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CONSUMER INFORMATION SEEKING: IMPLICATIONS FOR CONSUMER POLICY

A report on the research contained in:
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SUMMARY

This report contains a summary of a two-stage research project which investigated the nature of consumer information seeking for a durable product. In the first stage, the amount and type of information seeking was studied within a sample of recent buyers of this durable. The second stage of the research involved an assessment of the effects of a particular information disclosure requirement, informative labels, on consumer choice behavior.

The results of this research project are relevant to policy decisions regarding consumer information programs. A number of findings suggest it would be unwise for information suppliers to assume that informative labels and related disclosure requirements will have pervasive effects on consumer choice behavior. The actual effects on choice, in fact, appear to be minimal and are isolated to the priveleged socioeconomic levels of society.

Findings also point strongly to the need for consumer research inputs to policy decisions. The need for and design of information programs must be based on realistic views of and accurate information about consumers and their information seeking behavior. Only then will effective disclosure requirements result. This report is divided into five sections. The reader who is primarily interested in the issues addressed in this research and the implications of the findings should concentrate on Section 1 (Introduction) and Section 5 (Policy Implications). An overview of the contents of each of the five sections is presented below.

Section 1 contains a very important discussion on the relevance of consumer research inputs to policy decision making in the area of consumer information programs. It discusses a number of misconceptions of and assumptions about consumer behavior that appear to pervade policy decision

making in this area. This section also provides specific background on the issues and debate in Canada surrounding an informative labeling system for household carpeting, the durable purchase studied in the present research. The section concludes with an overview of the two stage research approach employed.

Section 2 contains descriptions of the conceptual frameworks used for each stage of the research. Also presented in this section are findings from reviews of previous research into the nature of consumer information seeking and the nature of consumer response to product information programs.

Section 3 discusses the methodology and findings of the first stage of the present research project, a survey investigation of the amounts and types of information seeking exhibited in a durable purchase context. It also discusses the policy implications of specific survey results.

Section 4 presents the methodology, findings and policy implications of an experimental study of the effects of informative labels on consumers' choice behavior. This section is of particular interest to those contemplating new product information disclosure requirements.

Section 5 summarizes the research results and presents an expanded discussion of the major policy implications.

Overall, this report provides a valuable perspective from which policy makers can view consumer information programs. It is hoped that it will encourage the use of consumer research in the policy decision making process.

TABLE OF CONTENTS

1. INTRODUCTION

This report presents a summary of the contents of a Ph.D. thesis which investigated how consumers search for and use product information in a durable purchase context. This research is very relevant in that it is hoped that officials involved with consumer information legislation and programs will place increased emphasis on empirical research when attempting to determine the need for information disclosures and when designing, implementing and assessing the effectiveness of particular requirements.

1.1 The Relevance of Consumer Research Inputs to Policy Decision Making

Both marketing academics and practitioners have urged greater study of how consumers search for and use product information as a prerequisite to effective public policy formulation (Brown and Dimsdale, 1972; Cohen, 1969; Engel et al., 1973; Granbois and Olshavsky, 1972; Jones, 1971; Sheth and Mammana, 1973; Wilkie and Gardner, 1974; Wilkie, 1974; Day, 1976). These urgings have arisen not because of a lack of policy response to inadequacies in the consumer's information environment, but are due to (1) the questionable assumptions policy makers make about consumer behavior and (2) the limited impact disclosure requirements have on consumer choice behavior. Some specific criticisms of government information programs are listed following a brief discussion on the rationale for their emergence.

Thorelli (1972) questions the adequacy of information relations between marketers and consumers, and describes the rationale for government and consumer group concern over the provision of consumer information. His summary statement is noteworthy:

> To sum it all up--(we have) a social and economic problem complex which we may aptly call the consumer information gap (p.3).

There is a growing concern in public and private circles over this consumer

information gap[1]. Specifically, the concern is over a lack of factual and comparative product information available to consumers in purchase situations. The complexities of today's market system are said to be responsible for this state of affairs (e.g., Thorelli, 1972, p. 3). Business critics, among others, charge that marketers have been unable or unwilling to provide consumers with the information required to make rational purchase decisions (Packard, 1958; Canadian Government Specifications Board, 1971).

From a historical perspective, the role of marketing in the consumer information area of public policy was to ensure that information being disseminated by the firm was accurate, or at least not deceptive or misleading. Several authors, however, have noted that policy makers have begun to take more positive measures towards bridging the consumer information gap. Recently, however, policy makers have extended their concerns to issues such as whether the "right kinds" of information are available in the "right amount", in the "right places", and at the "right times" (Ross, 1972). This recent activity to ensure a fair competitive (information) environment shows no signs of abating (Wilkie and Gardner, 1974; Day, 1975, 1976). For example, it has become common for government and consumer groups to be directly or indirectly involved in programs such as comparative testing, quality certification, and information labeling (Thorelli, 1970; Leifeld and Bond, 1974; Liefeld, 1973; Day, 1975, 1976).

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[1]In Canada, for example, evidence of this concern in public circles is apparent from the increasing list of legislative and non-legislative consumer information measures adopted or sponsored by the Federal Department of Consumer and Corporate Affairs. A good indication of private concern over this matter can be obtained by reading The Canadian Consumer, the bimonthly magazine of the Consumers Association of Canada, especially the regular featured column "Current Concerns."

The objective of such consumer information programs is informed, rational consumer choice. They attempt to ensure the availability of standardized, authoritative, factual, unbiased product information in the market place. The concern is to improve the quality of consumer decision making and to bring about rational choices among competing product alternatives.

Though such objectives are laudable, the assumption appears to be that the impact of these consumer information measures and programs will be pervasive. All consumers are presumed to be willing and able to compensate for their deficiency in product knowledge by appropriate search activity. Further, the assumption implies that all consumers will improve the quality of their choice in the presence of objective factual product information. Such assumptions have not gone unquestioned. Illustrative criticism of public policy responses to consumer information needs are paraphrased below:

1. The enactment of public policy assumes knowledge about how the consumer gathers and utilizes information. Yet, to date little work has been done in these areas (Ross, 1972).

2. Some policy officials apparently feel that consumers should engage in exhaustive search before making a purchase decision. However, to say that search *per se* is desirable is regrettably naive, and a questionable basis for public policy (Engel *et al.*, 1973).

3. Simple reliance on "clear and conspicuous disclosure" is not, in and of itself, likely to lead to a successful consumer information program. The program must be realistic in its recognition of the consumer's ability to seek, receive, and process new information (Wilkie, 1974).

4. The most serious misconception or assumption on the part of policy makers is the belief that the consumer is highly impressionable and that he will blindly obey what he is told by a source of product information (Wilkie and Gardner, 1974).

5. It is fallacious to assume an aggregate market response to information dissemination programs. It is apparent that a critical need exists for a market segmentation approach to the problems of consumerism (Engel *et al.*, 1973).

6. Argument over the impact of consumer information schemes is often confused by a failure to distinguish between the actual behavior of consumers in seeking and using product information, and one's own values about what consumers ought to do (Liefeld and Bond, 1974).

To overcome these weaknesses, it appears necessary for policy makers to (1) forsake their naive normative models of consumer decision processes, and (2) utilize more consumer research in their policy formula and implementation.[2]

The models employed by policy makers have been variously described as naive, intuitive, inductive, rational, employing the economic man assumption, normative, and normative authoritarian (see, for example, Engel et al., 1973; Wilkie and Gardner, 1974). The prevailing view is that such models are an inadequate basis for decisions regarding consumer information provision. Most authors suggest that a superior alternative to reliance on normative statements of how consumers should behave would be a consumer research approach, emphasizing investigations of how consumers actually feel and behave.

For example, the naive view is that given the availability of objective factual product information, consumers should make "better" choices. However, studies suggest that research is needed (1) to define the relevant necessary information and its method of presentation to guarantee that consumers have an opportunity to make informed choices, and (b) to determine the segment differences which must be taken into account (Wilkie and Gardner, 1973; Engel, et al., 1973; Day, 1975, 1976).

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[2]Perhaps the most comprehensive discussion on these points is contained in William L. Wilkie, "Assessment of Consumer Information Processing Research in Relation to Public Policy Needs," (Report to the National Science Foundation, 1974).

Finally, research timing is of importance in providing input to policy decisions. Ross (1972), for example, feels it is unfortunate that "the little empirical work that has been done on consumer information handling in a public policy context has followed rather than preceded public policy pronouncements and legislation" (p. 53). Wilkie and Gardner (1974) similarly point to the importance of research prior to policy formulation:

> If research on consumer behavior is to have an impact on public policy, it must be useful and available to the policy maker.
>
> A significant increase in the use and effectiveness of research in public policy is likely to occur when researchers begin to anticipate future information needs and made insights available when they are needed. A primary objective for interested researchers should thus be to lead rather than lag public policy issues (p. 41).

In summary, the key to effective consumer information programs lies in the timely incorporation of the "realities" of consumer behavior into policy decisions. Such inputs can be made available by research designed to investigate the search behavior of consumers, and by research that determines whether, and to what extent, the selective consumer reacts to specific product information programs. The present research is a step in this direction. The need for such research is becoming increasingly evident, as naive models of rational consumers prove unrealistic, and as government policy makers move toward more direct and indirect involvement in product information provision.

1.2 The Case of Informative Labeling Programs

The current[3] situation regarding informative labeling in Canada is il-

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[3]This discussion is in particular reference to the issue of informative labels for carpets which originated in the early 1970's, but much of it applies today (1978) to related issues such as the need for disclosure of energy consumption and operating cost information on labels attached to major appliances.

lustrative of the intuitive approach to bridging the consumer information gap. The Federal Department of Consumer and Corporate Affairs is pressuring durable goods manufacturers to voluntarily label their products (e.g., appliances, furniture, carpeting) with so-called informative labels. These are tags or labels, attached to the product at time of manufacture, that specify on a scale or rating index a number of content and performance characteristics. The objective of these informative labels is to give the consumer the necessary information to permit him to choose a product possessing exactly the collection of attributes he is looking for.

Two assumptions appear implicit in this objective. Firstly, the information communicated on the informative label is useful and relevant to consumers. Secondly, informative labeling schemes, upon implementation, will lead to changes in consumer choice behavior. Both these assumptions can be questioned, as they appear to be founded on naive conceptions of consumer decision making processes. Further, there is a lack of empirical evidence upon which to base such assumptions. One writer, after reviewing European informative labeling systems, concluded:

> One of the most serious gaps in knowledge about European informative labeling schemes is lack of evidence regarding consumer responses (Liefeld, 1973).

Other contentious issues surrounding consumer information programs in general, and informative labeling schemes in particular, relate to the question of who benefits. Skeptics, backed by some empirical evidence, suggest that not only do such programs originate in response to the cries of a vocal minority of upper-middle-class do-gooder consumers, but that this small segment of society is the primary benefactor. In other words, those who need help the most (presumably the lower socioeconomc groups) are not assisted by such consumer information programs as informative labeling (Day, 1976). Advocates, on the other hand, feel these programs are a use-

ful response to widespread consumer needs for vital product information. Further, these advocates feel the desirable effects of such programs will be significantly enhanced if a program of consumer education accompanies their introduction.

Although joint government/industry/consumer committees have been established to recommend the appropriate contents and format for informative labels, and, though draft labels have appeared, there is no evidence of formal consideration being given to a number of important consumer behavior issues. For example, there are no apparent plans to study how consumers of these products in fact go about gathering shopping information, what kinds of shopping information they find relevant, and what effects, if any, such information has on their purchase behavior when communicated via an informative label. Formal investigation of these and related consumer behavior matters would provide the government with a description of shopping patterns, and would make it easier to determine whether, in fact, informative labels are a viable solution to the buyers' information problems.

Because the research to be summarized in this report deals with a proposed informative labeling program for household carpeting, some comments on the actors and issues involved in the specific case are presented.

The major actors involved in the carpeting debate are the Department of Consumer and Corporate Affairs, the Canadian Government Specifications Board, the Standards Council of Canada, the Consumers Association of Canada, and the Canadian Carpet Institute. The key issues of debate logically center around what product information consumers find relevant, and if informative labels will affect the consumer's purchase decision.

In general, the past five years' debate over carpet labeling has produced a variety of suggestions and assumptions about what should be said

and what the likely problems and benefits will be for carpet manufacturers, retailers, and consumers. Specifically:

1. Government and consumer groups have prepared lengthy lists of needed, meaningful information to be included on carpet labels. The government proposed a "CANTAG" label (see Appendix) which included specific categories of information. One item on the list, fibre content information, was required under the Textile Labeling Act as of December 1, 1972.

2. Counter proposals by the Canadian Carpet Institute have argued for labels with fewer items of information, expressed in more general terms.

3. The Institute has attacked the validity of the government (CANTAG) scheme on technical and consumer needs/response grounds. It has argued a lack of standardized test methods for evaluation of carpets on government proposed performance dimensions (e.g., recommended use wear/traffic rating). In addition, it has questioned the relevance of detailed technical information for the consumer.

4. Wear (traffic) rating of carpets has emerged as the most controversial item of label information.

5. Both sides have displayed many assumptions, fears, and hopes, but little empirical evidence, particularly on the consumer needs/response issue. For example, there is little factual knowledge of the nature of the consumer carpet purchase decision and how it is affected by various inputs (e.g., label, per se, or wear rating on labels).

6. At this date, it appears that informative carpet labels of some form will emerge, whether by compulsory legislation, government voluntary sponsorship, or independent efforts on the part of individual carpet manufacturers and/or retailers.

7. In fact, one retailer (Simpson-Sears)[4] has introduced its own informative carpet labels, and Harding Carpets, a manufacturer, is contemplating doing so. In addition to being a tactic to pressure the whole carpet industry towards a voluntary scheme, and, thus, obviate the need for a legislated CANTAG, these individual companies perceive their new labels as a tool to gain favor and profit from consumers. Both companies have exprssed assumptions about the validity of their rating procedures and the use or effects such schemes will have on the consumers' purchase decision.[5]

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[4]Simpson-Sears first introduced their carpet labeling program in their Fall General Catalog (1973, p. 689), and have continued it in every major edition since.

[5]Based on discussions with marketing management in these companies.

Research Issues

The Canadian carpet labeling debate is an important illustration of government and consumer group concern over the adequacy of the consumers' information environment. This concern has already manifested itself in positive steps toward product information programs. The Canadian government will inevitably become involved, at least indirectly, in an informative labeling program for major household durables.[6]

A clear need exists for greater study of consumer-information seeking behavior as a prerequisite to formulating and implementing effective consumer information programs, specifically, informative labeling programs. The following questions (without regard to priority) appear in need of consumer research, in a public policy context:[7]

First are questions relating to consumer information needs:

1. What kinds of information do consumers want/need?
2. What kinds of information do they find most relevant?

Second are questions relating to the nature and extent of consumer information-seeking:

3. What product features are important to consumers?
4. How extensive is consumer search?
5. How do consumers react to or value available information sources?
6. What is the relative importance of information sources to consumers?

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[6]Though this discussion focuses on the situation in Canada, it is apparent that a parallel situation might develop in the United States. See, for example, Professor George S. Day's discussion of a 1972 FTC Staff Study on Product Standardization, Certification and Seals of Approval in his article, "Full Disclosure of Comparative Performance Information to Consumers: Problems and Prospects," Journal of Contemporary Business (Winter, 1975), pp. 53-68.

[7]These questions are also of relevance to marketing theorists and practitioners.

Third are questions which deal with the effects information search and use have on the consumer purchase decision:

7. What are the effects of search behavior? (For example, does more search lead to better decisions?)
8. How do consumers respond to different kinds and amounts of product information?
9. What is the best method of presenting the information to obtain maximum impact? What source? What channels? What format?
10. Is consumer education needed to make information devices effective?

Finally, there is the important question of segmentation:

11. To what extent do the answers to the above questions vary among consumer segments?

In summary, consumer research in specific purchase situations is needed to improve policy decisions regarding product information dissemination. This research must deal with (1) consumer information needs, (2) the type and extent of consumer information seeking, and (3) the effects of specific kinds, amounts, and vehicles of communication among segments of buyers.

1.3 Objectives of the Research Summarized in this Report

The overall goal of the present research is to investigate some of the important questions identified above. The major objective is to provide empirical evidence on the type and extent of search behavior for an important household durable, carpeting, and to investigate the determinants of the search behavior exhibited. A second research objective is to determine the effects of certain kinds and amount of label information on the carpet purchase decision.

Two data bases are used to accomplish these objectives. The first originates from a mail questionnaire survey of a sample of recent carpet buyers. It provides empirical evidence on the type and extent of carpet search behavior and the consumer, situational, and purchase-outcome characteristics associated with the carpet purchase decision. The survey is spe-

cifically designed to provide evidence relevant to certain questions of interest to those formally studying consumer behavior, and to parties concerned with disseminating product information to carpet consumers. It addresses itself to the following questions:

1. How variable is the extent of search behavior?
2. What types of information sources are used by buyers?
3. What is the relative importance of different sources?
4. What types of product features are important to buyers?
5. What is the absolute and relative importance of search determinants in explaining specific dimensions of buyers' search behavior?
6. What is the relation of search behavior to other phases of the buyers' decision process?

A second data base is used to accomplish the second objective of the research: determining the effects of informative labels on the carpet purchase decision. In this part of the research various informative labels are presented to consumers in a simulated carpet shopping environment. This stage of the research is designed to provide experimental evidence on the behavioral and attitudinal effects, if any, associated with a currently advocated mechanism of consumer information disclosure. This experimental phase of the research presents evidence of particular value to policy decisions regarding product information programs for carpet consumers in particular, and durable goods in general. A more complete discussion of the data bases and research designs is contained in Sections 3 and 4 of this report.

2. CONCEPTS AND LITERATURE REVIEW

The purpose of this section is to present useful conceptual frameworks for the study of consumer information seeking and their reactions to information disclosure requirements. In addition results of prior empirical work in these areas are presented. The first two sub-sections relate to the survey stage of this research, while the next two deal with the second, or experimental stage.

2.1 Conceptual Paradigm for the Study of Consumer Information Seeking

Search behavior, or pre-purchase information-seeking, is regarded as only one part of consumer behavior. Consumer behavior has recently been defined as the acts of individuals directly involved in obtaining and using economic goods and services including the decision process that precedes and determines these acts (Engel et al., 1973). The essence of such definitions is the behavioral process, not just the purchase act. Accordingly, it has become popular to conceptualize and analyze consumer behavior as some form of decision or problem solving process (Nicosia, 1966; Howard and Sheth, 1969; Engel et al., 1968, 1973; Markin, 1974). These conceptualizations view the act of purchase as only one stage in a sequential and reiterative series of behavioral and mental activities undertaken by the consumer. These activities are depicted as occurring over time and ranging from an initial problem (need) recognition stage through to post-purchase considerations. Important intermediate stages are search, evaluation, and purchase decision itself. To understand the act of purchase (or any other single-stage in the process) it is necessary to examine the events that precede and follow it.

In addition to stages of decision making, consumer behavior conceptu-

alizations suggest a variety of influences that act as determinants at each phase of the decision process; these include consumer characteristics, and situational and environmental factors.

For the purposes of this review, one particular model is chosen as the conceptual basis for the study of consumer information seeking; this model will be referrred to as the Engel Model (Engel et al., 1973). Though it has not been empirically validated, this model is chosen for several reasons. First, it is particularly applicable to this research project. Second, it is of considerable heuristic value in pointing out some of the major factors bearing on consumer decision making. Finally, the model is one of the more comprehensive conceptualizations of consumer decision process behavior.

Figure 3.1[8] illustrates Engel's complete conceptualization of consumer behavior. Some of the distinctive features of the Engel Model which are particularly relevant to the present research are summarized in the following paragraphs.

The model employs four major concepts: (1) the central control unit, (2) information processing, (3) the decision process, and (4) the environment. The second and third of these concepts are of most interest in the present research.

In the model information processing refers to the way in which communications pass through the "filter" and become part of the central control unit (information and experience, evaluative criteria, attitudes, personality). The four distinct phases of information processing are: (1) exposure, (2) attention, (3) comprehension, and (4) retention. Selectivity

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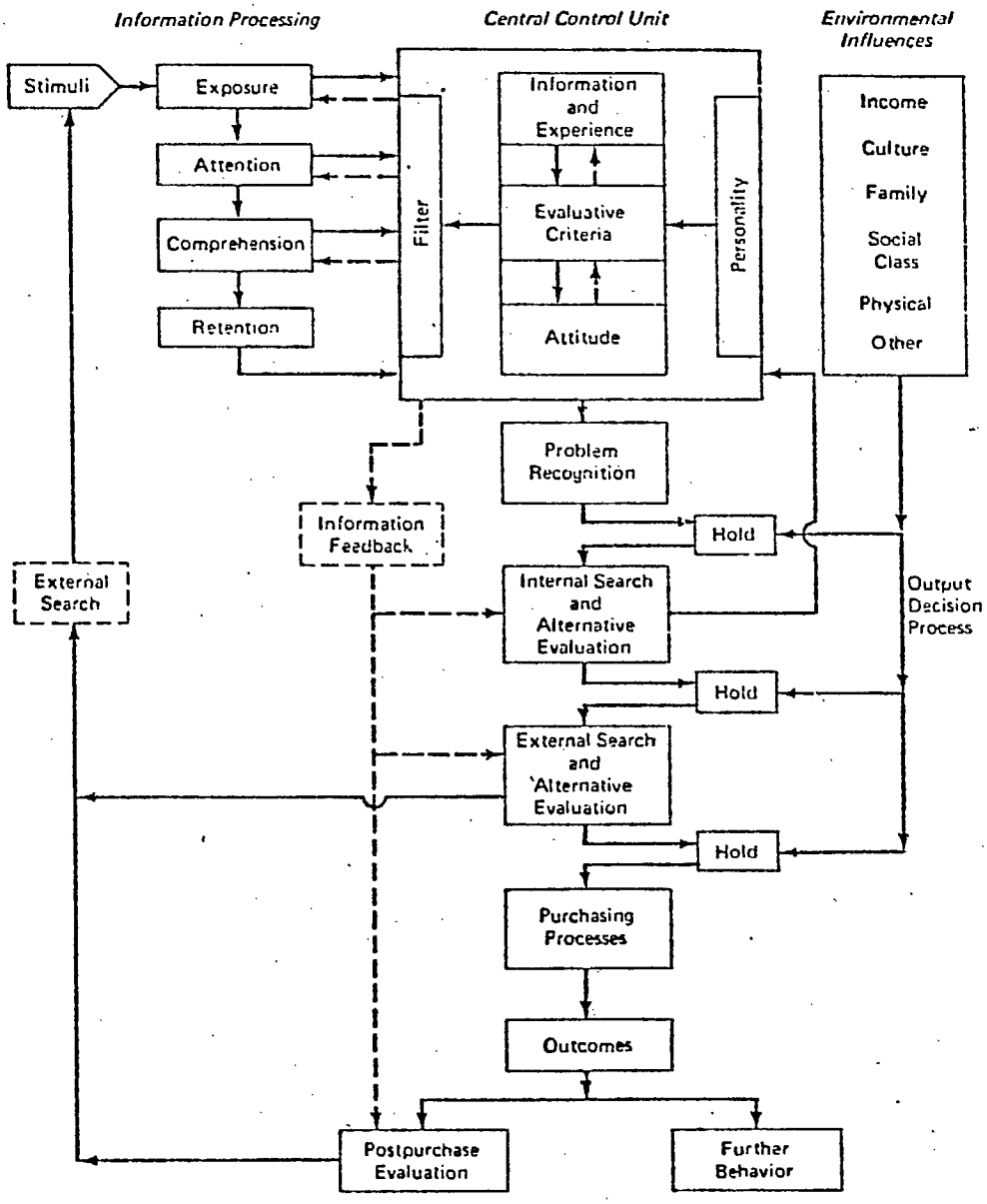
[8]For ease of cross referencing the figure and table numbers from the original thesis document are employed in this report.

FIGURE 3.1

COMPLETE MODEL OF CONSUMER BEHAVIOR SHOWING PURCHASING PROCESSES AND OUTCOMES



SOURCE: J.F. Engel, D.T. Kollat, and R.D. Blackwell, Consumer Behavior, 2nd ed. (New York: Holt, Rinehart and Winston, Inc., 1973): p. 58, Figure 3.6.

characterizes these phases. Individuals selectively expose themselves to communications and, of those stimuli receiving exposure, only a portion are attended to, and a smaller portion yet are comprehended or understood. Selectivity exists in retention as well. Distortions or rejection can occur even though the individual is exposed to, attends, and understands the communication. Thus, the stimuli which finally become stored in conscious memory (thus having potential to affect behavior) are a small subset of the initial set. The tendency is to retain only those parts of the communication that are consistent with prior information and experience, evaluative criteria, attitudes, and personality.

Selectivity in information processing is a phenomenon of major importance to those interested in designing communications to assist or influence consumer decision making. It is not obvious just which parts of the communication will influence which consumers, to what extent, and in which situations.

Perhaps the major concept of Engel's Model is the decision process itself. The decision process begins with (1) recognition of a problem or need and proceeds through four other stages; (2) internal search and alternative evaluation; (3) external search and alternative evaluation; (4) purchasing processing; and (5) outcomes. Not all stages are present for every purchase decision. Durables, however, involve a more extensive decision process than nondurables.

Conceptually, the decision process is precipitated by a perceived deficiency in the consumer's actual state of affairs (e.g., product breakdown) compared to some more ideal situation (e.g., functioning product). If no constraints (e.g., financial) intervene to halt the decision process the consumer then assesses the alternatives for action. This is comprised

of two search phases. The initial step is a search of prior (stored) information and experience to determine what alternatives (solutions) are known and whether any have been satisfactory in the past. If this internal search does not prove to be sufficient, external (overt) search will be undertaken.

Through search and alternative evaluation, the consumer identifies the crucial evaluative criteria, learns the availability of alternative products and brands, and evaluates them, relative to the evaluation criteria.

Internal search is conceived to be largely covert; the consumer relies exclusively on information from past experiences and uses existing attitudes to identify and evaluate alternative solutions to the perceived need or problem. External search involves the conscious or overt search for and use of information. More particularly, in this stage of the process the consumer uses various sources of external information, such as mass media, personal sources, and marketer-dominated sources (advertisements, dealer visits and so on), to learn about the number of alternative solutions to the perceived problem, the characteristics and attributes of these alternatives, and their relative desirability. As Figure 3.1 indicates, these types of information sources have varying degrees of influence on personality, evaluative criteria, attitudes, and purchase intentions--depending on their ability to affect exposure, attention, comprehension, and retention. These effects are depicted by the information feedback arrow in Figure 3.1.

One important dimension of external search is its level or extent. Consumers can be thorough or non-thorough in their information seeking activities. The extent to which search activity occurs depends upon the consumer's perception of its value and the costs involved in engaging in it.

These cost/value perceptions, in turn, vary, depending on four classes of variables: (1) consumer characteristics, (2) situational characteristics, (3) product characteristics, and (4) environmental factors. An analysis of the relative importance of these search determinants has important marketing and public policy implications.

Search behavior leads to a decision. The decision to buy, including the act of purchase, is contained in the purchase process stage of decision making. The two possible outcomes of purchase are (1) post purchase evaluation and (2) further behavior.

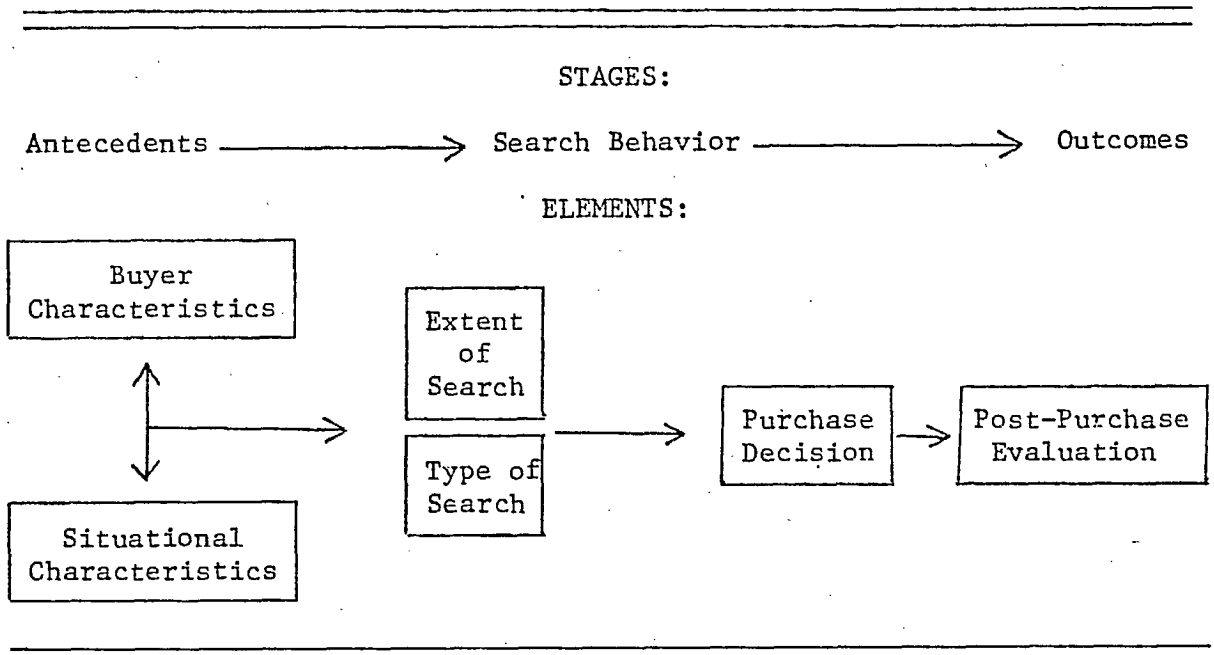
Obviously, a common outcome is satisfaction with the purchase. This serves to reinforce existing attitudes and the evaluative criteria on which they are based, strengthening the probability of the same act occurring in the future. The purchase outcome also can change circumstances and, thus, trigger additional action. If, for example, the purchase demands outlay of a substantial sum of money, this would mean that a decision now must be made on the best type of loan financing. Behavior is sequential and one act rarely can be considered apart from its consequences.

For purposes of the present study, a simplified view of a decision process and a conceptual paradigm are outlined in Figures 3.2 and 3.3 respectively. These representations are related to earlier discussions of the Engel Model.

Figure 3.2 represents a simplified view of the major stages and elements of the decision process for a consumer durable. This representation contains three stages of decision making. The antecedent stage is comprised of two elements, consumer characteristics and situational characteristics. These elements are viewed as preceding or determining the second or search behavior stage in the decision process. The search behavior stage

FIGURE 3.2

SIMPLIFIED VIEW OF A CONSUMER DECISION PROCESS



of Figure 3.2 is comprised of two elements representing the extent and type dimensions of seach activity. The type of search relates to the utilization of information. Two outcome elements are identified. The first is the purchase decision itself. The second is post-purchase evaluation. The purchase decision represents the objective or behavioral outcomes, while post-purchase evaluation represents subjective or attitudinal outcomes of the purchase decision. Together these outcomes represent the consequences of search activity.

The simplified view of a decision process contained in Figure 3.2 is used to develop the conceptual paradigm of Figure 3.3. This paradigm represents a scheme for classifying past research relating to consumer search behavior. The particular studies examined deal with the extent and type of search activity in durable purchase contexts.

Previous studies of search behavior show no consistent classification system for independent variables or determinants. One major work used a trichotomy of environmental, personal, and behavioral characteristics (Hustad, 1973). Another study dichomized independent variables as behavioral and behavioristic (Brandt and Day, 1971). The relationship of these classification schemes to the one depicted in Figure 3.3 is presented in Figure 3.4. There is considerable similarity between these classifications of independent variables. The major exception is that prior schemes have tended to ignore outcome variables. That is, characteristics of the purchase choice and variables measuring post- purchase evaluation have seldom been explored as "determinants" of search behavior. This limitation is overcome in the present research. Public policy and consumer representatives frequently assume that increased search will lead to better purchase outcomes. However, such an assumption might be a questionable basis for public policy

FIGURE 3.3

CONCEPTUAL PARADIGM FOR REVIEWING SEARCH BEHAVIOR STUDIES

Correlates of Search Behavior (employed as independent variables)	Dimensions of Search Behavior (Dependent Variables Investigated)	
	Extent of Search: e.g. - Prepurchase time - no. of store visits - no. of information sources consulted - no. of brands considered	Type of Search: e.g. - Exposure to information source - effectiveness of information source - type of features considered
Individual Factors: e.g., Demographic and socioeconomic characteristics	Katona and Mueller (1955) Udell (1966) Hempel (1969) Brandt and Day (1971) Newman and Staelin (1971) Newman and Staelin (1972) Hustad (1973) Andreasen and Ratchford (1974)	Katona and Mueller (1955) Udell (1966) Hempel (1969) Thorelli (1972)
Situational Factors: e.g., - Purchase experience - Prior knowledge & attitudes - Shopping role structure	Katona and Mueller (1955) Berlyne (1962) Granbois (1962 Green, Halbert and Minas (1964) Katona (1964) Lanzetta (1963) Bucklin (1965) Udell (1966) Barach (1969) Sheth and Benketesan (1968) Howard and Sheth (1969) Bennett and Mandell (1969) Hempel (1969) Brandt and Day (1971) Newman and Staelin (1971) Newman and Staelin (1972) Hustad (1973)	Arndt (1967) Perry and Hamm (1969) Hempel (1969)
Product (choice) Factors: e.g., - Price - Cost - Payment method	Katona and Mueller (1955) Bucklin (1965) Dommermuth (1965) Stigler (1965) Udell (1966) Stephenson and Willett (1969) Brandt and Day (1971) Newman and Staelin (1971) Newman and Staelin (1972) Hustad (1973) Andreasen and Ratchford (1974)	
Post-Purchase Evaluation Factors: e.g., - Satisfaction with choice	Hempel (1969) Newman and Staelin (1971) Newman and Staelin (1972)	

FIGURE 3.4

CLASSIFICATIONS OF INDEPENDENT VARIABLES EMPLOYED IN TWO OTHER STUDIES OF SEARCH BEHAVIOR AND THEIR RELATIONSHIP TO THE CLASSIFICATION TO BE USED IN PRESENT THESIS

Study of Search Behavior	Classification of Independent Variables	Relationship to Thesis Classification - Figure 3.3
Thomas P. Hustad, "Information Handling Behavior for Consumer Typologies," (Ph.D. dissertation, Purdue University, 1973), pp. 17-19.	Environmental Influences: - the role of age, education, income, and job status in determining the amount of search	Consumer Characteristics
	Personal Enduring Characteristics: - the effects of risk, level of satisfaction, and enjoyment of shopping activities in determining the amount of search	Consumer Characteristics Situational Characteristics
	Observed or Stated Behavior: - the effects of opinion leaders and experience; where people look for information under various purchase conditions	Situational Characteristics
Willaim K. Brandt, and George S. Day, "Decision Process for Major Durables: An Empirical View" in Combined Proceedings, Spring and Fall Conferences (Chicago: American Marketing Association, 1971), pp. 381-385.	Behavioral: - those factors endogenous to the consumer, for example, past-purchase experience, shopping knowledge and attitudes, and family demographics	Situational Characteristics Consumer Characteristics
	Behavioristic: - factors relating to the actual purchase choice and the specific circumstances surrounding the purchase, for example; shopping time, urgency of need, purchase price, method of payment, concern over price, and concern over obtaining a good deal	Product (Choice) Characteristics Situational Characteristics

decisions. Associating outcomes with search will shed some light on this and related issues discussed in the introductory section of this report.

2.2 Correlates of Information-Seeking

This sub-section presents summary comments derived from a review of the empirical studies cited in the cells of Figure 3.3. Each study reviewed employed some or all of the dependent variables and used some or all of the independent or predictor variables listed in Figure 3.3. In the present report there is no attempt to comment on the specifics of the many relationships covered in the literature. These details are, however, presented in Chapter 3 of the original research (thesis) document. However, there is an attempt to formulate general statements warranted by the cumulative evidence reviewed. Listings of conclusions on relationships between specific pairs of dependent and independent variables are also presented. Conclusions regarding extent of search are treated first, followed by similar treatment of type of search.

Various measures of search intensity have been analyzed in a number of purchase contexts. The following general conclusions appear in order:

1. The extent of search consumers engage in varies by product (decision type) in question.
2. There are individual consumer differences in the extent of search.
3. There are situation-related differences in the extent of search.
4. Decision process outcomes differ for different levels of search activity.
5. The relations of various antecendent and outcome decision process factors to extent of search vary according to operational definition of search intensity employed.

Presented below are listings of specific conclusions on factors positively related to extent of search. These specific conclusions do not take into account different measurements of search intensity. Though this sensitivity appears to exist (see generalization [5] above), the evidence to date is judged to be insufficient for drawing separate conclusions for each version of the dependent measure.

Specifically, search intensity increases with (for):

Antecedents	Outcomes
Individual:	Product/Choice:
Mobility	Cost
Young family entities	Payment by cash
Presence of children	
Education	
Occupational status	
Middle income groups	
Situational:	
Perceived risk	
Moderate confidence levels	
Low urgency of need	
Perceived product knowledge	
Prior purchase experience	
Dissatisfaction with prior purchases	
Product unfamiliarity	
Store unfamiliarity	
Favorable attitudes towards shopping	
Joint decision role structures	
Role of wife in decision	

In addition there is no relationship between three factors--length of marriage, number of children at home, and satisfaction with purchase--and extent of search.

It is most noteworthy that there are no conclusions regarding the relationship between amount of search activity and post purchase evaluations such as satisfaction with choice. Figure 3.3 indicates that only three studies have investigated this relationship. An analysis of these studies reveals that conflicting results have been found, but none of the findings

indicate that more search is better.

Few specific conclusions are warranted for type of search measures because literature on correlates of qualitative search aspects is not extensive. The majority of search and type investigations restrict analyses to a rank ordering of source and feature preferences and do not discuss outcome differences in such preferences. Where differences have been investigated only selected individual and situation-related predictors have been explored. Outcomes or consequences of type of search are largely neglected as a research area. Therefore, the conclusions drawn for type of search measures will consist of general statements with few specifics.

In general:

1. The type of search consumers engage in varies by product (decision type) in question.
2. There are individual consumer differences in type of search.
3. There are situation-related differences in type of search.
4. The relative importance of information sources varies by importance criterion employed.
5. Segment differences in information source utilization vary by criterion of source use (importance) employed.

Conclusions warranted at this stage of research into correlates of type of search measures are:

6. Source exposure is highest among well educated and higher income consumer groups.
7. Prior purchase experience influences ratings of source effectiveness.
8. Importance of personal sources increases as purchase risk increases.

2.3 Conceptual Paradigm for Assessing the Effects of Information Disclosure Requirements

This section presents a framework for assessing the effects of consumer information programs on individual consumers. The hierarchial model

proposed is based on an elaboration of the information processing component of Engel's comprehensive model of consumer decision making described in Section 2.1 of this report.

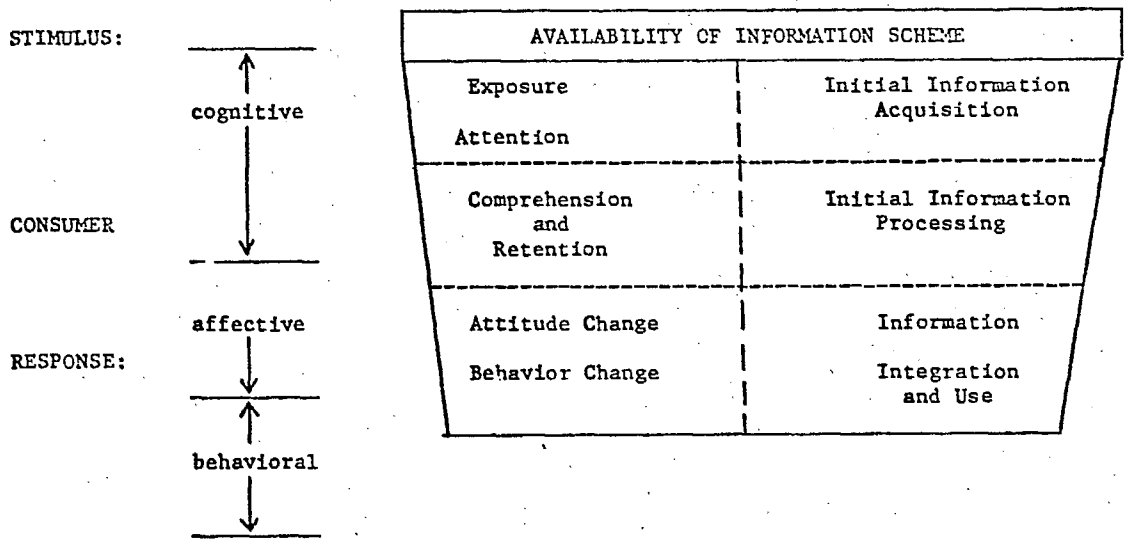
Figure 3.5 represents an attempt to model the possible effects of a consumer information program. It indicates a sequence of information processing stages and proposes a hierarchy of attitudinal and behavioral effects. These conceptions are consistent with the view of consumer information processing described by Engel et al. (1973).

On the right side of Figure 3.5 information processing is conceived to move from initial information acquisition (exposure and attention) through initial information processing (comprehension and retention) to information integration and use (attitude/behavior modification). These three stages contain the major components of an issue framework for consumer information processing suggested by Wilkie (1974). In this and other conceptions of communication effects (see: Lavidge and Steiner, 1961; Day, 1976), a change in a prior information processing stage is presumed to be a necessary, though not sufficient, condition for change in a succeeding stage. For example, information use in choice situations logically must be preceded by information acquisition. But mere exposure to or even detailed knowledge and understanding of an information disclosure does not ensure use of the information in evaluating alternatives and arriving at a final choice. Factors such as the consumer's willingness and ability to process information and his information load capacity have been suggested as mediating factors (Wilkie, 1974; Jacoby, Speller and Kohn, 1974).

The left side of Figure 3.5 classifies the hierarchy of consumer response to an information program stimulus into attitudinal (cognitive and affective) and behavior categories. This conceptualization implies the

FIGURE 3.5

A HIERARCHICAL MODEL OF INFORMATION PROGRAM EFFECTS



necessity of learning (comprehension) before attitude or behavior change occurs, a sequence questioned by many. However, such a hierarchy has been useful as a series of dependent variables or response measures.[9] These measures serve as communication goals. It is, for example, possible and reasonable for information impact to be detected at mental and action levels. The inverted triangle shape of the information processing hierarchy is used to suggest that, indeed, the greatest impact may occur at the initial (attitudinal) stages. If this is the case, then it becomes important to have specific agreed upon objectives for information programs. Provision of additional information may make consumers <u>feel</u> better but may have no impact on enabling consumers to better match products to their needs.

2.4 Correlates of Information Disclosure Effects

The hierarchy notion of Figure 3.5 is in tune with the experience of past consumer information disclosure requirements. A recent summary of conclusions on impact of a variety of point of purchase consumer information schemes is presented in Table 3.6. The observed effects of five different disclosure requirements (nutrition labeling, unit pricing, truth in lending, information tags/labels and open dating) are arranged in a hierarchy of possible responses. The most noteworthy aspect of this table is the apparent support for the hierarchy conception across all five schemes. Consistently, information acquisition scores rank higher than indicators of information processing, and, where behavioral (use) measures have been employed, they rank the lowest. With nutritional labeling, for example, 26% were explosed to the label, 16 % understood the label and only 9% claimed

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[9]An excellent discussion of the usefulness and questioning of hierarchical views of communications effects is contained in G. D. Hughes and M. L. Ray, Eds., <u>Buyer/Consumer Information Processing</u> (Chapel Hill, N.C.: University of North Carolina Press, 1974).

TABLE 3.6

EVIDENCE OF EFFECTS OF SELECTED INFORMATION DISCLOSURE REQUIREMENTS

(Unless noted, proportions refer to entire sample.)

Effect	Disclosure Requirement				
	Nutrition Labeling	Unit Pricing	Truth in Lending	Buying Guide Tags (Small Appliances)	Open Dating
1. Awareness of information	26% saw label	60% to 70% awareness of concept	57% of all credit buyers noticed some credit information		65% noticed
2. Comprehension of information	16% understood label	50% understood meaning of concept	34% correctly reported interest rate on a recent purchase	--------	36% knew that the pull date was used
3. Confidence in judgements	N/A	--------	54% felt better knowing rates and charges	--------	N/A
4. Satisfaction	--------	--------	--------	--------	Higher degree of satisfaction with freshness
5. Claimed use of information (one or more times)	9% used labels at least once	30% to 50% used in a buying decision	10% of all credit buyers used in last durables purchase	20% found tag helpful	39% used open dating on one or more products during last trip
6. Impact on behavior (a) self-report	--------	5% to 38% of claimed users said some element of a shopping trip was influenced	--------	--------	50% reduction in report of spoiled food
(b) other evidence	--------	--------	Negligible relationship of knowledge and shopping behavior, choice of credit source, or decision to use credit or cash	No evidence of effect on pattern of sales of specific models	--------

SOURCE: George S. Day, "Assessing the Effects of Information Disclosure Requirements," Journal of Marketing, 40, (April 1976): p. 46, Table 2.

use of the information.

A similar pattern emerges for unit pricing. Here, 60 to 70 percent were aware of the concept, 50% understood its meaning, 30 to 50 percent claimed use in a buying decision, while only 5 to 38 percent of the latter group cited that a specific element of their shopping trip was influenced. For informative labels (buying guide tags), 50% noticed the tag and 28% found it helpful, but there was no measurable behavioral effect. The findings presented for truth in lending and open dating disclosure schemes also lend support to the hierarchy conception of effects.

A related finding for consumer information disclosures, not addressed in Table 3.6, is that of segment differences. Generally, it appears that segment differences in consumer response do exist along socioeconomic lines. Engeldow (1971) reports that the Consumer Reports subscribers are part of the higher education and income strata. Similarly, Thorelli (1970), commenting on European experience with informative labeling, comparative testing, and quality certification schemes, suggests that their reach is confined largely to the well educated middle class. Day (1976) interprets this evidence on segment differences in consumer response to mean that "information disclosure requirements have the least effect on those buyers who have the greatest need for consumer protection" (p. 49). Thorelli (1972) goes further to suggest that such evidence "lends further support to two notions of public policy" (p. 432). First, he suggests we need more consumer education, notably for the underprivileged. Second, he interprets the evidence to mean there is a need for a diversified range of consumer information sources and media, and calls for continued private and public experiments.

Thus, it appears that privileged segments of society will be the primary benefactors of consumer information programs. However, more pervasive impact may result if these programs are promoted. At a minimum, these findings suggest that designers of such private and public schemes should be aware of the possibility of selective impact in their attempts to respond to pressures for new disclosure requirements.

In summary, this section has outlined a useful hierarchical model for assessing the effects of consumer information programs. The implication of this model that effects might be selective are supported by experience with past information disclosures.

3. A SURVEY OF CONSUMER INFORMATION SEEKING FOR A DURABLE PRODUCT

Since consumer information programs for durables (e.g., appliances and carpeting) are now, or have been, under active consideration by policy officials in Canada it is appropriate to study the nature of the consumers' information seeking for such durables and arrive at conclusions which can serve as useful guidelines to these and related disclosure requirements.

3.1 Survey Research Framework

Figure 4.1 presents the operational research framework used to investigate carpet buyers' information seeking. Knowledge of this framework is very important to the understanding of the results of the survey. The dependent variables in Figure 4.1 are measures of two important dimensions of search behavior: (1) extent of search, and (2) type of search. Each dependent variable is defined in more than one way. The concept of extent of search is measured by five interval scale variables: search time, number of stores visited, total store visits, number of sources consulted, and number of alternative products/brands evaluated. Each of these represents an amount of search activity. The concept of type of search has two components which reflect which sources were valued and what type (content) of information was obtained. The content component is measured in terms of the emphasis placed on product features or attributes in the choice decision.

Figure 4.1 also indicates the names of the major factors (independent variables) which are thought to influence or determine search behavior, and lists their components. For each of these factors there is a corresponding question on the survey research questionnaire presented in the Appendix.

FIGURE 4.1

RESEARCH FRAMEWORK FOR CARPET SEARCH BEHAVIOR SURVEY

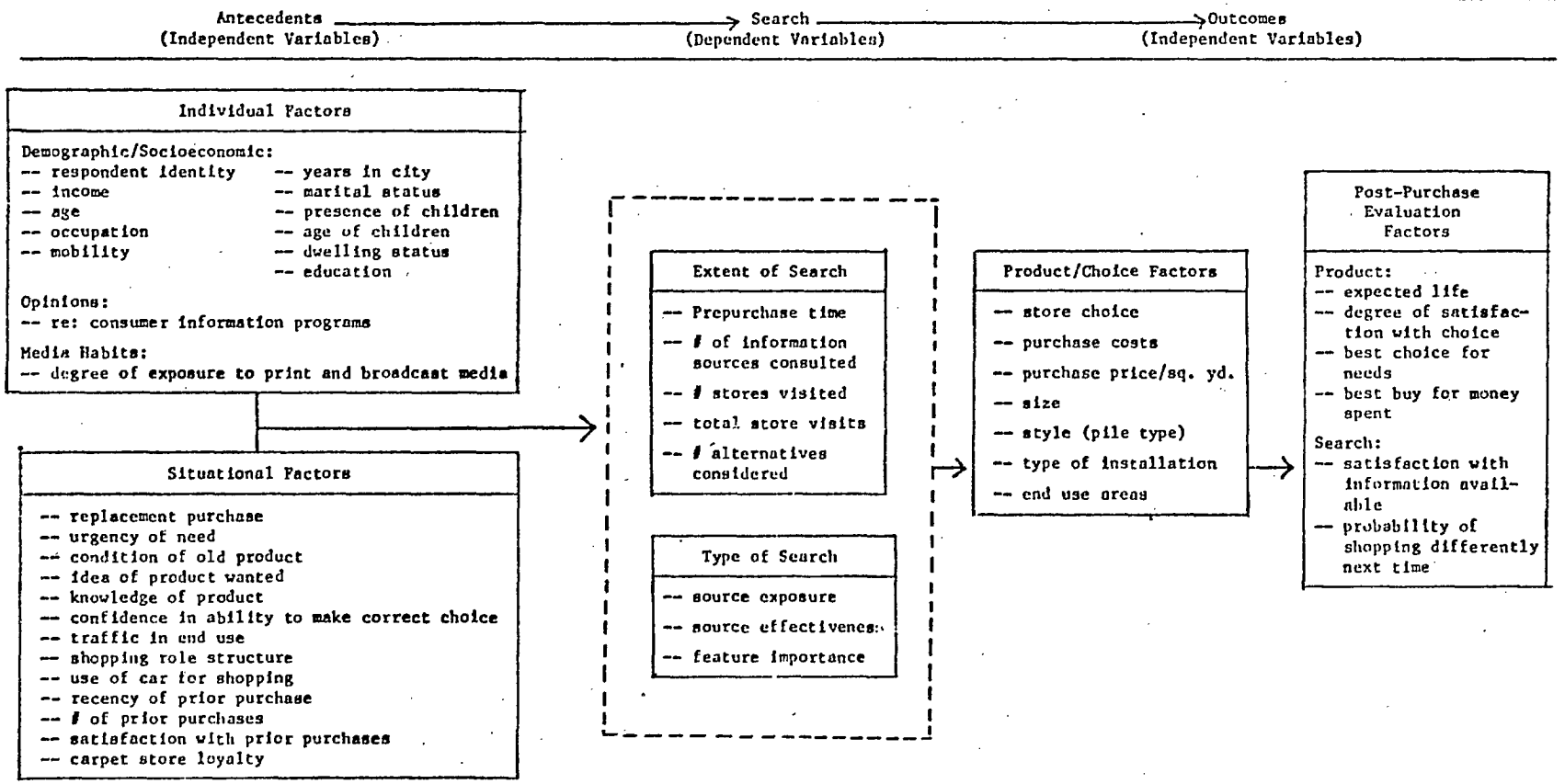

FIGURE 4.2

CLASSIFICATION OF DEPENDENT VARIABLES TO BE EMPLOYED IN SEARCH BEHAVIOR RESEARCH

Dependent Variable		Dimension of Search	
Name	Description	Extent	Type
Search Time	1. Self-perceived duration of time between problem recognition and act of purchase. (Item 3(a))[a]	X	
Source Search	2. A summary score of self-reported different information sources exposed to during search time. (Item 3(h))	X	
Store Search -1	3. A summary score of self-reported different stores visited during search time. (Item 7(d))	X	
Store Search -2	4. A summary of self-reported number of visits to each store during search time. (Item 7(d))	X	
Product/Brand Search	5. Self-reported number of alternative brands/ products seriously considered during search time. (Item 7(e))	X	
Importance of Information Sources	6. Exposure: Self-reported exposure to a particular information source. (Item 3(h))		X
	7. Contributory Effectiveness: Rating of source as helpful. (Derived from measures in Item 3(h).)		X
	8. Decisive Effectiveness: Rating of source as most useful. (Derived from measures in Item 3(h) and 7 (i).)		X
Importance of Product Features (Attributes)	9. Type of Features: Self-reported consideration of feature. (Item 3(g))		X
	10. Salience of Features: Importance rating for feature. (Derived from Item 3(g).)		X
	11. Concern for Label Related Features: A summary score based on rated importance of fibre, wear and cleaning features. (Derived from Item 3(g).)		X

[a]Items refer to question numbers on the survey questionnaire contained in Appendix

Figure 4.2 gives more details on the dependent variables studied. The variables are classified into extent and type dimensions. Each variable is named and described and reference is given to particular items on the survey questionnaire used to measure it.

3.2 Survey Data Collection and Plan of Analysis

Data Employed

Data were obtained from a mail questionnaire sent to recent carpet buyers in the Spring of 1974. (See the Appendix for complete questionnaire.) Respondents were adult household members who had purchased a new carpet within the previous nine months. Names and addresses were obtained from the invoice records of four London, Ontario carpet outlets--Eatons (department stores), Woolco (discount store), Factory Carpet (warehouse retailer), and Postians (specialty store). The clients of these carpet outlets were judged to represent a cross-section of socio-economic and demographic groups in the city. The actual sample representativeness was tested and appeared to be representative of the carpet buying population, but under representative of lower socio-economic groups.

Plan of Analyses

Though the survey of carpet purchase behavior attempts to measure elements at each stage of the buyer's decision process, the analyses will focus on the search behavior stage. The aim is to investigate the degree of variability in measures of search and to determine how search behavior is related to other decision process stages. The reader is referred to Figure 4.1 and to the questionnaire in the Appendix for details on the dependent and independent variables employed in the analysis.

The analytical techniques used to treat the survey data will not be presented in detail in this summary report.[10]

3.3 Survey Results and Discussion

The purpose of the section is to discuss the results of the analysis of carpet survey data. The presentation is necessarily brief and readers who wish further elaboration are urged to consult Chapters 5 and 6 of the original research (thesis) document where detailed tabulation and discussion of results appear. The presentation below proceeds according to a series of key questions policy officials should ask regarding consumer information seeking behavior.

1. How much information seeking do durable (carpet) buyers exhibit?

In general, survey results show that some aspects of carpet search activity are quite extensive while others are more limited in comparison to what might be expected for major durables. The results also show that large differences exist among consumers in the amount of search effort they undertake.

Specifically:

a) Search time is quite extensive. For carpets, it averaged 37 weeks. Although 12% of buyers spent 3 weeks or less and 25% spent 5 weeks or less, 27% spent 50 weeks or more.

b) Store search is moderately high, averaging over 3 visits to different stores and over 5 visits in total. Significantly, however, 21% of buyers visit only 1 store, 35% visit 2 stores or less, 55% visit 3 stores or less and only 11% visit 6 stores or more.

c) Buyers obtain information from a limited number of sources. The average is 2.6 out of a possible 8. Approximately 20% of buyers rely on a single source, while 29%, 25% and 13% consult 2, 3, and 4 sources, respectively.

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[10]Details on the analytical techniques employed can be obtained by referring to Chapter 4 of the original (thesis) research document.

d) Carpet buyers are not active comparative shoppers; they consider few competing alternatives in arriving at a choice. Over one half (52%) of the buyers surveyed did not seriously evaluate any other carpet than the one they bought. A further 28% considered only one other alternative, while 13% considered two other alternatives and 6% considered three.

The results in (c) and (d) above, and previous findings for other durables, raise questions as to the usefulness of informative labels and other information programs in assisting consumers. Though buyers spend considerable time in the pre-purchase stage and may visit several stores, few of them may consult informative labels and those who do may not actually use the information for comparative shopping among competing brands.

2. What type of information do durable (carpet) buyers seek and value?

Survey results show considerable diversity in the type of information source and the type of information content that buyers seek and value during the durable purchase decision process.

With regard to the relative importance of sources:

a) Face-to-face sources are most heavily consulted--sales people (79% of buyers), friends and relatives (44%). Consulted with diminishing frequency and of successively less perceived value are print ads (27%), articles (32%), carpet labels (31%), booklets (17%), and radio/television ads (16%).

b) Carpet salespeople are the information source most frequently valued; 66% of buyers rate them as "helpful" and 41% rate them as the single "most helpful" source.

c) Carpet labels, though consulted by only 31% of the sample, and rated as "helpful" by 25%. In contrast to salespeople, however, labels are seldom (only 2% of sample) cited as the single most useful source of information.

These results are those from other studies on durables point to the extreme dominance of salespeople. Policy makers must realize that labels as a source of point of purchase information are likely to be an ineffective relative to this dominant influence.

The emphasis now shifts to buyers use and evaluation of certain types of information content; the relevant data are observations on product features important to surveyed carpet buyers.

Specifically:

a) The features of greatest concern to buyers are color (66% of buyers), quality (58%), price (50%), and appearance (39%). Few buyers considered features like fibre content (19%), wear performance (26%), cleanability (21%) or brand (16%).

b) Further analysis reveals that 50% of the buyers showed no concern for fibre, wear or cleaning features, the very categories of information that are being considered for inclusion in Canada's cantag labeling scheme for carpets.

These results show the clear dominance of subjective features (criteria) in buyers' purchase decisions and suggest that information schemes such as informative labels which contain objective data, are unlikely to have pervasive effects on choice behavior.

3. How should search activity be studied?

There are two ways to measure and analyze how much information-seeking buyers exhibit. The first is an aggregate approach where subjects are assigned an overall score based on adding together a number of individual search activities.

This approach assumes the existence of some common underlying construct such as circumspection or deliberation. It also assumes that buyers place equal emphasis or lack thereof on each aspect of search activity. For example, those buyers who spend a great deal of time in the pre-purchase phase of decision-making will consult many information sources, visit many stores and compare many brand alternatives.

Second is a disaggregative approach to studying search where single aspects of activity are studied separately. The assumption underlying this approach is that buyers do make tradeoffs among alternative information

seeking activities. For example, some buyers might visit many stores in a short period of time while others visit fewer stores in a longer period of time.

Survey results show that aggregate measures of search activity should not be employed when studying consumer information seeking. Specifically, the findings suggest that whether a buyer is a deliberate or a circumspect shopper depends on which measure of search is used. As stated above, buyers do make tradeoffs in search activity. This fact is particularly relevant to research on the impact of information programs on consumers' prepurchase activity. Programs, such as informative labels, are designed to improve comparative shopping, specifically, the number of competing brand alternatives considered. If an aggregate search measure is used in assessing the impact of the labeling scheme, the results might show less overall search in the presence of the new labels, leading to unwarranted disappointment in the success of the labeling program. The lower aggregate search score could occur because buyers tend to reduce their search time and/or number of store visits when they have more product (label) information available at the point of purchase.

In summary, policy officials often are interested in affecting specific aspects of consumers' search behavior, and information on the nature of these specific aspects, rather than aggregate search, is needed.

One further result of interest to policy makers is the finding that there is not strong a relationship between the amount of search activity and the degree of concern consumers have for objective (content, performance and care) product features. This implies that even the most active information seekers may not want or use the information contained on informative labels.

4. How is search related to other decision process variables? (i.e., Are there segment differences in search and how does search influence purchase outcomes?)

The research framework presented earlier in Figure 4.1 indicates that a number of factors might explain or be associated with certain amounts and types of search behavior. The results show that there are a number of consumer and situational characteristics related to search behavior. This means that different consumers in different situations engage in different amounts and types of search. More importantly, the type of product bought and the degree of past purchase satisfaction vary with search. The latter fact has important policy implications as it suggests that consumer choice and satisfaction might be altered by changing the quantity and quality of the consumer's information seeking behavior. Presented below are a number of more specific findings regarding who seeks information in what situations and with what consequences. Some implications of the findings are also presented.

Specific findings regarding quantitative aspects of consumer search (i.e., the amount of search behavior undertaken) will be discussed first.

a) The profile of variables associated with one measure of search activity differs from that associated with another measure.

This result supports the earlier position that individual measures of search should be studied separately. It also implies that labeling programmes (which are designed to increase the degree of alternative evaluation or comparative shopping) will not affect all consumers. Finally, this finding suggests that it is risky to make generalizations about the information seeking behavior of consumers.

b) In contrast to the findings of prior literature the present study found no significant relationship between the amount of search activity and:

   (i) the socioeconomic factors--education, occupation and income.

   (ii) the situational factors--shopping role structure, condition of old product and satisfaction with old product.

These findings support the statement that it is difficult to generalize about search behavior. The results from one product context may not hold in another.

c) Survey results do, however, reveal a number of significant determinants about half of which are consistent with prior research. Specifically:

(i) Search activity is generally higher for buyers who:
- have children
- have product knowledge
- have bought the product before
- pay a higher total cost
- pay a higher price

(ii) Search activity varies curvilinearly with:
- age (highest search for middle age)
- several measures of post purchase satisfaction (highest for moderate levels of satisfaction)

(iii) The amount of search activity is generally lower for buyers who:
- are mobile
- have a clear idea of the product wanted
- score high on a single measure of post purchase satisfaction

Several aspects of these findings have important implications for consumer information policy decisions. First, only about one half of the above relationships were in the direction expected on the basis of prior research. This leads to the familiar suggestion that generalizing about consumer information seeking behavior across product types is risky. Second, those consumers who are experienced with the product tend to be the most active information seekers.

New information schemes, such as informative labels, are therefore likely to benefit experienced rather than inexperienced consumers. It is the latter type of consumer, however, who may need the most shopping assistance. The final and perhaps most important implication of the results is that more search is not necessarily better. Several of the measures of

post-purchase satisfaction are the highest when consumers engage in moderate, not maximum, amounts of search activity. In fact, in one case a satisfaction score is highest where search activity is the least. The statement "more search is better", is therefore more appropriately "a moderate amount of search is better".

In summary, it is clear that the degree of information seeking a consumer engages in is determined by who the consumer is (individual factors) and by the situation surrounding the purchase (situational factors). Therefore, definite segment differences in the amount of information seeking exist, and programs such as informative labels are likely to have selective impact among shoppers. It is also clear that there are some important consequences of search activity which no longer should be ignored in studies of consumer information seeking. Some aspects of consumer choice and post-purchase satisfaction vary depending on the extent of prepurchase search activity. Finally, since moderate and not maximum amounts of information seeking appear to result in the most favorable post-purchase consequences the "more search is better" assumption implicit in many policy decisions and information programs is called into question.

The focus now shifts to a consideration of which sources and types (content) of information different consumers prefer in different situations. Attention is also directed to how purchase outcomes, particularly post purchase satisfaction, are influenced by reliance on a given information source or item of content. Policy officials should be interested in these issues because the source (e.g., labels) and content (e.g., performance informaion) of consumer information programs must compete in an environment containing many other product information sources and messages. It is possible that consumers may not utilize an informative labeling pro-

gram because they regard it as unimportant relative to other informational inputs available for help in decision making.

The findings of particular interest to policy officials are briefly summarized below. The reader is urged to consult the original thesis document for complete details.

d) There definitely are consumer and situational differences in the type of sources of information used. That is, what information sources consumers are exposed to and how effective (useful) they find them varies depending on who the consumers are (individual differences) and what the circumstances surrounding the purchase decision are (situational differences).

These findings suggest that any information program is going to be more appealing to some segments of society than others. It is naive to assume that a pervasive consumer response will occur.

e) It is apparent that the outcomes of the decision process are influenced by the type of sources and information consulted during the search stage.

This finding suggests that in addition to determining who utilizes particular sources and in what situations they are utilized, it is relevant to consider whether there are differential consequences (in terms of the choice itself and/or post-purchase evaluations) resulting from being exposed to and/or influenced by particular information sources; the latter relationships should no longer be ignored in studies of search behavior, particularly since the evidence suggests that if a source communicates "helpful" shopping information it is likely to have a significant influence on consumers' post-purchase evaluations.

f) Salespeople are regarded as the most important source of information by consumers who are older, non mobile, or loyal to the retail store. In addition, those people who value sales people the most end up with higher post-purchase satisfaction scores than those who rely on other sources of information. In fact, those buyers who rated other sources, such as friends, advertisements and booklets, as "most helpful" have the lowest levels of post-purchase satisfaction.

An interesting situation is presented if the latter finding can be generalized to include information labels as a source; it is possible that if buyers are told to and do rely on labels as their most useful source of shopping information, poorer rather than better purchase decisions will result.

The possibility of this occurrence is explored in the analysis of the data from the carpet labeling experiment reported in Section 4 of this report. The former finding which indicates that the sales person source is the dominant purchase influence implies that the success of other point-of-purchase sources, such as informative labels, will be mediated by salespeople.

Finally, there are some survey results of particular relevance which will be described in Section 4 of this report. The results of interest are the concern carpet buyers show for features of fibre content, wearability and cleanability, which are likely to be included on informative carpet labels. These items of information are referred to as label related features.

g) Overall there is a very low level of concern for label related features among carpet buyers. Those few who appear to desire this type of information content tend to possess one or more of the following characteristics: middle age; upper income; a blue collar occupation; quite urgent need for the product; heavy traffic in intended enduse area; clarity about the product wanted; self-confidence in ability to choose correctly; knowledge about carpets; moderately recent buying experience (5-7 years ago).

These results provide a tentative profile of the market segment most likely to benefit from an informative labeling scheme for carpets, assuming, of course, that those who are concerned about fibre, wear and cleaning features will indeed consult and use informative labels. If the above profile is accurate, it would appear that informative labels may not help the people who need help the most. This is evident from the fact that people

who can cope (i.e., people with upper incomes, self-confidence, product knowledge, etc.) tend to show the most concern for label related features.

Finally results show that a number of relationships do exist between decision process outcomes and concern for label related features, indicating that consumer choice and feelings of satisfaction about the choice may be altered somewhat by an informative carpet labeling scheme.

h) Buyers who choose relatively durable carpet styles (e.g., twist or loop pile types) show high concern for wear and cleaning performance features while those who choose less durable but more aesthetically appealing styles (e.g., shag pile types) show very little concern for these product features.

The specific implication of this result is that the use of labeling information is likely to vary depending on the type of style of product being considered, and that those wanting the high appearance styles may ignore labels contain ing objective information on the product's performance. Ironically, the high appearance styles tend to have poor performance characteristics and in this sense informative labels may not be used by those who "need" the information the most.

i) Buyers who are most concerned about the wearability features of carpets report the lowest levels of satisfaction with their choice. In contrast buyers who emphasize cleaning or fibre content features tend to be quite satisfied.

These results suggest that the information environment at the time of the survey (1974) was adequate with respect to fibre content and cleanability of carpets but inadequate in terms of the wear performance attribute. It is likely, therefore, that the wear information component of Canada's proposed carpet labeling scheme will be the most salient to carpet buyers. The experimental results reported in Section 4 of this report reinforce this prediction.

This concludes discussion of policy relevant results of the carpet survey. The presentation is necessarily brief and once again readers interested in further specifics are urged to consult Chapters 5 and 6 of the original thesis document.

4. AN EXPERIMENTAL ASSESSMENT OF THE EFFECTS OF INFORMATIVE LABELS ON CONSUMER BEHAVIOR

The understanding of consumer information seeking behavior obtained by the survey research outlined earlier in this report provides valuable insights into the need for and potential value of product information disclosures. However, it is also important to assess the specific effects of a particular disclosure program on consumer choice behavior. The experimental research stage of this study is directed towards this end. It should be noted that the experimental research approach employed in context of the specific durable, carpeting, and the specific vehicle, informative labels, could also be applied to other durables and/or other information disclosure programs, for example, appliances and energy information labels. The reader who wants complete details of the methodology, analysis approach and results should consult Chapters 4 and 7 of the original thesis document. What follows is a summary of the highlights of the informative labelling experiment.

4.1 Experimental Design

Objectives

The objectives of the experimental research are to determine:

1. what effects, if any, informative carpet labels have on the consumer's purchase decision;
2. whether an education (promotion) program for a carpet labeling scheme significantly increases impact, and
3. whether there are segment differences, particularly socioeconomic, in effects.

The reader is reminded of Subsections 2.3 and 2.4 of this report where the recent Canadian carpet labeling debate was discussed and where the possible effects of consumer information programs were conceptualized and reviewed. These materials demonstrated that it is unrealistic to assume a

generalized consumer response to such disclosure requirements. In particular, they suggested an informative label may have a limited effect, especially on actual choice behavior, and that this effect may be concentrated among higher socio-economic segments of society. Further, concern was expressed that the mere availability of informative labels is unlikely to result in significant effects. The need for accompanying consumer education was advocated "to prepare a ground in which such programs can prosper" (Thorelli, 1972, p. 427).

Model for Simulated Carpet Shopping Experiment

Figure 4.12 illustrates the 2 x 3 factoral design created to determine the effects, if any, of informative carpet labels on consumers' purchase decisions.

Experiment Treatments (Test Labels)

Figure 4.13 illustrates the three experimental labels. As shown, the labels are cumulative in the amounts of information they display. The items included are those likely to emerge in an informative labeling scheme for carpets. Label 1, the control label, is constructed to conform to the requirements of the Textile Labeling Act.[11] This label contains information on fibre content, as well as style, color, and width information. Labels 2 and 3 contain additional categories of information. On Label 2, wear information is represented by means of wear rating which indicates whether the carpet meets government standards for light, medium or heavy household traffic areas. This method of representing the carpet's wear performance is similar to that used in the British and French carpet labeling schemes, and it appears to be a likely way of communicating wear infor-

[11]The Textile Labeling Act went into effect on December 1, 1972.

FIGURE 4.12

THE 2 X 3 FACTORAL DESIGN FOR SIMULATED CARPET SHOPPING EXPERIMENT

Treatments:

→ Cumulative Information →

Conditions:	Test Label 1	Test Label 2	Test Label 3
Educated			
Uneducated			

FIGURE 4.13

EXPERIMENTAL TREATMENTS

Label 1 (control)

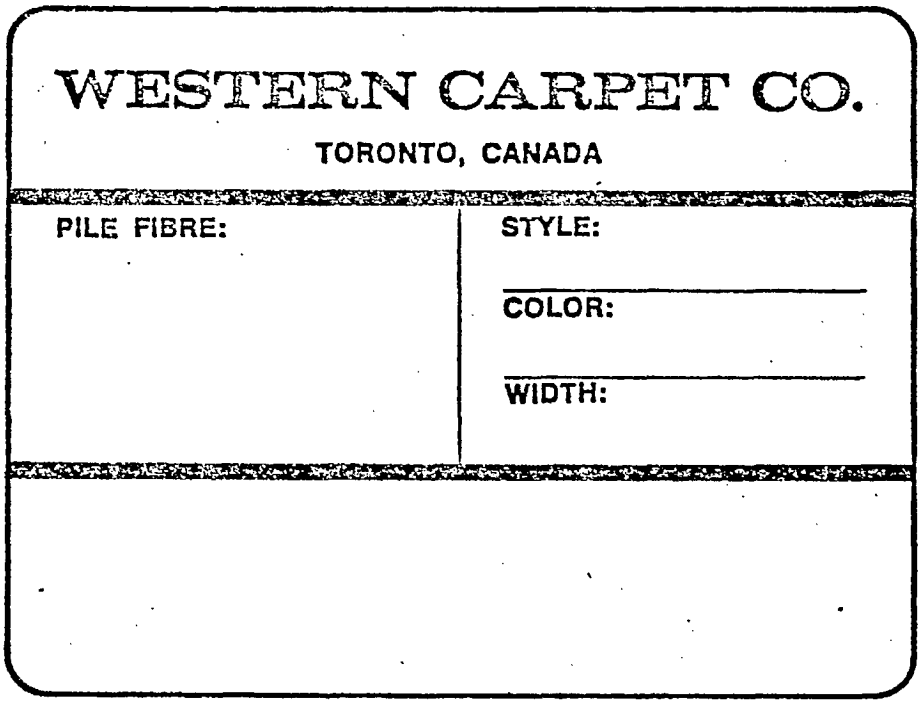

FIGURE 4.13 - Continued

Label 2

WESTERN CARPET CO.

TORONTO, CANADA

PILE FIBRE:	STYLE:
	COLOR:
	WIDTH:

WEAR RATING:

This carpet meets government standards for:

- ☐ Light Household Traffic Areas
- ☐ Medium Household Traffic Areas
- ☐ Heavy Household Traffic Areas

FIGURE 4.13 - Continued

Label 3

WESTERN CARPET CO.

TORONTO, CANADA

PILE FIBRE:

STYLE:

COLOR:

WIDTH:

WEAR RATING:

This carpet meets government standards for:

- ☐ Light Household Traffic Areas
- ☐ Medium Household Traffic Areas
- ☐ Heavy Household Traffic Areas

CLEANING INSTRUCTIONS:

1. Carpet Sweep Daily
2. Vacuum Weekly:
   - ☐ Suction with Motorized Brush
   - ☐ Suction Only
3. Professional Clean Yearly
4. For further details on cleaning, spot & stain removal, etc.; write for Carpet Care Booklet:

THE CANADIAN CARPET INSTITUTE
BOX 100, MONTREAL, CANADA)

mation on carpet labels in Canada, particularly if informative carpet labels are made compulsory. Individual carpet types employed in the experiment were wear-rated with the assistance of carpet industry experts.

Label 3, in addition to fibre and wear information, contains general cleaning instructions. The only difference among test carpets is that instructions for vacuuming of shag carpets indicate "suction only", while those for other pile types indicate "suction with motorized brush". In an attempt to satisfy the carpet buyers' expressed needs for spot/stain removal information, reference is made to a booklet on the subject available from the Canadian Carpet Institute. Overall, the cleaning instructions are representative of what this Institute appears willing to include in a voluntary industry labeling program.

Experimental Conditions (Educational Levels)

The second factor in the experimental design represents two states of pre-awareness or education with respect to the existence and the nature of informative carpet levels employed in the simulated purchase experiment. The first level of this factor is an "educated" condition. This is created by exposing subjects to an information sheet containing a picture of the relevant test label and a statement on its potential helpfulness. An "uneducated" condition is created by absence of exposure to such an information sheet.

The reason for using these conditions is to determine what effects a promotional program might have on the impact of an informative labeling scheme. It is suggested by some that such information devices require consumer education before significant impact will result.

Simulated Purchase Environment

Test labels were affixed to the reverse side of 18" by 27" carpet samples. Three test rooms were employed, each containing the identical collection of carpets.[12] The labels attached to all carpet samples in a given room, however, differed from labels on samples in the remaining two rooms. The price of the carpet (in dollars per square yard) and an identification number were attached to the face of each carpet sample.

A sample of 506 shoppers (individuals or couples who maintained their own dwellings) was recruited from a variety of local tenant, church, and service organizations. Subjects participated by coming to the University of Western Ontario campus, proceeding through experimental protocol, making a carpet choice in a test room environment, and completing a post-test questionnaire. Subjects were randomly allocated to treatments (labels) and within each treatment to one of two conditions--"educated" or "uneducated".

Measures

The post-test questionnaire measures how subjects' attitudes and choice behavior are affected by the informative labels. Figure 4.14 shows the particular measures used. These measures are arranged into a hierarchy beginning with exposure and recall, and proceeding to specific attitudes and behaviors. The reader will note that this ordering of possible label effects is based on the hierarchical conceptual model of information effects outlined in Subsection 2.3 of this report.

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[12]Each collection included the same 15 varieties of carpet. A variety consisted of: (1) a single carpet style (e.g., shag twist, loop, or plush), (2) from four to fifteen different colored samples, and (3) a single price. Prices ranged from $5.95 to $19.95 per square yard across varieties.

FIGURE 4.14

HIERARCHY OF DEPENDENT MEASURES USED IN ASSESSING EFFECTS OF INFORMATIVE CARPET LABELS

Level of Effect		Dependent Measure Description: Name (and scale of measurement to be used)	Dependent Measure Description: Post-Test Questionnaire Item (or calculation
Initial Acquisition of Label Information		Exposure (nominal)	Do you remember seeing a label on any of the carpet samples? ( ) Yes ( ) No
Initial Processing of Label Information		Recall (nominal)	Please list the types of information you remember from the label.
Integration and Use of Label Information	Attitudinal	Perceived Usefulness (ordinal)	(Continued) . . . and indicate how useful you found that (each type of label) information in making your carpet choice. Very Useful ( ) Somewhat Useful ( ) Not Useful At All ( )
		Reasons for Choice (ordinal)	In order of importance what were the main reasons for your carpet choice? (Focus will be on position of fibre, wear and cleaning as reasons).
		Uncertainties Felt (interval)	Please list any uncertainties you felt while choosing a carpet from the samples.
		Extra Information Wanted (interval)	Other than the information that was available to you, what additional information would you have found useful in making your carpet choice?
		Specific Confidence (ordinal)	How confident are you that the carpet you chose is suitable for the room or area of your home you had in mind? Very Confident ( ) Somewhat Confident ( ) Somewhat Unsure ( ) Not Sure At All ( )
		Conditional Confidence (nominal)	Would you have felt more confident if a carpet salesman had been present? ( ) Yes ( ) No
	Behavioral	Price[a] (interval)	Fifteen price points in range $5.95-$19.95/square yard.
		Cost[a] (interval)	Price X Size[a]
		Style[a] (nominal)	Shag vs. Non-Shag
		Wear/Needs Ratio (ordinal/interval)	Ratio of wear rating of chosen carpet[a] to estimated amount of traffic in intended end use area[b] of home. Both measures used a trichotomous light, medium, heavy response categories.

[a]These details were determined from researchers' records using code number of subjects' carpet choice, as reported on bottom of subjects' instruction (protocal) sheet.

[b]On the post-test questionnaire subjects were asked to rate the amount of traffic in each area of their dwelling, on a light, medium, heavy scale. The rating for the end use area for which the carpet was chosen was employed in calculating this index.

The attitudinal measures capture the subjective dimensions of consumer choice. They are used to tap the subjects' feelings about the choice situation. In contrast, the behavioral measures are designed to get at actual (objective) choice performance. It may be that informative labels cause subjects to "feel better", but not to "choose better".

Since the ultimate goal of information schemes such as informative labels is to cause "better" choices it is important to elaborate on how "better" may be defined.

What is meant by a "better" purchase choice is not necessarily obvious. Ideally, the way to measure whether a consumer is making a better choice is to compare his purchase to the best choice for his particular set of circumstances. Since it is not possible to determine what the best choice for the individual consumer would be, several arbitrary measures of "better" are employed in analyzing the experimental data.

First, "better" is operationally defined as "altered". That is, some aggregate changes in consumption patterns might be expected to occur as more content/performance information becomes available to carpet consumers. The first three behavioral measures cited at the bottom of Figure 4.14 will be used as aggregate measures of choice performance. These reflect attributes of the choice itself; price, cost, and style or type of carpet.

Secondly, "better" choice is defined as choice of carpet with a wear rating that matches the subject's end use traffic needs. Prior to the experiment, each test carpet was wear-rated as suitable for light, medium, or heavy household traffic areas. In the post-experimental quesitonnaire, subjects were asked to estimate the traffic conditions in various parts of their home, again in terms of light, medium or heavy. These data are used to calculate a wear/needs ratio which is the last criterion measure listed

in Figure 4.14. Therefore, in this second instance, it would be expected that the disclosure of wear rating informaiton would enable subjects to match carpet choice to traffic conditions. That is, choice accuracy should be improved.

Limitations

Before presenting a summary of the findings and implications of the informative labeling experiment it is important to highlight the major limitations of the experiment. These limitations are due to:

1. the limited time duration, which means that only relatively immediate label effects are determined and long-term consequences are not measured.

2. the simulated nature of the shopping environment, which reduces external validity.

3. the limited range of information treatments (labels) tested, which does not permit a complete examination of the "more information is better" assumption.

4. the limited format used to express each item of label information, which limits generalization of results to alternative means of expressing the same content.

5. the lack of a representative sample which, though analysis proved it to be slight, might lead to error in generalizing results to other geographic locations.

4.2 Experimental Results and Discussion

The experimental data were examined to determine whether:

1. There is a hierarchical ordering of possible label effects such that the greatest impact occurs in the initial stages of the hierarchy.

2. There is a significant label (treatment) effect; that is, the more label information, the more favorable the buyers' scores on attitudinal and behavioral response measures.

3. There is a signficant "education" (condition) effect; that is, criterion scores for buyers who were alerted to the nature of label information available in the subsequent choice situation will be significantly more favorable than for non-altered buyers.

4. There are segment differences in label effects such that higher socio-economic groups are the primary benefactors.

The reader will recall that these are important issues deriving from the findings of prior studies in this area and from the information labeling debate in Canada.

Only a summary of the experimental findings will be presented here. The detailed results and their discussion are contained in Chapter 7 of the original thesis document.

The findings of this experiment were similar to those for other information programs in that consumer response to informative labels is consistent with a hierarchy of effects model. That is, the effects diminish (successively) from exposure measures to attitudinal measures, through to measures indicating impact on actual choice behavior.

Table 7.1 contains a summary of consumer response to informative carpet labels and bears out the hierarchy of effects model. Specifically, results indicate that on average:

a) 80% of subjects reported seeing the informative label (exposure score)

b) 47%-62% of subjects recalled the specific items of information on the label

c) 33%-50% of subjects rated the label information as very useful

d) 13%-45% and 9%-34% of subjects included among their top 3 or 2 reasons for choice, respectively, a product feature related to an item of label information

e) only 1%-2% of subjects reported label related product feature as their first reason for choice

f) the wear rating is the most salient item of information to carpet buyers, followed by fibre content and cleaning information (the lower percentages in (b) through (e) above are for cleaning information and the higher one is for the wear rating).

Table 7.1

A SUMMARY OF EVIDENCE OF EFFECTS OF INFORMATIVE CARPET LABELS

Level of Effect	Measure of Effect	Evidence of Effect (Unless noted base N = 506)		
Initial Acquisition of Label Information	Exposed to Information	80% saw label		
Initial Processing of Label Information		Fibre	Wear[a]	Cleaning[b]
	Recalled Information	62%	53%	47%
Attitudinal (Integration and Use of Label)	Rated Information Some or Very Useful	61%	53%	47%
	Rated Information Very Useful	50%	48%	33%
	Cited Feature Among Top Three Reasons for Choice	23%	45%	13%
	Cited Feature Among Top Two Reasons for Choice	20%	34%	9%
	Cited Feature as First Reason for Choice	12%	21%	1%
	Number of Uncertainties Felt	No significant change as amount and types of label information increased.[c]		
	Number of Items of Extra Information Wanted	Significant decrease as amount and type of label information increased.[c]		
	Confidence in Choice	Significant but curvilinear; confidence increased from low to moderate amounts of information but decreased for high amounts of label information.[c]		
	More Confidence if Salesman Present	No significant change as amounts and types of label information increased.[c]		
Behavioral (Integration and Use of Label Information)	Style Chosen; Price; Total Cost; Choose Wear to Meet End Use Needs	No significant changes as amount of label information increases except for total cost which increases with successive treatments.		

[a] Base N = 338; i.e., all these subjects who shopped in presence of wear rating information on labels.

[b] Base N = 167, i.e., all these subjects who shopped in presence of cleaning information on labels.

[c] Based on analysis of variance and crosstabulation results.

These results provide definite evidence that while most consumers are exposed to informative labels, only a small proportion base their choice on criteria (features) of which the labels give information. Also, it is clear that for carpet buyers some items of disclosure (notably information on wear performance), are more salient than others; information about features such as fibre content, and cleaning instructions are relatively ineffective disclosures and are candidates for deletion. It is interesting to note that the Textile Labeling Act of 1972 requires disclosure of fibre content on carpet labels. It appears, however, that this measure may not achieve any significant impact on carpet purchase decisions.

Table 7.1 also contains specific results on the way subjects' attitudes (feelings) are affected by informative carpet labels. Specifically:

g) increasing the amount of label information (from Label 1 through Label 3) has no significant effect on alleviating the uncertainty carpet buyers feel when trying to choose among competing products.

h) increasing the amount of label information tends to lessen buyers' perseived need for additional items of information.

These findings indicate that informative labels may make consumers feel that they have a more complete information environment but this does not necessarily mean that consumers' uncertainties while choosing will be reduced. On this basis it appears that informative labels may not rate as important point of sale risk relievers for buyers.

A further attitudinal effect of labels is that:

i) buyers' confidence in the correctness of their choice is highest for moderate amounts of label information (Label 2).

This is an important finding. It suggests that dysfunctional consequences might arise if too many items of information are included on informative labels. In the particular case of the informative carpet labels tested in the present experiment, this result suggests that the positive

impact of the salient wear rating information (which is introducted on Label 2) is diminished when additional and relatively nonsalient cleaning instructions are added to the label (Label 3). Policy makers should, therefore, restrict label disclosures to those items of information content which buyers presently value highly or items which buyers can readily be taught to value. It appears that information on labels about unimportant product attributes (choice criteria) will have no significant impact on choice behavior. Rather such information acts to limit the positive effects of salient items of label information.

The final attitudinal effect observed is that:

j) the amount and type of label information available to buyers does not affect their feelings about whether or not their confidence would have been higher had a salesperson been present in the simulated shopping situation.

One possible implication of this result is that informative labels, available at point of sale, may not have any effect on the role the carpet salesperson plays in the decision making process. This, however, is weak evidence upon which to generalize and there is need to research further the relative role of salespeople and informative labels in influencing choice behavior.

The final evidence summarized in Table 7.1 is for the effects of informative carpet labels on measures of actual choice behavior. Impact is imperative at this level in the hierarchy of possible consumer responses to labels if labeling schemes are to be judged a success. Unfortunately, it appears that a labeling scheme for carpets would not dramatically affect carpet choice behavior. Specifically, as indicated at the bottom of Table 7.1:

k) the type (style) and price of the carpet chosen are not altered by increasing amounts and types of information on informative labels, but the total value of the purchase increases.

l) the buyers' accuracy of choice (the ability to choose a carpet whose wearability rating matches the enduse conditions) is not significantly affected (in a statistical sense) by informative labels. However, further analysis reveals that there is a trend towards increased choice accuracy as greater amounts and type of information are contained on the labels; the presence of wear rating information tends to precipitate choices that either match or exceed the wear performance demanded by the buyers enduse traffic conditions.

These findings reflect negatively on the ability of informative labels to cause changes in consumers' choice behavior. If achieving altered choice behavior is the goal of policy officials, informative labels may not work. If more accurate (better) choices are desired there is some but not overwhelming evidence that particularly salient items of label disclosure (such as wear performance ratings) may achieve this end.

The focus now briefly shifts to how the effects of informative labels differ when buyers are "educated" (via promotion) about the existence, nature and purpose of the labels. It might be expected that subjects who are deliberately informed about the labels will respond more favorably to them than those who are not so informed. This expectation is borne out. Specifically:

m) exposure to, recall of and use of informative labeling disclosures are significantly higher under the condition where consumers are alerted to the existence, nature and purpose of the labels.

This result suggests there may be high payoffs from a promotional program that would accompany the introduction of an informative labeling scheme to the market.

The final experimental result requiring attention is that of differences in response to labels among different socio-economic segments of society. The belief that such segment differences might occur is based on prior research into the impact of other disclosure requirements summarized in Subsection 2.4 of this report. In the present experiment the finding is that, in general:

n) the higher the carpet buyers' income and education the greater the impact of informative labels.

This clear evidence for informative carpet labels is consistent with the findings for other disclosure requirements and the cumulative evidence presents an impressive basis for predicting which socio-economic segments are likely to be the primary benefactors of product information programs. Policy officals may regard this as a discouraging conclusion since it may be the lower socio-economic segments who need the information the most.

In summary, the findings discussed in this section support the view that a hierarchy of responses is a useful way to depict consumer response to informative labels; the hierarchy accurately captures the notion that any effects labels have on choice behavior are slight. Some evidence exists, however, that the inclusion of particularly salient items of information on labels and promotion of a labeling scheme can enhance buyer response. The fact remains, however, that only the higher socio-economic segments of society are likely to receive much benefit from informative labeling schemes.

5. POLICY IMPLICATIONS

This section summarizes the major policy implications from both the survey and the experimental research stages. First, however, the contents of this report are reviewed. Section 1 introduced the research. It described the lack of empirical evidence on search behavior and how buyers use specific information in particular durable purchase situations, and it identified the important research questions to be addressed in the present study. In particular Subsection 1.2 described and analyzed the ongoing debate in Canada over the feasibility and nature of an informative labeling system for carpeting. This provided a particular focus for the thesis research: the two research aims were (1) to provide empirical evidence on how much and what kinds of search behavior carpet consumers engage in, including evidence on the factors that explain or determine search behavior; and (2) to determine how carpet choices are affected by information disclosures on informative labels.

Section 2 developed conceptual frameworks to guide the research. First, a simplified framework for studying search behavior was presented and used to structure a review of prior search behavior studies. Second, a hierarchical conception of information program effects was presented. It was argued that this was a particularly useful way to assess the effects of disclosure requirements such as informative labels. The hierarchical framework was then used to document prior evidence on the effects information disclosure requirements have on consumer purchase behavior.

Section 3 contained a summary of results of a survey research study designed to investigate carpet search behavior. Section 4 summarized the findings of an experimental study which was designed to measure the effects of informative labels on carpet choice.

In Sections 3 and 4 of this report the reader will find a brief discussion of policy implications which arose out of specific research findings. It is useful to summarize the earlier presentation before proceeding to an expanded discussion of selective policy implications.

The survey research results presented in Section 3 offered a number of implications for policy decision making. To review, briefly; the survey findings suggested that consumer information policy decisions be based on the realization that:

1. information programs will not have pervasive effects because consumers' search behavior is complex.
2. it is dangerous to make generalizations about the actual or likely information seeking behavior from one consumer/situation/product to the next--there are definite segment differences in information seeking.
3. more search is not better.
4. for durables the salesperson is the dominant influence and the effects of other point of purchase information schemes are likely to be mediated by this dominant source.
5. carpet buyers may not respond to the items of information content proposed for Canada's carpet labeling scheme.

A number of specific implications of the findings from the carpet labeling experiment were presented briefly in Section 4 of this report. To summarize, policy officials contemplating market intervention via information programs such as informative labels were urged to consider that:

1. such programs will have limited effects on choice behavior.
2. too much information can be dysfunctional to buyers.
3. programs (labels) should not contain information on product attributes that are unimportant to consumers.
4. promotional effort should accompany the introduction of an information scheme.
5. the impact of information schemes is limited to well defined (higher) socio-economic segments of society.

This report concludes with a further discussion of some of the major policy implications of the research.

A number of writers have suggested that knowledge of consumer information seeking is a necessary prerequisite to public policy decisions regarding consumer disclosure requirements. The present research provides a general understanding of the nature of consumer decision making for a product which has received the attention of both government and consumer groups. It also provides specific knowledge about the likely effects of an informative labeling scheme which has been the subject of debate among public and private organizations.

The findings from the present research are relevant to policy officials in a number of respects. First, the assumption that more search is better is not valid. The clear fact seems to be that too much search activity or too much information on informative labels can reduce the quality of the consumer's purchase decision. Second, considerable variability exists in search behavior indicating that not all consumers are willing to exert maximum search effort or to use the information available to them. The impact of information disclosures will, therefore, not be pervasive, and the mere existence of an information scheme or disclosure, in itself, can- not be presumed to be a sufficient basis for the success of the program. An accompanying education program, at least in the case of informative label disclosures, appears necessary to ensure that consumers attend to, use, and benefit from the program. Third, all segments of society will not benefit from information program disclosures. The present research indicates many segment differences in the extent and type of search behavior. In particular the research provides support for previous findings that the higher socio-economic groups are likely to be the primary benefactors of

product information disclosures. This suggests those who may need the information the most do not become exposed to it or do not use it if they are exposed to it. It also suggests that policy officials may want to consider alternatives to information disclosures as a means of ensuring better consumer choices. For example, an obvious alternative to protect all carpet buyers against buying a carpet that is not suited to the demanding end use traffic conditions would be to legislate minimum construction standards for household carpeting. This would remove poor wear performance carpets from the market and would, in effect, protect consumers (particularly the lower socioeconomic groups) from their own bad decision making. Though the legislative approach to ensuring wiser durable purchase decisions may be a final step, the finding that there are segment differences in the search for and use of product information implies that approaches to consumer protection via information and/or education programs will not achieve pervasive results.

A fourth implication for policy makers arises from the findings regarding the relative importance of information sources. Attempts to influence carpet decisions through channels other than the carpet salesperson may not meet with success. Not only do the other sources measure as relatively less important, but also those few who cited one of them as a "most helpful" source tended to end up with less purchase satisfaction. In consideration of this, it is suggested that public suppliers of product information design their disclosures of product information in accordance with the realities of customer-salesperson interactions. This difficult but necessary task can be accomplished by studying the nature of point of purchase decision making and by pretesting the effects of specific disclosure requirements in actual retail settings.

The final implications for policy makers relate specifically to the experimental stage of this thesis research. The methodology employed for testing effects of informative labels is illustrative of the research approach that could be used in other durable purchase contexts. For example, the effects of energy information labels for household appliances, a scheme currently being considered by the Canadian Department of Consumer and Corporate Affairs, could be studied according to similar methodology and a similar framework could be used for analysis.[13] The information that is most salient to the consumer (e.g., wear information) must be determined, and only this information should be included on informative labels. The use of an exhaustive list of items which consumers feel they want and/or policy officials feel consumers want will result in poorer quality purchase decisions and ensure that program objectives will not be met.

Finally, the limitations of the label experiment employed in this research suggest directions for research conducted by or sponsored by government or consumer organizations. Clearly, a greater variety of information treatments should be employed in future labeling research. This is particularly needed if conclusive statements are to be made about the effects of the quantity of label information on consumer decisions. Also, future research must investigate more than just the immediate effects of label disclosures. Longitudinal methodologies are in order. Further, there is a need to extend research on label and other disclosure requirements beyond laboratory type simulations of purchasing environments. The methodologies

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[13]However, in light of the above discussion on the importance of salespeople in durable purchase decisions future research on the effects of energy information labels should not be restricted to simulated shopping environments; tests in actual retail environments must also be conducted.

of quasi-experimental designs should be implemented in actual retail settings.

In conclusion, the results of the research summarized in this report clearly illustrate the complexities of consumer information seeking. It is very dangerous for information suppliers to use personal models of how consumers seek and use information when attempting to respond to real or perceived needs for further product information disclosures. The tendency to base policy decisions on assumptions about consumer behavior must not continue. Intelligent consumer research should play a very important role in all stages of consumer information policy decisions; the needs assessment stage, the program formulation and design stage, the implementation stage, and the evaluation of impact stage. Unless information programs incorporate sound conceptual and empirical analysis of consumer behavior their costs are likely to exceed their benefits, and policy officials will continue to be subject to criticisms of sponsoring an abundance of largely ineffective information disclosures.

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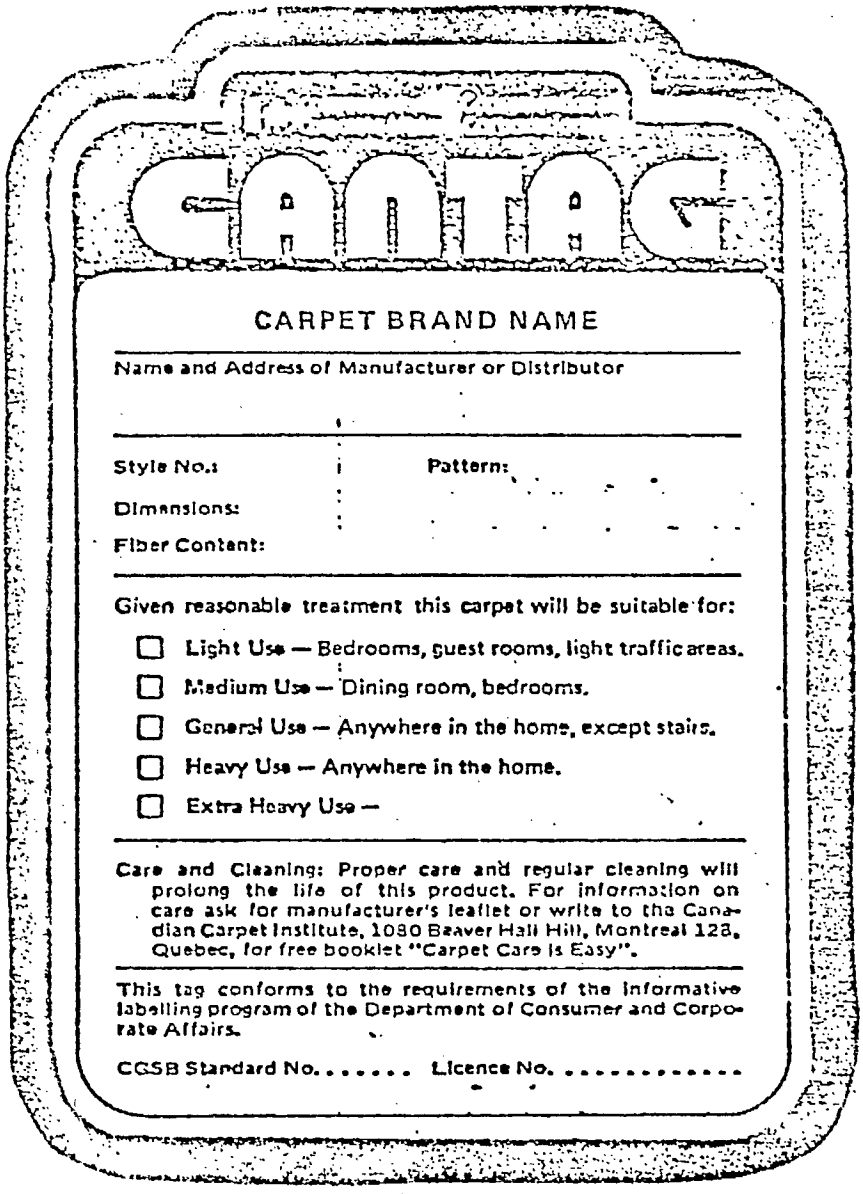
APPENDIX

FORMAT OF CANTAG FOR CARPETS AND RUGS



SOURCE: Canadian Covernment Specifications Board, Second Draft Standard Consumer Informative Label for Floor Carpeting and Rugs, (Ottawa, June, 1974).

The University of Western Ontario, London, Canada

School of Business Administration

May 2, 1974.

Dear Sir or Madam:

I would very much appreciate your assistance in a research study I am doing at the University of Western Ontario. I am a Ph.D. student in the School of Business Administration. My research project deals with how consumers make their carpet or rug purchase decisions. You can help me greatly by filling out the attached questionnaire in the next few days and returning it in the stamped, self-addressed envelope provided, before May 15, 1974.

In appreciation for your co-operation your name will be included in a draw for a $150.00 cash prize. If you win you may keep the cash yourself or have it donated to a charitable organization of your choice. Further details on this prize are outlined on the next page.

This research is a requirement for my degree in Business Administration. A number of London retailers have co-operated by providing me with names and addresses of consumers, like yourself, who have bought a carpet or rug within the past six months. You can be assured that only group data will be included in my research report. This means that it will be impossible to identify the responses of any individual.

Thank you in advance for participating in my research study. If you have any questions, please feel free to call me at my office (679-6056) or home (472-2242).

Yours very truly,

Dennis Anderson

Dennis Anderson,
Ph.D. Candidate.

DETAILS OF CASH PRIZE

You will have a chance to win a $150.00 cash prize if you complete and return the attached questionnaire before May 15, 1974.

One name will be drawn from among all people who return a completed questionnaire before the above date. The winner will be notified by phone or letter and his or her name will be published in The London Free Press. If you wish, you may have the prize donated to a charitable organization of your choice.

To be sure you are included in the $150.00 cash prize, fill in the information at the bottom of this page, and return it to me along with your completed questionnaire.

NAME _____

ADDRESS _____

_____

PHONE NUMBER _____

Please include this page with your completed questionnaire. Use the stamped, self-addressed envelope provided.

Thank You.

THE QUESTIONS THAT FOLLOW REFER TO YOUR MOST RECENT CARPET OR RUG PURCHASE FROM A STORE IN LONDON, ONTARIO. THESE QUESTIONS SHOULD BE ANSWERED BY THE PERSON MOST INVOLVED IN THE PURCHASE OF THIS CARPET OR RUG. HOWEVER, HE OR SHE MAY ASK FOR ASSISTANCE FROM OTHER MEMBERS OF THE HOUSEHOLD WHO WERE ALSO INVOLVED IN THE PURCHASE. MOST OF THE QUESTIONS CAN BE ANSWERED WITH A ☑.

1. Please indicate who is completing this questionnaire:
Wife alone ☐ Husband alone ☐ Both husband and wife ☐
Other (please specify) _____

PLEASE TELL US SOMETHING ABOUT YOUR MOST RECENT CARPET OR RUG PURCHASE

2. (a)i. At what store did you make this purchase? _____

ii. When did you make this purchase? Month _____ Year _____

(b) For what parts of your house did you buy new carpets or rugs?

Living Room	☐	Family room	☐
Dining Room	☐	Hall and/or stairs	☐
Bedroom	☐	Other (please specify)	_____

(c) If you bought for more than one part of your house, what individual room or area contains the carpet or rug that cost the most? _____

Please keep this particular room and carpet or rug in mind when completing the remainder of this questionnaire.

(d) Which of the following styles or types best describes this carpet or rug?

Shag	☐	Sculptured (hi-lo) loop	☐	Plush or velvet	☐
Twist	☐	Indoor-outdoor	☐	Level Loop	☐
Other (please specify)		Braided	☐	Don't know	☐

_____

(e) Is this carpet or rug installed wall-to-wall? ☐ Yes ☐ No

(f) About what size is it? _____

(g) Approximately how much did the purchase cost you in total? $ _____
Cost of new carpet or rug itself? $ _____
Cost of new underpad (if any)? $ _____

(h) What was the approximate price per square yard of the carpet or rug itself?

$ _____ per square yard

(i) Was this carpet or rug on sale or a special bargain ☐ Yes ☐ No

(j) How many years do you expect the new carpet or rug to last you? _____ years

(k) How much traffic would you say this part of your home receives?

Light Traffic ☐ Medium Traffic ☐ Heavy Traffic ☐

PLEASE TELL US SOMETHING ABOUT HOW YOU SHOPPED FOR THIS NEW CARPET OR RUG

3. (a) How long were you thinking or talking about buying this new carpet or rug before you actually made the purchase? _____

(b) What was the main reason you spent this amount of time before making your purchase? _____

(c) We want you to think back to when you first thought of buying a new carpet or rug for this part of your home. We want to know what your feelings were at that time. Please cicle the number that comes closest to how you felt then.

EXAMPLE:

As you see you can answer the following questions by circling any number from (1) to (5). For example, for the first question you would circle (1) if you felt your need for a new carpet or rug was "Not urgent at all". You would answer (5) if you felt your need was "Very urgent". Similarly you could circle (2) (3) or (4) if you felt the urgency of your need for a new carpet or rug was something more than "Not urgent at all" but something less than "Very urgent". Please circle only one number for each question to show what your feelings were at the time you first thought of buying a new carpet or rug for this part of your home.

(i) At that time, how urgently did you feel you needed a new carpet or rug?

Not urgently at all				Very urgently
1	2	3	4	5

(ii) At that time, how clear an idea did you have of the kind of carpet or rug you wanted?

Not clear at all				Very Clear
1	2	3	4	5

(iii) At that time, how much did you feel you knew about carpet or rugs?

Knew very little				Knew a great deal
1	2	3	4	5

(iv) At that time, how sure were you that, on your own, you would be able to choose the correct carpet or rug for your needs?

Not sure at all				Very sure
1	2	3	4	5

(d) We are interested in the places or stores you visited while shopping for this carpet or rug. What stores did you visit - and how many visits did you make to each place? (Please include the store you bought from in your list).

	Name of Store	Number of Visits to this store
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____

(e) How many other carpets or rugs did you seriously consider buying before you decided on this particular one? _____

(f) If married, did you and your spouse shop together most of the time, or did one of you do most of the shopping alone?

Shopped together ☐ Husband did most shopping alone ☐

Wife did most shopping alone ☐

(g) There are many features you may have considered when buying this carpet or rug (for example, store, price, brand, color, fibre, wear, performance, durability, appearance, style, cleaning, etc.). Some features may have been more important to you than others. We would like you to list the main features you considered and show how important each feature was to your purchase decision by circling a number to the right of each feature listed.

Feature:	Not Important at all				Very Important
_____	1	2	3	4	5
_____	1	2	3	4	5
_____	1	2	3	4	5

(h) We are interested in learning about the people and places you got information from when you were shopping for this carpet or rug.

Did you get any information from:	Yes	No	If yes, did this information help you make your purchase decision? Yes	No
1. Carpet sales people?	☐	☐	☐	☐
2. Friends or relatives?	☐	☐	☐	☐
3. Ads in newspapers or magazines?	☐	☐	☐	☐
4. Ads on T.V. or radio?	☐	☐	☐	☐
5. Articles about carpets or rugs in newspapers or magazines?	☐	☐	☐	☐
6. Booklets or pamphlets about carpets or rugs?	☐	☐	☐	☐
7. Labels or tags attached to carpets or rugs?	☐	☐	☐	☐
8. Other places (please specify)	☐	☐	☐	☐

(i) All in all, what information source did you find most useful?

Carpet sales person	☐
Friends, relatives	☐
Newspaper or magazine ads	☐
T.V. or radio ads	☐
Magazines or newspaper articles	☐
Booklets or pamphlets	☐
Labels or Tags	☐
Other (please specify)	_____

PLEASE TELL US HOW YOU NOW FEEL ABOUT THIS NEW CARPET OR RUG

4. Please circle the number that comes closest to how you now feel about this carpet or rug.

(a) How satisfied are you with this carpet or rug?

Not satisfied at all				Very satisfied
1	2	3	4	5

(b) How sure are you that you chose the best carpet or rug for your needs?

Not sure at all				Very sure
1	2	3	4	5

(c) How likely is it that you got the best buy for your money?

Very likely				Not likely at all
1	2	3	4	5

4. (continued)

(d) How satisfied are you with the information you had available to you when making your purchase decision?

Not satisfied at all				Very satisfied
1	2	3	4	5

(e) If you were to make this purchase all over again, how likely is it that you would shop differently?

Very likely				Not likely at all
1	2	3	4	5

PLEASE TELL US ABOUT OTHER CARPETS OR RUGS YOU HAVE OWNED

5. (a) Did you have a carpet or rug in this part of your house before you bought your new one?

No ☐ If NO, go to question 5(d)

Yes ☐ If YES, continue

(b) If yes, what condition was this old carpet or rug in when you bought your new one? Please circle the number that comes closest to indicating the condition of this old carpet.

Very poor condition				Very good condition
1	2	3	4	5

(c) How satisfied were you with the performance or service you got out of this old carpet or rug?

Very dissatisfied				Very satisfied
1	2	3	4	5

(d) How many times have you bought carpets or rugs from the store where you made your most recent carpet or rug purchase? _____

(e) How many new carpet and rug purchases have you made in the past ten years, including your most recent purchase? _____

(f) Not including your most recent carpet or rug purchase, when did you last buy a new carpet or rug?

Year _____

Never bought one before ☐

PLEASE GIVE YOUR OPINIONS ON THE FOLLOWING

6. Here are some things that have been suggested as ways to help consumers. We want to know how helpful you feel each one would be to consumers. Please circle the number that comes closest to how you feel.

		Not helpful at all to consumers				Very helpful to consumers
(a)	Consumer education in schools	1	2	3	4	5
(b)	Product informative labelling (that is, putting information about the products' contents and performance characteristics on a label or tag attached to the product)	1	2	3	4	5
(c)	Testing products and reporting test results to consumers	1	2	3	4	5
(d)	Establishing minimum quality standards for products	1	2	3	4	5
(e)	Preventing misleading advertising	1	2	3	4	5
(f)	Establishing minimum product warrantees	1	2	3	4	5
(g)	Making it easier for consumer product and service complaints to be heard and settled	1	2	3	4	5

THE FOLLOWING QUESTIONS ARE FOR STATISTICAL PURPOSES ONLY, TO HELP IN ANALYZING THE SURVEY RESULTS

7. How many hours a week would you say you watch T.V.?

_____ hours per week.

8. How many hours per week would you say you listen to the radio?

_____ hours per week.

9. How many different magazines do you read regularly? _____

10. How many different newspapers do you read regularly? _____

11. What is your marital status?

Married ☐ Single ☐ Other ☐

12. (a) Do you have any children? Yes ☐ continue
No ☐ go to question 13

(b) If yes, how old is your youngest child?

Less than 6 years ☐
6 – 12 years ☐
13 – 18 years ☐
Over 18 years ☐

13. Do you own or rent your home?

Own ☐ Rent ☐

14. Did you have use of a car at the time you were shopping for your most recent carpet or rug? Yes ☐ No ☐

15. How many times have you moved in the past ten years? _____

16. How long have you lived in London, Ontario? _____ years

17. What is the age of the chief wage earner in your family?

Under 24 ☐ 25-34 ☐ 35-44 ☐ 45-54 ☐

55-64 ☐ 65 and over ☐

18. What is the highest grade of school or college that the chief wage earner has completed?

Some or all grade school	☐
Some or all high school	☐
Some or all trade or technical school	☐
Some or all undergrad degree	☐
Some or all postgrad degree	☐

19. What is the occupation of the chief wage earner? _____

20. What is your total yearly family income, before taxes?

Under $6,000 a year	☐	$15,000 ro $19,999	☐
$6,000 to $8,999	☐	$20,000 to $24,999	☐
$9,000 to $11,999	☐	$25,000 to $30,000	☐
$12,000 to $14,999	☐	Over $30,000	☐

THANK YOU FOR YOUR CO-OPERATION. PLEASE RETURN THIS QUESTIONNAIRE IN THE STAMPED, SELF-ADDRESSED ENVELOPE. PLEASE BE SURE TO INCLUDE THE SHEET WITH YOUR NAME, ADDRESS AND PHONE NUMBER, SO YOU WILL HAVE A CHANCE AT THE $150.00 PRIZE.