	4	5
8.	People who fit their lives to a schedule probably miss most of the joy of living	1	2	3	4	5
9.	In general, I feel very confident about my abilities	1	2	3	4	5
10.	Store personnel aren't courteous enough	1	2	3	4	5
11.	I enjoy a real bargain	1	2	3	4	5
12.	Many of our most important decisions are based upon insufficient information	1	2	3	4	5
13.	In the long run it is possible to get more done by tackling small simple problems rather than large and complicated ones	1	2	3	4	5
14.	A smart person gets his life into a routine so that he is not always being bothered by petty details.	1	2	3	4	5
15.	I sometimes go shopping when I am bored	1	2	3	4	5
16.	Very often, I feel bothered about what other people think of me	1	2	3	4	5
17.	Many times I feel that I have little influence over the things that happen to me	1	2	3	4	5
18.	I feel shopping takes up too much of my time	1	2	3	4	5
19.	There is more than one right way to do anything	1	2	3	4	5
20.	The best leaders give specific enough instructions so that those under them have nothing to worry about	1	2	3	4	5
21.	Nobody can have feelings of love and hate toward the same person	1	2	3	4	5

(please open)

		Strongly Agree				Strongly Dis-Agree
22.	I try to buy most things when they are on sale	1	2	3	4	5
23.	I can't stand waiting in line to pay for my purchases.....	1	2	3	4	5
24.	I usually continue to shop after making a purchase ..	1	2	3	4	5
25.	I go shopping every chance I get.....	1	2	3	4	5
26.	I am not one of those people who enjoys shopping...	1	2	3	4	5
27.	I like to go shopping with my friends or relatives...	1	2	3	4	5
28.	When I go shopping, I usually have an idea of what I am going to buy.....	1	2	3	4	5
29.	I never seem to have enough money to buy the things I want.....	1	2	3	4	5
30.	The wiser consumer is one who sees a product in a mail-order catalog and buys it, rather than one who sees a product in a mail-order catalog and then attempts to find it in a store.....	1	2	3	4	5
31.	Teachers or supervisors who hand out vague assignments give a chance for one to show initiative and originality.....	1	2	3	4	5
32.	A good teacher is one who makes you wonder about our way of doing things.....	1	2	3	4	5
33.	In general, I find shopping enjoyable.....	1	2	3	4	5
34.	I usually buy products that I like but don't need immediately.....	1	2	3	4	5
35.	What happens to me is my own doing.....	1	2	3	4	5
36.	I usually buy what I would like to have.....	1	2	3	4	5
37.	People who insist upon a yes or no answer just don't know how complicated things really are.....	1	2	3	4	5

Now, I'd like to ask you to evaluate a product that is available by mail-order. That is, once you place the order, the product will be shipped directly to you in your home. Following the description of the product below is a number of statements about how you might or could react to the product. As with the earlier statements, circle the number that best indicates the extent of your agreement or disagreement with each statement. Some of the statements may not seem appropriate for this product, but pause an extra second; I'm sure you'll feel some reaction to the statement.

REVERSIBLE SOUTH SHORE JACKET. A casual classic. One side is handsome poplin, the other water-repellent nylon taffeta. Dry clean. Tan reverses to Navy, Navy to Kelly. Men's S(34-36), M(38-40), L(42-44), XL(46-48). Women's S(6-8), M(10-12), L(14-16). $36.00. Mail your order today or call 1 800 XXX-XXXX and charge it!

If I bought this product....		Strongly Agree				Strongly Dis-Agree
38.	I'd get a lot of admiration from friends and other people.....	1	2	3	4	5
39.	I'd expect it to work really well, with no defects or malfunctions that would cause me to lose a lot of time returning or replacing it.....	1	2	3	4	5

If I bought this product....	Strongly Agree				Strongly Dis-Agree
40. I'd expect to enjoy it thoroughly and be happy I bought it.....	1	2	3	4	5
41. There's no chance it would cause damage to any of my property, if it malfunctioned or didn't work out.....	1	2	3	4	5
42. I'd be afraid for my health; that is, some type of personal injury would likely result.....	1	2	3	4	5
43. I'd just be throwing away a lot of money.....	1	2	3	4	5
If I didn't buy this product....					
44. I'd lose out on the wonderful benefits it offers...	1	2	3	4	5
In trying to decide whether or not to buy this product, I would buy it only if....					
45. It was being offered by a well-known seller.....	1	2	3	4	5
46. I had bought it before and was satisfied with it...	1	2	3	4	5
47. It had been government tested.....	1	2	3	4	5
48. It offered a money-back guarantee.....	1	2	3	4	5
49. It was a well-known brand.....	1	2	3	4	5
50. It was the most expensive brand.....	1	2	3	4	5
51. I had first read about it in newspaper or magazine articles, books, etc. (but not in advertisements)	1	2	3	4	5
52. A payment option other than cash was offered.....	1	2	3	4	5
53. It was on sale.....	1	2	3	4	5
54. The seller offered a free sample first.....	1	2	3	4	5
55. It was discounted from its regular price.....	1	2	3	4	5
56. I first asked friends, neighbors, or relatives about it.....	1	2	3	4	5
57. I first had read, seen, or heard about it in advertisements.....	1	2	3	4	5
58. The seller first offered a free descriptive booklet about the product.....	1	2	3	4	5
59. I had shopped around first to make comparisons.....	1	2	3	4	5
60. It had been endorsed by--or offered testimonials from--celebrities, experts, or people like me....	1	2	3	4	5
61. I could get a premium or free gift with it.....	1	2	3	4	5
62. It had been tested by a private testing agency.....	1	2	3	4	5
63. It was the least expensive brand.....	1	2	3	4	5
64. I could buy along with it another similar product with the intention of returning one of the two...	1	2	3	4	5
65. The seller offered another, related product with this one at only a slightly higher total price...	1	2	3	4	5
66. I first talked to salespeople about it.....	1	2	3	4	5
67. A time limit or limited supply made it seem like I might not be able to get the product.....	1	2	3	4	5

In trying decide whether or not to buy this product, I would probably....	Strongly Agree				Strongly Dis-Agree
68. Feel like there is no reason for me to buy it.....	1	2	3	4	5
69. Feel very confident in my ability to judge its quality.....	1	2	3	4	5
70. Feel like I'm not the right kind of person for it..	1	2	3	4	5
71. Say that I have no current need for it.....	1	2	3	4	5

One final question about this product:

72. Within the next 12 months, how likely would you buy such a product as this in the manner described? Below, circle the number that best indicates your intentions over the next year.

0	1	2	3	4	5	6	7	8	9	10
Not likely at all										Definitely will buy

Next, a few questions about your shopping behavior (unrelated to the above product):

73. Did your parents ever shop by mail? ___Yes ___No

74. Did you, as a child or teenager, ever order anything by mail? ___Yes ___No

75. When you go shopping (for nonfood products), how much time do you spend per shopping trip? ___Less then one hour ___One hour or more

76. Where do you usually shop? ___Closed shopping mall ___Open shopping center ___Downtown

77. What type of store do you usually shop at? ___Department store ___Discount store ___Specialty store

---

(over, please)

78. Now, I'd like to ask you some questions about your previous experience buying products by mail. Listed below are a number of product types or categories that are offered to consumers like you via mail-order. Check the spaces at the left of the list for any product categories from which you have ever bought by mail-order within your adult life. Then answer the questions at the right of the list that are relevant.

What have you ever bought by mail?	How many times within the last 12 months?	How much have you spent within the last 12 months? $1-50	$51-100	$101-200	$201-300	$300+
___Food & drink--meat, fruit, cheese, wine	____	___	___	___	___	___
___Smoking materials--cigars, pipes, tobacco	____	___	___	___	___	___
___Health & medical products--vitamins, drugs, diets	____	___	___	___	___	___
___Cosmetic and beauty aids	____	___	___	___	___	___
___Clothing, shoes, etc.	____	___	___	___	___	___
___Jewelry--diamonds, rings, watches	____	___	___	___	___	___
___Auto and boat accessories	____	___	___	___	___	___
___Magazine subscriptions	____	___	___	___	___	___
___Books--single volumes, sets, clubs	____	___	___	___	___	___
___Correspondence school courses	____	___	___	___	___	___
___Information services--newsletters, directories, stock market advice	____	___	___	___	___	___
___Phonograph records, audio/video tapes	____	___	___	___	___	___
___Home entertainment--tvs, radios, stereos	____	___	___	___	___	___
___Photographic cameras, equipment, film processing	____	___	___	___	___	___
___Garden supplies, plants, seeds	____	___	___	___	___	___
___Hobbies--guns, fishing tackle, stamps, coins, crafts, tools, outdoor equipment	____	___	___	___	___	___
___Art--supplies, prints, collectibles	____	___	___	___	___	___
___Money--loans-by-mail, insurance, credit cards	____	___	___	___	___	___
___Toys	____	___	___	___	___	___
___Printing--stationery, greeting cards, return address labels	____	___	___	___	___	___
___Homes & home furnishings--land, furniture	____	___	___	___	___	___
___Housewares--cookware, appliances	____	___	___	___	___	___
___Typewriters, telephones, computers	____	___	___	___	___	___
___Other_____	____	___	___	___	___	___

Finally, some basic classification questions:

79. What was the approximate population of the place where you grew up?

___More than 250,000
___100,000 to 249,000
___20,000 to 99,000
___Fewer than 20,000
___Rural, unincorporated area
___Other_____

(over, please)

80. Where did you grow up? That is, what place would you most likely call "home" for most of your childhood and youth?

City_____State_____Country_____

81. What's your age? _____years

Most people seem to have other "ages" besides their official or "date of birth" age. What's your "unofficial" age? Check the age group to which you feel you really belong.

	Teens	20's	30's	40's	50's	60's	70's	80's
82. I feel as though I am in my.....	___	___	___	___	___	___	___	___
83. I look as though I am in my.....	___	___	___	___	___	___	___	___
84. I do most things as though I were in my.....	___	___	___	___	___	___	___	___
85. My interests are mostly those of a person in his or her.....	___	___	___	___	___	___	___	___

86. What is your sex? ___Male ___Female

87. Your education? (Please check level completed.)

___Some grade school
___Completed grade school
___Some high school
___Completed high school
___Some college
___Completed college
___Some graduate school
___Completed graduate school

88. Your approximate family or household income?

___Less than $5000
___$5001 to $10,000
___$10,001 to $15,000
___$15,001 to $20,000
___$20,001 to $25,000
___$25,001 to $30,000
___$30,001 to $35,000
___$35,001 to $40,000
___$40,001 to $45,000
___$45,001 to $50,000
___Over $50,000

89. Marital status? ___Never married ___Married ___Widowed/divorced

90. Number of children living with you? _____ Age of youngest child? _____

91. Occupation_____

Thank you for taking the time to answer these questions. You have helped another student/professor through the trials and tribulations of graduate school.

Please return the completed questionnaire to me as soon as possible in the enclosed, postage-paid envelope.

(Page 2 of Version B)

	Strongly Agree				Strongly Dis-Agree
22. I try to buy most things when they are on sale....	1	2	3	4	5
23. I can't stand waiting in line to pay for my purchases.....	1	2	3	4	5
24. I usually continue to shop after making a purchase	1	2	3	4	5
25. I go shopping every chance I get.....	1	2	3	4	5
26. I am not one of those people who enjoys shopping..	1	2	3	4	5
27. I like to go shopping with my friends or relatives	1	2	3	4	5
28. When I go shopping, I usually have an idea of what I am going to buy.....	1	2	3	4	5
29. I never seem to have enough money to buy the things I want.....	1	2	3	4	5
30. The wiser consumer is one who sees a product in a mail-order catalog and buys it, rather than one who sees a product in a mail-order catalog and then attempts to find it in a store.....	1	2	3	4	5
31. Teachers or supervisors who hand out vague assignments give a chance for one to show initiative and originality.....	1	2	3	4	5
32. A good teacher is one who makes you wonder about our way of doing things.....	1	2	3	4	5
33. In general, I find shopping enjoyable.....	1	2	3	4	5
34. I usually buy products that I like but don't need immediately.....	1	2	3	4	5
35. What happens to me is my own doing.....	1	2	3	4	5
36. I usually buy what I would like to have.....	1	2	3	4	5
37. People who insist upon a yes or no answer just don't know how complicated things really are....	1	2	3	4	5

Now, I'd like to ask you to evaluate a product that is available in your local department store. Following the description of the product below is a number of statements about how you might or could react to the product. As with the earlier statements, circle the number that best indicates the extent of your agreement or disagreement with each statement. Some of the statements may not seem appropriate for this product, but pause an extra second; I'm sure you'll feel some reaction to the statement.

REVERSIBLE SOUTH SHORE JACKET. A casual classic. One side is handsome poplin, the other water-repellent nylon taffeta. Dry clean. Tan reverses to Navy, Navy to Kelly. Men's S(34-36), M(38-40), L(42-44), XL(46-48). Women's S(6-8), M(10-12), L(14-16). $36.00. You can get it in your local department store.

If I bought this product....	Strongly Agree				Strongly Dis-Agree
38. I'd get a lot of admiration from friends and other people.....	1	2	3	4	5
39. I'd expect it to work really well, with no defects or malfunctions that would cause me to lose a lot of time returning or replacing it.....	1	2	3	4	5

(Page 2 of Version C)

		Strongly Agree				Strongly Dis-Agree
22.	I try to buy most things when they are on sale....	1	2	3	4	5
23.	I can't stand waiting in line to pay for my purchases.....	1	2	3	4	5
24.	I usually continue to shop after making a purchase	1	2	3	4	5
25.	I go shopping every chance I get.....	1	2	3	4	5
26.	I am not one of those people who enjoys shopping..	1	2	3	4	5
27.	I like to go shopping with my friends or relatives	1	2	3	4	5
28.	When I go shopping, I usually have an idea of what I am going to buy.....	1	2	3	4	5
29.	I never seem to have enough money to buy the things I want.....	1	2	3	4	5
30.	The wiser consumer is one who sees a product in a mail-order catalog and buys it, rather than one who sees a product in a mail-order catalog and then attempts to find it in a store.....	1	2	3	4	5
31.	Teachers or supervisors who hand out vague assignments give a chance for one to show initiative and originality.....	1	2	3	4	5
32.	A good teacher is one who makes you wonder about our way of doing things.....	1	2	3	4	5
33.	In general, I find shopping enjoyable.....	1	2	3	4	5
34.	I usually buy products that I like but don't need immediately.....	1	2	3	4	5
35.	What happens to me is my own doing.....	1	2	3	4	5
36.	I usually buy what I would like to have.....	1	2	3	4	5
37.	People who insist upon a yes or no answer just don't know how complicated things really are....	1	2	3	4	5

Now, I'd like to ask you to evaluate a product that is available by mail-order. That is, once you place the order, the product will be shipped directly to you in your home. Following the description of the product below is a number of statements about how you might or could react to the product. As with the earlier statements, circle the number that best indicates the extent of your agreement or disagreement with each statement. Some of the statements may not seem appropriate for this product, but pause an extra second; I'm sure you'll feel some reaction to the statement.

SMOKED TURKEY. We select only tender young broad-breasted hen turkeys, then smoke them slowly over hickory to a succulent, delicate perfection. Each bird weighs 9-1/2 to 10-1/2 pounds. Ready to serve and savor--hot or cold. $36.00. Mail your order today or call 1 800 XXX-XXXX and charge it!

If I bought this product....		Strongly Agree				Strongly Dis-Agree
38.	I'd get a lot of admiration from friends and other people.....	1	2	3	4	5
39.	I'd expect it to work really well, with no defects or malfunctions that would cause me to lose a lot of time returning or replacing it.....	1	2	3	4	5

(Page 2 of Version D)

	Strongly Agree				Strongly Dis-Agree
22. I try to buy most things when they are on sale....	1	2	3	4	5
23. I can't stand waiting in line to pay for my purchases.....	1	2	3	4	5
24. I usually continue to shop after making a purchase	1	2	3	4	5
25. I go shopping every chance I get.....	1	2	3	4	5
26. I am not one of those people who enjoys shopping..	1	2	3	4	5
27. I like to go shopping with my friends or relatives	1	2	3	4	5
28. When I go shopping, I usually have an idea of what I am going to buy.....	1	2	3	4	5
29. I never seem to have enough money to buy the things I want.....	1	2	3	4	5
30. The wiser consumer is one who sees a product in a mail-order catalog and buys it, rather than one who sees a product in a mail-order catalog and then attempts to find it in a store.....	1	2	3	4	5
31. Teachers or supervisors who hand out vague assignments give a chance for one to show initiative and originality.....	1	2	3	4	5
32. A good teacher is one who makes you wonder about our way of doing things.....	1	2	3	4	5
33. In general, I find shopping enjoyable.....	1	2	3	4	5
34. I usually buy products that I like but don't need immediately.....	1	2	3	4	5
35. What happens to me is my own doing.....	1	2	3	4	5
36. I usually buy what I would like to have.....	1	2	3	4	5
37. People who insist upon a yes or no answer just don't know how complicated things really are....	1	2	3	4	5

Now, I'd like to ask you to evaluate a product that is available in your local department store. Following the description of the product below is a number of statements about how you might or could react to the product. As with the earlier statements, circle the number that best indicates the extent of your agreement or disagreement with each statement. Some of the the statements may not seem appropriate for this product, but pause an extra second; I'm sure you'll feel some reaction to the statement.

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If I bought this product....	Strongly Agree				Strongly Dis-Agree
38. I'd get a lot of admiration from friends and other people.....	1	2	3	4	5
39. I'd expect it to work really well, with no defects or malfunctions that would cause me to lose a lot of time returning or replacing it.....	1	2	3	4	5

Northeastern University

360 Huntington Avenue, Boston, Massachusetts 02115

College of Business Administration
Department of Marketing
617-437-3260

No more nickels--

Just a request.

Recently, I sent you a questionnaire on the consumer decision making process. If you've already answered it, please consider this letter a hearty "Thank you" for your cooperation.

However, if you've not had a chance to do so, here's another copy of the questionnaire and postage paid reply envelope.

Your frank and considered responses are essential to the successful completion of my doctoral dissertation. Your answers will of course be kept confidential and used only in combination with those of other respondents to compile statistical tables.

Won't you take a few minutes now to answer the questions?

Jerry Kirkpatrick

Jerry Kirkpatrick
Lecturer, Marketing Group

P. S. There's no control number on the first page of this copy of the questionnaire. That means your responses will be completely anonymous. Why not do it now?

APPENDIX III

TABLE 19

FACTOR LOADINGS, VARIMAX ROTATION: RISK REDUCTION STRATEGY

Item	Need for Incentive	Proof/ Reassurance
	Factor 1	Factor 2
Premium/free gift	.73168	
Build-up offer	.72887	
Buy 2-return 1	.68375	
Limited time/supply	.64759	
Least expensive brand	.64419	
On Sale	.58311	
Talk to salespeople	.57670	
Discounted	.57144	
Endorsements	.48195	
Free sample	.47423	.46468
Make comparisons		
Well-known brand		.76161
Well-known seller		.67115
Government tested		.64061
Bought before		.62524
Read articles, etc		.61971
Advertisements	.41726	.50967
Money-back guarantee		.50630
Free booklet	.45809	.49630
Ask friends, neighbors	.45868	.47805
Private testing agency	.44586	.46247
Most expensive brand		
Payment option		

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .89166

Cumulative percent of variation explained by the two factors = 40.3

TABLE 20

FACTOR LOADINGS, VARIMAX ROTATION: SHOPPING STYLE

Item	Recreational Shopper	Patient/ Noneconomic Shopper
	Factor 1	Factor 2
Find shopping enjoyable	.81999	.....
Not one who enjoys shopping	-.74911	.....
Enjoy browsing	.73888	.....
Go shopping when bored	.69692	.....
Shop every chance	.61485	.....
Continue after purchase	.57887	.....
Takes too much time	-.47455	.....
Have idea before going	-.43980	.....
Buy what don't need	.42243	.....
Go with friends	.....	.....
Buy when on sale	.....	-.67238
Enjoy real bargain	.....	-.50567
Never enough money	.....	-.47881
Store personnel not courteous	.....	-.45946
Hate waiting in line	.....	-.40970
Buy what would like to have	.....	.....
Appealing atmosphere not necessary	.....	.....*

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .83011

Cumulative percent of variation explained by the two factors = 32.3

*Factor loading is negative.

TABLE 21

FACTOR LOADINGS, VARIMAX ROTATION: COGNITIVE STYLE

Item	Unafraid of the New Factor 1	Unafraid of Ambiguity Factor 2
Keep on with present method of doing things.....	-.62889	.....
Get life into routine.....	-.54504	.....
Best leaders give specific instructions.....	-.52025	.....
Like parties where I know people.....	-.47669	.....
Get more done tackling small simple problems.....	.47008	.....
Many decisions based on insufficient information.....	....	.54723
More than one right way.... to do anything.....	.....	.50439
Good teacher makes you wonder.....	.....	.48036
Yes & no people don't know how complicated.....	.....	.42942
No one can love & hate the same person.....	.....	.....*
Scheduled lives miss joy....	.....	.....
Vague assignments allow initiative, originality.....	.....	.....

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .57867

Cumulative percent of variation explained by the two factors = 26.7

*Factor loading is negative.

TABLE 22

NON-SIGNIFICANT DEMOGRAPHIC DIFFERENCES BETWEEN LIGHT AND HEAVY IN-HOME SHOPPER
Percentages and Significance Levels (Chi-Square Test)

1. Home: What place would you most likely call "home"?

Group	Central City	Urban Fringe	Other Urban Places	Rural Area	n	p
Light In-Home Shopper.....	26.7	59.3	12.1	2.0	356	
Heavy In-Home Shopper...	26.4	56.6	14.0	3.0	364	.6716

2. Region: In what Census Region did you grow up?

Group	New England	Middle Atlantic	South Atlantic	E. North Central	All Others	n	p
Light In-Home Shopper.....	65.2	20.0	2.7	7.1	4.9	365	
Heavy In-Home Shopper...	65.9	17.6	3.3	6.8	6.5	369	.8173

3. Look-Age: You look as though you were in what age range?

Group	Decade								n	p
	Teens	20's	30's	40's	50's	60's	70's	80's		
Light In-Home Shopper.....	3.0	40.7	30.2	14.0	9.1	2.7	0.3	0.0	364	
Heavy In-Home Shopper.....	2.1	32.6	34.0	17.4	9.6	3.7	0.5	0.0	374	.3318

4. Sex

Group	Male	Female	n	p
Light In-Home Shopper.....	35.0	65.0	369	
Heavy In-Home Shopper.....	33.7	66.3	374	.7740

(continued on next page)

5. Education

Group	Completed High School	Some College	Completed College	Some Graduate School	Completed Graduate School	n	p
Light In-Home Shopper.....	6.7	16.2	29.4	19.1	28.6	371	
Heavy In-Home Shopper...	6.1	20.8	30.7	15.2	27.2	375	.3824

6. Occupation

Group	Student	Home-maker	Retired	Blue Collar	Secretary/ Clerk	White Collar	Teacher	Middle Manager
Light In-Home Shopper.....	7.4	8.5	4.1	2.2	6.0	32.2	7.1	11.2
Heavy In-Home Shopper.....	3.3	13.3	3.8	3.0	3.3	30.4	6.0	13.0

6. Occupation--Continued

Group	Business Owner	Artist/ Entertainer	Exec/Top Manager	Professional	n	p
Light In-Home Shopper.....	1.6	1.6	5.5	12.6	366	
Heavy In-Home Shopper...	1.6	1.1	7.3	14.1	369	.1372

7. Social Class

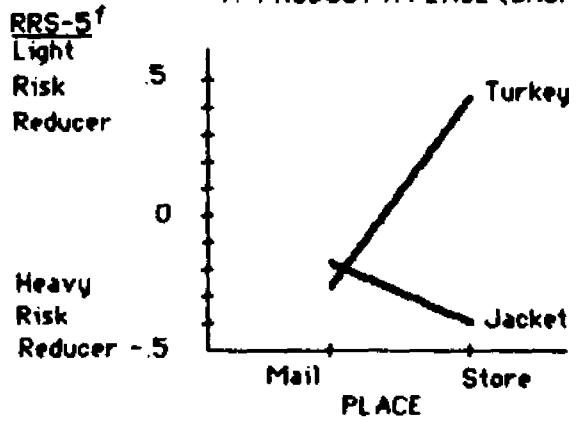
Group	Lower-Middle	Middle-Middle	Upper-Middle	n	p
Light In-Home Shopper.....	7.1	70.2	22.7	366	
Heavy In-Home Shopper.....	5.4	68.7	25.3	371	.6093

APPENDIX IV

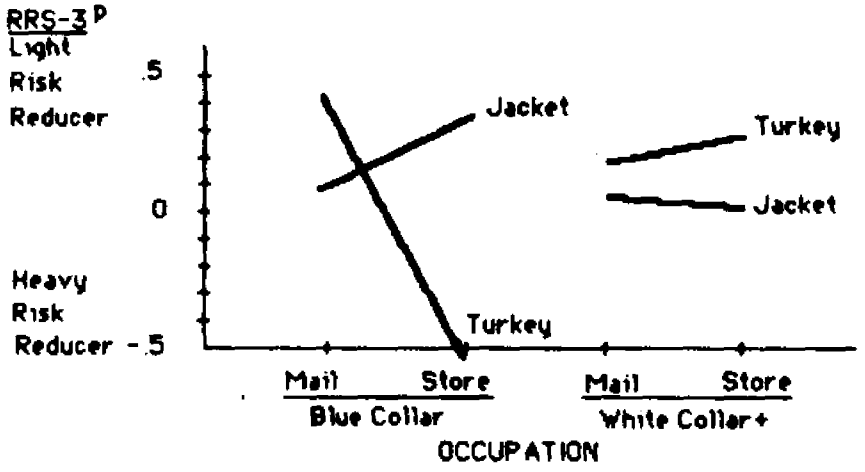
GRAPHS OF MEANS OF SIGNIFICANT INTERACTION TERMS

A. THE HEAVY IN-HOME SHOPPER[q]

1. PRODUCT X PLACE (SHOP-6)



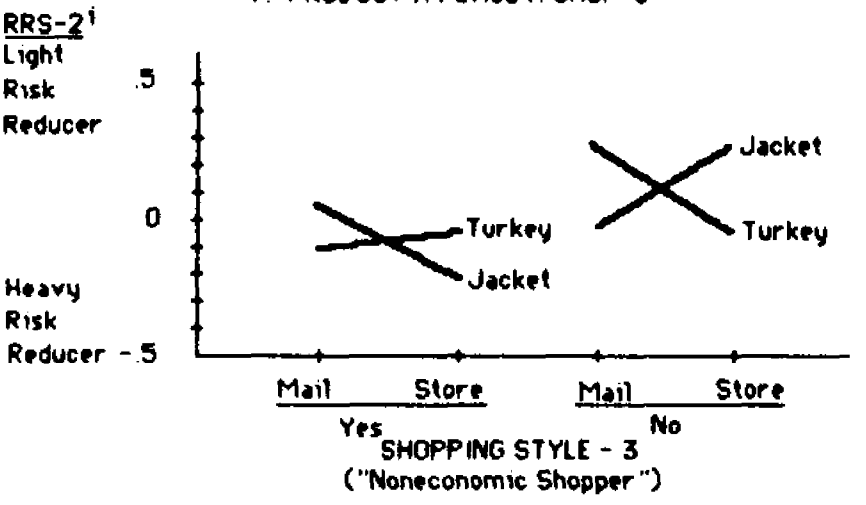
2. PRODUCT X PLACE X OCCUPATION



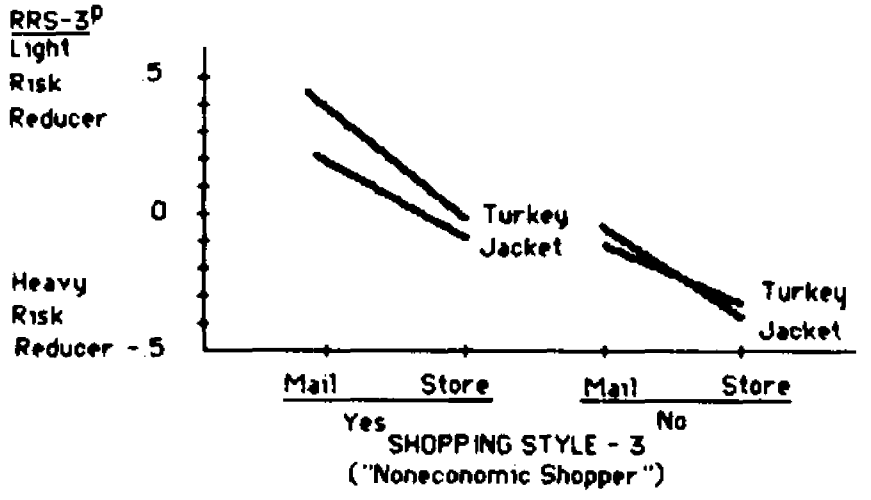
q = quartile split
f = reassurance/financial
p = best deal on price

B. THE LIGHT IN-HOME SHOPPER: PERSON INTERACTION TERMS[m]

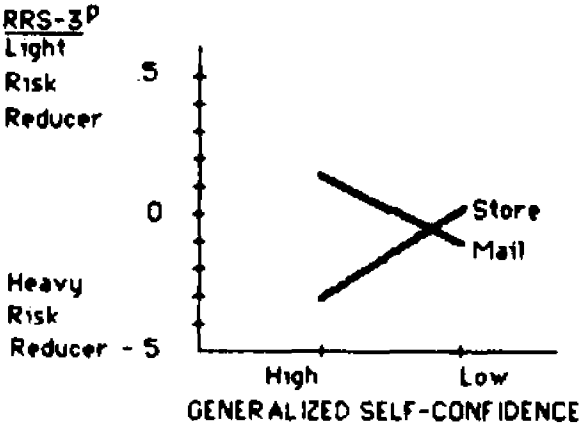
1. PRODUCT X PLACE X SHOP-3



2. PRODUCT X PLACE X SHOP-3



3 PLACE X GENSC



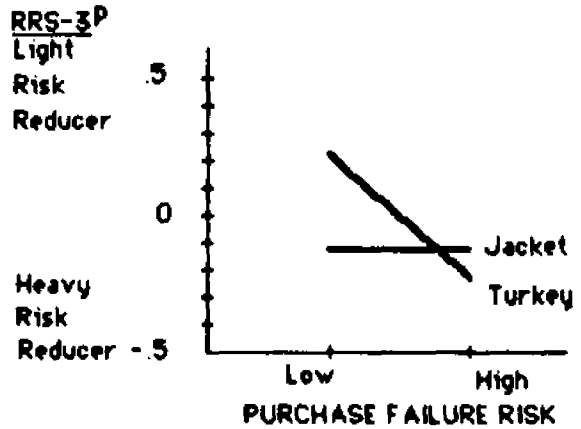
i = Incentive/more value for the money

p = best deal on price

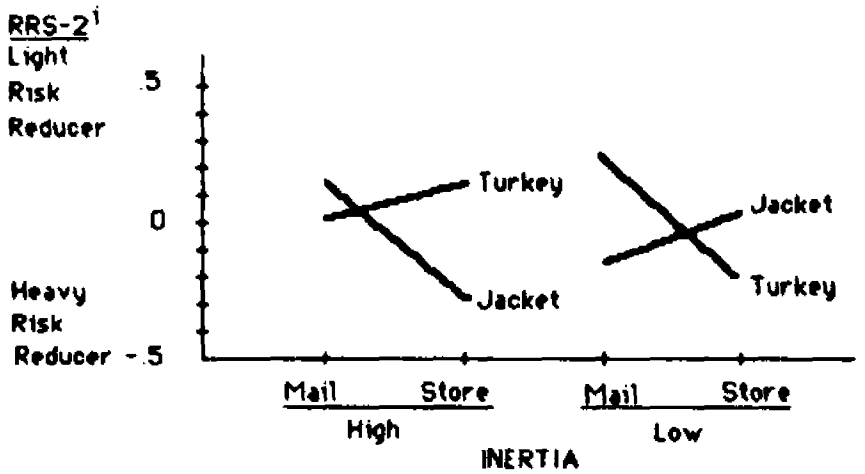
m = median split

B. THE LIGHT IN-HOME SHOPPER: PERSON INTERACTION TERMS--Continued

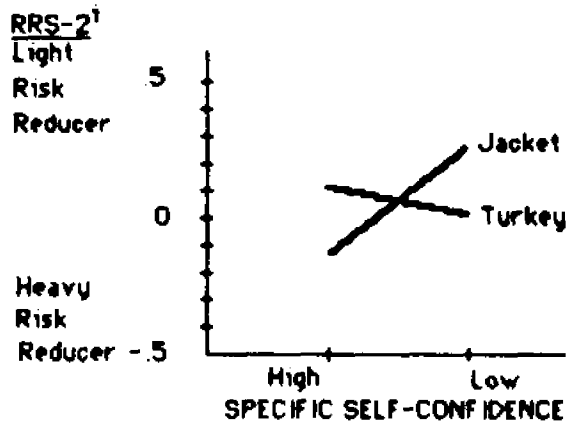
4. PRODUCT BY FAILRISK



5. PRODUCT X PLACE X INERTIA



6. PRODUCT X SPECSC

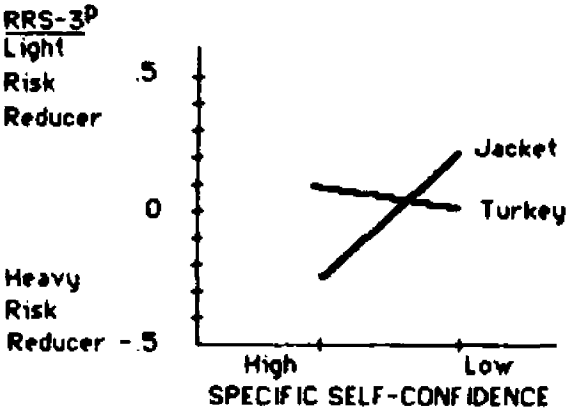


i = incentive/more value for the money

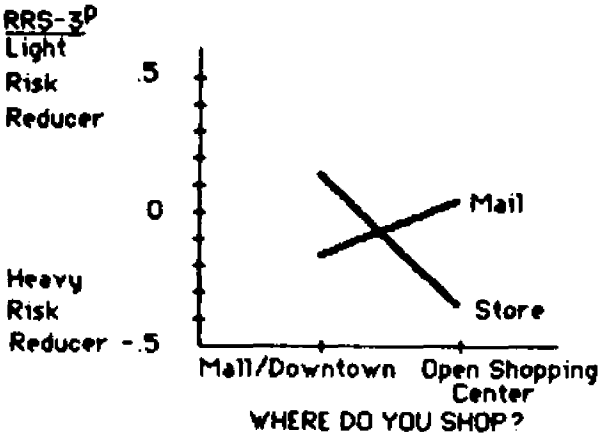
p = best deal on price

B. THE LIGHT IN-HOME SHOPPER: PERSON INTERACTION TERMS--Continued

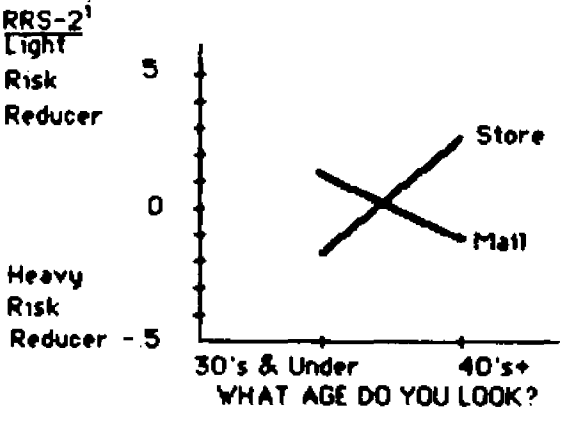
7. PRODUCT X SPECSC



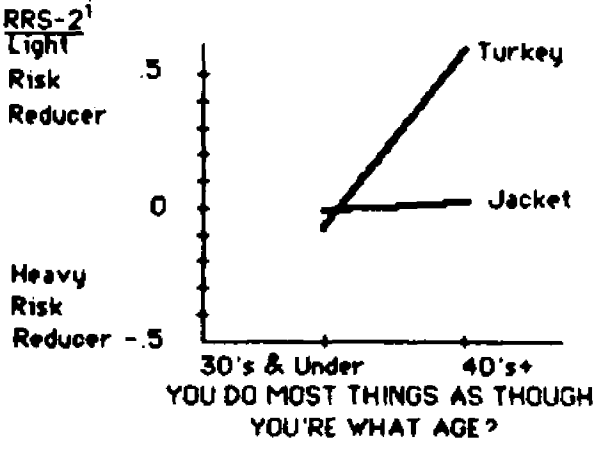
8. PLACE X WHERESHOP



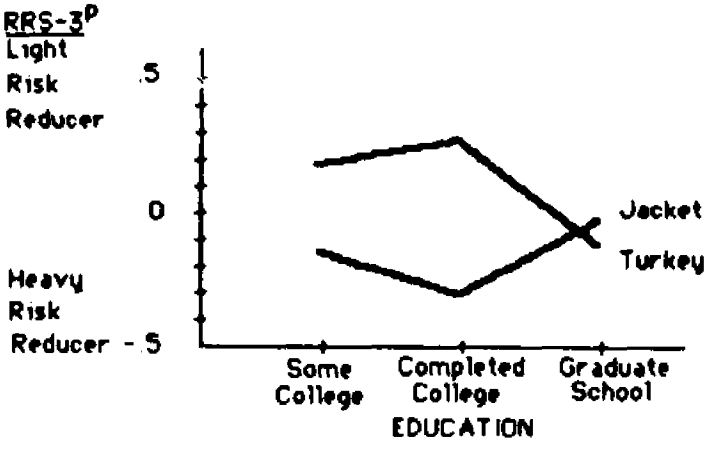
9. PLACE BY LOOK-AGE



10. PRODUCT X DO-AGE



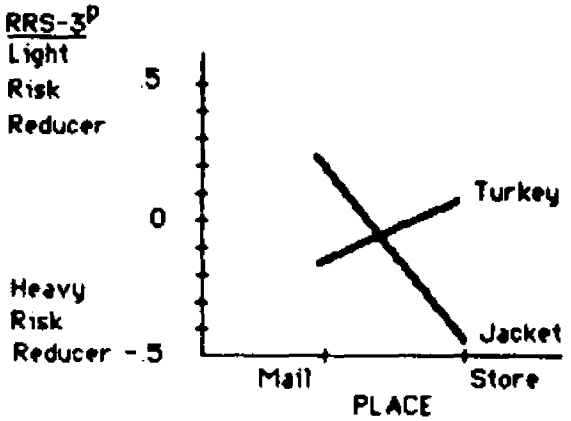
11. PRODUCT X EDUCATION



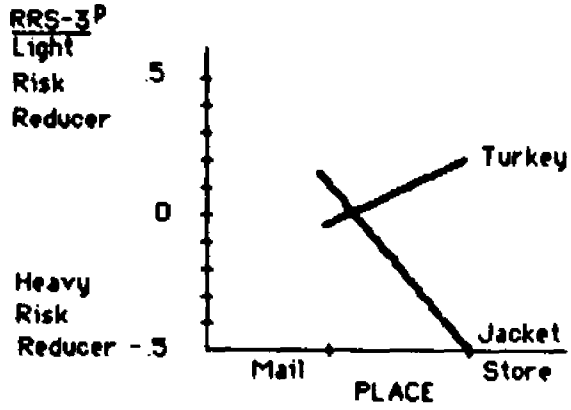
i = incentive/more value for the money
p = best deal on price

C. THE LIGHT IN-HOME SHOPPER: PRODUCT X PLACE INTERACTION TERMS[q]

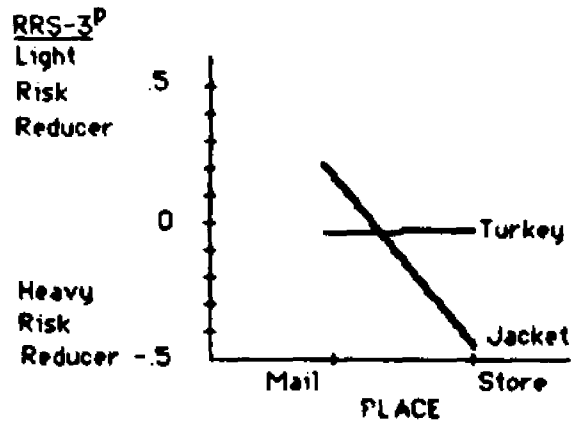
1. PRODUCT X PLACE (SHOP-5)



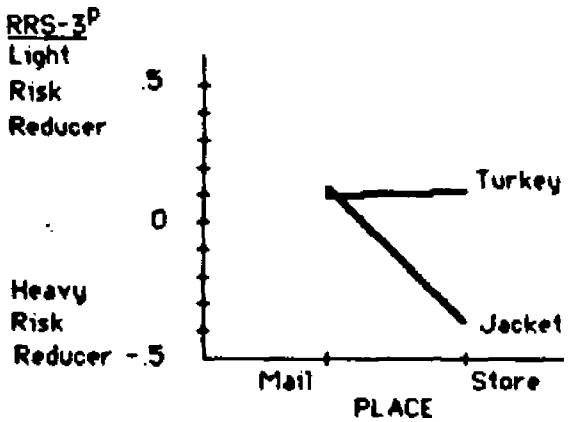
2. PRODUCT X PLACE (COG-2)



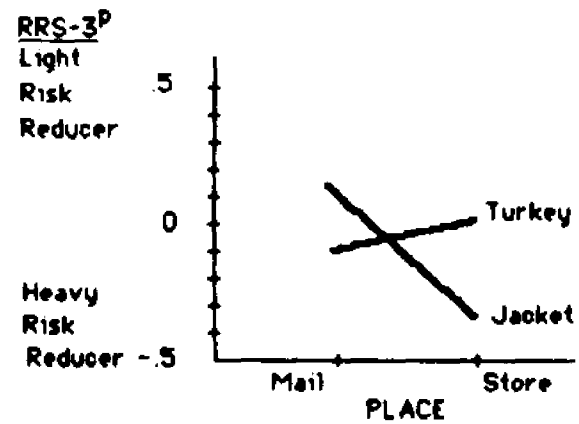
3. PRODUCT X PLACE (COG-3)



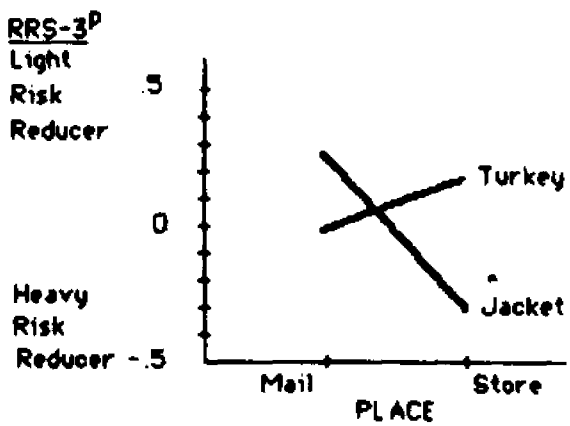
4. PRODUCT X PLACE (FAILRISK)



5. PRODUCT X PLACE (ERRTOL)



6. PRODUCT X PLACE (EDUCATION)



p = best deal on price q = quartile split

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