

**Consumer attitudes and intentions toward personalization of fair trade apparel**

by

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**For the Major Program**

*Dedicated to my dad*

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## ABSTRACT

The purpose of this study was to examine the attitudes and purchase intentions of customers of MarketPlace: Handwork of India (MarketPlace) toward personalized apparel. The theory of uniqueness, theory of perceived risk, involvement, and body size were used as theoretical frameworks. These frameworks were integrated into the part of the theory of reasoned action being tested in the study. To empirically test the proposed model, an online survey was conducted. Structural equation modeling was used to examine the fit of the proposed model.

Various scales were used to measure need for self-uniqueness, apparel involvement, perceived social and financial risks, attitude toward personalized apparel, and intention to purchase personalized fair trade apparel. Body size was measured using the body mass index formula. The online survey was e-mailed to a random sample of 2,500 MarketPlace customers. A total of 246 usable responses was received making the response rate 12.32%. A non-response bias test was conducted to confirm the generalizability of results.

The multi-item scales used to measure each construct were tested for reliability, based on Cronbach *alphas*, and all the scales were found to be reliable. The two measures of perceived risk, financial and social perceived risks, were tested to ensure they were distinct constructs. Structural modeling analysis included analysis of the measurement model and analysis of the hypothesized model. Based on the results of the hypothesized model, an alternate model was proposed and tested.

MarketPlace customers were highly educated customers with an average age of 52 years. These customers had a high level of familiarity with the Internet and often used

the Internet to gather information and make purchases. The respondents were satisfied with MarketPlace purchases, and willing to pay more and wait longer for a personalized product as compared to a regular MarketPlace product.

Analysis of the hypothesized model showed that consumers with greater need for self-uniqueness and higher BMI had a positive attitude toward personalized apparel. Consumers with a positive attitude toward personalized apparel had an intention to purchase personalized fair trade apparel. Greater need for self-uniqueness was associated with lowered perceived financial and social risks among fair trade consumers and increased consumer apparel involvement. The results of this study provide fair trade organizations with direction toward implementing personalization of apparel.

## CHAPTER 1: INTRODUCTION

Fair trade organizations (FTOs) are businesses that engage in a set of socially responsible practices, such as paying fair wages in the local context, providing healthy and safe working conditions, being environmentally friendly, offering technical training, and contributing to community development (“International Federation for Alternative Trade,” 2003). Fair trade involves a marketing system that “bridges artisans’ needs for income, retailers’ goals for transforming trade, and consumers’ concerns for social responsibility through a compatible, non-exploitive, and humanizing system of international exchange” (Littrell & Dickson, 1999, p. 4). FTOs work directly with producers and assist them with design and product development, technical aspects of production, and business practices. The FTOs’ overall goal is to provide sustainable income and support for artisans’ social and economic development (Benjamin & Freedman, 1989).

According to the *Fair Trade Trends Report*, fair trade market sales grew by 37% during 2002, from \$183 million to \$251 million (Strohm, 2003). Despite this growth, FTOs focus on identifying ways to 1) expand sales with current customers and 2) enlarge their customer base to include individuals who are currently unaware of fair trade practices (personal communication, Fair Trade 5 Conference, April 7, 2004).

Cultural products<sup>1</sup> manufactured by fair trade organizations provide fair trade consumers with individuality and enhance the quality of their lives by giving them something surprising and diverse. Buying cultural products from socially responsible businesses also presents consumers with an opportunity to derive aesthetic experience and experience ethical satisfaction (Littrell & Dickson, 1999). Comfort, visual appeal, quality, and ethnicity are some product attributes considered important by fair trade customers of MarketPlace: Handwork of India (hereafter referred to as MarketPlace), an FTO that sells apparel and textile products (Littrell, Ma, & Halepete, 2004). The purchases made by fair trade customers are directed toward creating a better world by alleviating poverty (Littrell et al., 2004).

Due to the high level of competition in the apparel market and FTOs' interest in growth, FTOs work diligently toward improving their product quality and offerings to the customer in order to survive and sustain in the market (Littrell & Dickson, 1998). Although fair trade customers buy products to support socially responsible businesses, they may be unwilling to spend money on inferior quality products. For apparel products, the quality of the fabrics, embroidery, stitching details, and sizing are important factors that may determine a consumer's purchase intention (Littrell & Dickson, 1998).

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<sup>1</sup> “*Cultural products* encompass goods that are produced exclusively by hand as well as those that incorporate extensive mechanization. They include what are typically called *handcrafts* as well as other items of higher ratio of machine-to-hand production” (Littrell & Dickson, 1999, p. 4). These products are made of raw materials available locally, such as, clay, wood, cotton etc. and have colors, motifs, and designs that are indigenous to the place where they are manufactured. “Also, cultural products embody aesthetic features and production technologies that are deeply enmeshed in artisans’ local traditions. These products are produced using dyeing, weaving, sewing, basketry, wood turning, carving, metal smithing, paper making, and painting technologies that are deeply integrated in gendered, household-based, and village-centered patterns of work” (Littrell & Dickson, 1999, p. 13).

Based on these product features, this research intends to explore product marketing strategies (i.e., personalization) that may assist FTOs in meeting their goals of market growth and sustainability.

The research for this study was conducted in collaboration with MarketPlace: Handwork of India, an Illinois-based fair trade organization. MarketPlace was founded by Pushpika Freitas and Lalita Monteiro in 1979. The organization began with women sewing patchwork quilts and recycling used clothing of younger family members to make bedding. Old saris were incorporated as batting. The production unit for MarketPlace is based in Mumbai, India. Beginning with making bedding using saris as batting, MarketPlace now markets clothing and other handicrafts through mail-order catalogs sent to customers across the United States. The organization also sells products through retail stores and the Internet (Littrell & Dickson, 1999).

A recent study conducted with MarketPlace (Littrell et al., 2004) disclosed that some customers were unhappy with the garment options available such as sizes, colors, and embroidery on the apparel. The results also showed these customers were willing to spend more on fair trade products, if better product offerings were available (Littrell et al., 2004). Although MarketPlace has a large base of loyal customers, some customers' comments revealed potential for improvement in the product offerings in terms of garment design and fit of the garments:

*While I like most of the clothes, it would be nice to see more that didn't have such contrasting embroidery. I find some of the color combinations disconcerting. (M0555)*

*I prefer monochromatic or complementary colors. Clearly bright and contrasting colors are India's choice. I am trying to educate my eye to appreciate contrast, but it is not coming easy and sometimes I think someday I may even hand-remove some of the beautiful handwork just*

*because the colors seem to fight my eye. I know that it is just me. For what it is worth, I would be even more tempted by the wonderful MarketPlace clothing items if the color palette was more to my taste. (M0186)*

*I would like more plain, white solid tops to go with the wild patterns of irla pants ( I am a bit short and pudgy, look really fat in salwars, but I like them for yoga). I live in my MarketPlace clothes when it is hot. (M0470)*

*In terms of MarketPlace India, I would purchase more if they produced smaller sizes. I am a petite size 8 and almost all the garments are huge on me. I also wish that I could obtain traditional Indian clothing from this organization-brighter color, better fabrics, embroidery with mirrors etc. I would pay a higher price for those things too. Much of the clothing produced by MarketPlace India is too dark and way too big. (M0160)*

*I purchased a dress about a year ago; the bodice was so tight it was uncomfortable. It was the usual size. I am less than average breast size. (M0019).*

*Make clothing for petite under 5'3". Sleeves should be shorter for short people. Dresses are too long for short people. Take personal orders. Too many prints are mixed together. Catalog items are brighter than most items. (M0146) (personal communication, November 2003).*

As evident from earlier research, various differences in the characteristics and needs of fair trade customers suggest that MarketPlace consider product personalization in order to increase customer satisfaction, purchases, and thereby profitability of FTOs. Personalization can be positively considered as a merchandising technique or strategy to overcome the problems mentioned by MarketPlace customers in the quotes above. According to Agarwal, Kumaresh, and Mercer (2001), consumers are often willing to pay a premium for customized products as their needs are better met. Product customization adds value for a consumer through the uniqueness associated with the product as well as offers an appealing shopping experience (Fiore, Lee, & Kunz, 2004). A company that offers customized products can increase the efficiency of inventory handling and management and reduce the amount of out-of-stock items, as the company will produce

garments based on the customer's specifications. Customization also may increase profitability.

Researchers have provided various definitions for personalization, based on its application (e.g., Internet shopping, service industry, etc.). Personalization in this research is defined as the process of using customer information and providing a targeted solution to that particular customer (Peppers & Rogers, 1997).

### **Objectives**

Drawing on the FTOs' interest in market expansion and on product personalization to meet the customers' needs, the objectives of this research were to examine the effect of the perceived need for self-uniqueness, level of apparel involvement, perceived social and financial risks associated with buying apparel, and body size of fair trade customers. Using these variables, attitudes toward personalization of apparel was examined. The influence of customers' attitudes toward personalization of apparel on the intention to purchase personalized fair trade apparel was also examined. A part of the Theory of Reasoned Action (Ajzen & Fishbein, 1980) was employed to develop a theoretical model. More specifically, the objectives were to:

1. examine customer-specific variables associated with personalization
  - a. need for self-uniqueness
  - b. level of apparel involvement
  - c. social and financial risks perceived toward buying apparel, and
  - d. body size



2. propose and test a theoretical model integrating the variables identified in the first objective with attitude toward personalized apparel and intention to purchase personalized fair trade apparel.

### **Significance of the Study**

The results of this study will help fair trade organizations characterize their customers in relationship to self-uniqueness, involvement, perceived social and financial risks, and body size. These characteristics of fair trade customers will then be used to predict attitude of MarketPlace customers' intention to purchase personalized fair trade apparel. Customer intention to purchase personalized fair trade apparel will help MarketPlace apply this information in providing personalized apparel for their customers. In addition, knowing whether the customers perceive some kind of risk in purchasing apparel and how this risk influences their attitude toward personalized garments will help FTOs work toward minimizing risks and increasing customers' trust in making purchase decisions.

### **Definitions**

Fair trade: Fair trade is the equitable and fair partnership between marketers in North America and producers in Asia, Africa, Latin America, and other parts of the world ([www.fairtradefederation.com](http://www.fairtradefederation.com)).

Fair trade organization: Fair trade organizations are businesses that operate on principles that include fair wages, cooperative work places, customer education, environmental sustainability, financial and technical support, respect for cultural identity, and public accountability ([www.fairtradefederation.com](http://www.fairtradefederation.com)).

Socially responsible business (specific to Textile and Apparel): “A business that involves:

- An orientation encompassing the environment, its people, the apparel/textile products made and consumed, and the systematic impact that production, marketing, and consumption of these products and their component parts has on multiple stakeholders and the environment.
- A philosophy that balances ethics/morality with profitability, which is achieved through accountability-based business decisions and strategies.
- A desire for outcomes that positively impact, or do very little harm to, the world and its people.” (Dickson & Eckman, in press)

Attitude: Attitude is an individual’s feelings, either positive or negative, about performing a behavior (Ajzen, 1991).

Intention: “Intention is an indication of how hard people are willing to try, or how much of an effort they are planning to exert, in order to perform a behavior” (Ajzen, 1991, p.181).

Uniqueness: Uniqueness is the need of a person to be different and have a separate identity from others (Fromkin, 1970).

Involvement: Involvement is an emotion characterized by a consumer’s interest, enthusiasm, relevance, and excitement for a product (Goldsmith, 1996; Zaichokowsky, 1985).

Perceived risk: Perceived risk is “the uncertainty consumers face when they cannot foresee the consequences of their purchase decisions” (Schiffman & Kanuk, 2000, p. 153).

Financial risk: Financial risk is the probability of a net financial loss resulting from a purchase (Horton, 1976; Jacoby & Kaplan, 1972).

Social risk: Social risk is the uncertainty that the selection of the product will affect in a negative way the perception of other individuals about the purchaser of that product (Garner, 1986).

Personalization: Personalization is the process of using consumers' information to provide a targeted solution to those consumers (Peppers & Rogers, 1997).

Personalization of apparel: Personalization of apparel involves using a consumer's information to identify specific needs for an apparel product and providing a targeted solution to meet the needs of that specific consumer.

Mass customization: Customization is the process of making the products differently to individual specification for each consumer, based on the methods used for mass production. When customization is done on a mass scale, the process is termed mass customization (Pine, 1993).

## **CHAPTER 2: LITERATURE REVIEW**

In this section, theoretical and empirical literature that was used to develop the model and hypotheses is discussed. The proposed model for this research was developed to examine the use of personalization as a proposed strategy for production and marketing of fair trade apparel products. This section begins with a discussion about fair trade, followed by personalization and the theoretical framework. It also includes detailed descriptions of all theories and formulations of the hypotheses.

### **Fair Trade**

Fair trade is described as “a trading partnership, based on dialogue, transparency and respect that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South” (“What is fair trade,” 2005, p. 1). Fair trade organizations work with consumers to actively support producers and conduct promotional campaigns to increase awareness regarding social responsibility (“What is fair trade,” 2005).

Initially called Alternative Trade Organizations (ATOs), fair trade organizations conduct business based on the principles that involve paying living wages that meet basic survival needs to their workers (“Fair Trade Federation principles and practices,” 2005). These organizations focus on selling products to people who are concerned with others’ basic needs. Retail venues vary from specialty stores to catalogs and church-based sales.

Some of the fair trade organizations such as Ten Thousand Villages and A Greater Good (formerly SERRV) emerged through churches after World War II in response to an increased awareness of artisans’ desperate need for income. Some others,

like MarketPlace: Handwork of India (MarketPlace), began as a sewing project initiated by a small group of five women to provide employment to women from low-income groups. Likewise, Pueblo to People was initiated by a couple who wanted to help Latin American artisans by selling their products in flea markets in the United States. Together, fair trade organizations hold a commitment to social responsibility, social justice, and economic well-being. Today, fair trade businesses have become global organizations, providing sustainable income to artisans throughout the world (Littrell & Dickson, 1999).

Researchers have established that some consumers are not only motivated to shop to satisfy personal needs, but also are concerned about the consequences of their consumption behavior on the society or environment. Social responsibility relates to a way of doing business that maintains or improves both consumers' and society's well-being by avoiding harm and doing good (Kotler, 1991; Petkus & Woodruff, 1992). A survey of over 21,000 consumers suggested that "almost unanimously, the public says it wants information about a company's record on social and environmental responsibility to help decide which companies to buy from, invest in, and work for" (Alsop 2002, p. B1). When social and environmental concerns drive a consumer's consumption behavior, the consumer is referred to as a socially conscious or socially responsible consumer (Antil, 1984; Leigh, J. H., Murphy & Enis, 1988; Roberts, 1996; Webster, 1975). It has been reported that consumers switch brands on the basis of knowledge regarding the company's socially responsible behavior (Davids, 1990). Consumers believe that socially responsible companies need to place equal importance on the quality of their products and on treatment provided to the employees (Mohr, Webb, & Harris, 2001).

Over 10% growth in sales of fair trade organizations based in North America and the Pacific Rim indicated that social consciousness among consumers is on the rise, and consumers' belief in the fair trade philosophy is strengthening (International Fair Trade Association, 2005; Littrell, 2005; Wells, 1990). Fair trade consumers have various motivations to purchase products from fair trade organizations. Cultural products sold by fair trade organizations provide an aesthetic experience to their consumers and add the ability to express individuality, due to the product's unique nature. A desire to express individuality, coupled with an interest in supporting the fair trade philosophy, influences the purchase intention of some consumers (Kim, Littrell, & Ogle, 1999). Ethnic appearance of fair trade products is another important attribute valued by fair trade consumers (Littrell, Ogle, & Kim, 1999). Ethnic inspirations behind fair trade clothing form an important attribute for fair trade consumers that determine future purchase intentions from fair trade organizations (Littrell, Ma, & Halepete, 2005). Fair trade products also help consumers establish self-identity (Littrell & Dickson, 1999). Through purchases from fair trade organizations, consumers may feel connected to the producers. Affirmation of socially responsible behavior also is achieved through making purchases from fair trade organizations (Littrell & Dickson, 1999).

Although social responsibility is a major driving force for fair trade consumers to purchase apparel from fair trade organizations, product attributes and shopping experience also are important factors that influence their purchase intentions (Kim, Littrell, & Ogle, 1999). In a study of socially responsible consumers, Dickson (2000) identified that while consumers were concerned with social responsibility, they were not willing to make their purchase decision based only on this concern. In another study

conducted by Dickson concerning the “no sweat label”, she found that consumers were more concerned with the “no sweat label” than price, quality, and color while purchasing men’s dress shirts; however, the purchase intention increased when the product was of best quality, made in classic colors, was 100% cotton, and had the best price-point (Dickson, 2001). A recent study conducted with MarketPlace showed their customers were loyal, but unhappy with some features of the products offered. With changes (e.g. length of garment, color combination used for garments, amount of embroidery on garments, etc.), they were willing to spend more money and purchase more often from the organization (Littrell et al., 2004). Hence, a possible use of personalization to meet the needs of the MarketPlace customers is explored in this research.

### **Personalization**

Personalization is the process of using a consumer’s information to provide a targeted solution to the consumer (Peppers & Rogers, 1997). Personalization assists in customizing features of a product or service to satisfy the consumer’s individual needs (Peppers & Rogers, 1993). Uniqueness, design, and fit issues can be solved through personalization of an apparel product (Goldsmith, 1999). Personalization can provide a unique shopping and consumption experience to apparel shoppers. Moynagh and Worsley (2002) recognized that consumers had a desire to make a statement about their own selves and create their own identities, through their appearance, home, car, or clothes.

With increasing competition in the retail industry, the market is now consumer dominated. With consumers demanding specific products, there has been a gradual move in the marketing approach from mass marketing to market segmentation, to niche

marketing, to micromarketing, to mass customization, and finally to personalization (Goldsmith, 1999). Businesses are making the necessary changes in their business practices to meet the specific needs of their customers.

Although several researchers use the terms “personalization” and “customization” interchangeably, the key difference between the two concepts is based on the type of consumer involvement. Within the context of e-commerce, customization allows a consumer to choose changes mainly related to color and dimensions desired in a garment. However, in the process of personalization, personal information is collected from the consumer in order to provide services to meet the needs and desires of that particular consumer (Goldsmith, 1999). For example, when a consumer purchases a pair of pants, in the case of customization, a consumer is given a choice of color, length, and fit. Based on the choices made by the consumer, the final product is presented to the consumer. Personalization involves asking consumers for a wider variety of their needs; based on these needs, a list of suggestions is developed for individual consumers to fulfill their specific and diverse needs. For example, if a customer wants to buy a pair of pants, the customer first gives the range of colors, length, and type of fit that the customer is interested in. Based on that customer’s needs, various suggestions are made to the customer to meet his/her needs. The way a consumer is involved in changing the product is different in the two approaches. Amazon.com is an example of a personalized website. Based on the individual shopping record in the user account, the website makes suggestions for future purchases. However, in my.yahoo.com, an example of customization, a customer can dictate where he/she would like particular information to appear on a web page.



The non-apparel related e-commerce industry has been a prime focus for personalization. As compared to mass produced merchandise, a personalized product could better suit the customer's needs (Duray & Milligan, 1999). Hence, following Peppers and Rogers' (1997) definition of personalization, this research will apply personalization to the product (fair trade apparel) rather than the service offered by an organization.

Apparel personalization or customization involves making changes to garments to meet consumers' needs. The past studies for making these changes in apparel show that there are four approaches for customization (Gilmore & Pine, 1997). Changes in apparel can be achieved through cosmetic (redesign packaging of a product), transparent (change the product), collaborative (change both product and packaging), and adaptive approaches (enable consumers to customize the product during use). A consumer can alter the product to meet personal requirements while ordering a product online or through a catalog. Making changes to apparel helps increase consumer involvement by allowing the consumers to make alterations at early stages of the manufacturing process (Ahlstrom & Westbrook, 1999).

There are several advantages of product personalization. A major advantage of personalization is the ability to reduce inventory and working capital costs for a company (Alexander, 1999). Personalization also helps retailers build a sustainable and competitive advantage and strong relationships with consumers through increased consumer-retailer interaction, increased level of satisfaction, more transactions, and higher profits in the long run. Consumers of the baby boomer generation tend to have a strong sense of individualism that leads them to seek customization and personalized

products (Russell, 1993). Research related to product personalization has shown that consumers who purchased personalized products tended to have a high level of satisfaction and were willing to purchase more personalized products (Goldsmith & Freiden, 2004). Hence, this research is conducted to understand the fair trade consumers' characteristics and how these characteristics influence their attitude toward personalization of apparel and intention toward personalization in fair trade apparel.

### **Theoretical Frameworks**

In this research, three theoretical bodies along with involvement are included. The theory of uniqueness, involvement, and the theory of perceived risk are discussed in relation to attitude toward personalization of apparel. In addition, the effect of body size on consumers' attitude toward personalization of apparel is examined. Next, based on theory of reasoned action, the effect of attitude toward personalization of apparel on intention to purchase personalized fair trade apparel is reviewed.

#### *Theory of Uniqueness*

Uniqueness is the need of a person to be different and have a separate identity from others (Fromkin, 1970). Uniqueness theory states that individuals differ in their need for self-uniqueness, but people strive to maintain a moderate level of similarity relative to others (Snyder & Fromkin, 1980). A person's emotional and behavioral acts are dependent on the degree of similarity a person perceives between oneself and others. People with stronger or greater needs for self-uniqueness are more sensitive to similarity and desire higher levels of dissimilarity to others (Snyder, 1992). Individuals who have a strong need for self-uniqueness also are more likely to be members of organizations with

distinctive characteristics such as women's liberation, gay liberation, and Mensa, unlike people with modest needs for self-uniqueness (Snyder & Fromkin, 1977).

People with high uniqueness motivation are likely to exhibit individuality irrespective of the risk of social disapproval from society (Fromkin & Lipshitz, 1976). However, those individuals with low uniqueness motivation attempt to maintain some level of similarity to others in order to achieve more emotional contentment (Snyder & Fromkin, 1980). One way to exhibit uniqueness is through wearing apparel that displays a distinctive personal identity or by acquiring exclusive consumer products (Brock, 1968; Fromkin, 1970; Snyder, 1992; Tepper & Hoyle, 1996). Consumers who desire unique products purchase new products before others (Burns, 1987, 1990; Burns & Krampf, 1992; Lynn & Harris, 1997a; McAlister & Pessemier, 1982). Snyder and Fromkin (1980) discussed clothing as an attribute to create uniqueness. Clothing is a way by which people express individuality and provide a reflection of the unique self to others. In addition, individuals with greater need for self-uniqueness tend to be innovative, independent, nonconforming, and inventive to differentiate themselves from others (Snyder & Fromkin, 1977).

Fair trade consumers also have been identified to be innovative, nonconforming, and inventive in their choice of consumer products. Although fair trade consumers have a need for individuality and desire unique and ethnic products (Kim, Littrell, & Ogle, 1999; Littrell & Dickson, 1999; Littrell, Ogle, & Kim, 1999), there may be differences in the specific uniqueness needs of fair trade consumers. For example, customers of MarketPlace and Pueblo to People had different needs for design characteristics of clothing sold by the FTOs. Customers of Pueblo to People reported simplicity and

individuality to be desirable product characteristics, whereas MarketPlace customers were more interested in personal attractiveness resulting from their apparel purchases (Littrell & Dickson, 1999). Hence, need for self-uniqueness has been examined in this research to understand varying characteristics among fair trade consumers.

Product personalization allows consumers to symbolize individual characteristics and demonstrate unique lifestyles. Personalization provides an opportunity to design the product to suit consumers' personal needs (Fiore et al., 2004). Consumers with greater need for self-uniqueness express a desire for new, innovative, and unique consumer products (Burns, 1989; Lynn & Harris, 1997b). Since personality characteristics such as uniqueness have a positive effect on attitude on consumer decision making (Simonson & Nowlis, 2000), consumers with a greater need for self-uniqueness may have a positive attitude toward personalization of apparel. Personalization offers an opportunity to be innovative and add unique attributes in clothing for fair trade consumers. Based on the literature review, the following hypothesis was developed.

**Hypothesis 1: There is a direct, positive effect of the need for self-uniqueness on attitude toward personalization of apparel.**

#### *Involvement*

Involvement can be defined as an emotion characterized by a consumer's interest, enthusiasm, relevance, and excitement in a product (Bloch, 1986; Celsi & Olson, 1988; Engel & Blackwell, 1982; Goldsmith, 1996; Greenwald & Leavitt, 1984; Laurent & Kapferer, 1985; Petty, Cacioppo, & Schumann, 1983; Zaichokowsky, 1985). Houston and Rothschild (1978) categorized involvement as enduring, situational, and response involvement. Enduring involvement is continuous and is related to values that the person

holds (Arora, 1982; Richins & Bloch, 1986). Situational involvement is temporary and occurs during a specific occurrence such as purchasing a product. The surroundings and other social factors related to the consumption process influence situational involvement. Response involvement is defined as “the complexity or extensiveness of cognitive and behavioral processes characterizing the over consumer decision process” (Houston & Rothschild, 1978, p. 185). Although this type of involvement mainly relates to pre-purchase decision making, response involvement is also described as an outcome variable, when it incorporates information seeking after product consumption and product usage (Houston & Rothschild, 1978; Richins & Bloch, 1986; Richins, Bloch, & McQuarrie, 1992).

According to Zaichokowsky (1985), involvement is associated with personal values that are associated with the consumption of a particular product. Based on their personal value systems, fair trade consumers attribute a high level of importance to the mission of fair trade companies. This high level of importance associated with FTOs affects fair trade consumers’ purchase decisions, since these customers are likely to be socially responsible and support artisans of developing countries (Littrell et al., 2004). Based on Zaichokowsky’s (1985) definition of involvement, fair trade consumers are likely to possess a greater level of involvement with the products sold by FTOs. Therefore, apparel involvement is investigated in this research in relation to fair trade customers.

A body of research addresses product involvement in relation to apparel. Some researchers, who explored this relationship between involvement and apparel, found that women who had greater apparel involvement were likely to spend more money on

clothing and shop more frequently than women with less apparel involvement. Also, women with greater apparel involvement were more interested in reading about fashion information and clothing (Flynn & Goldsmith, 1993). According to Lee (2000), consumers with greater levels of enduring involvement placed greater importance on personal appearance, clothing design, and the enjoyment of experimenting with colors in clothing. Apparel may evoke a greater level of enduring involvement, due to the association with symbolic and hedonic characteristics (Browne & Kaldenberg, 1997; Kaiser & Chandler, 1984; Tigert et al., 1976).

#### Apparel Involvement and Need for Self-Uniqueness

Consumers with a greater level of apparel involvement were more likely to be fashion conscious, concerned with what they wear, and focus on their personal appearance (Engel, Blackwell, & Miniard, 2000; Laurent & Kapferer, 1985; Schneider & Rodgers, 1996). Consumers, who have a desire for a distinctive self-identity may perceive a greater need for self-uniqueness, similar to those with greater levels of apparel involvement. Shim, Morris, and Morgan (1989) found that consumers with greater fashion involvement gave greater importance to their personal image, as compared to customers with lower fashion involvement.

Those who perceive a greater need for self-uniqueness were likely to try a new trend and actively seek out new clothing styles (Burns & Krampf, 1992; Fromkin, 1971). Because consumers who perceive a greater need for self-uniqueness were likely to be fashion conscious, they may be more involved with clothing. In addition, fair trade consumers like the unique nature of ethnic products and were highly involved with fair trade products (Littrell et al., 2004). Hence, the following hypothesis was developed.

**Hypothesis 2: There is a direct, positive effect of the need for self-uniqueness on the level of apparel involvement.**

#### Apparel Involvement and Attitude

Consumers with greater apparel involvement were more likely to experiment with their personal appearance, to be interested in enhancement of their individuality, and to enjoy product design more than consumers with lower apparel involvement (Engel, Blackwell, & Miniard, 2000; Laurent & Kapferer, 1985; Schneider & Rodgers, 1996). Highly involved consumers were likely to be less concerned with convenience and more concerned with the final product than consumers with low involvement (Fiore et al., 2004; Lee, 2000).

Involvement with a product may lead consumers to exhibit a more positive attitude toward the attributes of a brand, place greater importance, and present greater commitment and loyalty to brand choice for a particular product (Howard & Sheth, 1969; Quester & Lim, 2003; Shukla, 2004). Consumers become more involved with a product if that product is perceived to be important in meeting the consumer's needs, goals, and values (Engel et al., 2000). Consumer involvement with a product directly influences the change in attitude of the consumer toward that product (Andrews & Shimp, 1990; Petty, Cacioppo, & Schumann, 1983). Greater consumer involvement predicts a more positive change in attitude of a consumer toward a product (Swinyard, 1993). Since consumers with greater apparel involvement seem to be more interested in final products meeting their needs, personalization may help them achieve their consumption goals. Therefore, consumers with high apparel involvement are likely to have a positive attitude toward

personalization. Based on the literature reviewed, the following hypothesis was developed.

**Hypothesis 3: There is a direct, positive effect of apparel involvement on attitude toward personalization of apparel.**

### *Theory of Perceived Risk*

Perceived risk is defined as “the uncertainty consumers face when they cannot foresee the consequences of their purchase decisions” (Schiffman & Kanuk, 2000, p. 153). The two main dimensions of risk are uncertainty and negative consequences of an event or choice (Cunningham, 1967). Consumers tend to reduce uncertainty by putting off the choice (Taylor, 1974). A consumer can know the outcome of a choice made only in the future. The delayed outcome forces the consumer to deal with uncertainty or risk.

Typically, perceived risk is classified along six dimensions: (1) financial or economic, (2) performance, (3) social, (4) psychological, (5) physical, and (6) time or convenience risk (Bettman, 1973; Cheron & Ritchie, 1982; Cunningham, 1967; Garner, 1986; Jacoby & Kaplan, 1972; Kaplan, Syzbillo, & Jacoby, 1974). Financial risk can be defined as the uncertainty that the purchased product or service fails to attain the best possible monetary gain. Performance risk is the likelihood of service failure expected from a product. A possibility that selection of a product will make other individuals have a negative perception toward the purchaser of the product is termed social risk. Psychological risk is defined as the probable negative effect of product selection or performance on a consumer’s peace of mind or self perception. The possible health hazard of a product on the consumer is termed “physical risk.” Lastly, time or



convenience risk is the perceived likelihood of time being wasted or inconvenience caused in getting a product (Garner, 1986).

Winakor, Canton, and Wolins (1980) studied risks associated with fashion. Results showed that fashion risk consisted of economic, social, psychological, and performance risks. Self-esteem was found to be highly correlated with fashion risk among both male and female respondents. Female respondents, after purchasing new style apparel, waited for others to wear it before wearing it themselves. Male respondents did not buy many clothes of the same style due to rapid changes in fashion. Complexities, formal appearance, and dramatic qualities of a dress were likely to be a cause of economic risk associated with dress (Winakor & Lubner-Rupert, 1983). According to Jacoby and Kaplan (1972), apparel products are perceived to be risky as compared to other products. Due to changes in fashion trends, inappropriate selection of clothing that influences a negative self-image is associated with a high level of perceived social risk (Kwon, Paek, & Arzeni, 1991; Laurent & Kapferer, 1985; Winakor, Canton, & Wolins, 1980). A high level of social visibility of apparel products increases the perceived social value and in turn, the perceived risk associated with purchasing apparel (Prasad, 1975). Hence, apparel is associated with greater social and financial risk (Fiore et al., 2004; Hawes & Lumpkin, 1986; Prasad, 1975).

#### Social and Financial Risk and Attitude

The social and financial risks associated with apparel products may be greater than other products (Cunningham, 1967; Jacoby & Kaplan, 1972; Hawes & Lumpkin, 1986). Most fashion products are perceived to be socially and financially risky (Kwon et al., 1991; Prasad, 1975). Constant changes in fashion trends and higher prices of

fashionable garments can increase social and financial risks (Kwon et al., 1991; Laurent & Kapferer, 1985; Prasad, 1975). For example, according to Winakor and Lubner-Rupert (1983), a basic shirt waist style dress was perceived to be less financially risky as compared to a fitted dress style that was more fashionable at the time of the research. Consumers experience a greater social risk due to fashion changes related to apparel as they are worried about not being current with fashion trends and thereby receiving social disapproval. In addition, Prasad (1975) found that the expenses associated with a product determine the level of financial risk.

Risk perception plays an important role in the formation of an attitude toward a product (Sjoberg, 2000). Consumers tend to take risks when the product is expected to bring positive outcomes. However, consumers seem to be risk-averse when the possible outcomes are generally poor (Kahneman & Tversky, 1979). The attitudes toward a product are thereby predicted by the possible outcomes of the product purchased. Physical examination of apparel is likely to be an important factor in the purchase decision process. Lack of physical examination before delivery of the purchase can reduce the confidence level of a consumer (Peck & Chiders, 2003). When consumers are not able to try on, see, or feel the personalized clothing before making the purchase decision, the perceived risk that consumers associate with buying apparel may result in negative evaluation and thereby influence their attitude toward buying personalized apparel. Based on the literature, since apparel has a high risk associated with its purchase, it can be hypothesized that consumers who perceived a greater risk toward buying apparel are less likely to have a positive attitude toward buying personalized apparel. Hence, the following hypotheses were developed.

**Hypothesis 4a: There is a direct, negative effect of the perceived social risk associated with buying apparel on the attitude toward personalization of apparel.**

**Hypothesis 4b: There is a direct, negative effect of the perceived financial risk associated with buying apparel on the attitude toward personalization of apparel.**

#### Apparel Involvement and Perceived Social and Financial Risk

Zimbardo (1960) first recognized perceived risk as one of the involvement dimensions (Laurent & Kapferer, 1985). Greater involvement with a product increases the level of product knowledge that a consumer had about that product, as the consumer obtains all information regarding the product. This, in turn, reduces the social and financial risk associated with purchasing the product. In-depth information, as a result of high involvement, functions to reduce risk and uncertainty (Bettman, 1979).

Consumers with a high level of apparel involvement are likely to wear innovative and trendy clothing, and are risk takers. High level of involvement with a product resulting in greater product knowledge increased confidence in the choice of a product, which leads to lower social and financial risk perception (Currim & Sarin, 1983; Flynn & Goldsmith, 1993). Since fair trade consumers are interested in expressing individuality, they are likely to be highly involved with apparel products (Littrell & Dickson, 1999). Therefore, they may perceive less risk for apparel purchases. Based on the literature, the following hypotheses were proposed.

**Hypothesis 5a: There is a direct, negative effect of the level of apparel involvement on the perceived social risk associated with buying apparel.**

**Hypothesis 5b: There is a direct, negative effect of the level of apparel involvement on the perceived financial risk associated with buying apparel.**

### Need for Self-uniqueness and Perceived Social and Financial Risk

Consumers who perceive a high level of need for self-uniqueness may want to express their differences from others, regardless of social disapproval. Clothing has been defined as a uniqueness attribute through which a consumer differentiates oneself from others to form a unique identity for the self (Snyder & Fromkin, 1980). Consumers with a greater need for self-uniqueness may also exhibit a willingness to take social risk in their choice of clothing, as they have a lower degree of concern regarding the reactions of others (Fromkin & Lipshitz, 1976). Since fair trade consumers have a desire for self-uniqueness (Kim, Littrell, & Ogle, 1999), they are less likely to be affected by the financial risk involved in purchasing apparel products. Therefore, based on the literature the following hypotheses were developed.

**Hypothesis 6a: There is a direct, negative effect of the need for self-uniqueness on the perceived social risk toward buying apparel.**

**Hypothesis 6b: There is a direct, negative effect of the need for self-uniqueness on the perceived financial risk toward buying apparel.**

### Apparel Involvement, Need for Self-uniqueness, and Perceived Social and Financial Risk

Consumers who perceive a greater need for self-uniqueness are likely to have a high level of apparel involvement (Burns & Krampf, 1992; Fromkin, 1971). In addition, consumers with a high level of apparel involvement are likely to perceive less social and financial risk (Currim & Sarin, 1983; Flynn & Goldsmith, 1993). Because the need for self-uniqueness predicts the level of involvement with apparel and the level of apparel involvement predicts perceived social and financial risks associated with buying apparel, the following hypotheses were developed.

**Hypothesis 7a: There is a mediating effect of the level of involvement with apparel between the need for self-uniqueness and the perceived social risk associated with buying apparel.**

**Hypothesis 7b: There is a mediating effect of the level of involvement with apparel between the need for self-uniqueness and the perceived financial risk associated with buying apparel.**

### *Body Size*

Many apparel manufacturers and retailers have ignored plus size women. With the current market trend of increase in the sales of plus size clothing, plus size apparel consistently outselling their previous sales figures, and greater fashion consciousness of plus size women, more retailers are trying to cater to the large size market ("Plus-size sales on the rebound," 2004). There also has been an increase in the average body size of American consumers ("Fashion magazine," 1999). As few retailers carry fashionable plus size clothing, professional women who wear plus sizes may not have a wide variety of selection. Although large size women are willing to spend more for the look they desire (Chowdhary & Beale, 1988), product development for large size women is a challenge for companies because there is extensive variety in body shapes in the plus size category. Thus, several retailers conducted fit sessions for large size women in order to standardize patterns for plus and extended plus sizes (Ellison, 2004).

According to Lee, Lennon, and Rudd (2000), most women (65% of their 360 respondents) who shop through TV shopping channels wore size 14 or larger and the average age of these women was 56 years. The researchers also speculated that large women tended to use TV as a shopping medium due to the availability of wide variety of

garments in large sizes. Older women, due to bodily changes, also face problems with the fit of garments available at retail stores (Lee et al., 2000). Hence, older and larger size women may look for different modes of shopping in order to meet their personal needs.

Earlier research found that some MarketPlace's customers are larger women (Littrell et al., 2004, Littrell, Ogle, & Kim, 1999). Although MarketPlace sells large size clothing, due to the differences in body shapes customers may not be satisfied with the current product offerings. Customers who are petite may also have fitting problems (e.g., sleeve length) with MarketPlace's apparel (Littrell et al., 2004). Some fit issues were identified by customers:

*Being somewhat large in the hips, I find that some garments I like don't fit me well. That's why I usually buy their "lounging" clothing rather than street wear. (M0096)*

*I also wish you carried a large shoulder long vest. Your current vests are not flattering on large bottomed figures such as mine. (M0698)*

*Sleeves should be shorter for shorter people. Dresses are too long for short people. Take personal orders. (M0146) (personal communication, November 2003).*

Plus size women have greater purchasing power as compared to smaller size women and are interested in wearing unique clothing (Chowdhary & Beale, 1988). Personalization of apparel would meet the needs of plus size women and, hence, result in their attaining a positive attitude toward personalization. Therefore, the following hypothesis was developed.

**Hypothesis 8: There is an effect of body size on attitude toward personalization of apparel.**

### *Theory of Reasoned Action*

The Theory of Reasoned Action (TRA) (Fishbein & Ajzen, 1980) was used as a theoretical framework to predict the intention of MarketPlace customers in purchasing personalized apparel. Several studies in consumer behavior have been conducted using this theory. According to Ajzen and Fishbein (1980, p 62), “a person's behavior is determined by his intention to perform the behavior and that this intention is, in turn, a function of his attitude toward the behavior and his subjective norm.” The most important determinant of a person's behavior is behavior intent. This behavior intent is determined by the person's attitude toward the behavior (i.e., beliefs about the outcomes of the behavior and the value of these outcomes) and the influence of the person's subjective norm or social environment (i.e., beliefs about expectations other people have from the person, as well as the person's motivation to comply with the opinions of others).

Attitude is defined as a positive or a negative feeling of an individual associated with performing a specific behavior. Belief that performance of a behavior will result in a positive outcome leads to favorable attitudes toward that behavior. Similarly, if an individual believes that the behavior will lead to a negative outcome, the attitude toward that behavior will be negative (Ajzen & Fishbein, 1975; Mykytyn & Harrison, 1993).

Subjective norms are determined by an individual's belief about how people whom he/she cares about will view the behavior in question (Eagly & Chaiken, 1993).

Subjective norms are influenced by normative beliefs and the motivation to comply.

Normative belief is the perceptions about how family and friends will perceive the outcome of the behavior. The motivation to comply is the degree to which perception of

an outcome influences whether the behavior is carried out. Finally, intention is the likelihood of performing an act or behavior toward a product or service.

For this research, only the part of the theory which involves attitude predicting intention was used. Need for self-uniqueness, apparel involvement, perceived social and financial risk, and body size characteristics of customers were tested for their influence on attitudes.

### Attitude and Intention

Intentions that correspond to behavioral criteria accurately predict the behavior of customers (Ajzen & Fishbein, 1980). Intentions of a consumer can be influenced by positive or negative attitudes toward a product or service. Among fair trade consumers, a positive attitude toward a product has been found to influence a consumer's intention to purchase the product (Dickson & Littrell, 1996). Since fair trade consumers have expressed a need for changes in product offerings (Littrell et al., 2004), a positive attitude of fair trade consumers toward personalization can influence the intention to purchase fair trade apparel. Therefore, the following hypothesis was developed.

**Hypothesis 9: There is a direct, positive effect of the attitude toward personalization of apparel on the intention to purchase personalized fair trade apparel.**



Based on the proposed hypotheses the model that was tested with fair trade customers is shown below.

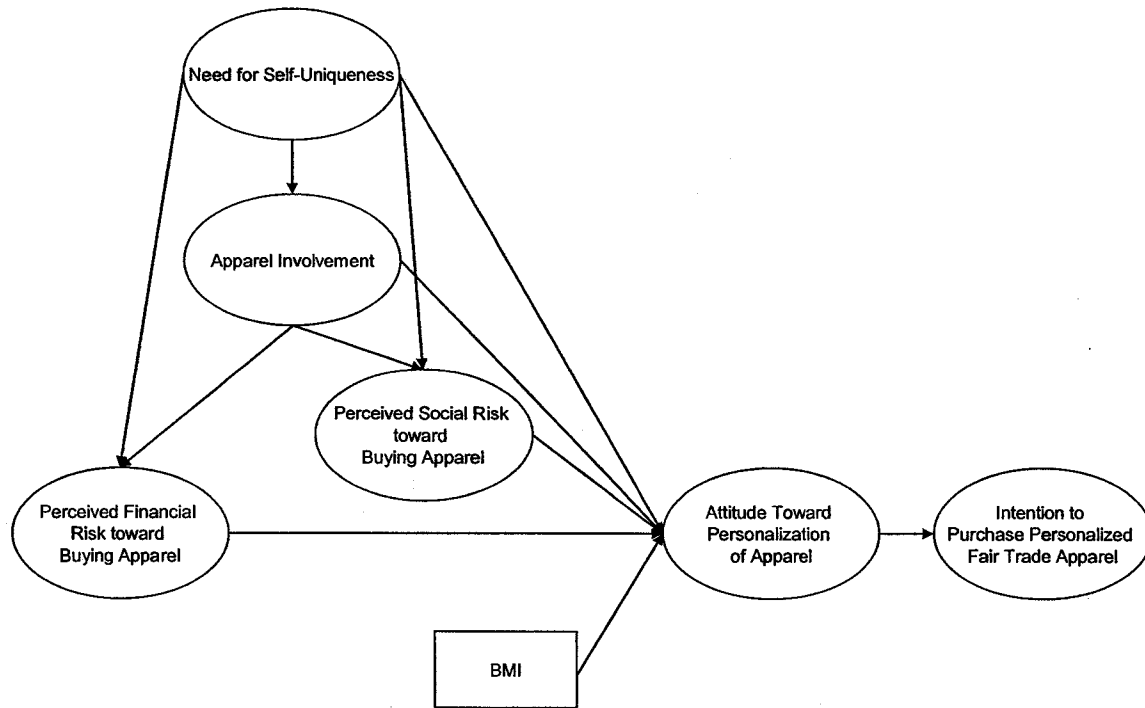


Figure 2.1: Proposed Model for Personalization

### **CHAPTER 3: METHOD**

The purpose of this study was to examine the attitudes and purchase intentions of customers of MarketPlace: Handwork of India (MarketPlace) toward personalized apparel. The theory of uniqueness, theory of perceived risk, involvement, and body size were used as theoretical frameworks. These frameworks were integrated into the part of the theory of reasoned action being tested in this study. To empirically test the proposed model, an online survey was conducted. In this chapter, a detailed description of the method, including collaboration with MarketPlace: Handwork of India, the sample, development of the online questionnaire, data collection procedure, and data analysis are discussed.

#### **Collaboration with MarketPlace: Handwork of India**

MarketPlace has a large group of loyal customers who in earlier research showed a willingness to spend more money for better offerings to suit their clothing needs. The findings suggested customers' interests in more design options, garment size alterations, and a variety of embroidery patterns and colors (Littrell et al., 2004). Hence, the current research was designed to determine the characteristics of MarketPlace customers which may provide insight into consumer attitude toward personalization of apparel and intention toward purchasing personalized fair trade apparel. The online questionnaire was developed in collaboration with MarketPlace. The questionnaire was developed to investigate the relationships between the study's variables and to explore customers' interests in personalized MarketPlace apparel.

### **Sample**

A list of 2,500 e-mail addresses from the MarketPlace customer database of 8,500 customers was obtained from the organization. Customers who had made a purchase from MarketPlace were randomly selected by the organization.

### **Questionnaire**

The online questionnaire consisted of seven sections (see Appendix B). A total of 57 questions was included to measure both endogenous and exogenous variables in the proposed model as well as demographics of the customers. The need for self-uniqueness and body size were the exogenous variables. Apparel involvement, perceived risk toward apparel purchase, attitude toward personalization of apparel, and intention to purchase personalized apparel from fair trade organization were the endogenous variables in this study.

The first section included five questions regarding the use of the Internet (Table 3.1). Respondents were asked to rate 1 for “strongly disagree” to 5 for “strongly agree” on a 5-point Likert-type scale. A question “Have you ever purchased any products from MarketPlace?” was used to confirm that the respondents had purchased products from MarketPlace. The ten customers who responded “no” were asked to skip the remaining questions in section 1 and move to section 2. These respondents were excluded for the purpose of data analysis for this research.

This section also included questions regarding past purchase experience with MarketPlace. The next question in this section provided a list of items sold by MarketPlace (jackets, vests, dresses, tops, skirts, pants, kaftans, nightshirts, t-shirts, robes, apparel accessories, and home décor and furnishings). Respondents were asked to

select the products that they had purchased from MarketPlace. Two questions, “How satisfied have you been with your MarketPlace purchases?” and “How satisfied are you with the choice of apparel sold at MarketPlace?” were included to assess customer satisfaction with purchase experience at MarketPlace. A 5-point Likert-type scale was used with 1 (“strongly disagree”) to 5 (“strongly agree”). The last two questions in this section asked about how often the customers purchased MarketPlace products and how much money the MarketPlace customers had spent shopping for MarketPlace products annually.

Table 3.1. Questions Regarding Use of the Internet

- 
1. I am familiar with the use of the Internet.
  2. I frequently use the Internet.
  3. I visit Internet retail sites to gather product information.
  4. I visit Internet retail sites to purchase products.
  5. I frequently purchase products from the Internet.
- 

Section 2 included eight questions (see Table 3.2) to measure the need for self-uniqueness among fair trade customers. The items were taken from the 8-item uniqueness scale that emerged from the research conducted by Lynn and Harris (1997a) on desire for unique consumer products. Reliability was assessed by Lynn and Harris (1997a) using internal consistency and test-retest methods. The *alpha* values were above 0.78; therefore, the scale was adequately reliable in predicting the need for self-uniqueness. The customers were asked to rate how they describe themselves when they think about apparel, using a 5-point Likert-type scale ranging from 1 (“strongly disagree”) to 5 (“strongly agree”).

Table 3.2. Self-Uniqueness Scale

---

When you think about apparel, select the response that best describes you...

1. I am attracted to unique objects.
  2. I tend to be a fashion leader rather than a fashion follower.
  3. I am more likely to buy a product if it is scarce.
  4. I would prefer to have things custom-made than to buy them ready-made.
  5. I enjoy having items that are different than others have.
  6. I rarely pass up the opportunity to order custom features on the products I buy.
  7. I like to try new products and services before others do.
  8. I enjoy shopping at stores that carry merchandise which is different and unusual.
- 

A 10-item involvement scale (Table 3.3.) developed by Zaichokowsky (1985) was used to assess involvement with a product in the third section. The reliability was confirmed by Lee (2000), where the scale was used to measure the antecedents and consequences of apparel involvement. The *alpha* value of .60 indicated an acceptable reliability for the apparel involvement scale (Lee, 2000). The MarketPlace customers were asked to rate what their general feelings were while shopping for apparel on a 5-point bipolar scale (important/unimportant, boring/interesting, etc.).

Table 3.3. Apparel Involvement Scale

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The following questions are about your general feeling when you are shopping for apparel. For me apparel is ...

1. Important/Unimportant
  2. Boring/Interesting
  3. Relevant/Irrelevant
  4. Exciting/Unexciting
  5. Means nothing to me/Means a lot to me
  6. Appealing/Unappealing
  7. Fascinating/Mundane
  8. Worthless/Valuable
  9. Involving/Not involving
  10. Not needed/Needed
-

Section 4 included four items assessing financial risk and three items assessing social risk (see Table 3.4). These items were selected from questions developed by various researchers as indicated in the table. The questions were chosen on the basis of their suitability to the current research. Since individual items were selected from multiple studies, reliabilities from earlier studies have not been reported. The MarketPlace customers were asked to answer these questions based on their experiences when shopping for apparel. A 5-point Likert-type scale ranging from 1 (“strongly disagree”) to 5 (“strongly agree”) was used.

Table 3.4 Scales for Perceived Financial and Social Risks

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Financial Risk: While shopping for apparel ...

1. I am concerned that the financial investment that I make for apparel purchase will not be wise (Stone & Gronhaug, 1993).
2. I am worried that after I purchase an apparel item I may find the same item at another store at a lower price (Kim & Lennon, 2000).
3. I feel that I just threw away a lot of money when I purchase apparel (Kim & Lennon, 2000).
4. I think purchasing apparel would be a bad way to spend my money (Stone & Gronhaug, 1993).

Social Risk: While shopping for apparel ...

1. I worry that my friends might think I look funny in my clothes (Stanforth, Lennon, & Moore, 2001).
  2. I am worried about what others will think of me (Stone & Gronhaug, 1993).
  3. I feel that what I buy might not be in fashion (Kwon, Paek, & Arzeni, 1991).
- 

The attitude toward personalization of apparel was measured in section 5. The section included six questions (Table 3.5.) from an attitude scale developed by Stayman and Batra (1991). A 5-point semantic differential scale was used, where the respondents were asked to rate their attitude toward personalization of clothing. The reported reliability of the measure reported by Stayman and Batra (1991) was .94.

Table 3.5. Attitude Scale

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Your attitude toward personalized clothing will be...

1. Bad/Good
  2. Unfavorable/Favorable
  3. Disagreeable/Agreeable
  4. Unpleasant/Pleasant
  5. Negative/Positive
  6. Disliked/Liked
- 

In section 6, four questions developed by this researcher were used to measure purchase intention of customers toward personalized clothing. Respondents answered using a 5-point Likert-type scale from 1 (“strongly disagree”) to 5 (“strongly agree”).

Table 3.6. Purchase Intention Scale

- 
1. I would be willing to buy personalized garments from fair trade organizations.
  2. I would spend more time shopping at fair trade organizations if they offered personalized clothing.
  3. I would browse a fair trade organization’s website for personalized clothing.
  4. I would browse a fair trade organization’s catalogs for personalized clothing.
- 

Section 6 also included seven questions regarding various aspects of personalization (see Appendix B). Among the questions related to personalization the first question, “What kind of personalization would you like MarketPlace to offer,” was designed by this researcher to identify customer needs. Customers were provided with six types of personalization from which to choose. Two questions were included to determine the price premium that MarketPlace customers would be willing to pay for personalized apparel. There was one multiple choice question regarding how much longer customers would be willing to wait for receiving their ordered personalized apparel delivered in the mail. Respondents had to select one of the five options. One question to explore customer reaction to the “no return policy” associated with a personalized

garment was assessed with three options. The last question was open ended asking the customers for any other comments they may have regarding MarketPlace products and service improvement.

Section 7 included questions for demographics and an assessment of body size. The questions asked about age, gender, education, income, and ethnicity. Question regarding education, income, and ethnicity were in the multiple choice format. As indicators of body size, questions asking the height and weight of the customers were also included in this section.

### **Online Questionnaire Development and Procedure**

Following Dillman (2000), "Microsoft FrontPage 2003" was used to create the online questionnaire in an HTML format. The questionnaire was uploaded on to the Iowa State University server. The website consisted of two parts. The first part collected survey data. All questions in the questionnaire were laid-out on a single page and a webpage link in the invitation e-mail directed the respondents to the questionnaire. When respondents submitted their responses, they were then directed to the second part of the questionnaire that was used to collect their e-mail addresses. The e-mail addresses were required to send the 10% discount coupon for their next MarketPlace purchase as an incentive for answering the questionnaire. Data from each form were stored in separate files in tab delimited text format and then transferred into Excel. The e-mail file was sorted alphabetically to ensure that researchers would not be able to match a survey response to a user email by the order in which the responses were received.

The researcher pretested the online questionnaire several times with different answers each time (the first time option 1 was selected for each answer, the second time,



option 2 was selected for each answer, and so on). This exercise helped ensure that the survey questions were coded correctly in the html program format and the codes were transferred to the excel format correctly. The link to the online survey was also e-mailed to five internal staff of MarketPlace to check the clarity of the questions and verify if the link directed the respondents to the website. The recommendations made for adding and deleting questions were implemented.

To initiate the survey, an e-mail invitation letter was sent to a random sample of 2,500 MarketPlace customers the first week of May 2005. Only the MarketPlace customers who were provided with the link had access to the survey. The letter explained the purpose of the study and ensured confidentiality of information provided by the respondents. The letter also provided information about an incentive of 10% discount on the next MarketPlace purchase to encourage respondents' participation. This discount was only given to the respondents who completed the survey. The e-mail included a link to the website for the online questionnaire. After the completion of the questionnaire, the respondents were asked to provide their e-mail address, to which the discount coupon code was e-mailed.

Respondents also were informed that their e-mail address would not be attached to their responses. The list of e-mail addresses was checked for duplicate responses provided by the same respondent, but no duplicates were found. However, a respondent could answer the survey more than once, using different e-mail addresses. This could be a limitation for this study. The e-mail invitation letter and online questionnaire are provided in Appendices A and B, respectively.

Following Dillman (2000), a second reminder was sent to non-respondents two weeks after the first e-mail. The website was kept active for two weeks for data collection after the second reminder.

### **Data Analysis**

The descriptive data for the study were analyzed for frequencies, means, and standard deviations using the Statistical Package for Social Sciences (SPSS) Version 13.0 program. Reliability analysis and exploratory factor analysis for variables in the study were also conducted using SPSS. Confirmatory factor analyses, analyses of the measurement model, and structural equation modeling analyses were conducted using LISREL 8.54.

### *Description of the Sample*

Characteristics of the sample were examined using descriptive statistics. Frequencies, means, and standard deviations for the demographic and other descriptive data (e.g., familiarity with the Internet, and MarketPlace purchases) were also calculated. All the demographic characteristics were represented in a table.

### *Reliability of the Measures*

Reliability analyses based on Cronbach's *alpha* for each construct were conducted using SPSS. An *alpha* value of 0.70 and above provided evidence of adequate internal consistency of the measures (Nunnally, 1978).

### *Discriminant Validity of Risk Measures*

A confirmatory factor analysis was conducted to determine if the perceived financial risk and perceived social risk scales were assessing distinct characteristics among the respondents. A model where social and financial risks were assumed to

measure different characteristics provided a good fit to the data indicating that the two constructs were distinct from one another.

### *Development and Testing of the Measurement Model*

The measurement model was tested with all variables except body size which was specified as latent variables. Body mass index has been used as a statistical tool for health related studies as an indicator of body size. This index is calculated using height and weight dimensions and various definitions have been provided to establish BMIs that would categorize people as underweight, ideal, or obese. The data for body size were collected through questions asking for the height and weight of respondents to the questionnaire and converted to body mass index using the following formula ("Body mass index," 2005):

$$\text{BMI} = \frac{(\text{weight in pounds}) \times (703)}{(\text{height in inches})^2}$$

Three indicators termed as parcels (Russell, Kahn, Spoth, & Altmaier, 1998) were developed for each measure to operationalize the latent variable. At least three indicators are required to provide a measurement specification of a latent variable that is identified. Hence, three parcels were developed for each measure. Since use of individual items calls for estimating large number of parameters such as factor loadings and measurement errors, three indicators were developed for each latent variable using the parcels method. Use of exploratory factor analysis to group the items together to be used as indicators provides very similar results in terms of overall fit of the model as obtained by using parcels as indicators. However, use of parcels as indicators improves the overall fit of the data as compared to the fit obtained by use of exploratory factor analysis for grouping the

items (Takahashi & Nasser, 1996). In order to create parcels, factor loadings for items in each of the scales were obtained through exploratory factor analysis. These factor loadings were then arranged in descending order. The items for each scale were then divided into three groups such that the average factor loading for each parcel would be approximately equal. The maximum likelihood estimation procedure from LISREL 8.4 was used to evaluate the fit of the measurement model to the data. The correlation between the variables was determined and the significance of the correlation based on  $p < 0.05$  was discussed.

#### *Analysis of the Hypothesized Model*

The hypothesized model was tested using the LISREL 8.4 program. The fit of the model was evaluated based on  $SRMR < 0.08$ ,  $RMSEA < 0.06$ , and  $CFI < 0.95$ , as recommended by Hu and Bentler (1999). Significance of path-coefficients between the variables were examined to determine if hypothesized paths were rejected or accepted.

#### *Developing and Testing an Alternative Model*

An alternative model was developed by deleting the non-significant paths from the hypothesized model and adding new paths between variables in the model based on the modification indices. This new model was also analyzed for its fit to the data. The indirect effects among the variables and explained variance in endogenous variables were examined.

#### **Statement on Human Subjects Research**

A questionnaire, an invitation letter, and a consent letter from MarketPlace were submitted to and approved by the Iowa State University Human Subjects Review Committee for using human subjects for this research. The committee ensured that the

rights and welfare of the human subjects were protected and the confidentiality of the research participants was maintained in this research (see Appendix D). The privacy, rights, and welfare of the human subjects were protected from any possible risks that the participants might face. The participants were also informed about the time it would take to fill out the survey.

## CHAPTER 4: RESULTS

This chapter presents a description of the sample, reliability analyses for the multi-item measures included in the study, exploratory factor analyses of the measures, and evaluations of the fit of the measurement and causal models to the data. Reliability of the measures was assessed using Cronbach's *alpha* coefficient. Structural equation modeling analyses were used to test the measurement and causal models. Finally, an alternative model was proposed and tested, based on the results of the structural equation modeling analyses.

### Description of the Sample

Out of 2,500 e-mails sent to customers of MarketPlace: Handwork of India (MarketPlace), 503 (20%) were undeliverable and were returned to the sender. After the first e-mail to customers, 156 responses were obtained, with an additional 100 responses received following a second e-mail message to initial non-respondents. The total number of responses was 256 for an overall response rate of 12.82%. Ten responses were excluded from the data analysis as the respondents had never purchased any products from MarketPlace or were male respondents ( $n=2$ ), making the total number of usable responses 246 and the final usable response rate 12.32%. The response rates for online surveys have been from 20% to 75% based on the customers selected for the survey. If the consumers selected were professionals, there was likelihood of a higher response rate as compared to consumers being freelancers, or with no regular access to computers. The response rate is decreasing with the increase in the number of online surveys (Yun & Trumbo, 2000).

*Characteristics of the Sample*

Data describing educational characteristics, income levels, ethnicity, and BMI of respondents are presented in Table 4.1. Analysis of demographic variables indicated that the average age of the respondents was 52 years ( $SD = 9.03$ ), with a range from 25 to 83 years of age. Almost all of the respondents (99%) were female. Overall, respondents of this study were highly educated. More than half of the respondents had a graduate degree and another 24% had completed college or university. The highest percentage of respondents had an income range of \$50,000 to \$74,999 (26%). The majority of the respondents was Caucasian American.

Body Mass Index (BMI) scores of the respondents were assessed based on BMI categories identified by National Heart, Lung, and Blood Institute (2005). Adult females with a BMI of less than 18.5 were classified as under weight, BMI between 18.5 and 24.9 were normal weight, between 25 and 29.9 were overweight, and a BMI of more than 30.0 were considered to be obese. The national average BMI scores for adult female in the United States is 26.4. Women between the ages of 50 to 59 years have an average BMI of 28.4 ("National Health and Nutrition Examination Survey," 2000). The BMI scores of this study showed that almost 60% of the respondents were either overweight or obese, with an average BMI score of 27.35 that is under the national average.

The low response rate (12.32%) in this study raised issues concerning representativeness of the sample. To address this issue, a wave analysis was conducted to test for non-response bias. The demographic variables of the first 25% of respondents were compared with the final 25% of respondents (Armstrong & Overton, 1977). The late respondents are considered to be similar to the non-respondents (Armstrong & Overton,

1977). Analyses indicated that there were no significant differences between the age, gender, education, and income of the two groups of respondents (see Table 4.2). No significant difference between two data sets shows that the non-respondents would have answered the survey similar to the respondents.

Table 4.1. Education, Income, Ethnicity, and BMI of Respondents

<b>Education</b>	<b>Frequency</b>	<b>%</b>
Less than high school	0	0
Completed high school	1	0.4
Some college work	16	6.4
1-3 years of technical, vocational education	3	1.2
Completed college or university	59	23.5
Some graduate work	29	11.6
A graduate degree	143	57.0
<b>Income Level</b>		
Less than \$25,000	15	6.4
\$25,000 to \$49,999	55	23.4
\$50,000 to \$74,999	61	26.0
\$75,000 to \$99,999	55	23.4
\$100,000 to \$149,999	36	15.3
\$150,000 to \$199,000	9	3.8
\$200,000 or above	4	1.7
<b>Ethnic Group</b>		
Caucasian American	207	87.0
African/African American	8	3.4
Asian/Asian American	2	0.8
Hawaiian/Pacific Islander	2	0.8
Native American	3	1.3
Hispanic American	4	1.7
Other	12	5.0
<b>BMI</b>		
Under weight (<18.5)	4	2
Normal weight (18.5–24.9)	82	38
Over weight (25–29.9)	69	32
Obese (>30.0)	62	29



To further assess non-response bias, the demographic characteristics of the sample of the current study were compared to those from an earlier study of MarketPlace customers

Table 4.2: Non-response Bias Test

Demographic Variable	$\chi^2$	Df	<i>p</i>
Gender	1.008	1	.315
Education	0.5	4	.974
Income	7.05	6	.316

Table 4.3. Percentage of Demographic Characteristics across Studies of MarketPlace Customers

Demographic Variable	% for Current Research Data	% for Earlier Research Data
Gender		
Female	99.2	99.7
Male	0.8	0.3
Education		
Completed high school	0	1
1-3 years of vocational school or college	8	9
Completed college or university	24	24
Some graduated work	12	13
A graduate degree	57	52
Income		
Less than \$25,000	6	8
\$25,000 to \$49,999	23	25
\$50,000 to \$74,999	26	31
\$75,000 to \$99,999	23	16
Over \$100,000	21	20

Table 4.4. Comparison of Demographic Characteristics across Studies of MarketPlace Customers

Demographic Variable	$\chi^2$	Df	<i>p</i>
Gender	.52	1	.47
Education	2.76	4	.60
Income	5.1	4	.28

that had a response rate of 42.86% (Littrell et al., 2004) and where there was also no non-response bias. The distribution of the two groups in terms of gender, education, and income are shown in Table 4.3. An independent sample *t*-test was conducted comparing age of the respondents in the earlier and current research conducted with MarketPlace customers. The results indicated a significant difference in the average age of respondents in the two studies,  $t(524) = 3.24$ ,  $p = .001$ ; the average age of participants in the present study ( $M = 52.19$  years) was almost three years younger than the average age of participants in the previous study ( $M = 55.01$  years). A chi-square analysis was conducted to compare these two groups of respondents in terms of gender, education, and income. As shown in Table 4.4, there were no significant differences between the two samples in terms of gender, education, and income. With the exception of a difference in age, the other demographic characteristics of the two samples were similar. Hence, data collected from the present sample appeared to be similar to MarketPlace customers in the previous study.

#### *Familiarity with the Internet and MarketPlace Purchases*

The first section of the questionnaire was designed to learn about respondents' familiarity with the Internet using a series of 5-point Likert-type scales. The means are indicated in Table 4.5. MarketPlace customers exhibited a high level of familiarity with use of the Internet, and used the Internet to gather information as well as made frequent purchases on the Internet. In terms of product categories (see Table 4.6), apparel tops were the most popular product category purchased by MarketPlace customers with more than half (62%) of the respondents having purchased tops. Jackets (61%) and dresses (57%) were also popular product categories among respondents. The total sales in 2005

of MarketPlace showed that jackets, dresses, and tops were the best selling products categories similar to the findings of this research. Pants, accessories, skirts, and vests were also purchased by a large number of respondents (personal communication, November, 2005). There was a greater level of satisfaction among respondents with their MarketPlace purchases (Mean = 4.6, SD = 0.64) than with the selection of apparel being sold at MarketPlace (Mean = 3.8, SD = 0.89). About 65% of respondents had made an online purchase of apparel and about 60% purchased MarketPlace apparel online at least once a month. The amount of money spent online annually by respondents for MarketPlace products is presented in Table 4.7. More than two-thirds of the respondents spent \$1 to \$200 on purchasing MarketPlace clothing online; however, a little less than one-third spent between \$210 and \$500.

Table 4.5. Means for Familiarity with the Internet

<b>Question (n=246)</b>	<b>Mean</b>	<b>SD</b>
Familiar with the use of Internet	4.7	0.79
Frequency of use of Internet	4.6	0.89
Visit Internet retail site to gather information	4.4	0.99
Visit Internet retail site to purchase products	4.3	1.06
Frequently purchase products on the Internet	4.0	1.26

Table 4.6. Product Categories Purchased by MarketPlace Customers

<b>Product Category (n=246)</b>	<b>Frequency</b>	<b>%</b>
Tops	159	62
Jackets	156	61
Dresses	145	57
Pants	128	50
Home Accessories	124	48
Skirts	119	47
Vests	110	43
Apparel Accessories	80	31
Kaftans	28	11
Night Shirts	26	10
Robes	20	7.8

Table 4.7. Amount Spent on MarketPlace Purchases Online

<b>Amount spent per year (\$)</b>	<b>Frequency</b>	<b>%</b>
\$1- \$200	117	69%
\$210- \$500	48	28%
More than \$500	4	2%

### *Personalization*

Section six of the questionnaire included questions regarding respondents' reactions toward various personalization options (see Table 4.8). Choice of color combination of base fabric was the most favored personalization option. Changes in garment proportion and looseness or tightness of the garment were the other two options that were considered important by customers as personalization options.

Responses to price premium for personalized apparel, no return policies, and longer wait time for receiving the personalized apparel order placed online were also measured and have been tabulated in Tables 4.9, 4.10, 4.11. For a personalized, long-sleeve embroidered, double layered, reversible jacket, nearly equal percentages of respondents were willing to pay between \$10 and \$20 (44.8%) and between \$20 and \$30

(40.6%) more than for a non-personalized product. For a personalized, hand block printed, embroidered pair of pants, with drawstrings at the waist, more than half of the respondents were willing to pay \$5 to \$10 more than for a non-personalized product. About one-third of the respondents were willing to pay between \$11 and \$15 more for pants. With regard to the delivery time, the highest percentage of respondents (28%) was willing to wait for two extra weeks for a personalized product. About 44% of the respondents were willing to wait three to four extra weeks for a personalized product. The “no returns policy” associated with personalized products was not of any concern to 47% of the respondents whereas 44% reported some concern with this policy. A question regarding trust in MarketPlace showed that the respondents had a moderate level of confidence in MarketPlace’s ability to meet the respondents’ personalization needs (Mean = 3.8, SD = 0.96).

Table 4.8. Respondent Interest in Personalization

Type of Personalization	%
Choice of color combination of base fabric.	84.0
Garment proportions such as sleeve length, overall length etc.	72.7
Looseness or tightness of the garment.	68.0
Color of embroidery on the garment.	42.6
Amount of embroidery on the garment.	39.5
Choice of embroidery patterns on the garment.	35.5

Table 4.9. Amount Willing to Pay More for Personalized Products

Long sleeve embroidered, double layered reversible jacket		Hand block printed, embroidered pair of pants with drawstrings at the waist	
Amount	%	Amount	%
\$10- \$20	44.8%	\$5- \$10	52.3%
\$21- \$30	40.6%	\$11- \$15	34.7%
\$31- \$40	10.0%	\$16- \$20	9.2%
\$41- \$50	4.6%	\$21- \$25	3.8%

Table 4.10. Time Respondents Willing to Wait for Personalized Products

Number of weeks	Frequency	%
1 extra week	20	8.2
2 extra weeks	69	28.3
3 extra weeks	57	23.4
4 extra weeks	50	20.5
More than 4 weeks	48	19.7

Table 4.11. Preference to Buy Personalized Clothing on “No Returns Policy”

Response	Frequency	%
I will still prefer to buy personalized clothing	117	47.2
I will be wary of buying personalized clothing	108	43.5
I will not buy personalized clothing	23	9.3

### Reliability of the Measures

Analyses of reliability based on Cronbach’s *alpha* were conducted for each of the multi-item constructs included in the study (i.e., Uniqueness, Involvement, Financial Risk, Social Risk, Attitude, and Intention). A Chronbach’s *alpha* of .60 was considered an acceptable indicator of internal consistency for social research (Borg & Gall, 1989; Malhotra, Hall, Shaw, & Crisp, 1996; Nunnally, 1978). Reliabilities, means, standard deviations, and the number of items included in each of the measures are reported in Table 4.12. The results indicated that each of the measures were sufficiently reliable for use in the subsequent analyses.

### Discriminant Validity of the Risk Measures

The survey included measures of two risk dimensions, financial risk and social risk, that were designed to measure perceived risk associated with purchasing apparel. An issue was whether these two dimensions were assessing distinct constructs or represented alternative ways of assessing the same construct. A confirmatory factor analysis was

Table 4.12. Reliabilities, Mean, Standard Deviation, and Number of Items

Variable	$\alpha$	Mean	Standard Deviation	Number of items
Uniqueness	.781	3.5	5.14	8
Involvement	.888	3.7	6.40	10
Financial Risk	.623	2.35	2.86	4
Social Risk	.705	1.9	2.44	3
Attitude	.970	4.28	4.65	6
Intention	.907	3.77	4.17	4

conducted using LISREL 8.54 (Jöreskog & Sörbom, 2001) to test whether there were two distinct, but correlated, factors underlying the two risk measures (i.e., financial risk and social risk) or a single factor. The first model specified that the financial and social risk variables represented two correlated factors, whereas, the second model specified that the two variables represented a single factor (i.e., the correlation between the two factors was specified as being 1.00). Results of the confirmatory factor analyses indicated that the first two-factor model provided a better fit to the data. The fit of the model was measured based on SRMR<0.08, RMSEA<0.06, CFI<0.95, as recommended by Hu and Bentler (1999). The results for the first model were  $\chi^2(13) = 35.22, p < .001$ , SRMR = 0.06, RMSEA = 0.08, and CFI = 0.96. The results for the second model were  $\chi^2(14) = 93.34, p < .001$ , SRMR = 0.09, RMSEA = 0.16, and CFI = 0.84. The difference in the fit of these two models was highly significant,  $\chi^2(1) = 58.12, p < .001$ . This indicated that the two-factor model provided a significantly better fit to the data than the one-factor model. The correlation between the two factors was 0.57,  $p < 0.05$ . The positive correlation indicated that customers with a greater perceived financial risk were likely to have a greater perceived social risk toward purchasing apparel.

## Structural Equation Modeling

### *Development and Testing of the Measurement Model*

The first step in testing the hypothesized model for this study was to specify and test the measurement model. All variables (uniqueness, involvement, financial risk, social risk, attitude, and intention) other than body size (BMI) were specified as latent variables. To develop three measurement indicators or “parcels” (Russell, Kahn, Spoth, & Altmaier, 1998) for each measure, exploratory factor analyses were conducted separately for each measure. A single factor was extracted for each construct using principal components extraction; loadings of the items on each factor are presented in Tables 4.13a, 4.13b, 4.13c, and 4.13d.

Table 4.13a. Factor Loadings for Items from the Uniqueness and Involvement Measures

	<b>Uniqueness Items</b>	<b>Loading</b>
7.	I like to try new products and services before others do.	.717
6.	I rarely pass up the opportunity to order custom features on the products I buy.	.708
5.	I enjoy having items different than others have.	.703
3.	I am more likely to buy a product if it is scarce.	.652
8.	I enjoy shopping at stores that carry merchandise that is different and unusual.	.601
4.	I would prefer to have things custom-made than to buy them ready-made.	.581
2.	I tend to be a fashion leader rather than a fashion follower.	.593
1.	I am attracted to unique objects.	.515
	<b>Involvement Items</b>	
7.	Fascinating/Mundane	.781
4.	Exciting/Unexciting	.775
8.	Worthless/Valuable	.770
5.	Means nothing to me/Means a lot to me	.746
9.	Involving/Not involving	.726
1.	Important/Unimportant	.708
2.	Boring/Interesting	.707
3.	Relevant/Irrelevant	.691
6.	Appealing/Unappealing	.688
10.	Not needed/Needed	.493



Table 4.13b. Factor Loadings for Items from the Financial and Social Risk Measures

<b>Financial Risk Items</b>	<b>Loading</b>
3. I feel that I just threw away a lot of money when I purchase apparel.	.798
4. I think purchasing apparel would be a bad way to spend my money.	.665
2. I am worried that after I purchase an apparel item I may find the same item at another store at a lower price.	.650
1. I am concerned that the financial investment that I make for apparel purchase will not be wise.	.649
<b>Social Risk Items</b>	<b>Loading</b>
2. I am worried about what others will think of me.	.891
1. I worry that my friends might think I look funny in my clothes.	.866
3. I feel that what I buy might not be in fashion.	.614

Table 4.13c. Factor Loadings for Items from the Attitude Measure

<b>Item</b>	<b>Loading</b>
2. Unfavorable/Favorable	.953
3. Disagreeable/Agreeable	.937
5. Negative/Positive	.935
6. Disliked/Liked	.931
4. Unpleasant/Pleasant	.929
1. Bad/Good	.909

Table 4.13d Factor Loadings for Items from the Intention Measure

<b>Item</b>	<b>Factor loading</b>
4. I would browse a fair trade organization's catalogs for personalized clothing.	.919
3. I would browse a fair trade organization's website for personalized clothing.	.917
2. I would spend more time shopping at fair trade organizations if they offered personalized clothing.	.863
1. I would be willing to buy personalized garments from fair trade organizations.	.844

Three indicators or "parcels" were used to operationalize each latent variable (Bentler, 1980). The following procedure was used to create the three indicators for each construct. First, the factor loadings for items from each measure obtained from the

exploratory factor analyses were arranged in descending order. Second, the items were divided into three groups such that the average factor loading for each group would be approximately equal. The groups of items used in creating the three measured indicators for each construct are shown in Table 4.14. Third, the three scores for each parcel were created by averaging responses to each set of items. For example, scores on the “Unique 1” parcel were created by averaging responses to items 1, 3, and 7 from the Uniqueness measure; scores on the “Unique 2” parcel were created by averaging responses to items 4, 6, and 8 from the Uniqueness measure; and scores on the “Unique 3” parcel were created by averaging responses to items 2 and 5 from the Uniqueness measure. A similar procedure was used to compute scores for the three parcels for the other constructs used in testing the model.

Table 4.14. Groups of Items Used to Develop Multiple Indicators for each Latent Variable.

<b>Variable</b>	<b>Measured indicators created</b>	<b>Items included</b>
Uniqueness	Unique1	1, 3, 7
	Unique2	4, 6, 8
	Unique3	2, 5
Involvement	Involve1	2, 5, 7, 10
	Involve2	4, 6, 9
	Involve3	1, 3, 8
Financial risk	Finrisk1	1, 3
	Finrisk2	4
	Finrisk3	2
Social risk	Socrisk1	2
	Socrisk2	1
	Socrisk3	3
Attitude	Attitude1	1, 2
	Attitude2	3, 4
	Attitude3	5, 6
Intention	Intention1	1, 4
	Intention2	3
	Intention3	2

The maximum likelihood estimation procedure from LISREL 8.54 was used to evaluate the fit of the measurement model to the data. The measurement model comprised all indicators or parcels created for all the latent variables included in the model along with the BMI measure. Results showed that the measurement model provided a good fit to the data,  $\chi^2(132) = 341.22$ ,  $p < .001$ , CFI= 0.94, SRMR= 0.063, RMSEA= 0.077. Since the RMSEA figure was very close to the numbers acceptable for a good fit, it was considered acceptable. The chi-square value was not considered to be a good indicator of model fit as the number of respondents for this study was over 200 (Bagozzi & Yi, 1988). The standardized factor loadings for each parcel and correlations among the measured variables, parcels and BMI are shown in Table 4.15, and 4.16, respectively. Factor loadings for all parcels were statistically significant ( $p < .05$ ).

Table 4.15. Correlation Matrix for Parcels on the Latent Variables

	Involve1	Involve2	Involve3	finrisk1	finrisk2	finrisk3	Socrisk1	socrisk2	socrisk3	Attitude1	Attitude2	Attitude3	Intentio1	Intentio2	Intentio3	Unique1	Unique2	Unique3	BMI
Involve1																			
Involve2	0.68																		
Involve3	0.72	0.71																	
finrisk1	-0.02	-0.04	-0.04																
finrisk2	-0.18	-0.09	-0.25	0.36															
finrisk3	0.08	0.08	0.00	0.40	0.21														
socrisk1	-0.08	-0.01	-0.09	0.41	0.19	0.28													
socrisk2	-0.09	-0.01	-0.04	0.34	0.22	0.20	0.71												
socrisk3	-0.06	-0.10	-0.08	0.17	0.21	0.33	0.33	0.28											
Attitude1	0.14	0.09	0.14	-0.04	-0.01	-0.09	-0.10	0.03	-0.04										
Attitude2	0.13	0.07	0.15	0.02	-0.02	-0.01	-0.06	0.02	0.01	0.87									
Attitude3	0.10	0.04	0.14	-0.01	-0.03	0.01	-0.06	0.03	0.05	0.83	0.91								
Intentio1	0.15	0.10	0.17	0.05	0.04	-0.05	-0.07	0.07	0.06	0.69	0.61	0.63							
Intentio2	0.09	0.06	0.12	0.11	0.04	-0.05	0.02	0.13	-0.01	0.54	0.52	0.50	0.81						
Intentio3	0.07	0.05	0.12	-0.02	0.01	-0.03	0.01	0.14	0.08	0.57	0.50	0.52	0.73	0.71					
Unique1	0.32	0.33	0.28	-0.13	-0.12	0.02	-0.17	-0.06	0.00	0.23	0.19	0.23	0.24	0.20	0.25				
Unique2	0.20	0.20	0.20	-0.09	-0.07	-0.01	-0.10	-0.02	-0.01	0.36	0.35	0.38	0.35	0.34	0.47	0.66			
Unique3	0.48	0.44	0.47	-0.08	-0.15	-0.02	-0.27	-0.25	-0.16	0.25	0.22	0.22	0.20	0.15	0.20	0.55	0.45		
BMI	0.00	0.00	0.06	-0.01	-0.08	-0.07	0.15	0.15	0.10	0.13	0.11	0.18	0.15	0.07	0.12	0.04	0.16	0.08	

Table 4.16. Standardized Loadings of the Parcels on the Latent Variables

	Unique	Involve	Finrisk	Socrisk	BMI	Attitude	Intention
Unique1	0.81						
Unique2	0.75						
Unique3	0.69						
Involve1		0.83					
Involve2		0.82					
Involve3		0.86					
Finrisk1			0.78				
Finrisk2			0.46				
Finrisk3			0.50				
Socrisk1				0.91			
Socrisk2				0.78			
Socrisk3				0.37			
BMI					1.0		
Attitude1						0.90	
Attitude2						0.96	
Attitude3						0.94	
Intention1							0.93
Intention2							0.87
Intention3							0.79

The correlations among the latent variables are presented in Table 4.17. The results showed a significant relationship between uniqueness and involvement; customers who had a greater need for uniqueness were also likely to be more involved with purchasing apparel. A need for a unique self-identity appeared to increase the level of involvement with apparel. There was a negative correlation between uniqueness and perceived financial or social risk. As need for uniqueness increased, the perceived financial and social risk decreased. Customers with a greater need for uniqueness were likely to be less concerned with the possible financial loss they may face, due to their apparel purchase. As they exhibit greater needs for unique self-identity, they were also less likely to be concerned about the social consequences of their apparel purchases.

Table 4.17. Correlations Among the Latent Variables

	Unique	Involve	Finrisk	Socrisk	BMI	Attitude	Intention
Unique	1.0						
Involve	0.48*	1.0					
Finrisk	-0.17*	-0.08	1.0				
Socrisk	-0.22*	-0.08	0.57*	1.0			
BMI	0.12	0.03	-0.05	0.17*	1.0		
Attitude	0.37*	0.15*	-0.01	-0.05	0.14*	1.0	
Intention	0.39*	0.16*	0.05	0.01	0.14*	0.69*	1.0

\*  $p < .05$ .

Results of the analysis showed a positive correlation between involvement with attitude and intention. Customers with a high level of involvement with apparel were likely to have a positive attitude toward personalized apparel. They were also likely to have a positive intention toward purchasing personalized fair trade apparel. Since personalization was likely to require greater involvement in order to make the necessary changes to apparel, these customers were likely to have a positive attitude and intention toward purchasing personalized fair trade apparel.

There was a positive correlation between financial risk and social risk. Customers who reported a greater social risk were likely to experience greater financial risk related to apparel. Since such customers were concerned with what members of their social circle think about their appearance, they were likely to worry about the financial loss they might face when purchasing apparel that may meet with social disapproval.

The analysis revealed a positive relationship between BMI and social risk. Customers with a high BMI were more likely to be concerned with what others think of their apparel purchases. There was a positive correlation between attitude toward purchasing personalized apparel and uniqueness, apparel involvement, and BMI. Customers with a high level of uniqueness were likely to be more interested in

personalized clothing and, were likely to have a positive attitude toward personalized apparel. Personalization provides an opportunity for customers with a greater need for uniqueness to develop an individualized identity for themselves and, may fulfill their desire for being unique. Therefore, customers who have a greater level of involvement with apparel were more likely to exhibit a positive attitude toward personalized apparel.

Analyses also revealed a positive correlation between intention to purchase personalized fair trade apparel and uniqueness, apparel involvement, BMI, and attitude toward personalized apparel. A positive attitude toward personalized apparel was likely to result in a positive intention to purchase such apparel. Positive correlations also were found between intention to purchase fair trade apparel and other variables included in this study. A need for uniqueness was found to have a positive correlation with intention to purchase fair trade apparel. Analyses also showed that customers with a greater involvement had a positive intention to purchase personalized fair trade apparel.

#### *Analysis of the Hypothesized Model*

The hypothesized model (Figure 4.1) was tested using the LISREL 8.54 program. Results indicated that the hypothesized model provides a good fit to the data,  $\chi^2(141) = 409.58, p < .001$ , CFI= 0.92, SRMR= 0.090, RMSEA= 0.08. Since the SRMR and RMSEA figures were very close to the numbers acceptable for a good fit, they were considered acceptable. The path coefficients along with their significance are indicated in Figure 4.1. The results of the structural equation modeling with the hypothesized paths between the constructs included in this study have been discussed.

**Hypothesis 1: There is a direct, positive effect of the need for self-uniqueness on attitude toward personalization of apparel.**

The analysis showed a significant positive relationship between need for self-uniqueness and attitude toward personalized apparel. Customers who had a greater need for self-uniqueness were likely to have a positive attitudes toward personalization of apparel ( $\gamma = 0.38$ ,  $t = 4.28$ ,  $p = 0.01$ ). Personalization provided them with an opportunity to be as unique as customers wish to be and make changes to a product based on their personal likes and dislikes. Therefore, Hypothesis 1 was supported.

**Hypothesis 2: There is a direct, positive effect of the need for self-uniqueness on the level of apparel involvement.**

The results of the analysis showed that need for self-uniqueness had a positive relationship with apparel involvement. Greater need for self-uniqueness resulted in greater level of involvement in clothing ( $\gamma = 0.49$ ,  $t = 6.59$ ,  $p = 0.01$ ). Hence, consistent with earlier findings, fair trade customers with a greater need for self-uniqueness had a greater level of apparel involvement, thereby supporting Hypothesis 2.

**Hypothesis 3: There is a direct, positive effect of apparel involvement on attitude toward personalization of apparel.**

Hypothesis 3 proposed that customers with greater involvement with apparel were likely to have more positive attitudes toward personalization of apparel. However, no significant relationship was found between apparel involvement and attitude toward personalized apparel. Hence, Hypothesis 3 was not supported.

**Hypothesis 4a: There is a direct, negative effect of the perceived social risk associated with buying apparel on the attitude toward personalization of apparel.**

**Hypothesis 4b: There is a direct, negative effect of the perceived financial risk associated with buying apparel on the attitude toward personalization of apparel.**



Hypotheses 4a and 4b predicted the negative effects of financial and social risk, respectively, on attitude toward personalization of apparel. Customers with a greater perceived financial and social risk were proposed to have a negative attitude toward personalization of fair trade apparel. The results of the structural equation modeling analysis showed no significant effect of both dimensions of perceived risk on attitude toward personalization apparel. Therefore, Hypotheses 4a and 4b were not supported.

**Hypothesis 5a: There is a direct, negative effect of the level of apparel involvement on the perceived social risk associated with buying apparel.**

**Hypothesis 5b: There is a direct, negative effect of the level of apparel involvement on the perceived financial risk associated with buying apparel.**

Hypothesis 5 predicted that customers with a greater level of involvement with apparel were likely to have less perceived social and financial risk associated with buying apparel. Results showed no significant relationship between apparel involvement and both the dimensions of perceived risk. Hence, Hypotheses 5a and 5b were not supported.

**Hypothesis 6a: There is a direct, negative effect of the need for self-uniqueness on the perceived social risk toward buying apparel.**

**Hypothesis 6b: There is a direct, negative effect of the need for self-uniqueness on the perceived financial risk toward buying apparel.**

Hypothesis 6 proposed that customers with a greater need for self-uniqueness were likely to report less financial and social perceived risk toward buying apparel. Results of this analysis showed a significant direct negative relationship between the need for self-uniqueness and both financial and social risk (perceived social risk:  $\gamma = -0.26$ ,  $t =$

-3.06,  $p = 0.001$ ; perceived financial risk:  $\gamma = -0.21$ ,  $t = -2.13$ ,  $p = 0.02$ ). Hence,

Hypotheses 6a and 6b were supported.

**Hypothesis 7a: There is a mediating effect of the level of involvement with apparel between the need for self-uniqueness and the perceived social risk associated with buying apparel.**

**Hypothesis 7b: There is a mediating effect of the level of involvement with apparel between the need for self-uniqueness and the perceived financial risk associated with buying apparel.**

The mediating effect of a customer's level of involvement with apparel between the individual's need for self-uniqueness and perceived social and financial risk that the individual associated with buying apparel was tested. Results of the analysis showed that although there was a significant direct relationship between need for self-uniqueness and perceived social and financial risk, there was no significant indirect effect of need for self-uniqueness and perceived social and financial risk. Hence, involvement did not have a mediating effect between need for self-uniqueness and perceived social and financial risks. Therefore, Hypotheses 7a and 7b were rejected.

**Hypothesis 8: There is an effect of body size on attitude toward personalization of apparel.**

As predicted in Hypothesis 8, there was a significant relationship between body size and attitude toward personalization of apparel ( $\gamma = 0.12$ ,  $t = 1.89$ ,  $p = 0.97$ ). Larger body size resulted in a more positive attitude toward personalization of apparel. Hence, Hypothesis 8 was supported.

**Hypothesis 9: There is a direct positive effect of the attitude toward personalization of apparel on the intention to purchase personalized fair trade apparel.**

Hypothesis 9 proposed that customers with a positive attitude toward personalization of apparel were likely to exhibit a positive intention to purchase personalized fair trade apparel. The results indicated a significant path coefficient between these two variables ( $\beta = 0.69$ ,  $t = 12.29$ ,  $p = 0.01$ ). As established by the theory of reasoned action (Ajzen & Fishbein, 1980), the intention of a customer is likely to be influenced by the attitude of the customer. Therefore, Hypothesis 9 was supported.

The data in Table 4.18 indicated the amount of variance explained by each endogenous variable (Fornell & Larcker, 1981). The results of this analysis indicated various direct, indirect, and total effects of exogenous variables on the endogenous variables (Table 4.19) and endogenous variables on the other endogenous variables (Table 4.20). The direct effects between two variables explained how much one variable explains the other directly. The indirect effect values indicated the possibility of a mediating variable causing an indirect effect between two variables. Analysis of the hypothesized model showed a significant indirect effect of need for self-uniqueness on the intention to purchase personalized fair trade apparel. This showed the presence of a mediating variable between need for self-uniqueness and intention to purchase personalized apparel. There was no significant indirect effect of any of the endogenous variables on one another. The results of the structural equation modeling of hypothesized model in terms of the path-coefficients, standard errors, t-values, p-values, and standardized path-coefficients have been shown in Table 4.21.

Table 4.18. Explained Variance

Endogenous variables	R <sup>2</sup>
Involvement	0.24
Financial risk	0.04
Social risk	0.06
Attitude	0.16
Intention	0.48

Table 4.19. Effects of the Exogenous Variables on the Endogenous Variables

	Indirect Effect		Direct Effect		Total Effect	
	Uniqueness	BMI	Uniqueness	BMI	Uniqueness	BMI
Involvement	---	---	0.49*	---	0.49*	---
Financial risk	0.02	---	-0.21*	---	-0.19*	---
Social risk	0.03	---	-0.27*	---	-0.24*	---
Attitude	-0.03	---	0.32*	0.12*	0.35*	0.12*
Intention	0.25*	0.08	---	---	0.25*	0.08*

\*  $p < .05$ .

Table 4.20. Effects of the Endogenous Variables on the Other Endogenous Variables

	Involvement	Financial risk	Social risk	Attitude	Intention
<b>Indirect Effect</b>					
Involvement					
Financial risk					
Social risk					
Attitude	0.00				
Intention	-0.03	0.06	-0.02		
<b>Direct Effect</b>					
Involvement					
Financial risk	0.04				
Social risk	0.05				
Attitude	-0.04	0.08	-0.03		
Intention	---	0.06	---	0.69*	
<b>Total Effect</b>					
Involvement					
Financial risk	0.04				
Social risk	0.05				
Attitude	-0.04	0.08	-0.03		
Intention	-0.03	0.06	-0.02	0.69*	

\*  $p < .05$ 

Table 4.21. Results of the Hypothesized Model

Hypothesis	Standard error	t-value	p	Standardized path-coefficients
Self-uniqueness- Attitude	0.09	4.28	0.00	0.38
Self-uniqueness- Apparel Involvement	0.07	6.59	0.00	0.49
Apparel involvement- Attitude	0.08	-0.49	0.31	-0.04
Perceived social risk- Attitude	0.07	-0.42	0.34	-0.03
Perceived financial risk- Attitude	0.08	1.10	0.86	0.08
Apparel involvement- Perceived social risk	0.08	0.63	0.74	0.05
Apparel involvement- Perceived financial risk	0.09	0.39	0.65	0.04
Self-uniqueness- Perceived social risk	0.09	-3.06	0.001	-0.26
Self-uniqueness- Perceived financial risk	0.10	-2.13	0.02	-0.21
BMI- Attitude	0.06	1.89	0.97	0.12
Attitude- Intention	0.06	12.29	0.00	

In order to improve the fit of the hypothesized model, some of the paths between variables were fixed at 0 which indicated that there was no relationship between the two variables. When some paths were fixed at 0 in the analysis of the hypothesized model the model had a better fit. In order to analyze these paths and discover if some other paths existed between variables, an alternate model was proposed and analyzed for fit.

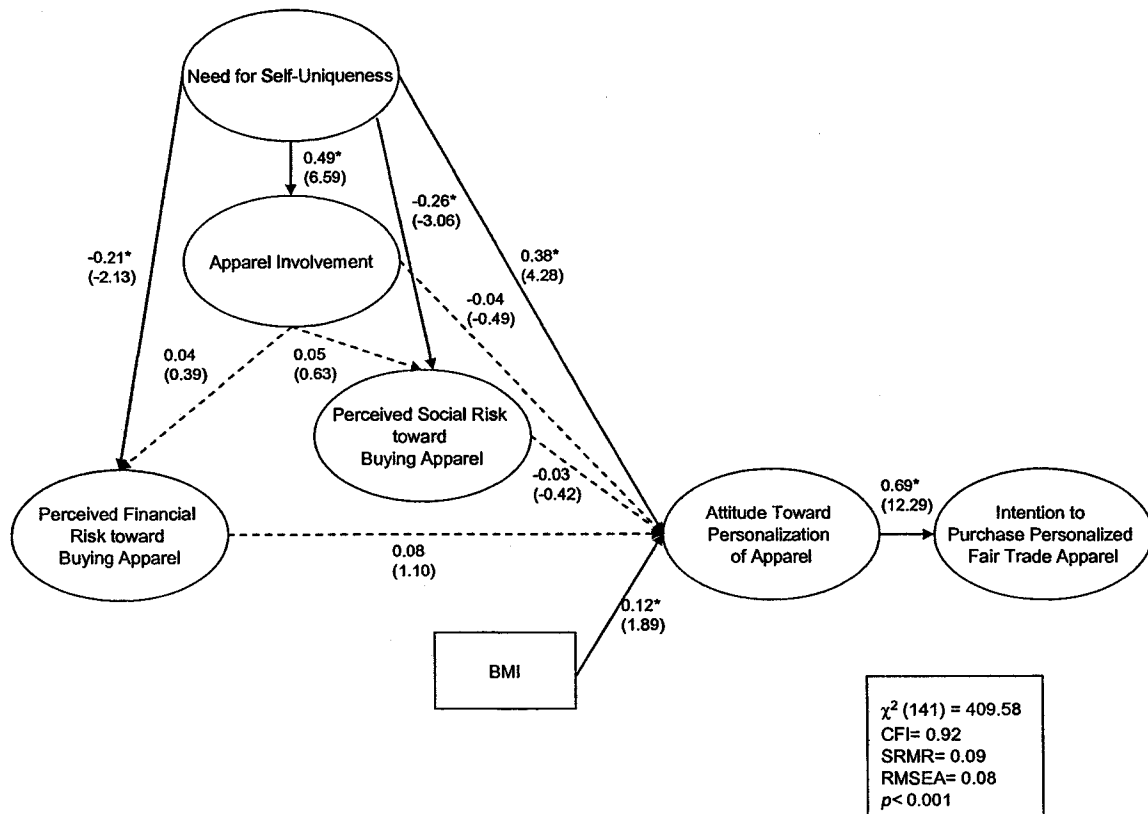


Figure 4.1. Results for the Hypothesized Model

### Developing and Testing an Alternative Model

An alternative model was developed by deleting the non-significant paths from the hypothesized model and, based on the modification indices, adding a new path between variables in the model (see Figure 4.2). In the proposed model, there was an indirect effect of the need for self-uniqueness on intention to purchase personalized fair trade apparel. Hence, this path was added to the model. The non-significant paths, as determined through analysis of the hypothesized model, were deleted (i.e., apparel involvement and perceived financial risk; apparel involvement and perceived social risk; apparel involvement and attitude toward personalization of apparel; perceived financial and social risk and attitude toward personalization of fair trade apparel). Due to the weak relationship between perceived financial risk and need for self-uniqueness, the path

between these two variables was also deleted. Analysis of the alternative model also suggested that a path should be added between perceived social risk and BMI due to a significant total effect of BMI on perceived social risk toward apparel purchase.

Structural equation modeling analysis of the alternative model revealed a good fit to the data,  $\chi^2(144) = 348.63, p < .001$ , CFI= 0.94, SRMR= 0.068, RMSEA= 0.07. The path coefficients and their significance are indicated in Figure 4.2. The explained variances in endogenous variables are indicated in Table 4.22. The low variance of 6% explained in perceived social risk in the data showed that both need for self-uniqueness and BMI accounted for only 6% of variation in perceived social risk. There may be other factors not included in this study that may influence perceived social risk of the respondents. The direct and indirect effects of the exogenous variables on the endogenous variables were also examined (see Table 4.23). Results for the alternative model showed a significant indirect effect of uniqueness on intention to purchase personalized fair trade apparel. This indirect effect was more likely to be through attitude toward purchasing personalized apparel. There were no significant indirect effects of the endogenous variables on one another (see Table 4.24).

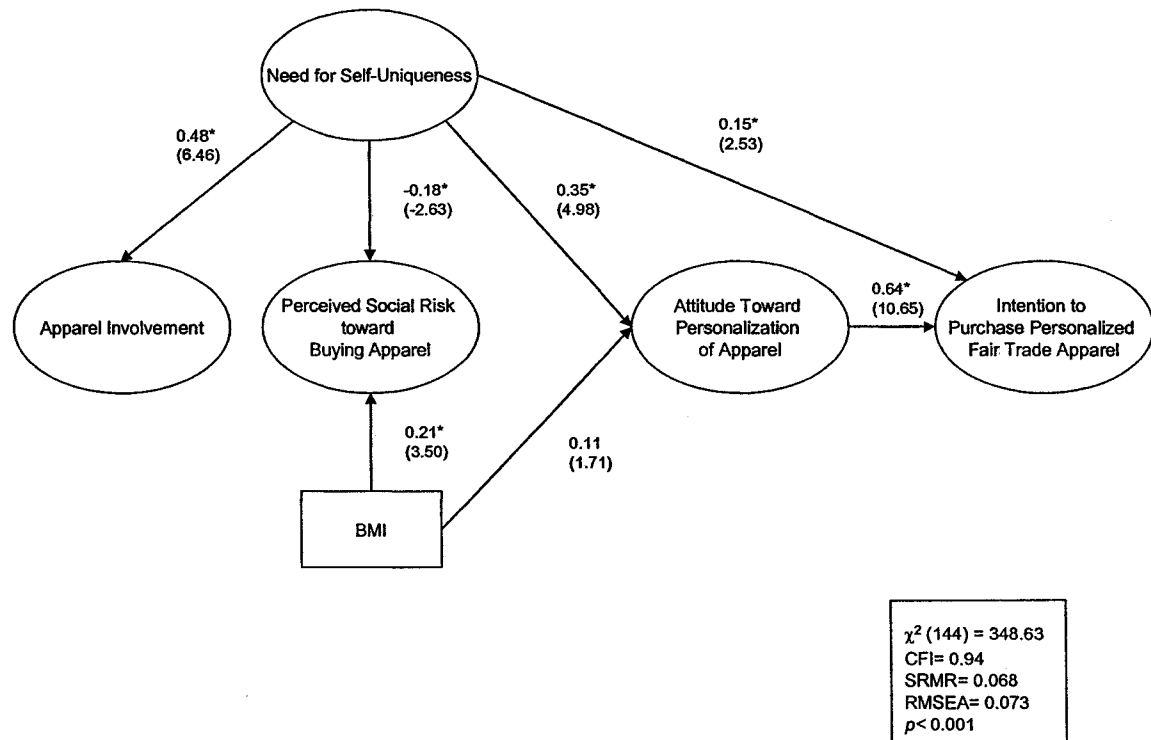


Figure 4.2. Alternate Proposed Model

Table 4.22. Explained Variance in Endogenous Variables

Endogenous variables	R <sup>2</sup>
Involvement	0.23
Social risk	0.07
Attitude	0.14
Intention	0.50

Table 4.23. Effects of Exogenous Variables on Endogenous Variables

	Indirect Effects		Direct Effects		Total Effects	
	Uniqueness	BMI	Uniqueness	BMI	Uniqueness	BMI
Involvement	---	---	0.48*	---	0.48*	---
Social risk	---	---	---	---	---	---
Attitude	---	---	-0.18*	0.21*	-0.18*	0.21*
Intention	0.22*	0.07	0.13*	0.04	0.35*	0.11

\*  $p < .05$ .



Table 4.24. Direct Effects of Endogenous Variables on Other Endogenous Variables

	<b>Involve</b>	<b>Finrisk</b>	<b>Socrisk</b>	<b>Attitude</b>	<b>Intention</b>
Involve					
Finrisk					
Socrisk					
Attitude					
Intention				0.64*	

## CHAPTER 5: SUMMARY AND DISCUSSION

This chapter includes a summary of research results. Based on the findings of this study, conclusions, implication, limitations, and recommendations for future research are discussed.

### **Summary of Research**

An increase in social consciousness among customers has raised the demand for fair trade products (Strohm, 2003). Although fair trade customers are willing to purchase fair trade products, they are not ready to compromise on the quality of products offered by FTOs (Littrell & Dickson, 1999). Hence, FTOs are constantly attempting to improve their product quality and increase their product offerings in order to survive in the increasingly competitive apparel market. Based on findings of earlier research, one way to increase product offerings for FTOs is to offer personalization of apparel.

The purpose of this study was to investigate some characteristics of fair trade customers such as need for self-uniqueness, apparel involvement, perceived social and financial risks associated with apparel, and body size. Further, these characteristics were integrated with the fair trade customers' attitudes and intentions to purchase personalized apparel. Specific objectives were: 1) to examine customer-specific variables associated with personalization, such as need for self-uniqueness, level of apparel involvement, social and financial risks perceived toward buying apparel, and body size; and 2) propose and test a theoretical model integrating the variables identified in objective one with an attitude toward personalized apparel and an intention to purchase personalized fair trade apparel.

This research was conducted in collaboration with MarketPlace: Handwork of India (MarketPlace), a fair trade organization selling apparel, apparel accessories, and home furnishings through catalogs, Internet, and retail outlets. A random sample of 2,500 individuals who had purchased MarketPlace products online was drawn from the customer database of MarketPlace. Out of the 2,500 e-mail invitations sent out with a link to the survey, 503 (20%) were returned to the sender. The first email brought 156 responses, and 100 responses were obtained after a reminder e-mail. There were 246 usable responses, as 10 respondents were excluded since they had never purchased a MarketPlace product, making the overall usable response rate 12.32%.

### **Summary of Results**

The average age of respondents was 52 years and 99% were females. More than one-half (57%) of the respondents had a graduate degree and 26% had an income range of \$50,000 to \$74,999. The majority (81%) of the respondents were Caucasian Americans. About 60% of the respondents were either overweight or obese.

To overcome possible problems concerning generalizability that may arise due to the low response rate, a non-response bias test was conducted, comparing the first 25% who returned their questionnaires with the final 25% of the respondents. The results of this test showed that low response rate was not an issue in generalizability of the results. To further assess generalizability of the results, demographic characteristics of the respondents in this study were compared with the results of those from an earlier study conducted with MarketPlace customers (Littrell et al., 2004). The results showed no major differences between the two samples and hence the respondents of this research were judged to be true representative of MarketPlace customers.

Questions regarding familiarity with the Internet indicated that the respondents had a high level of familiarity with the use of the Internet, and used the Internet frequently to procure product information and to make purchases. Of the products sold by MarketPlace, more than half of the respondents had purchased tops, jackets, dresses, and about half had purchased pants. Respondents had a high level of satisfaction with their MarketPlace purchases. A large number of the respondents (69%) spent between \$1 and \$200 on their MarketPlace purchases annually, but 31% spent over \$200.

The multi-item scales used to measure each construct were tested for reliability, based on Cronbach *alphas*, and all the scales were found to be reliable. The two measures of perceived risk, financial and social perceived risks, were tested to ensure they were distinct constructs. Results showed that the two constructs were measuring different characteristics among the respondents.

### **Structural Equation Modeling**

The first step of SEM analysis was developing and testing the measurement model. The following variables were specified as latent variables.

- Need for self-uniqueness
- Apparel involvement
- Perceived financial risk toward buying apparel
- Perceived social risk toward buying apparel
- Attitude toward personalization of apparel
- Intention to purchase personalized fair trade apparel

Body size data were converted to BMI for use in this analysis. Exploratory factor analysis was conducted to develop three indicators (parcels) for each variable in the

study. A single factor was extracted for each variable, using principle component extraction. The three indicators developed for each of the variables were used to operationalize the latent variables. The maximum likelihood estimation procedure from LISREL 8.54 was used to evaluate the fit of the measurement model to the data. The factor loadings for each of the measures on the latent variable were statistically significant.

The variables were then analyzed to determine the correlations that existed between them. There was a positive correlation between the need for uniqueness and apparel involvement. Customers with a greater need for uniqueness were more involved with their apparel purchases. Uniqueness also had a negative correlation with perceived financial and social risk. Customers who liked to be unique were not concerned with financial loss or social disapproval that they may face due to their apparel purchase.

Apparel involvement had a positive correlation with attitude toward personalized apparel and intention to purchase personalized fair trade apparel. Customers who were highly involved with apparel purchases had a positive attitude toward personalized apparel and a positive intention to purchase personalized fair trade apparel.

Since personalization provides customers with an opportunity to become more unique, customers with a greater need for uniqueness had a positive attitude toward personalization of apparel. Since shopping for personalized apparel demands more time and involvement, customers with a greater level of apparel involvement with apparel purchase had a positive attitude toward personalization. Customers who were overweight or obese were likely to face problems with apparel fitting issues and were more concerned with what others think of their appearance. Personalization provides customers

with an opportunity to overcome these problems. Hence, overweight or obese customers had a positive attitude toward personalization.

There was a positive correlation between intention to purchase personalized fair trade apparel and the need for self-uniqueness, apparel involvement, BMI, and attitude toward personalized apparel. Intention to purchase personalized fair trade clothing was related to customers' need for self-uniqueness, the level of involvement a customer had with apparel, and the BMI. Positive attitude of a customer toward personalized apparel was also related to a positive intention to purchase these apparel products.

The hypothesized model was tested using the LISREL 8.4 program. Results of the analysis showed that the hypothesized model provided a good fit to the data. Some of the predicted paths between the variables were significant. The results were summarized in Table 5.1.

### **Developing and Testing an Alternative Model**

Structural equation modeling analysis of the proposed alternative model showed that the model provided a good fit to the data. This model also showed a significant indirect effect of need for self-uniqueness on intention to purchase personalized fair trade apparel. A customer's attitude toward personalized apparel was a mediator in the relationship between need for self-uniqueness and intention to purchase personalized fair trade apparel. The indirect effect between need for self-uniqueness and intention could also be due to the presence of a variable that was not included in the study. There were no indirect effects of endogenous variables on each other.

Table 5.1. Summary of Findings

Hypothesis	Direction of effect
Need for uniqueness → Attitude toward personalized apparel (H1)	+
Need for uniqueness → Apparel involvement (H2)	+
Need for uniqueness → Perceived social and financial risk (H6)	-
Need for uniqueness → Apparel involvement → Perceived social and financial risk (H7)	n.s.
Apparel involvement → Attitude toward personalized apparel (H3)	n.s.
Apparel involvement → Perceived social and financial risk (H5)	n.s.
Perceived social risk → Attitude toward personalized apparel (H4a)	n.s.
Perceived financial risk → Attitude toward personalized apparel (H4b)	n.s.
Body size → Attitude toward personalized apparel (H8)	+
Attitude toward personalized apparel → Intention to purchase fair trade apparel	+

+: Significant positive effect

-: Significant negative effect

n.s.: Non-significant effect

### Conclusions

MarketPlace customers were generally highly educated middle-aged Caucasian women. These women had a stronger familiarity with the Internet and often used the Internet to gather information and make purchases. They were also highly satisfied with their MarketPlace purchases. The most popular apparel products purchased by MarketPlace customers were tops, jackets, dresses, and pants, and they spent less than \$200 annually on MarketPlace products. The most important personalization option that the customers were looking for was a choice of color combination of base fabric. They were willing to wait for four weeks or more than normal for delivery and receipt of personalized apparel.

The findings of this study revealed that customers with a greater need for self-uniqueness had a more positive attitude toward personalization of apparel. Since customers with greater need for self-uniqueness desire higher levels of dissimilarity (Snyder, 1992), personalization provided them with an opportunity to change or add features to their garments in order to achieve dissimilarity from others. Being innovative, nonconforming, and inventive, fair trade customers used these characteristics in personalizing apparel to satisfy their personal needs for individuality.

A greater need for self-uniqueness leading to less perceived social and financial risk confirmed earlier findings that customers with high uniqueness motivation exhibited uniqueness behaviors irrespective of the risk of social disapproval from society (Fromkin & Lipshitz, 1976). The lack of fear of social disapproval resulted in lack of fear of financial loss. Social and financial risks were not a cause of concern in purchasing apparel for customers who had a greater need to be unique.

Greater need for self-uniqueness influenced a consumer's level of involvement with apparel. This result was consistent with the findings of Shim, Morris, and Morgan (1989) who found that customers who had a desire for a distinctive self-identity perceived a greater need for self-uniqueness, similar to those with greater levels of apparel involvement.

Involvement with apparel did not have a significant relationship with attitude toward personalization of apparel in the current study. Earlier studies have shown that customers with greater involvement with apparel were concerned with enhancement of their individuality and features of the final products they purchased. This was not true for the fair trade customers, who responded to this study's survey.



Both social and financial risks were not related with attitude toward personalization of apparel. In previous research, apparel products were associated with greater risk, due to constant changes in fashion trends, higher social visibility, and inappropriate selection of clothing that may influence a negative self-image (Kwon, Paek, & Arzeni, 1991; Laurent & Kapferer, 1985; Prasad, 1975; Winakor, Canton, & Wolins, 1980). Although this may be true for many customers, the results of this study showed that fair trade customers did not associate perceived social and financial risk with their attitudes toward personalization. Fair trade customers were known to be innovative, inventive, and confident about their individuality; therefore, these may be the reasons for a lack of perceived social and financial risk.

There was no significant relationship between apparel involvement and perceived social and financial risks. Fair trade customers' high level of apparel involvement may increase their knowledge about the products and this, in turn, was likely to make them confident about their choice of clothing. This confidence may then translate into elimination of social and financial risk associated with apparel purchases.

The results of the study confirmed an earlier finding that customers who perceived a high level of self-uniqueness tended to express their uniqueness and were not concerned with social disapproval (Snyder & Fromkin, 1980). Fair trade customers' desires for uniqueness in their clothing purchases may manifest into their acceptance of personalization options provided by FTOs to increase the uniqueness quotient of their purchases.

Apparel involvement did not mediate the need for self-uniqueness and perceived financial and social risks associated with buying apparel. As stated earlier, a greater need

for uniqueness reduced financial and social risks associated with apparel purchase. However, fair trade customers' apparel involvement did not influence the relationship between uniqueness and perceived social and financial risks associated with apparel purchases. Hence, in the case of fair trade customers who responded to this survey, their involvement with apparel did not influence the relationship between their need for uniqueness and the financial and social risks they associate with purchasing apparel.

With an increase in body size, customers may face problems with fit and unavailability of the right sizes. About 60% of MarketPlace women were large size women, so they were more likely than smaller women to be dissatisfied with the choice of clothing available to them in retail stores. Personalization would provide them with an opportunity to make the necessary changes to the garments to make them fit well.

Attitudes of fair trade customers toward personalization of apparel positively influenced their intentions to purchase personalized fair trade apparel. This result supports the theory of reasoned action, which states that attitude influences intention (Ajzen & Fishbein, 1980). Based on the results of this study, the need for self-uniqueness and body size were the main factors that influenced fair trade customers' attitudes toward personalization of apparel.

Based on the results of this study, changes were made to the hypothesized model and a new model was proposed. Most relationships proposed in the alternative model were the same as the ones that held true for the hypothesized model. According to the hypothesized model, the need for self-uniqueness of fair trade customers had a positive effect on apparel involvement. Customers who want to be unique were more involved with their apparel purchases and were not concerned with social disapproval. Hence, an

increased need for self-uniqueness among fair trade customers reduced perceived social risk. Personalization provides customers with an opportunity to add unique features to an apparel product. Therefore, customers, who want to be unique, had a positive attitude toward personalization of apparel. Based on the alternative model, the need for self-uniqueness also had a positive relationship with the intention to purchase personalized fair trade products. Since personalization provided an opportunity for fair trade customers to be as unique as they would like to be, it would seem that customers with a greater need for self-uniqueness would be interested in purchasing personalized fair trade products.

The body mass index, which represents body size, had a positive relationship with perceived social risk associated with purchasing apparel. Customers who had a larger body size may have been worried about social disapproval. Hence, with the increase in body mass index there was an increased perceived social risk toward buying apparel. Customers who had larger BMI had a positive attitude toward personalization as personalization provided them with an opportunity to have right sizes by fitting garments.

There was also a positive relationship between attitude toward personalization of apparel and intention to purchase personalized fair trade apparel. The relationships suggested through the alternative model had a good fit for the respondents of this study.

### **Implications for Fair Trade Businesses**

The demographics of the women in this research showed that fair trade customers tend to be larger women. This may imply that these customers are likely to be less satisfied with the choice of apparel available. Hence, personalization is likely to provide them with a solution to purchase clothes that better meet their needs. Greater familiarity with the Internet will also make it simpler for FTOs to introduce personalization on their

websites. Customers' willingness to wait for four or more weeks implies that fair trade organizations may not be highly concerned with the possible delay in delivery due to longer time required for personalizing apparel.

The results of this study may assist fair trade organizations in identifying the apparel personalization needs of customers as related to their need for self-uniqueness, level of apparel involvement, and perceived social and financial risks associated with apparel purchase. Based on customer characteristics, FTOs can design their website to offer personalization to meet low or high uniqueness needs and involvement. A high uniqueness need can be addressed by providing various color and embroidery options, opportunity to change garment proportions, and making the garment loose or tight. Level of involvement can be controlled by allowing the customers to go through fewer steps for personalization that may involve only altering the dimensions or only changing the color of the base fabric. Allowing a customer to make only the changes that the customer is comfortable with will reduce the perceived social and financial risk that may be associated with the personalization process.

Information regarding the percentage purchases for each product category will help MarketPlace focus on the most popular products for personalization options. Since tops, jackets, dresses, and pants are the most popular categories of products sold by MarketPlace, the organization can work toward focusing on these categories and improving the options available through personalization.

The need for self-uniqueness and BMI are the two factors that have a direct effect on attitude toward purchasing personalized fair trade apparel. Personalization helps provide an opportunity for customers to decide the level of uniqueness the customers

desire to have by changing the length and other dimensions of a garment, color of the base fabric, and color and amount of embroidery based on their personal needs. This information may help FTOs decide the options for personalization that would need to be introduced for direct marketing of personalized apparel.

### **Limitations**

One of the main limitations of this study was the respondents were all from one fair trade organization. Thus, the results of this study were based on the characteristics of the customers of one particular company. The findings may not be applicable to fair trade customers of other organizations. Hence, generalization of the results of this study may be limited.

Also, since the questionnaire only measured the intention of a customer to purchase personalized fair trade apparel, it may not necessarily translate into actual purchases. There may be other factors that influence actual purchase decision at the time of purchase.

An e-mail survey was used to collect the data for this research. There was no set up to control multiple responses from one respondent using different email addresses. Since 20% of the e-mails were returned to sender due to non-existence of e-mail address, there is a possibility of the survey having been sent to bulk mail. This may have resulted in lower response rate.

### **Recommendations for Future Research**

A need for self-uniqueness and BMI were the two main factors found to influence the attitude of the customers toward personalization. A future study should be conducted to understand the uniqueness behavior of fair trade customers. A study conducted to

determine which features and what level of product uniqueness of fair trade products are important to fair trade customers would help FTOs while introducing a new product or modifying an existing product. An experimental study providing various options for making a product more unique could be conducted with fair trade customers to understand the level of uniqueness that fair trade customers would find comfortable. This would help FTOs offer various options for personalization.

The alternative model proposed in this research should be tested with a different sample to determine the generalizability of the model. If the model shows a good fit to data collected with customers of another fair trade organization, this model could then be generalized across a larger group of fair trade customers.

A relationship between BMI and perceived social risk emerged in this research. Further research should be conducted to understand this relationship in detail. Since some MarketPlace customers have previously shown their dissatisfaction with the sizing of MarketPlace clothing (Littrell et al., 2004), understanding the social risks that may be associated with body size could help FTOs alter their products to increase customer satisfaction.

Since personalization would need to be implemented through the FTOs' websites, various risks related to online purchases may also be studied in relation to the personalization process of apparel and online purchase of personalized apparel. Performance risk, financial risk, and time risks may be included in future research related to personalization of fair trade apparel.

It is possible that variables other than those included in this research, may have a direct or an indirect effect on customer's attitudes and intentions toward purchasing

personalized fair trade apparel. Hence, further research should be conducted using variables such as situational involvement, time and performance risks, and familiarity with the Internet to determine their effects on customer attitudes and intentions toward purchasing personalized fair trade apparel.

## APPENDIX A: E-MAIL INVITATION LETTER



Dear MarketPlace customer:

MarketPlace is looking for ways to serve you better and we have received some requests for personalized garments, where you would like to change the color, size or embroidery of your MarketPlace purchases according to your specifications.

As a valued customer, we would appreciate 10-15 minutes of your time to give us feedback on personalization. You are invited to participate in an online survey to help us understand your needs with regard to MarketPlace garments. Your honest responses will aid us in making the necessary additions to the offerings of MarketPlace and further our marketing efforts to help artisans earn a sustainable income.

This study is being conducted by the Textiles and Clothing Program at Iowa State University in collaboration with MarketPlace: Handwork of India, and is a part of Jaya Halepete's doctoral dissertation. All responses are voluntary and will be kept strictly confidential.

To show our appreciation for your time to complete our survey, we will offer you 10% discount on your next MarketPlace purchase. We will provide you with a code to access this discount.

Please go to this website to access the survey  
<http://www.fcs.iastate.edu/classweb/Surveys/Marketplace/>

If you have any questions, please feel free to email us at [jaya@iastate.edu](mailto:jaya@iastate.edu)

We appreciate your time and willingness to help us.

Regards,

Pushpika Freitas  
 MarketPlace: Handwork of India

#### Iowa State University Contacts

Jaya Halepete Doctoral Student Iowa State University <a href="mailto:jaya@iastate.edu">jaya@iastate.edu</a>	Jihye Park, PhD Assistant Professor Iowa State University <a href="mailto:park321@iastate.edu">park321@iastate.edu</a>	Mary Littrell, PhD Professor Colorado State University <a href="mailto:mlittrel@cahs.colostate.edu">mlittrel@cahs.colostate.edu</a>
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If you have any questions about the rights of research subjects or research-related injury, please contact Ginny Austin Eason, IRB Administrator, (515) 294-4566, [austingr@iastate.edu](mailto:austingr@iastate.edu), or Diane Ament, Research Compliance Officer (515) 294-3115, [dament@iastate.edu](mailto:dament@iastate.edu)

## APPENDIX B: QUESTIONNAIRE

# MarketPlace Survey

Conducted by MarketPlace: Handwork of India  
In conjunction with Textiles and Clothing Program, Iowa State University  
Spring, 2005

## SECTION 1: Questions regarding use of the Internet and your purchases from MarketPlace: Handwork of India ...

- |                                                                 | Strongly<br>disagree    |                         |                         |                         |                         |  |  | Strongly<br>agree |
|-----------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|--|-------------------|
| 1. I am familiar with the use of the Internet.                  | <input type="radio"/> 1 | <input type="radio"/> 2 | <input type="radio"/> 3 | <input type="radio"/> 4 | <input type="radio"/> 5 |  |  |                   |
| 2. I frequently use the Internet.                               | <input type="radio"/> 1 | <input type="radio"/> 2 | <input type="radio"/> 3 | <input type="radio"/> 4 | <input type="radio"/> 5 |  |  |                   |
| 3. I visit Internet retail sites to gather product information. | <input type="radio"/> 1 | <input type="radio"/> 2 | <input type="radio"/> 3 | <input type="radio"/> 4 | <input type="radio"/> 5 |  |  |                   |
| 4. I visit Internet retail sites for purchasing products.       | <input type="radio"/> 1 | <input type="radio"/> 2 | <input type="radio"/> 3 | <input type="radio"/> 4 | <input type="radio"/> 5 |  |  |                   |
| 5. I frequently purchase products from the Internet.            | <input type="radio"/> 1 | <input type="radio"/> 2 | <input type="radio"/> 3 | <input type="radio"/> 4 | <input type="radio"/> 5 |  |  |                   |

6. Have you ever purchased any products from MarketPlace: Handwork of India?

- ☐ Yes  
☐ No

If **Yes**, please answer the remaining questions in this section;  
if **No**, skip to section 2.

7. What products have you purchased from MarketPlace: Handwork of India? (Check all that apply)

- ☐ Jackets
- ☐ Vests
- ☐ Dresses
- ☐ Tops
- ☐ Skirts
- ☐ Pants
- ☐ Kaftans
- ☐ Nightshirts

- ☐ Robes
- ☐ Apparel accessories (jewelry, scarves etc.)
- ☐ Home decor and furnishings (bed sheet, throw, table cloth, cushion covers etc.)

- |                                                                                       | Not<br>satisfied        |                         |                         |                         | Very<br>satisfied       |  |
|---------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|
| 8. How satisfied have you been with your MarketPlace purchases?                       | <input type="radio"/> 1 | <input type="radio"/> 2 | <input type="radio"/> 3 | <input type="radio"/> 4 | <input type="radio"/> 5 |  |
| 9. How satisfied are you with the <b>choice</b> of apparel being sold at MarketPlace? | <input type="radio"/> 1 | <input type="radio"/> 2 | <input type="radio"/> 3 | <input type="radio"/> 4 | <input type="radio"/> 5 |  |

10. Have you ever purchased apparel from MarketPlace **online**?

- ☐ Yes
- ☐ No

If **Yes**, please answer the remaining questions in this section;  
if **No**, skip to section 2.

11. How often do you purchase apparel online from MarketPlace?

- ☐ Once a week
- ☐ Once in two weeks
- ☐ Once a month
- ☐ Once in six months
- ☐ Rarely

12. How much money do you spend on purchasing MarketPlace apparel online per year?

- ☐ \$1 - \$200
  - ☐ \$201-\$500
  - ☐ \$501-\$1000
  - ☐ More than \$1000
-

**SECTION 2:** As you think about **apparel**, please select the response which best describes you.

	Strongly disagree						Strongly agree
1. I am attracted to unique objects.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5		
2. I tend to be a fashion leader rather than a fashion follower.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5		
3. I am more likely to buy a product if it is scarce.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5		
4. I would prefer to have things custom-made than to buy them ready-made.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5		
5. I enjoy having items that are different than others have.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5		
6. I rarely pass up the opportunity to order custom features on the products I buy.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5		
7. I like to try new products and services before others do.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5		
8. I enjoy shopping at stores that carry merchandise which is different and unusual.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5		

---

**SECTION 3:** The following questions are about your general feeling while shopping for apparel. For me **apparel** is.....

1. Important	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	Unimportant
2. Boring	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	Interesting
3. Relevant	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	Irrelevant
4. Exciting	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	Unexciting
5. Means nothing to me	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	Means a lot to me
6. Appealing	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	Unappealing
7. Fascinating	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	Mundane
8. Worthless	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	Valuable
9. Involving	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	Not involving
10. Not needed	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	Needed

**SECTION 4:** While shopping for apparel....

	Strongly disagree						Strongly agree
1. I worry that my friends might think I look funny in my clothes.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5		
2. I am concerned that the financial investment that I make for apparel purchase will not be wise.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5		
3. I am worried about what others will think of me.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5		
4. I am worried that after I purchase an apparel item I may find the same item at another store at a lower price.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5		
5. I feel that I just threw away a lot of money when I purchase apparel.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5		
6. I feel that what I buy might not be in fashion.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5		
7. I think purchasing apparel would be a bad way to spend my money.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5		

---

**SECTION 5:** Through the process of **personalization**, a customer can make changes to a garment based on personal choice. Some examples of personalization are changes made in terms of color combinations, color of embroidery, amount of embroidery, garment proportions, and looseness or tightness of clothing. What would be your feeling about personalized clothing? **Personalized clothing** is ...

1. Bad	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	Good
2. Unfavorable	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	Favorable
3. Disagreeable	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	Agreeable
4. Unpleasant	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	Pleasant
5. Negative	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	Positive
6. Disliked	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	Liked

---

**SECTION 6:**

1. Please answer these questions based on your intended behavior toward **personalized apparel**.

- |                                                                                                        | Strongly<br>disagree    |                         |                         |                         |                         |  |  | Strongly<br>agree |
|--------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|--|-------------------|
| 1. I would be willing to buy personalized garments from fair trade organizations.                      | <input type="radio"/> 1 | <input type="radio"/> 2 | <input type="radio"/> 3 | <input type="radio"/> 4 | <input type="radio"/> 5 |  |  |                   |
| 2. I would spend more time shopping at fair trade organizations if they offered personalized clothing. | <input type="radio"/> 1 | <input type="radio"/> 2 | <input type="radio"/> 3 | <input type="radio"/> 4 | <input type="radio"/> 5 |  |  |                   |
| 3. I would browse a fair trade organization's website for personalized clothing.                       | <input type="radio"/> 1 | <input type="radio"/> 2 | <input type="radio"/> 3 | <input type="radio"/> 4 | <input type="radio"/> 5 |  |  |                   |
| 4. I would browse a fair trade organization's catalogs for personalized clothing                       | <input type="radio"/> 1 | <input type="radio"/> 2 | <input type="radio"/> 3 | <input type="radio"/> 4 | <input type="radio"/> 5 |  |  |                   |

2. What kind of personalization would you like MarketPlace to offer? (Check all that apply)

- ☐ Choice of color combination of base fabric
- ☐ Amount of embroidery on the garment
- ☐ Color of embroidery on the garment
- ☐ Choice of embroidery patterns on the garment
- ☐ Garment proportions such as sleeve length, overall length etc.
- ☐ Looseness or tightness of the garment
- ☐ Other:

3. If a long sleeve, embroidered, double layered reversible jacket was personalized according to your specifications, how much **more** would you be willing to pay for it (Original price \$124)?

- ☐ \$10 to \$20
- ☐ \$21 to \$30
- ☐ \$31 to \$40
- ☐ \$41 to \$50

4. If a hand block printed, embroidered pair of pants with drawstrings at the waist was personalized according to your specifications, how much more would you be willing to pay (original price \$49)?

- ☐ \$5 to \$10
- ☐ \$11 to \$15
- ☐ \$16 to \$20
- ☐ \$21 to \$25

5. A personalized product will take longer to produce as the garment will be made only after you place the order. How much longer would you be willing to wait for a personalized garment?

- ☐ 1 extra week
- ☐ 2 extra weeks
- ☐ 3 extra weeks
- ☐ 4 extra weeks
- ☐ more than 4 weeks

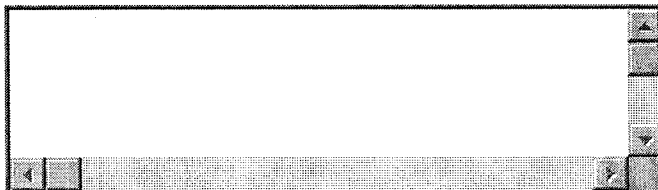
6. A personalized garment will be made to your specifications and hence may have a "no returns allowed" policy. How will this policy influence your purchase intention toward personalized clothing?

- ☐ I will still prefer to buy personalized clothing
- ☐ I will be wary of buying personalized clothing
- ☐ I will not buy personalized clothing

7. Given the "no return policy" how confident are you about MarketPlace's ability to meet your personalization needs?

Not confident ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 Very confident

8. How else can MarketPlace improve their products and services to better serve you?





**SECTION 7: Background information**

1. Age:

2. Gender: ☐ Male ☐ Female

3. Highest level of education completed:

- ☐ Less than 12 years
- ☐ Completed high school
- ☐ Some college work
- ☐ 1-3 years technical, vocational education
- ☐ Completed college or university
- ☐ Some graduate work
- ☐ A graduate degree

4. Household income in 2004 before taxes:

- ☐ Less than \$25,000
- ☐ \$25,000 to \$49,999
- ☐ \$50,000 to \$74,999
- ☐ \$75,000 to \$99,999
- ☐ \$100,000 to \$149,999
- ☐ \$150,000 to \$199,000
- ☐ Over \$200,000

5. Ethnicity (optional):

- ☐ Caucasian American
- ☐ African / African American
- ☐ Asian / Asian American
- ☐ Hawaiian / Pacific Islander
- ☐ Native American
- ☐ Hispanic American
- ☐ Other

## 6. Body size (optional):

Height:  ft  in      Weight:  lbs

Thank you very much for your participation!

Questions about this survey should be sent to [jaya@iastate.edu](mailto:jaya@iastate.edu)

APPEXDIX C: E-MAIL FOLLOW-UP LETTER

Dear MarketPlace customer:

Thank you for reading this message. We have received requests for personalized garments, where customers such as you would like to change the color, size or embroidery of your MarketPlace purchases according to your specifications. As a Marketplace customer, we value your inputs to continuously improve our offerings to meet this need.

This message is a follow-up to a survey that MarketPlace had sent you two weeks ago. MarketPlace is very interested in receiving your response to this survey, and requests your help and support. We would appreciate 10-15 minutes of your time to give us feedback on personalization. Your honest responses will aid us in making the necessary additions to the offerings of MarketPlace and further our marketing efforts to help artisans earn a sustainable income.

This study is being conducted by the Textiles and Clothing Program at Iowa State University in collaboration with MarketPlace: Handwork of India, and is a part of Jaya Halepete's doctoral dissertation. All responses are voluntary and will be kept strictly confidential.

To show our appreciation for your time to complete our survey, we will offer you 10% discount on your next MarketPlace purchase. We will provide you with a code to access this discount.

Please go to this website to access the survey  
<http://www.fcs.iastate.edu/classweb/Surveys/Marketplace/>

If you have already completed the survey, please ignore this email. For any questions, please feel free to email us at [jaya@iastate.edu](mailto:jaya@iastate.edu)

We appreciate your time and willingness to help us.

Regards,  
 Pushpika Freitas  
 MarketPlace: Handwork of India

Iowa State University Contacts

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If you have any questions about the rights of research subjects or research-related injury, please contact Ginny Austin Eason, IRB Administrator, (515) 294-4566, [austingr@iastate.edu](mailto:austingr@iastate.edu), or Diane Ament, Research Compliance Officer (515) 294-3115, [dament@iastate.edu](mailto:dament@iastate.edu)

**APPENDIX D: HUMAN SUBJECTS APPROVALS**

**IOWA STATE UNIVERSITY**  
OF SCIENCE AND TECHNOLOGY

Institutional Review Board  
Office of Research Compliance  
Vice Provost for Research  
1138 Pearson Hall  
Ames, Iowa 50011-2207  
515 294-4566  
FAX 515 294-4267

**DATE:** May 4, 2005

**TO:** Jaya Halepete  
**FROM:** Human Subject Research Compliance Office

**RE:** IRB ID # 05-229

**STUDY REVIEW DATE:** May 4, 2005

The Institutional Review Board has reviewed the project, "Introduction of Personalization in Fair Trade Apparel" requirements of the human subject protections regulations as described in 45 CFR 46.101(b)2. The applicable exemption category is provided below for your information. Please note that you must submit all research involving human participants for review by the IRB. Only the IRB may make the determination of exemption, even if you conduct a study in the future that is exactly like this study.

The IRB determination of exemption means that this project does not need to meet the requirements from the Department of Health and Human Service (DHHS) regulations for the protection of human subjects, unless required by the IRB. We do, however, urge you to protect the rights of your participants in the same ways that you would if your project was required to follow the regulations. This includes providing relevant information about the research to the participants.

Because your project is exempt, you do not need to submit an application for continuing review. However, you must carry out the research as proposed in the IRB application, including obtaining and documenting (signed) informed consent if you have stated in your application that you will do so or required by the IRB.

Any modification of this research must be submitted to the IRB on a Continuation and/or Modification form, prior to making any changes, to determine if the project still meets the Federal criteria for exemption. If it is determined that exemption is no longer warranted, then an IRB proposal will need to be submitted and approved before proceeding with data collection.

cc: AESHM  
Jihye Park

## IRB CHAIR PROTOCOL REVIEW

IRB ID# 05-229

The federal regulations and guidelines or ISU Policy references are boxed.

**PART A: EXEMPTIONS**

☒ Yes ☐ No Is this protocol exempt from the requirements of 45 CFR 46?

Research activities in which the **only** involvement of human subjects will be in one or more of the following categories (i.e., if all study procedures described in this study are not found on the list of federal exemptions, the study is not exempt). [ 46.101(b).]

☒ Minimal Risk

☒ Involves **only** procedures listed in one or more of the following categories:

- ☐ (1) Research conducted in established educational or commonly accepted educational settings.
- ☒ (2) Research involving use of educational tests...unless (i) information obtained is recorded in such a manner that human subjects can be identified, and (ii) any disclosure of the human subjects' responses outside the research could reasonably place the subject at risk of criminal or civil liability or be damaging to the subjects' financial standing, employability, or reputation.
- ☐ (3) Research under b (2) above if: (i) human subjects are elected or appointed public officials... or (ii) Federal statute(s) require(s) without exception that confidentiality will be maintained.
- ☐ (4) Research involving the collection or study of existing data, documents, records, pathological specimens, or diagnostic specimens, if these sources are publicly available or if the information is recorded by the investigator in such a manner that subjects cannot be identified...
- ☐ (5) Research and demonstration projects...to examine (i) public benefit or service programs (ii) procedures for obtaining benefits or service under those programs, (iii) possible changes in or alternatives to those programs or procedures, or (iv) possible changes in methods or levels of payment for benefits or services under those programs. **Note: This only applies to (a) federal programs such as welfare, Medicaid, unemployment and Social Security, (b) must be pursuant to specific federal statutory authority.**
- ☐ (6) Taste and food quality evaluation and consumer acceptance studies, (i) if wholesome foods without additives are consumed or (ii) if a food is consumed that contains a food ingredient at or below the level and for a use found to be safe...

Indicate the protocol-specific details of the research that fit the category(s) checked:

Recommendations:

Required changes:

☒ Yes ☐ No  
Letter of introduction submitted. A letter of introduction should contain the elements of informed consent.

*Please note an email invitation to the survey is acceptable because potential respondents have a "relationship" with MarketPlace: Handwork of India. Without this relationship an advance letter would be required.*



Notes:

13. Has a waiver of informed consent been requested and have the four required conditions been met?

☐ Yes ☐ No ☐ NA

*An IRB may approve a consent procedure which does not include, or which alters, some or all of the elements of informed consent if it finds and documents that: (1) the research involves no more than minimal risk to the subjects; (2) the waiver or alternation will not adversely affect the rights and welfare of the subjects; (3) the research could not practically be carried out without the waiver or alteration; (4) whenever appropriate, the subjects will be provided with additional pertinent information after participation .[46.116(d)] Note: The protocol-specific information for justifying each IRB finding must be documented in the meeting minutes.*

Points for discussion:

14. Has a request for waiver of document of consent been requested?

☐ Yes ☐ No ☐ NA

*An IRB may waive the requirement for the investigator to obtain a signed consent form for some or all subjects if it finds either: (1) That the only record linking the subject and the research would be the consent document and the principal risk would be potential harm resulting from a break of confidentiality. Each subject will be asked whether the subject wants documentation linking the subject with the research, and the subject's wishes will govern; or (2) that the research presents no more than minimal risk of harm to subjects and involves no procedures for which written consent is normally required outside of the research context.[46.117(c)] Note: The protocol-specific information for justifying each IRB finding must be documented in the meeting minutes.*

Points for discussion:

☐ More information is required.

☒ Exempt according to category noted above.

☐ Approved.

☐ Approved with contingencies noted above.

☐ Disapproved.

☐ Referred for review by the full committee.

DIANNE G. ANDERSON  
Printed Name

*Dianne Anderson*  
Signature

*5/4/05*  
Date

## REFERENCES

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