CONSUMERS' PERCEPTION OF QUALITY AND ESTIMATION OF RETAIL PRICE GIVEN THE INFORMATION CUES OF COUNTRY OF ORIGIN, STORE IMAGE AND THE BUY AMERICAN CAMPAIGN

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ABSTRACT

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The research objectives for this study were to determine if consumers perceive quality and price differences as a result of manipulation of the information cues of domestic versus foreign product origin, high versus low store prestige and the absence or presence of Buy American campaign materials. An additional objective was to determine if the presence of Buy American campaign materials influences consumers to select domestic versus imported apparel.

It was found that the country of origin cue had little effect on the consumers' judgement of quality and price. The store prestige cue had highly significant effects on estimation of retail price differences. The store image cue proved to be the strongest of the three cues and was apparently used more often by consumers in making decisions. The Buy American campaign materials had no significant effect on perception of quality or estimation of retail price differences except when considered within the influence of store prestige. It influenced the consumer to select domestic shirts and imported sweaters.

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CHAPTER I

INTRODUCTION

To combat the negative effects imports are having on domestic industries, the American Fiber, Textile, Apparel Coalition (AFTAC) launched a campaign in July 1984 to change consumers' attitudes about domestic versus imported products (AFTAC News, 1984). The AFTAC campaign is attempting to influence consumer beliefs about the quality, value and economic importance of buying U.S. products through a public information program (Milliken, 1985). The purpose of the Buy American campaign is to raise consumer awareness of "Made in U.S.A." labeling of apparel. The "Made in U.S.A." label is now mandatory due to the recently passed legislation supported by the AFTAC. This law, signed by President Reagan in September 1984, requires that all apparel manufactured in the United States after December 24, 1984 must contain "Made in U.S.A." labels.

The Buy American message has been promoted through grassroots activities such as rallies, festivals and parades. The intention is to tie in the campaign with the new surge of patriotism and pride brought about by the 1984 Olympics and the restoration of the Statue of Liberty (McKissick, 1984).

The AFTAC consists of cotton and wool growers; producers of man-made fibers; the International Ladies' Garment Workers' Union and the Amalgamated Clothing and Textile Workers' Union; and most manufacturing associations involved with fiber, textiles and apparel production. They have designed a campaign logo of a red-white-and-blue star encircled by the slogan "Crafted with Pride in U.S.A." Their major aim is to promote American made products by raising consumer consciousness with high visibility of the logo. The program is encouraging other non-textile and non-apparel industries in the United States to also use the logo to increase exposure. Additional goals of the coalition are to convince retailers that American consumers would purchase U.S. made products if they could recognize them as such and that the retailers could also benefit from carrying and promoting these products.

Statement of the Problem

Although much research has been conducted on buyers of industrial and non-textile/apparel products, there is little information about the average consumers' perception of apparel quality and price. There is a need to discover the consumers' opinions of domestic versus imported apparel since this is virtually an unexplored area. Also since the Buy American campaign is a very recent endeavor, there has been very little research done to determine its impact on

the American consumer. This study provides an opportunity to investigate consumers' opinions about apparel quality and price as influenced by source of product origin, prestige of the retailer and marketing efforts to promote purchasing domestic products.

Justification for the Study

Presently, the American consumer is concerned with obtaining the best value in merchandise by balancing the quality and price of an apparel purchase. The average consumer uses various information cues to evaluate the quality/price relationship of a product. Researchers have investigated many different information cues such as price, physical composition and brand name, as being important enough to the consumers in judging quality to warrant being studied. Country of origin, store prestige and Buy American campaign information were determined to be of current importance in influencing consumers' perception of apparel quality and price estimates.

While many previous studies attempted to analyze the price-quality relationship using price as the independent variable, the present study uses quality and price as the two dependent variables. This will provide an opportunity to study the way in which the consumer translates the cues of country of origin, store prestige and the Buy American campaign information into a perceived quality rating and a

monetary estimate of value.

The first manipulated independent variable will be country of origin. Of major interest is whether or not consumers perceive a difference in quality or price based on the country the apparel was produced in. With the present conflicts over quota restrictions on imports, textile and apparel industries' unemployment rates and the escalating U.S. trade deficit, there is a need to determine the attitudes and buying behavior of consumers toward imported merchandise. Therefore, the effect of cues for both imported merchandise, specifically from less developed Asian countries, and domestically made merchandise will be investigated.

The second manipulated independent variable will be store prestige. Retail practices by different types of stores in purchasing and pricing imported merchandise may lead to confusion on the part of the consumers as to the actual value they are receiving for the price they are paying. Therefore, the various store types' projected images' may influence consumers' perceptions of quality and estimated retail price. The two levels of prestige which will be used are high - the traditional department store versus low - a discount department store.

The third independent variable to be manipulated consists of Buy American campaign materials. Domestic

manufacturers through the "Crafted With Pride" program are attempting to influence consumers' attitudes and buying habits in favor of products produced in the U.S.A. This is an attempt to appeal to their patriotism and assure them of the superior quality of domestically produced goods. The Buy American campaign materials will either be present or absent during the experimental manipulations.

Finally, much of the previous research on these issues has used abstract stimuli to study consumers' attitudes and behavior toward a retail product. This study utilizes actual products and consumers in a normal shopping setting. According to a study by Holbrook (1973), research conducted in this manner should produce strengthened results.

Theoretical Framework

Bauer (1960) introduced the concept of perceived risk in consumer product selection where consumers would seek out information cues to reduce their perceived risk in making the optimum selection decision. In 1967 Cox investigated perceived risk in terms of the consumers' ability to identify decision alternatives and their personal involvement with the results of their decision. Cox viewed products as having multiple cues which consumers use to make quality judgements. Olson and Jacoby (1972) noted that consumers evaluate cues as to their predictive value (the probability that the cue is related to an attribute of a

product) and confidence value (how certain a consumer felt he could interpret that cue accurately). A model was developed to describe and classify cue utilization in terms of predictive value and confidence value along with the concept of intrinsic and extrinsic cues in quality perception.

In tying these concepts together, the present study attempted to investigate the consumers' use of specific information cues to arrive at a decision concerning perceived quality ratings, retail price estimates and selection of an item in an apparel purchase situation. The subjects had to rely on past experiences, various personal factors and available information cues to identify the decision alternatives and make the decisions requested of them in the study. The subjects evaluated the available extrinsic information cues of country of origin, store prestige and Buy American campaign materials using the predictive value of these cues and their own level of confidence in interpreting the cues to complete the rating task. Because so little research has addressed this issue, the model will serve as a theoretical framework rather than as a quantitative model.

Research Objectives

The research objectives of this study were as follows.

1. To determine if the consumers' perception of quality of the garments differ as a result of manipulation of the

following information cues:

a) Domestic versus Import
b) High Prestige versus Low Prestige Store Image
c) Buy American Campaign Materials versus No Buy American Campaign Materials

2. To determine if the consumers' estimation of retail price for the garments differ as a result of the manipulation of the following information cues:

a) Domestic versus Import
b) High Prestige versus Low Prestige Store Image
c) Buy American Campaign Materials versus No Buy American Campaign Materials

3. To determine if the presence of Buy American campaign materials influenced consumers to select domestic versus imported garments.

CHAPTER II

REVIEW OF LITERATURE

Consumer Behavior and Quality Perception

In 1960 Bauer introduced the concept of perceived risk which deals with the consumer's fear of unpleasant post-purchase consequences and the pre-purchase uncertainty of those outcomes. The magnitude of a consumer's perceived risk depends upon how well the consumer can define decision alternatives, and the consumer's involvement in the decision outcomes (Cox, 1967). In other words, the consumer must know what will meet her apparel needs and buying goals and what product attributes will satisfy them. Then the consumer must deal with the result of whether or not the item purchased successfully fulfilled those needs and goals. Jacoby and Kaplan (1972) found that there were five types of perceived risk involved with product performance. Given in rank order for apparel items they are as follows: social, psychological, financial, functional performance and physical. The term used to represent a product's ability to fulfill the consumer's expectations for these aspects of product performance will be "quality".

Risk theorticians in expanding and refining the

perceived risk concept, have found that consumers resorted to numerous risk-reducing strategies such as brand or store loyality, searching for sources of reliable information such as advertising or word-of-mouth recommendations, or relying on one's own past experiences. The extent of use of the above strategies increases with the expense, complexity, unfamiliarity or personal involvement with the product to be purchased. Therefore, the higher the risk associated with a product, the more likely it is that the consumer will seek information cues with which to reduce the risk of their choice meeting Jacoby and Kaplan's five aspects of product performance. Information cues are detectable characteristics of an object which are used to form a belief or an attitude about the object. Among the many cues used by consumers to judge apparel quality are such characteristics as price, brand name, fit or style.

In view of the fact that product quality has always been an important attribute to consumers in making a purchase decision, much research has been done to study information cue utilization in the consumer's quality perception process. Olson and Jacoby (1972) specifically set out to determine which cues consumers consider when deciding on a purchase and which cues have the greatest influence upon perceptions of quality. They found that multiple cues were utilized to make a decision, that accuracy of cues is product specific and that findings were

also specific to the product or consumer studied. Additionally, they found that the most important cues and most accurate indicators of quality were intrinsic. In other words the cues were an inherent physical characteristic of the product which could not be altered (i.e. taste, aroma, color, style, density). Extrinsic cues are external characteristics of the product which can be easily changed or manipulated without affecting the physical composition of the product (i.e. brand name, price, country of origin). It should be noted here that in a study by Wheatley, Chiu and Goldman (1981) that although intrinsic cues were better determinants of quality, extrinsic cues were more easily perceived and therefore would be utilized more often by consumers.

Olson and Jacoby's findings resulted in a model to describe and categorize quality cues in dimensions of cue predictive value and cue confidence value along with the previously described dichotomous classification of extrinsic/intrinsic cues (1972). The predictive value of a cue is the degree to which a consumer believes that a cue accurately represents a certain attribute of the item (brand name reflects quality). The confidence value is the extent to which a consumer is certain that he can accurately identify and evaluate a cue (detecting the density of a knit for warmth). Further findings from the Olson and Jacoby study showed that although price was not found to be a good

indicator of quality, it was taken into consideration by the consumer when making a final decision, i.e. is the product affordable and is the price equal to its value.

Many consumer behaviorists hold the belief that "consumers are rational, utility maximizers; i.e. they choose alternatives that will offer the greatest value" (Obermiller and Wheatley, 1984, p. 453). Rao began research in this area in 1971 when he set out to discover the process used by consumers to judge the relative quality of various brands. A sample of 144 business school graduate students participated in the experiment featuring two product classes of men's electric shavers and double-edged safety razors. The phenomenon of quality perception was viewed in two ways, the prediction of price from available cue information on the brands and the prediction of perceived quality from selected information cues. The first cue, price, was manipulated at five different levels: 1) no information on price, 2) actual prices, 3) distorted price sets 1, 2 and 3. The second cue, product information, was manipulated at two levels, consisting of the 1) absence or 2) presence of consumer reports test results on closeness of shave, lack of irritation, and number of shaves (disposable blades).

It was found that the subjects' price estimates were closely aligned with the actual prices and the distorted prices did not affect correct quality detection. Consumer test report information was considered more important than

other market information cues. This was interpreted to mean that since subjects could accurately predict retail prices, using available correct and incorrect price along with other information cues, that the importance of price in quality perceptions was negligible (Rao, 1971).

Expanding upon these findings, Rao (1972) investigated the price-quality-value relationship by analyzing consumers' preference behavior for different brands. He developed a model to explain consumer's brand choice in a purchase situation using judgements of brand value as determined by perceived brand quality and price (Rao, 1972). In this experiment, the subjects were 96 business school graduate students who indicated their preferences in buying between several different brands of electric shavers and double-edge razor blades. The products were displayed with all available market information, including the actual price experimentally assigned to half of the subjects. The subjects ranked the products on (1) similarity of pairs of brands, (2) preference in order of quality perception with no cost involved, (3) preference when given the exact amount of money to purchase the expensive item or the inexpensive item and keeping the change resulting from buying the lower priced brand. The half of the subjects not given price information served as the control group which had to estimate their own subjective prices. Again the assumed retail prices were very close to the actual retail prices.

The statistical models which were tested and accepted by this study were as follows:

$$Q = a + b \log P + \text{error}$$

Where: Q = Perceived Brand Quality
P = Brand Price
a and b = Parameters

(Rao, 1972, p. 368)

This model shows a consumer's perception of product quality in terms of price and value.

$$V = b_{\emptyset}(Q/P)^{b1}$$

Where: V = Perceived Brand Value
Q = Perceived Brand Quality
P = Brand Price
$b_{\emptyset}$, b_1, b_2 = Parameters

(Rao, 1972, p. 368)

This second model shows the utility maximizing behavior of consumers in making a brand choice when price is a consideration affecting quality evaluations.

Obermiller and Wheatley (1984, p. 453) simplified Rao's 1972 model of value to:

$$\text{value} = \frac{\text{perceived quality}}{\text{perceived price}} \quad \text{per unit}$$

In this instance, preference for a particular brand indicates that the consumer perceives it as higher in quality or lower in price than the alternative brand.

Whenever actual differences in quality are not discernable, price may be taken into consideration and a choice made on the individual's judgement of marginal differences between quality and price to arrive at the best value (Obermiller and Wheatley, 1984). For some consumers, this is an extremely difficult task which requires experience and information to make a decision. Prior experience and product knowledge allow the consumer to become familiar with information cues which help to form beliefs and attitudes.

Obermiller and Wheatley (1984) investigated the importance of the consumer's prior beliefs about the quality differences they perceived between brands. After a pretest to screen for definite preferences, one hundred sixty male and female university students were chosen to participate in the study. They were presented with identical products consisting of two six packs of cola and two bags of popcorn with both products at two price ranges, $1.29 and $1.99. They were given information that the two brands were very similar or only irrelevant information such as sales figures for the brands. The subjects were told they could choose to receive the high priced product or the low priced product plus the $.70 difference in price. They were given samples of each of the high and low priced products and were asked to indicate their choice of products after the tasting experience.

In the Obermiller and Wheatley study, the majority of

the subjects accepted the evidence of similarity of brands and changed their beliefs, attitudes and behavior in accordance with their taste experience and information. However, some of the individuals still opted for the high priced brand which they perceived as higher in quality in spite of information and actual taste evidence showing quality to be at the same level for both brands.

Price-Quality Relationship Investigation

In many of the early investigations into the consumer's perception of quality, price was the researcher's primary concern and was studied in combination with various other information cues. Additional cues often used were store image, brand name and physical composition.

One of the earliest studies by Stafford and Enis (1960) studied the functional relationship between quality, price and store image information for identical carpet samples carrying information cues from a high and a low prestige store and at two different price cue levels. The subjects were 178 university home economics students who rated the quality of the carpet samples on a five point interval scale. They found that the subjects used price as an indicator of quality, especially when it was the only available cue. Although store image was not statistically significant when used alone, when combined with price, the result was a statistically significant difference in

perceived product quality. This finding confirmed their hypothesis that multiple cues could influence consumer quality perception even though one of the cues may not be effective when used by itself.

In an experiment testing 88 college students' perceptions of the price-quality relationship in toothpaste, men's shirts and men's suits, Gardner (1970) found that brand names had a strong influence on the price-quality relationship. Price was used as a cue when other quality cues were difficult to discern or were unfamiliar to the subjects. Higher prices were associated with prestige stores for the shirts and suits. The results of this study indicate that price may not be as important to consumers in determining quality as was previously thought.

In a study by Andrews and Valenzi (1971) 50 female university students used price, brand name and store name cues in making a judgement of product quality in dress shoes and sweaters. They completed three individual quality rating tasks. In the first task each cue, price, brand name and store name, was individually rated in quality on a nine point scale. For example, what level of quality from 1 to 9 would be expected if the price was $5, $7, $9, up to $30 for a sweater. For the second task all three cues were combined as in what level of quality would be expected if the price was $15 at a discount store for an unknown brand sweater. The third task was the same as above only the subjects

switched items, rating shoes instead of sweaters. The findings were that in the combined cue judgements, price was by far the dominant information cue affecting perception of quality. The interaction between price and brand name was small but statistically significant for both sweaters and shoes. In the combined ratings for the cues, the lower the price, the greater the influence of brand names.

Syzbillo and Jacoby (1972) investigated the strength of intrinsic versus extrinsic cues by manipulating cues for price, store image and physical differences in panty hose. The subjects consisted of 90 female university students. In conducting the experimental procedure, the price cue was either withheld or present at $.98, $1.67 or $2.49. The store image cue was either absent or present at high or low prestige images. The panty hose samples were identified by I - low quality, J - medium quality and R - high quality. The results of the experiment were that the intrinsic cue of physical composition accounted for 73 per cent of the quality rating variance, therefore having a greater effect than either price or store information. The effect of store image was statistically significant in influencing the subjects' perception of quality; the effect of price was not significant.

Again studying the relationship between price and perceived quality, Shapiro (1973) conducted an experiment based on ratings for five different products. The 616

female subjects rated two similar but differentiated pairs of stockings, colognes, and carpet samples on several characteristics. The subjects then rated two similar but different sweaters and upholstered recliners. The two items in each category were approximately the same retail price and quality. However, the prices shown to the subjects were either increased or decreased 20% from the original retail price. The results of comparing the mean differences between the high-priced ratings and the low-priced ratings; and comparing the ranking of high-priced versus low-priced products indicated that high price was consistently associated with high quality. However, because of the substantial number of subjects who ranked the high and low priced items as equal in quality, it was evident that price was not a strong indicator of quality.

In 1973 Monroe attempted to review and organize the preceeding conflicting research on the price-quality relationship. He came to the conclusion that "there are indications that a positive relationship exists at least over some range of prices for some product categories (Monroe, 1973, p. 78). He also suggested that brand name is important, maybe even more so than price. However, for apparel he noted that price was increasingly important although it was still in competition with brand name for dominance.

Expanding on the work of Stafford and Enis, Wheatley

and Chiu (1977) again used carpet samples which were identical except for the additional variable, color which was manipulated along with the original cues of price and store image. They also investigated demographic influences on quality perception. The subjects in this study were 157 housewives who had experience in buying carpeting and were considered to be representative of the city's population of housewives. They rated eight carpet samples on quality from 1 to 5 with the manipulated cues of price at $11.98 and $14.98 per yard, a high prestige and a low prestige store name, and a light green and a dark green color. The results confirmed that "high quality was associated consistently with a high prestige store, a high price and a dark color as hypothesized" (Wheatley and Chiu, 1977, p.183). The price cue was found to be responsible for the greatest difference in the subjects' perceptions of quality. The color variable results indicated that consumers' attitudes towards color could influence their perception of quality in that the dark green carpet sample was rated higher in quality than the lighter shade. Color as an intrinsic cue did not have as much impact on perception of quality as did either price or store image, both extrinsic cues. Demographic effects on quality perception were small but statistically significant and possibly interacted with other variables in influencing perceptions of quality. It was reasoned that demographic variables are not as important in the perception of quality as information cues which can be controlled by marketers.

In an attempt to assess the efficiency of consumer decision making, Sproles, Geistfeld and Badenhop (1980) conducted a consumer information seeking and decision making experiment. The subjects were 142 undergraduate women at a midwestern university which were divided into three groups. In the control group, subjects were asked to rate four brands of blankets and slow cookers of varying quality without any information about the products. Group two had information available for both products on brand name, care instructions, colors, fiber content and price. Group three had access to the above marketing information plus additional information on durability, warmth, etc. The information was on cards which the subjects could select to help them make a rating decision. The type and amount of information cues chosen by the subjects were thus recorded. Results showed that as the amount of information available increased and the more information the subjects elected to use, the better their quality ratings matched those given in the Consumer Reports for the products. The subjects first sought out compositional and performance information. Secondly, they acquired the price and brand name cues as additional indicators of quality, apparently to make a final decision.

Wheatley, Chiu and Goldman (1981) examined actual quality differences in carpet samples in combination with price cues. Their theoretical basis for the study consisted

of both the intrinsic/extrinsic cue concept in judging quality and Weber's law concerning an individual's ability to detect differences in stimuli. Their convenience sample was 171 women who had previously purchased carpeting and were representative of that area's female population. The subjects rated nine identically colored samples of carpeting on a 1 to 5 scale of quality. Three of the samples were low quality with the actual retail price of $9 per yard; three were medium quality with a retail price of $11 per yard; and three were high quality at $13 per yard. Each of the three samples of the same quality level were labeled with one of the three different price levels. Ultimately, this study showed that high prices were associated with high quality because although obvious differences in physical quality had more impact on quality perceptions, the more difficult it was for the consumer to detect physical differences, the more they relied on easily detected differences in price as a cue to quality. The researchers concluded that a "high price cue may serve as a mechanism to call the consumer's attention to the physical characteristics of the high-quality sample" (Wheatley, Chiu and Goldman, 1981, p. 107).

Venkataraman (1981) looked into the relationship of income levels, price levels and ratings of familiar and unknown brands. Fifty housewives from a recently developed neighborhood in a Canadian city rated six brands of various

asked to rate the quality of imported products in general, for selected product classes and for specific items. They were also asked to rate the quality of well-known U.S. brands with half of the subjects receiving the information that the product was made in a foreign country.

The U.S. made products were rated highest for specific, classes and general product categories. The subjects' opinions indicated that individual countries could rank high for one product class and low for another, i.e. Hong Kong ranked high in textiles but low in food products (Gaedeke, 1973). Country of origin information did not affect quality ratings for branded products in general, either positively or negatively. For specific products, however, the quality rating could be positively or negatively affected by the named country's reputation for producing the product.

Dickerson (1982) conducted a study to investigate consumers' views of imported and U.S. made apparel, to find which product qualities determined a purchase, and to relate attitudes concerning imported apparel with purchase decisions and demographic variables. Results of a telephone survey of 408 consumers in ten areas in the Eastern U.S. indicated that consumers took notice of whether or not clothing was imported. Consumers stated that they preferred domestically produced apparel, primarily because they perceived items produced in foreign countries as being of poorer quality (Dickerson, 1982). Department store customers

is a tendency for consumer's to evaluate their own country's products relatively more favorably than do foreigners" (Bilkey and Nes, 1982, p.90). In other words, U.S. consumers rated U.S. products higher than foreign consumers. Whereas, European studies show that consumers rated U.S. products lower than their own products. Foreign students at U.S. universities rated products from their own less developed countries lower than U.S. made products. They also found a hierarchy of biases such as a positive relationship between product ratings and the country's extent of economic development. Other factors contributing to the biases were the different cultures, beliefs and political systems. It was found, however, that these consumer biases towards foreign goods could be overcome by lowering the price of the imported products. In general, a foreign produced item was associated with increased perceived risk by the consumer unless that item was produced in a country with a positive reputation for quality of the product (i.e. coffee from Brazil). Again a hierarchy of perceived risk was found with an inverse relationship to the degree of economic development of a country.

A study by Gaedeke (1973) surveyed consumers' attitudes concerning quality of items produced in developing countries and how these attitudes were affected when well-known U.S. brands contained information that they were manufactured in a developing country. Two hundred college students were

certain discount department stores. Once the retailer's image has been established and customer loyality has been developed, these consumer attitudes can be transferred to the store's private label items. The store can achieve a favorable balance between private and national brands to better satisfy their customers' needs and increase profits. Department store president, Howard Sands (1983) gave the following advantages in using private label products; they can differentiate the store in the marketplace, a better markon can be attained while giving the customer good value, and they create additional advertising opportunities for the store's image.

Country of Origin

Since the majority of country of origin research has been done on industrial products, there is a limited amount of research investigating actual consumers' attitudes toward apparel based on source of origin. According to Bilkey and Nes, county of origin is usually designated by the wording "Made in (name of country)" (1982, p.89). They go on to note that "Both empirical observations and experiments indicate that country of origin has a considerable influence on the quality perceptions of a product" (1982, p.89).

Bilkey and Nes conducted a review of the available literature on how country of origin effects consumers' perceptions of product quality. They concluded that "There

were willing to pay. The shoppers depended on the store's image as an indication of whether or not they would find the appropriate balance between price and quality at that establishment.

Lindquist in 1974 suggested that store and brand were interchangeable in image definitions. Their relationship was further investigated by Jacoby and Mazursky (1984) in a study which indicated that the consumer averaged out the images of the retailer and brand when viewed in combination. Whichever of the two with the more favorable image would be brought down by the poorer image of the other. However, the one with the less favorable image would be rated higher when combined with the more favorable image. This concept is becoming an important marketing issue for both prestige department stores and discounters. Many manufacturers, in order to make production profitable, are producing brand name items in quantities which cannot be absorbed and distributed by the prestige retailers alone. Therefore, the manufacturers must find a market for the excess production which often ends up in low prestige discount stores or their own factory outlets. This is beneficial to the discounter's image but detrimental to the prestige store's image.

One solution to this problem has been for the stores to develop thier own private label brands. This has proven to be very successful for both prestige and, more recently,

(1964) revealed that traditional department stores were viewed as having an image of merchandise quality and assortment, reliability and services. Discount department stores were seen as having low prices and bargains. The traditional department store may be described as a high prestige retailer and the discount department store as a low prestige retailer.

Martineau (1958) observed that consumers will seek out those stores whose image most closely correlates with the total self status image. The consumer must feel comfortable with the image in that it does not intimidate nor is it beneath one's own limits of acceptability. Therefore, a retailer must develop an image that appeals to a specific market segment which fits somewhere on this image continuum.

Berry (1969) noted that consumers formed an image through experience and therefore image is learned. A positive shopping experience forms a favorable image in the consumer's mind establishing loyalty while a negative experience results in an unfavorable image inducing avoidance.

Brown and Fisk (1965) in relation to the trade-off and perceived risk theories in attaining quality, suggested that shoppers would seek out the store in which they would receive the highest quality merchandise for the price they

to the level of quality present. The consumer may then employ trade-off techniques to eventually arrive at a balance between price and quality which he feels will result in a good value judgement.

Store Image - High Prestige versus Low Prestige

As can be seen in the previously cited literature, store image plays a significant part in the consumer's perception of quality. Martineau defines store image or personality as "the way the store is defined in the shoppers mind, partly by its functional qualities and partly by an aura of psychological attributes" (1958, p.47).

Hirschman (1978) notes that traditional department stores are perceived as being high on the price-quality continuum, while discount department stores are on the lower end. Also "Traditional department stores will dominate fashion goods and luxury items where the prestige of the store and the products' social conspicuousness are of integral importance (i.e. there is high social risk)" (Hirschman, 1978, p.36). "Discount department stores will dominate branded hard goods...where economic risk is reduced by low prices, and social risk is overcome by brand name" (Hirschman, p.41).

As to the aggregate image of traditional department stores and discount stores, a study by Rich and Portis

magazine's quality rating, the degree of the stability of the price-quality relationship was determined by finding and plotting the mean coefficient between the price and quality rating for each year. The actual price-quality relationship had not changed significantly over the years for the aggregate of products studied. More importantly, nondurables had a much weaker price-quality relationship than durables. This may mean that reliance on a high price for apparel as a nondurable item would not be a guarantee of high quality.

A third study done by Geistfeld in 1982 compared price data and quality ranking from Consumer Reports and Consumers' Research Magazine with data collected from numerous stores located in two midwestern market areas. Again, the Spearman coefficient was used to analyze the degree of relationship between the magazine's data and actual market data. The findings suggest that the general relationship between price and quality is low and that the price-quality relationships will vary not only from one publication to another but also between market areas and store types.

The preceding literature has shown that there is no one reliable method for consumers to ascertain quality. Instead the buyer must compare a multitude of intrinsic and extrinsic cues and then using previously attained experience or knowledge obtained via search methods, make a decision as

price-quality relationships for consumer products. Conclusions were reached by analyzing information in Consumer Reports and Consumer Research Magazine product testing reports and their resulting quality ratings.

The main objective of Sproles' (1977) investigation was to "conduct a general assessment of objective price-quality relationships as defined in price and product quality ratings which are currently available to consumers in published literature" (p. 65). He used the monthly product testing results and quality ratings in Consumer Reports magazine for a three year period. A total of 135 products were studied. By using the Spearman rank correlation method, coefficients were calculated using the ordinal ratings of brand quality and ordinal ranking of manufacturer list prices from high to low. The mean prices and range of prices were also found. The results of these tests indicated that 51 per cent of the products studied had a positive price-quality relationship. That left 35 per cent with no price-quality relationship and 14 per cent with a negative relationship (Sproles, 1977). It was evident that the price-quality relationships could vary drastically for competing brands within product groupings.

Riesz in 1978 carried out an investigation of the price-quality relationship also using data from Consumer Reports for a 15 year period using 10,162 brands of 685 products. Using the manufacturer's list price and the

appliances. Three of the brands were well known and three were fictitious. Product features and prices were listed next to the six brands. The subjects chose three recently purchased appliances to rate and indicated the six brands in the order in which they would be willing to buy. The rating of the product was used as a measure of perceived quality. Venkataraman noted that a price-quality relationship existed as manifested through the consumers' willingness to buy, with the aggregate of respondents at all income levels preferring a medium priced item. Brand names appeared to be more important than price. However, once the brand name hierarchy was established, price was then used to make a buying decision. The high priced appliance was used as a reference point or standard price for discerning perceived value. In relation to the price of the product chosen to buy by each individual, Venkataraman suggested that "Setting a high price on a brand may enhance its image, but it may also price it out of the market for substantial groups of consumers" (1981, p. 51). As suggested in the Obermiller and Wheatley study, the consumers seemed to be using trade-off techniques in balancing price level with perceived quality to arrive at a good value judgement. Price was shown to be an important determinant of choice when income level was a consideration.

The following three studies conducted by Sproles, Riesz and Geistfeld were objective analyses of actual

noticed country of origin cues less than shoppers at other store types, an indication that they trusted and relied on that store to provide them with a good value, thus reducing risk (Dickerson, 1982). This reliance on the retailers to provide a fair price for the quality was also found by Brown and Fisk (1965) and Shapiro (1973).

In May of 1983, the Gallup Organization conducted a poll for Newsweek magazine interviewing 915 adults by telephone to discover public opinion on foreign trade. The survey showed that protectionism was strong and that Buy American feelings were increasing. However, some Americans would choose to buy cheaper imports as domestic prices increased. The differences in cost of imported and domestic prices were thought to be due to high U.S. wages and foreign dumping of goods (Arena, 1983). A majority of 55 per cent favored increasing taxes on imports to protect American jobs in threatened industries, with 36 per cent opposed to raising taxes on imports because it could raise consumer prices and 9 per cent had no opinion. Comparing 1973 figures with 1983 on inclination to buy foreign goods, 34 per cent compared to 53 per cent were less inclined, 5 per cent compared to 12 per cent were more inclined, 60 per cent compared to 34 per cent did not give it much thought and 1 per cent both years gave no answer. When asked if they would buy an imported product only whenever a comparable American product was unavailable; 40 per cent answered very

true, 27 per cent replied somewhat true, 31 per cent said not true and 2 per cent didn't know. Specifically for clothing, 75 per cent felt that American made products were the best, 18 per cent considered imported clothing as good or better and 7 per cent didn't know (Arena, 1983).

In November/December, 1983 the Gallup Organization conducted a nationwide survey for APPAREL magazine in which consumers strongly indicated that they preferred sweaters made in the U.S. over imported sweaters. A majority of 62 per cent preferred domestically made sweaters, 3 per cent preferred imports and 31 per cent indicated that it did not matter where it was manufactured (Apparel, 1984).

These findings suggest that U.S. consumers consider American made goods to be superior in quality and prefer to purchase them over those imported from developing countries. However, in 1984 the apparel trade deficit increased by $4.5 billion, and imports rose 45 per cent while exports declined 5.7 per cent (U.S. Industrial Outlook 1985). These figures show that American consumers now have access to imported clothing in record quantities. As a result, the U.S. retailing and manufacturing sectors are lobbying to influence government legislation which will benefit their own prosperity and existence.

Cline in 1979 conducted a study to investigate whether or not consumers pay less for imports than domestic garments

of comparable quality. A survey of various types of stores in different areas of the country was carried out by collecting 4,300 price observations on 168 specific domestic and imported products of comparable quality. Looking at men's, women's and children's apparel, 73 per cent of the products from Latin America and Asia were less expensive than domestic goods. The Latin American and Asian apparel products were 11.6 per cent less expensive than domestic items. In department stores 73 per cent of the imported apparel products were less expensive than domestic compared to 64 per cent of the products in discount stores. Using chain stores as a base, department store prices were 48 per cent more expensive and discount stores 40 per cent less expensive than the base.

These findings support the theory that consumers may benefit from imports in direct savings. It was also suggested by Cline that overall apparel prices are lower because import competition with domestic producers keeps domestic prices from rising and because the imports increase the supply, therefore keeping prices stable (1979).

The monetary benefits to the consumer resulting from buying imported goods could possibly be even higher than Cline calculated since it has been alleged that in some retailing institutions, any savings resulting from importing lower priced goods are not passed on to the consumer but are retained by the retailer. The retailers defend this

practice by saying that the mark-ups they take on lower cost imports are to cover their risks involved in shipping time delays, warehousing, costs of absorbing or returning damaged merchandise and costs related to researching overseas sources of goods. Domestic manufacturers counter that the retailers could save on costs by buying domestically since ordering lead time is shortened, thus not tying up investment dollars; there is more reliability, speed and ease in reordering hot items; lower freight charges and the convenience of a closer location (Milliken, 1985).

CHAPTER III

METHODS AND PROCEDURES

The Apparel Products

Dardis and Sul (1983), among many other sources, have pinpointed women's sweaters and men's woven shirts as the apparel items most heavily impacted by imports from developing nations with Korea and Taiwan as dominant exporters of these two items. Therefore, these two apparel items and these two foreign countries were chosen as variables for this study. Four identical men's shirts and four identical women's sweaters were used to control the actual quality while the three extrinsic information cues of country of origin, store image and Buy American campaign materials were manipulated. The neutral colors of black and white were chosen to control for the color preference factor found by Wheatley and Chiu (1977). The women's sweaters were identical, black, size medium, 100 per cent acrylic crewnecks. They were purchased from a moderately-priced, regional department store, retailing at $12.99. The men's shirts were identical, white, 55 per cent cotton/45 per cent polyester, button-down-collar, oxford cloth. The size 16, long sleeved shirts were purchased at a moderately-priced national mass merchandising department store for $16.00.

The Retailers

The high prestige store chosen was a well-known regional traditional department store which had two large branch stores in the local area. The low prestige store used in the study was a regional discount department store (hypermart) with four branch stores in the surveyed area.

Information Cue Manipulation

The original labels were removed from the garments and replaced with labels which allowed for the manipulation of the desired information cues. The private brand labels of two of the shirts and two of the sweaters identified the high prestige department store. The remaining two unfamiliar brand shirts and two sweaters had store logo price tags (with the price removed) identifying the low prestige store. A second label designated two of the sweaters as made in Korea and two of the shirts as made in Hong Kong, with the remaining four garments having labels designating the U.S.A. as the country of origin.

These identical shirts or sweaters thus were labeled in order as:

Number 1 - High Prestige Store, Domestic Manufacturer
Number 2 - Low Prestige Store, Foreign Manufacturer
Number 3 - Low Prestige Store, Domestic Manufacturer
Number 4 - High Prestige Store, Foreign Manufacturer

The third information cue manipulated was the Buy

American campaign materials. At predetermined times throughout the survey, red-white-and-blue hang-tags stating "Crafted with Pride", "Made in U.S.A.", or "Made in the Good Old U.S.A." were prominently attached to the American made garments. During that same time period, posters inscribed "You made it, now ask for it" were placed directly in front of the subjects on the table upon which the experiment was being conducted.

Sample Selection and Experimental Treatment

The study was carried out in two enclosed shopping malls near a midwestern college town and state capitol. The malls served both the local residents and the campus community. One mall was somewhat larger in size and its primary trade area was larger and more affluent. The other mall was smaller in size and served a less affluent local community. Three days, a Wednesday, Friday and Saturday in February, 1985 were spent collecting data from 11:00 A.M. to 8:00 P.M. in each mall. To obtain a random sample, every third woman was asked if she would be willing to participate in a consumer research survey concerning quality and retail pricing of clothing. Only females, ages sixteen and over, were included in the study due to the findings of Ferber and Lee (1974) that a greater percentage of women over men are the primary managers of the family's financial resources.

The respondents were shown one garment at a time which

they were to examine and then rate that garment in quality on a scale from 1 (low quality) to 100 (high quality). Also the subjects were asked to estimate a retail price for each garment (what they would expect to pay, not what they would like to pay). The garments were presented in a predetermined random order to avoid creating a bias resulting from the presentation order. The shirts were shown to subjects receiving odd numbered questionnaires while sweaters were shown to subjects with even numbered questionnaires. This alternated the shirts and sweaters for every other subject.

In the third part of the experimental portion of the study, the respondents were instructed to choose one of the four shirts or sweaters on the assumption that they would be purchasing it for someone other than themselves.

The experimental design was planned and conducted following a set order to insure a numerical balance of the manipulated variables. All questionnaires were numbered and then divided into two groups - odd numbers for the shirts and even numbers for the sweaters.

The first 48 subjects viewing the garments were not exposed to Buy American campaign materials. Of those 48 subjects, the initial 24 were given the experimental portion first and then completed a series of Attitude, Interest and Opinion questions. The next 24 subjects completed the

Attitude, Interest and Opinion questions first and the experimental portion second. The demographic information was completed last. The four random order numbers of garment presentation were assigned in ascending order of 1's - 2's - 3's - 4's (see Figure B.1 in Appendix B).

The next 48 respondents were exposed to the Buy American campaign materials and followed the same procedures as explained previously. This completed half of the total experimental sequence consisting of 96 subjects.

The second half of the total sequence was carried out similar to the first half except the initial 48 subjects received the Buy American information first. The next 48 subjects received no Buy American information. The random order numbers of garment presentation were assigned in descending order of 4's - 3's - 2's - and 1's. This completed a full experimental sequence of 192 subjects. The final number of participants was 395 allowing two completed sequences of 384 subjects.

Upon completion of their participation in the survey, the subjects were told that the stores represented by the labels were not necessarily the stores the garments were purchased at. They were then given the opportunity to request information about the study upon its completion.

The Instrument

The instrument used in this study consisted of a questionnaire compiled by a team of professors and graduate students. Only the experimental section, which is the focus of this study, will be analyzed. This portion was used to record subjects' quality and price responses to the information cue manipulations and also their selection of one garment based on their quality and price estimates.

The subjects were given the garments one at a time in a predetermined random order and were directed in the questionnaire to:

"Please evaluate the four sweater products or the four shirts before answering the following questions."

"On a scale of 1 to 100, with 100 being the highest quality possible, how would you evaluate the following products and what do you estimate their retail price to be?"

SHIRTS

	Quality	Price
1 = lowest	100 = highest	
Shirt 1	_____	$_____._____
Shirt 2	_____	$_____._____
Shirt 3	_____	$_____._____
Shirt 4	_____	$_____._____

"If you were to buy one of these shirts, which shirt would you buy based on your quality and price estimates. (Please check one)"

____ Shirt 1 ____ Shirt 2 ____ Shirt 3 ____ Shirt 4

The questionnaire, including the experimental portion, was pretested on a group of 58 Merchandising Management students for clarity of the questions and procedure. The average interview time was established at approximately 30 minutes. A copy of the questionnaire is in Appendix B.

Hypotheses and Statistical Analyses

The hypotheses are stated in alternate form.

H_1 For garments with an information cue for a high prestige retailer, consumers' perceptions of quality and price will be the same for domestic versus imported apparel.

H_2 For garments with an information cue for a low prestige retailer, consumers' perceptions of price but not quality will differ for domestic versus imported apparel.

H_3 For garments with the Buy American information cue, there will be significant differences in perceptions of quality between domestic versus imported garments.

H_4 For garments with the Buy American information cue, there will be no significant differences in estimated price between domestic versus imported garments.

H_5 When the Buy American information cue is present, consumers will select domestic garments over imported garments.

H_6 For garments with an information cue for the Buy American campaign, there will be no significant differences in consumers' perceptions of quality and price based on the manipulation of country of origin, store prestige and Buy American cues compared to those garments without the Buy American information cue.

An analysis of variance (ANOVA) model will be used to

test Hypotheses 1, 2, 3 and 4. Chi Square will be used to test Hypothesis 5 and Hypothesis 6 will be tested by multiple analysis of variance (MANOVA).

CHAPTER IV

THE SAMPLE AND RESULTS

This chapter is a summary of the demographic and statistical findings. The chapter consists of three sections. The first section is a discussion of the shirt and sweater sample demographic characteristics. In the next section, stepwise regression and correlation coefficient results will be discussed. In the final section, analysis of variance, Chi Square and multiple analysis of variance will be employed to draw conclusions for the hypotheses.

Demographic Information

The demographic data were analyzed to obtain a profile of the sample population of 395 consumers participating in the study. The demographic variables examined were age, education, occupation, income, number of individuals dependent on income and race. The average respondent was a white female, age 21-30, who had completed two years of college. The subject was most likely to be either a student (29.0%) or employed in a professional or technical occupation (22.1%). The two most commonly cited ranges for the respondent's family income were $10,001-20,000 (19.8%) and $30,001-40,000 (17.3%). The number of people dependent

on this income was one person (26.0%), or two people (26.0%). Table 4.1 contains a general overview of this information.

Table 4.1 General Demographic Overview of Consumers

	Shirts N = 198		Sweaters N = 197	
	No.	%	No.	%
Age: 21-30	70	38.7	73	40.8
Education: 2 Years of College	53	28.3	58	31.7
Occupation: Students	57	30.6	52	28.4
Professional/Technical	31	16.7	48	26.2
Income: $10,001 - 20,000	40	22.0	34	19.1
$30,001 - 40,000	33	18.1	32	18.0
Race: White	168	90.3	158	86.3

A summary of demographic information is shown in Table 4.2. This table is broken down by demographic variables into the two sample sets consisting of those subjects receiving either the shirts or sweaters to rate.

AGE

When asked to specify their age, the greatest number of subjects fell into the 21-30 category for both the shirt (38.7%) and the sweater (40.8%) samples. The subjects' range of age was from 16 to 82 (Table 4.2).

Education

The subjects were asked to indicate their highest level of education based on classification levels used by the United States Census Bureau. There were no subjects with less than two years of high school. The greatest percentage of subjects in each sample had completed two years of college (Table 4.2).

Occupation

The greatest percentage of subjects for the both shirt sample (30.6%) and the sweater sample (28.4) listed their occupation as students. This can be explained by the fact that the two malls in which the study was conducted served the college community as well as the permanent local residents. Subjects checking the student category in addition to another category were considered full-time students and therefore the other category was disregarded. Among those checking the student category were older graduate students, housewives, evening students, and reentry students. The second largest category for both the shirts (16.7%) and sweaters (26.2%) was the professional or technical occupations (Table 4.2).

Income

Respondents were asked to indicate their family income from all sources. The initial 12 categories were reduced to seven by combining the upper six levels to minimize blank cells. The mode for family income from all sources was $10,001-20,000 for both the shirt group (22.0%) and the sweater group (19.1%). The second most indicated level was the $30,001-40,000 income bracket with 18.1% for the shirt group and 18.0% for the sweater group (Table 4.2).

Number of Dependents on Income

The subjects were asked how many people were financially dependent on the stated income including themselves and a spouse. Both the shirt (26.6%) and the sweater (30.6%) sample sets listed one person as dependent on the stated income. Two dependents was the second most frequent answer (Table 4.2).

Race

The subjects were requested to indicate their race by checking one of seven categories. Again, five of the categories were combined to reduce blank cells, leaving the categories of Black, White and other. The shirt sample was found to consist of 90.3% White, 7.0% Black and 2.7% other.

Table 4.2 Summary of Demographic Information

Variables	Shirts N = 198 No.	%	Sweaters N = 197 No.	%
Age				
16-20	28	15.5	25	14.0
21-30	70	38.7	73	40.8
31-40	30	16.6	36	20.1
41-50	29	16.0	23	12.8
51-60	14	7.7	9	5.0
61-+	10	5.5	13	7.3
Totals	181	100.0	179	100.0
No Response	17		18	
Education				
Some Elementary School	--	---	--	---
Completed Elementary School	--	---	--	---
2 Years High School	8	4.3	4	2.2
Completed High School	54	28.9	43	23.5
2 Years College	53	28.3	58	31.7
Completed College	36	19.3	36	19.7
Some Graduate School	18	9.6	27	14.8
Completed Graduate School	18	9.6	15	8.2
Totals	187	100.0	183	100.0
No Response	11		14	

continued

Table 4.2 - continued

Variables	Shirts N = 198 No.	%	Sweaters N = 197 No.	%
Occupation				
Professional/Technical	31	16.7	48	26.2
Manager/Administrator	17	9.1	15	8.2
Sales	12	6.5	10	5.5
Clerical	18	9.7	11	6.0
Craftsperson	--	---	--	---
Machine Operator	2	1.1	2	1.1
Non-farm Labor	--	---	1	0.5
Service Worker	4	2.2	9	4.9
Farm Owner	1	1.5	1	0.5
Student	57	30.6	52	28.4
Retired	7	3.8	9	4.9
Unemployed	12	6.5	6	3.3
Other	25	13.4	19	10.4
Totals	186	100.0	183	100.0
No Response	12		14	
Income				
Under $10,000	27	14.8	26	14.6
10,001-20,000	40	22.0	34	19.1
20,001-30,000	20	11.0	26	14.6
30,001-40,000	33	18.1	32	18.0
40,001-50,000	25	13.7	17	9.6
50,001-60,000	16	8.8	21	11.8
60,001 and Up	21	11.5	22	12.4
Totals	182	100.0	178	100.0
No Response	16		19	

continued

Table 4.2 - continued

Variables	Shirts N = 198 No.	%	Sweaters N = 197 No.	%
Number of Dependents on Income				
One Person	50	26.6	57	30.6
Two People	47	25.0	49	26.3
Three People	31	16.5	34	18.3
Four People	38	20.2	25	13.4
Five People	13	6.9	15	8.1
Six or More	9	4.8	6	3.2
Totals	188	100.0	186	100.0
No Response	10		11	
Race				
Black	13	7.0	16	8.7
White	168	90.3	158	86.3
Other	5	2.7	9	4.9
Totals	186	100.0	183	100.0
No Response	12		14	

The sweater sample was composed of 86.3% White, 8.7% Black and 4.9% other (Table 4.2).

In summarizing the demographics section, the shirt sample seems very similar in all respects to the sweater sample. Although the sweater group was slightly older on the average than the shirt group and also had somewhat higher levels of education.

Chi Square was used to compare the demographic variables. The results of this testing did not show any significant relationships between the demographic variables and the dependent and independent variables. The Chi Square tables are located in Appendix A.

Statistical Testing of the Hypotheses

The major focus of this research has been to study the effect of the domestic versus imported information cues on the consumers' perception of quality and estimation of retail price. This was the underlying factor for the statistical testing. Also the study investigates store prestige and the Buy American information cues on the consumers' perception of quality and estimation of retail price. All three independent variables will be analyzed using stepwise regression analysis, correlation coefficients, analysis of variance and multiple analysis of variance.

Analysis of the Variables as Predictors of Quality and Price

Using quality and price as the dependent variables, with country of origin, store image, and the Buy American cue manipulation as the independent variables, a stepwise regression analysis was carried out. The purpose for employing the stepwise regression analysis was to determine the best predictors of quality and price. As before, the analysis is broken down into shirt and sweater categories. The independent variables will be referred to as origin (domestic versus imported), prestige (high prestige versus low prestige), Buy American (Buy American campaign materials versus no Buy American campaign materials) and their combinations (O x P x BA).

Quality

Shirts:

The results of the stepwise regression analysis for the shirts on the quality factor are presented in Table 4.3. The best one term model for shirt quality is the Buy American variable with a significance level of $p<.021$. However, this result does not explain much of the variance since the R square is .007. Prestige, prestige x Buy American, prestige x origin x Buy American were the best two term, three term, and four term models respectively. The fifth, sixth and

Table 4.3 Stepwise Regression Analysis for Quality with, Origin, Prestige, Buy American and Interactions: Shirts

Best Term Model	Cue	DF	Overall F	R^2
Best one term model	Buy American	1	5.32*	.Ø1
Best two term model	Prestige	2	4.97**	.Ø1
Best three term model	P x BA	3	3.99**	.Ø2
Best four term model	P x O x BA	4	3.15**	.Ø2
Best five term model	P x O	5	2.76**	.Ø2
Best six term model	O x BA	6	2.34**	.Ø2
Best seven term model	Origin	7	2.44**	.Ø2

*p<.Ø5
**p<.Ø1

seventh best term models were prestige x origin, origin x Buy American and origin. The significance levels for the best one term model through the best seventh term model at $p<.05$ or better indicate that all term models are significant predictors of shirt quality although the overall explanatory power of the model is weak (R^2=.01 to .02)(Table 4.3).

Sweaters:

The best one term predictor of sweater quality is store prestige with a significance level of $p<.001$. The best two term model was prestige x Buy American, best three term model was prestige x origin and best four term model was origin x Buy American. The best five, six and seven term models were prestige x origin x Buy American, origin, and Buy American in that order. All seven models were significant at the $p<.01$ level or better (Table 4.4). The low R square (.02) indicates a low level of total explanation of variance by these variables on quality ratings.

In summarizing the results of the stepwise regression analyses for quality, it is interesting to note that the shirts had as their best one term predictor, the Buy American cue. However, for both the shirts and the sweaters, prestige and its interactions with other

Table 4.4 Stepwise Regression Analysis for Quality with, Origin, Prestige, Buy American and Interactions: Sweaters

Best Term Model	Cue	DF	Overall F	R^2
Best one term model	Prestige	1	13.04***	.02
Best two term model	P x BA	2	7.31***	.02
Best three term model	P x O	3	5.38***	.02
Best four term model	O x BA	4	4.14**	.02
Best five term model	P x O x BA	5	4.16**	.02
Best six term model	Origin	6	3.35**	.02
Best seven term model	Buy American	7	2.80**	.02

**p<.01
***p<.001

independent variables seem to be important predictors of quality even though overall analysis of variance results indicated that differences in quality as perceived by the subjects, were not significant. The low R square values for both shirts and sweaters indicate that these variables account for very little of the total variation.

Price

Shirts:

For ascertaining the price for the shirts, store prestige is the best one term model with a significance level of $p<.001$. The second, third, and fourth best term models were origin x Buy American, prestige x Buy American and origin respectively. The remaining fifth, sixth and seventh best term models were prestige x origin x Buy American, Buy American and prestige x origin in that order. All seven of the models were significant at the $p<.001$ level. However, the R squares were still low, ranging from .054 to .060 (Table 4.5).

Sweaters:

Prestige was also the best one term model for determining sweater price. It was followed by prestige x origin for the best two term model, Buy American for the best three term model and origin as the best four term

Table 4.5 Stepwise Regression Analysis for Price with, Origin, Prestige, Buy American and Interactions: Shirts

Best Term Model	Cue	DF	Overall F	R^2
Best one term model	Prestige	1	44.68***	.Ø5
Best two term model	O x BA	2	23.31***	.Ø6
Best three term model	P x BA	3	15.82***	.Ø6
Best four term model	Origin	4	12.15***	.Ø6
Best five term model	P x O x BA	5	9.81***	.Ø6
Best six term model	Buy American	6	8.17***	.Ø6
Best seven term model	P x O	7	7.Ø9***	.Ø6

***p<.ØØ1

model. The fifth, sixth and seventh best term models were origin x Buy American, prestige x origin x Buy American and prestige x Buy American in that order. Again, the models were significant at the p<.000 level. The R square was low ranging from .088 to .093 (Table 4.6).

To summarize the stepwise regression analysis for price, for both the shirts and the sweaters, store prestige was the best one term model in predicting price. However, the low R square indicates that it has a small part in explaining the variances.

In order to determine the degree to which the variables used to determine shirt quality and price are related, correlation coefficients were analyzed. Correlation coefficients for shirt quality showed that there were low to moderate positive correlations between price and quality and between store prestige and price. As expected, the correlations became more highly related in the combined variables (Table 4.7).

The correlation coefficients for variables used to determine sweater quality and price showed that there were low positive correlations between price and quality and between store prestige and price. Again, the correlations were higher for the combined variables (Table 4.8).

Table 4.6 Stepwise Regression Analysis for Price with, Origin, Prestige, Buy American and Interactions: Sweaters

Best Term Model	Cue	DF	Overall F	R^2
Best one term model	Prestige	1	76.58***	.09
Best two term model	P x O	2	39.87***	.09
Best three term model	Buy American	3	26.59***	.09
Best four term model	Origin	4	19.94***	.09
Best five term model	O x BA	5	15.94***	.09
Best six term model	P x O x BA	6	13.28***	.09
Best seven term model	P x BA	7	13.35***	.09

***p<.001

Table 4.7 Correlation Coefficients for Variables: Shirts

	Quality	Price	Prestige	Origin	Buy Am	P x O	P x BA	O x BA
Price	Ø.36							
Prestige	Ø.Ø8	Ø.23						
Origin	Ø.Ø1	Ø.Ø4	Ø.ØØ					
Buy American	-Ø.Ø8	Ø.Ø2	Ø.ØØ	Ø.ØØ				
P x O	Ø.Ø6	Ø.19	Ø.69	Ø.69	Ø.ØØ			
P x BA	-Ø.Ø2	Ø.16	Ø.68	Ø.ØØ	Ø.7Ø	Ø.46		
O x BA	-Ø.Ø4	Ø.Ø5	Ø.ØØ	Ø.68	Ø.7Ø	Ø.46	Ø.49	
P x O x BA	Ø.ØØ	Ø.16	Ø.54	Ø.54	Ø.56	Ø.78	Ø.8Ø	Ø.8Ø

P x O = Prestige by Origin
P x BA = Prestige by Buy American
O x BA = Origin by Buy American
P x O x BA = Prestige by Origin by Buy American

Table 4.8 Correlation Coefficients for Variables: Sweaters

	Quality	Price	Prestige	Origin	Buy Am	P x O	P x BA	O x BA
Price	Ø.19							
Prestige	Ø.13	Ø.3Ø						
Origin	Ø.Ø4	Ø.Ø5	Ø.ØØ					
Buy American	-Ø.Ø4	Ø.Ø1	Ø.ØØ	Ø.ØØ				
P x O	Ø.12	Ø.25	Ø.69	Ø.69	Ø.ØØ			
P x BA	Ø.Ø6	Ø.21	Ø.69	Ø.ØØ	Ø.69	Ø.47		
O x BA	-Ø.Ø1	Ø.Ø5	Ø.ØØ	Ø.69	Ø.69	Ø.47	Ø.48	
P x O x BA	Ø.Ø6	Ø.2Ø	Ø.55	Ø.55	Ø.55	Ø.79	Ø.8Ø	Ø.8Ø

P x O = Prestige by Origin
P x BA = Prestige by Buy American
O x BA = Origin by Buy American
P x O x BA = Prestige by Origin by Buy American

Testing the Hypotheses

Overall Quality and Price Differences

Consumers' perceptions of quality and price differences based on a manipulation of the three information cues: country of origin, store image and the Buy American campaign materials, were analyzed by analysis of variance (ANOVA). There were no significant differences found for the quality variable for either the shirts or the sweaters. However, there were significant differences in price estimates for both the shirts at the .01 level and the sweaters at the .001 level of significance (Tables 4.9 and 4.10). Although the subjects did not perceive significant differences in quality, they did expect different price levels.

The mean overall quality and price ratings for the individual shirts and sweaters are presented in Table 4.11. The quality rating was on a scale of 100 (highest) to 1 (lowest). The garments are designated as: #1 HD - the high prestige, domestic garment, #2 LI - the low prestige, imported garment, #3 LD - the low prestige, domestic garment and #4 HI - the high prestige, imported garment.

Table 4.9 Overall Perceived Quality and Price: Shirts

	Sum of Squares	Degrees of Freedom	Mean Square	F
Quality				
Explained	2,071.10	3	690.37	0.49
Residual	257,896.27	184	1401.61	
Total	259,967.32	187		
Price				
Explained	2,436.90	3	812.30	4.02**
Residual	38,554.47	191	201.86	
Total	40,991.38	194		

** p<.01

Table 4.10 Overall Perceived Quality and Price: Sweaters

	Sum of Squares	Degrees of Freedom	Mean Square	F
Quality				
Explained	5,940.79	3	1,980.26	1.15
Residual	313,964.03	183	1,715.65	
Total	319,904.82	186		
Price				
Explained	4,682.96	3	1,560.99	6.76**
Residual	44,540.50	193	230.78	
Total	49,223.46	196		

** p<.01

Table 4.11 Mean Overall Quality and Price Ratings

	#1 HD	#2 LI	#3 LD	#4 HI
Shirt				
Mean Quality	66.89	62.90	62.73	64.09
Mean Price	$22.09	$18.06	$18.17	$21.05
Sweater				
Mean Quality	57.60	50.83	50.88	55.37
Mean Price	$22.44	$16.81	$17.24	$21.17

Quality 1 = lowest, 100 = highest
Price 1 = lowest, 100 = highest

A Tukey post hoc multiple comparison was conducted to analyze the significant differences found on shirt and sweater price estimates. The variable combinations, the means for the price estimates and the results of the Tukey analysis are presented in Tables 4.12 and 4.13. The means are ordered by size with the vertical lines indicating means which are significantly different. The overlapping lines show that the means cannot be distinguished as being significantly different from other means.

Country of Origin

The consumers' perceptions of quality and price differences resulting from the manipulation of the country of origin cue were analyzed using analysis of variance. In comparing the shirts and sweaters labeled as domestic with

Table 4.12 Country of Origin and Store Image, Mean Response and Tukey Multiple Comparisons for Price: Shirts (N = 194)

Variable Groups	Mean	Tukey Groups 1	2	3	4
High Prestige, Domestic	22.09	|	|	|	
High Prestige, Imported	21.05	|	|	|	|
Low Prestige, Domestic	18.17	|	|	|	|
Low Prestige, Imported	18.06		|	|	|

T s(D) = 3.96

Table 4.13 Country of Origin and Store Image, Mean Response and Tukey Multiple Comparisons for Price: Sweaters (N = 196)

Variable Groups	Mean	Tukey Groups 1	2	3	4
High Prestige, Domestic	22.44	|	|		
High Prestige, Imported	21.17	|	|	|	
Low Prestige, Domestic	17.24		|	|	|
Low Prestige, Imported	16.81			|	|

T s(D) = 4.24

those labeled as imported, there were no significant differences in quality found between them. Nor were there any significant differences in price estimates for those shirts and sweaters labeled domestic versus those labeled imported (Tables 4.14 and 4.15). This indicates that the subjects were not influenced by the manipulation of the country of origin cue.

Table 4.14 Perceived Quality and Price as a Function of Country of Origin (Domestic vs. Imported): Shirts

	Sum of Squares	Degrees of Freedom	Mean Square	F
Quality				
Explained	160.95	1	160.95	0.27
Residual	109,699.21	186	598.78	
Total	109,860.16	187		
Price				
Explained	31.93	1	31.93	0.40
Residual	15,445.84	193	80.03	
Total	15,477.77	194		

Table 4.15 Perceived Quality and Price as a Function of Country of Origin (Domestic vs. Imported): Sweaters

	Sum of Squares	Degrees of Freedom	Mean Square	F
Quality				
Explained	91.52	1	91.52	Ø.13
Residual	133,667.21	195	685.47	
Total	133,758.72	196		
Price				
Explained	71.Ø8	1	71.Ø8	Ø.78
Residual	38,554.47	196	91.13	
Total	4Ø,991.38	197		

Table 4.16 contains the mean quality and price ratings for the domestic versus the imported shirts and sweaters. The domestic shirts were rated 1.3 points higher in quality and $.57 higher in price than the imported shirts. The domestic sweaters were rated .99 points higher in quality and $.85 higher in price than the imported sweaters.

Table 4.16 Mean Domestic vs. Imported Quality and Price Ratings

	Domestic	Imported
Shirt		
Mean Quality	64.8Ø	63.5Ø
Mean Price	$2Ø.13	$19.56
Sweater		
Mean Quality	54.Ø9	53.1Ø
Mean Price	$19.84	$18.99

Store Image

The manipulation of the store status cue resulted in significant price differences in both shirts ($p<.001$) and sweaters ($p<.001$). The difference in quality perception was significant for the sweaters at the .05 level but was not significant for the shirts (Tables 4.17 and 4.18). The store prestige cue was the only cue manipulated that resulted in a significant difference in quality perception. Thus the store prestige information cue significantly influenced the subjects to perceive a difference in price for both the shirts and the sweaters and a significant difference in quality for the sweaters.

Table 4.19 contains the mean quality and price ratings for the high prestige store versus the low prestige store garments. The subjects rated the shirt with the high prestige store label 2.66 points higher in quality and the sweater with the high prestige store label 5.46 points higher in quality than the low prestige store garments. The high prestige store labeled shirt was priced $3.45 over the low prestige store shirt. The sweater with the high prestige store label was priced $4.79 above the low prestige store sweater.

Table 4.17 Perceived Quality and Price as a Function of Store Prestige (High Prestige vs. Low Prestige): Shirts

	Sum of Squares	Degrees of Freedom	Mean Square	F
Quality				
Explained	667.56	1	667.56	1.094
Residual	113,459.10	186	609.99	
Total	114,126.66	187		
Price				
Explained	1,165.38	1	1,165.38	12.95***
Residual	17,372.55	193	90.01	
Total	18,537.93	194		

***p<.001

Table 4.18 Perceived Quality and Price as a Function of Store Prestige (High Prestige vs. Low Prestige): Sweaters

	Sum of Squares	Degrees of Freedom	Mean Square	F
Quality				
Explained	2,803.68	1	2,803.68	3.73*
Residual	139,843.05	186	751.84	
Total	142,646.72	187		
Price				
Explained	71.08	1	2,252.69	22.89***
Residual	19,291.12	196	98.42	
Total	21,543.82	197		

***p<.001

Table 4.19 Mean Quality and Price Ratings as a Function of Store Prestige: High Prestige vs. Low Prestige

	Domestic	Imported
Shirt		
Mean Quality	65.48	62.82
Mean Price	$21.57	$18.12
Sweater		
Mean Quality	56.33	50.87
Mean Price	$21.81	$17.02

Within Store Type Comparisons

Quality and price differences between domestic and imported garments were tested within the store types by analysis of variance. These findings will be used to test Hypotheses 1 and 2.

H_1 For the garments with an information cue for a high prestige retailer, consumers' perceptions of quality and price will be the same for domestic versus imported apparel.

The results shown in Tables 4.20 and 4.21 show that there are no significant differences for the high prestige stores' quality or price ratings between the domestic or imported garments. Therefore, the consumers' perception of quality and price are similar for domestic as compared to imported apparel.

Table 4.20 Perceived Quality and Price Between Domestic and Imported Apparel as a Function of the High Prestige Store Cue: Shirts

	Sum of Squares	Degrees of Freedom	Mean Square	F
Quality				
Explained	808.25	1	808.25	1.11
Residual	139,957.29	192	728.94	
Total	140,765.55	193		
Price				
Explained	102.88	1	102.88	.85
Residual	23,374.68	192	121.74	
Total	23,477.56	193		

Table 4.21 Perceived Quality and Price Between Domestic and Imported Apparel as a Function of the High Prestige Store Cue: Sweaters

	Sum of Squares	Degrees of Freedom	Mean Square	F
Quality				
Explained	693.33	1	693.33	0.75
Residual	177,848.81	193	921.50	
Total	178,542.14	194		
Price				
Explained	158.93	1	158.93	1.10
Residual	28,263.22	196	144.20	
Total	28,422.14	197		

Shirts: H_1 Failed to Reject
Sweaters: H_1 Failed to Reject

H_2 For garments with an information cue for a low prestige retailer, consumers' perceptions of price but not quality will differ for domestic versus imported apparel.

The results of the analysis of variance shown in Tables 4.22 and 4.23 indicated that for both the shirts and the sweaters, there were no significant differences in either price or quality of apparel in the low prestige store garments. Therefore, the consumers perceived quality to be the same but also perceived no differences in the prices between domestic and imported apparel refuting the first part of Hypothesis 2.

Shirts: H_2 Rejected
Sweaters: H_2 Rejected

Buy American Cue Manipulation

The consumers' perceptions of quality and price differences resulting from the manipulation of the Buy American campaign materials were analyzed using analysis of variance. These findings will be used to test Hypotheses 3 and 4.

H_3 For garments with the Buy American information cue,

Table 4.22 Perceived Quality and Price Between Domestic and Imported Apparel as a Function of the Low Prestige Store Cue: Shirts

	Sum of Squares	Degrees of Freedom	Mean Square	F
Quality				
Explained	76.27	1	76.27	Ø.1Ø
Residual	14Ø,798.69	192	733.33	
Total	14Ø,874.96	193		
Price				
Explained	.75	1	.75	Ø.Ø1
Residual	15,116.99	192	78.73	
Total	15,117.94	193		

Table 4.23 Perceived Quality and Price Between Domestic and Imported Apparel as a Function of the Low Prestige Store Cue: Sweaters

	Sum of Squares	Degrees of Freedom	Mean Square	F
Quality				
Explained	.58	1	.58	Ø.ØØ
Residual	18Ø,816.66	193	936.87	
Total	18Ø,817.24	194		
Price				
Explained	17.74	1	17.74	Ø.2Ø
Residual	17,8Ø8.74	196	9Ø.86	
Total	17,826.48	197		

there will be significant differences in perceptions of quality for domestic versus imported garments.

Reviewing Tables 4.26 and 4.27, for those garments with the Buy American information cue present, there are no significant differences in quality perception for either the shirt or sweater samples. The consumers perceived quality to be the same in both the domestic and imported garments even when the Buy American materials were present.

Shirt: H_3 Rejected
Sweater: H_3 Rejected

H_4 For garments with the Buy American information cue, there will be no significant differences in estimated price between domestic versus imported garments.

Again reviewing Tables 4.26 and 4.27, for those garments with the Buy American information, there are no significant differences in price for either the shirt or sweater samples. Consumers did not differentiate price for the domestic versus the imported garments when the Buy American campaign materials were present.

Shirt: H_4 Failed to Reject
Sweater: H_4 Failed to Reject

In order to test Hypothesis 5, a Chi Square test was run on the shirt and the sweater data to analyze the effect of the absence or presence of the Buy American campaign

Table 4.24 Perceived Quality and Price with No Buy American Cue (Domestic vs. Imported): Shirts

	Sum of Squares	Degrees of Freedom	Mean Square	F
Quality				
Explained	60.54	1	60.54	0.01
Residual	1,079,834.71	199	5,426.30	
Total	1,079,895.22	200		
Price				
Explained	87.45	1	87.45	0.17
Residual	105,259.32	199	528.94	
Total	105,346.78	200		

Table 4.25 Perceived Quality and Price with No Buy American Cue (Domestic vs. Imported): Sweaters

	Sum of Squares	Degrees of Freedom	Mean Square	F
Quality				
Explained	1,065.62	1	1,065.62	0.23
Residual	921,707.54	199	4,631.70	
Total	922,813.17	200		
Price				
Explained	308.72	1	308.72	0.59
Residual	104,893.35	199	527.10	
Total	105,202.07	200		

Table 4.26 Perceived Quality and Price with the Buy American Cue (Domestic vs. Imported): Shirts

	Sum of Squares	Degrees of Freedom	Mean Square	F
Quality				
Explained	510.27	1	510.27	0.09
Residual	1,054,174.01	189	5,577.64	
Total	1,054,684.27	190		
Price				
Explained	255.55	1	255.55	0.46
Residual	105,359.99	189	557.46	
Total	105,615.53	190		

Table 4.27 Perceived Quality and Price with the Buy American Cue (Domestic vs. Imported): Sweaters

	Sum of Squares	Degrees of Freedom	Mean Square	F
Quality				
Explained	366.20	1	366.20	0.09
Residual	796,128.78	189	4,212.32	
Total	796,494.98	190		
Price				
Explained	357.93	1	357.93	0.65
Residual	104,587.84	189	553.38	
Total	104,945.77	190		

materials on the subjects' selection of one garment. The figures for the shirt and sweater are given in Tables 4.28 and 4.29.

H_5 When the Buy American information cue is present, consumers will select domestic garments over imported garments.

The Chi Square result for the shirt data did not prove to be significant. Using descriptive analysis for the shirts, the visible Buy American cue increased the frequency of choice of both the high prestige and low prestige, domestic shirts and decreased the frequency of choice of the high prestige and low prestige imported shirts.

The sweater data was significant at the $p<.05$ level. However, the figures show that the presence of the Buy American campaign materials actually reversed the effect hypothesised for the sweaters because when the campaign materials were visible, the subjects chose a greater percentage of imported sweaters over domestic sweaters. In both the high and low prestige stores, the visible Buy American materials resulted in the consumers choosing slightly fewer domestic sweaters than imported. The visible Buy American materials resulted in an increase in the consumers' choice of the high prestige store's imported sweater but a decrease in choice of the low prestige store's imported sweater.

Table 4.28 Chi Square Results of Shirt Choice by the Buy American Cue Manipulation

	#1 HD		#2 LI		#3 LD		#4 HI	
	No.	%	No.	%	No.	%	No.	%
Shirts (N = 188)								
No Buy American	19	40.4	32	58.2	25	48.1	23	67.6
Buy American	28	59.6	23	41.8	27	51.9	11	32.4
Totals	47	25.0	55	29.3	52	27.7	34	18.1

Chi Square = 6.996 DF = 3 Significance = .07

#1 HD = High Prestige, Domestic
#2 LI = Low Prestige, Imported
#3 LD = Low Prestige, Domestic
#4 HI = High Prestige, Imported

Table 4.29 Chi Square Results of Sweater Choice by the Buy American Cue Manipulation

	#1 HD		#2 LI		#3 LD		#4 HI	
	No.	%	No.	%	No.	%	No.	%
Sweaters (N = 185)								
No Buy American	33	58.9	29	61.7	17	51.5	17	34.7
Buy American	23	41.1	18	38.3	16	48.5	32	65.3
Total	56	30.3	47	25.4	33	17.8	49	26.5

Chi Square = 8.730 DF = 3 Significance = .03*

*p<.05

Shirts: H_5 Rejected
Sweaters: H_5 Rejected

Multiple analysis of variance was employed to test Hypothesis 6. The significant MANOVA results are presented in Tables 4.30, 4.31, 4.32 and 4.33. The remaining results are in Tables A.13, A.14, A.15 and A.16 in Appendix A.

H_6 For garments with an information cue for the Buy American campaign, there will be no significant differences in consumers' perceptions of quality and price based on the manipulation of country of origin, store prestige and Buy American cues compared to those garments without the Buy American information cues.

The Buy American information cue affected both shirt and sweater quality and price when based on the manipulation of the store prestige information cue. The store prestige cue was significant at the $p<.05$ level for shirt quality and at the $p<.001$ level for shirt price and sweater quality and price (Tables 4.30, 4.31, 4.32 and 4.33).

Significant differences in quality and price ratings were found when those garments with the Buy American campaign materials were compared to those garments without the visible Buy American cues. These differences were due to the manipulation of the store prestige cue which had significant influence on the consumers' perception of quality and price estimates.

Table 4.30 Multiple Analysis of Variance for Shirt Quality

Source	Sum of Squares	Degrees of Freedom	Mean Square	F
Prestige	1,936.95	1	1,936.95	5.31*
Error	279,949.73	768	364.52	

* p<.05

Table 4.31 Multiple Analysis of Variance for Shirt Price

Source	Sum of Squares	Degrees of Freedom	Mean Square	F
Prestige	2,342.39	1	2,342.39	46.94***
Error	38,326.54	768	49.90	

*** p<.001

Table 4.32 Multiple Analysis of Variance for Sweater Quality

Source	Sum of Squares	Degrees of Freedom	Mean Square	F
Prestige	6,686.51	1	6,686.51	14.25***
Error	365,647.45	779	469.38	

*** p<.001

Table 4.33 Multiple Analysis of Variance for Sweater Price

Source	Sum of Squares	Degrees of Freedom	Mean Square	F
Prestige	4,505.39	1	4,505.39	79.01***
Error	44,480.74	780	57.03	

*** p<.001

Shirt: H_6 Rejected
Sweater: H_6 Rejected

The combined means for Buy American by prestige by origin for the shirts and sweaters on both quality and price are in tables 4.34 and 4.35. The comparisons suggest that the Buy American campaign materials are more effective in influencing the consumers' perception of quality and estimation of retail price to the benefit of domestic apparel and to the detriment of imported apparel when used in conjunction with the low prestige store cue.

Table 4.34 Combined Quality Means for Buy American by Prestige by Origin

SHIRTS

	Buy American		No Buy American	
Prestige	High	Low	High	Low
Imported	66.Ø3	63.26	63.91	64.Ø5
Domestic	68.88	64.17	66.83	61.47

SWEATERS

	Buy American		No Buy American	
Prestige	High	Low	High	Low
Imported	56.55	51.51	56.49	52.87
Domestic	57.67	52.Ø3	61.78	52.77

Table 4.35 Combined Price Means for Buy American by Prestige by Origin

SHIRTS

	Buy American		No Buy American	
Prestige	High	Low	High	Low
Imported	$20.88	$18.08	$21.28	$18.08
Domestic	$22.31	$19.08	$21.93	$17.32

SWEATERS

	Buy American		No Buy American	
Prestige	High	Low	High	Low
Imported	$21.49	$16.77	$20.86	$16.85
Domestic	$22.52	$17.69	$22.37	$16.80

Summary of Statistical Findings

The country of origin cue had no influence on either quality perception or price estimates, thus questioning the previously cited observation by Bilkey and Nes (1982) that this cue is important in quality perception. The store image cues did influence a significant difference in sweater quality and shirt and sweater price estimates. Store prestige was the best one term predictor of price for both shirts and sweaters and quality for the sweaters. Although previous researchers found that subjects tended to equate high prices with high quality, the high prices which this study's subjects assigned to the high prestige store labeled

garments were not parallel with significant differences in their overall quality perception in the garments. The Buy American cue did not bring about a significant preference for American made garments over imported garments although it was the best one term predictor of shirt quality. The MANOVA analysis of the Buy American information cue resulted in significant differences in consumer perceptions of quality and estimation of retail price based on the manipulation of the store prestige cue.

Table 4.36 Summary of Hypothesis Testing

	Hypothesis	Test	Result		Evaluation
H_1	For garments with an information cue for a high prestige retailer, consumers' perceptions of quality and price will be the same for domestic versus imported garments.	ANOVA	Shirts: Sweaters:	Not Significant Not Significant	Failed to Reject Failed to Reject
H_2	For garments with an information cue for a low prestige retailer, consumers' perceptions of price but not quality will differ for domestic versus imported apparel.	ANOVA	Shirts: Sweaters:	Not Significant Not Significant	Rejected Rejected
H_3	For garments with the Buy American information cue, there will be significant differences in perceptions of quality between domestic versus imported garments.	ANOVA	Shirts: Sweaters:	Not Significant Not Significant	Rejected Rejected
H_4	For garments with the Buy American information cue, there will be no significant differences in estimated price between domestic versus imported garments.	ANOVA	Shirts: Sweaters:	Not Significant Not Significant	Failed to Reject Failed to Reject
H_5	When the Buy American cue is present, consumers will select domestic garments over imported garments.	X^2	Shirts: Sweaters:	Not Significant Significant	Rejected Rejected

continued

Significance was established at the $p < .05$ level.

Table 4.36 Continued

	Hypothesis	Test	Result		Evaluation
H_6	For garments with an information cue for the Buy American campaign, there will be no significant differences in consumers' perceptions of quality and price based on the manipulation of country of origin, store prestige and Buy American cues compared to those garments without the Buy American cue.	MANOVA	Shirts: Sweaters:	Significant Significant	Rejected Rejected

CHAPTER V

DISCUSSION

Stepwise regression analyses were conducted to determine which of the three independent variables (country of origin, store image or Buy American campaign cues) were significant in predicting quality and price for shirts and sweaters. For the shirts on quality rating, the Buy American cue was the best one term predictor. Considering that the subjects tended to choose the low prestige (estimated low price), domestic or imported shirts most often of the four selections, the visible Buy American cue may have influenced them to perceive higher quality in the domestic shirt as evidenced by their choices in Table 4.26. Just as many previous researchers (Obermiller and Wheatley, 1984; Gardner, 1970; Wheatley, Chiu and Goldman, 1981) found that price was used to make a decision when there were no discernable quality differences, perhaps the presence of the Buy American cue influenced the subjects' decision about shirt quality between the two low prestige store shirts.

These findings suggest that for a low prestige store, having the Buy American campaign materials present may influence the consumer to select the domestic over the imported product. However, the influence seems to be

product specific since the Buy American cue was important only in predicting shirt quality. This may also indicate that the Buy American campaign would be most effective in influencing consumers who shop at low prestige retailers.

For sweater quality and both shirt and sweater price, store prestige was the best one term predictor. This is not surprising in view of all the previous research cited where consumers associated high store prestige with high quality and high prices and vice versa for low prestige stores. Brown and Fisk (1965) and Dickerson (1982) also noted that consumers rely on a store's image to ensure them of receiving a fair price and good quality. The finding that of the three information cues, store prestige is the best predictor of price has implications that consumers expect to pay a predetermined amount for an item depending on the store's prestige level. That amount may be accepted and paid at a specific store even if items of equal quality are available elsewhere at a lower or higher price. Under these circumstances the consumer may be relying on the store's level of prestige for an inferred quality guarantee. An inferred quality quarantee was implied when Dickerson (1982) noted that department store customers had an inherent trust in that store to provide them with quality merchandise rather than personally ascertaining this quality themselves.

Although stepwise regression results for all three of

the independent variables and their interactions were significant at the p<.05 level or better, they did not account for much of the variance since the R square was extremely low ranging from .01 to .09. Therefore, these variables can only be considered a fraction of the many factors influencing the consumers' decisions about quality and estimated price of the garments.

In examining the correlation coefficients for all variables, the results for shirt and sweater quality and price showed that there were low to moderate positive correlations between price and quality and between store prestige and price. These findings reinforce those of previous research about the importance of the relationships between price and quality and between store image (private brands) and price (Stafford and Enis, 1960; Gardner, 1970; Andrews and Valenzi,1971; Syzbillo and Jacoby, 1972; Shapiro, 1973; Monroe, 1973; Wheatley and Chiu, 1977; Wheatley, Chiu and Goldman, 1981; and Venkataraman, 1981). As expected, the correlations became more highly related in a positive direction in the combined variables.

The consumers' overall perceptions of quality and price with the manipulation of the three information cues were analyzed by analysis of variance. There were no significant differences found for either shirts or sweaters on quality perception. The price estimate differences were significant for both the shirts (p<.01) and sweaters (p<.001). Since the

quality factor was controlled by using identical garments, it was logical that the available information cues were not able to influence a substantial number of the subjects to perceive a significant difference in quality. However, price is subjective and can be manipulated more easily. From their previous shopping experience, consumers may be able to detect differences or similarities in quality and also they expect approximate price levels for different types of retailers.

The influence of country of origin information on perceptions of quality and price estimates was tested by analysis of variance. No significant differences were found for quality or price in either shirts or sweaters. This has implications for both domestic and foreign manufacturers since the consumers rate their products as equal in quality and price. The equal quality rating is ominous for the domestic manufacturer who has higher production costs and must therefore pass on these costs to the retailer and consumer to maintain profit margins. The domestic manufacturer justifies higher prices to the consumers by assuring them that their quality is better than that of foreign imports. However, these subjects do not perceive a difference in price in the within store type comparisons between domestic and foreign produced garments, eliminating the price advantage of buying imports. The consumer may be becoming aware that retailers are taking higher mark-ups on

foreign goods bringing them in line with the prices of domestic goods. The consumers' choices may then be determined by preferences in style, color, texture or any factor other than quality or price.

Store prestige influence on quality and price perceptions was investigated using analysis of variance. Between the high and low prestige stores there were significant differences in price for both shirts and sweaters and in quality for sweaters.

The significant difference in quality between sweaters labeled as high or low prestige is an exceptional finding since store prestige was the only manipulated information cue powerful enough to influence the consumers' perception of sweater quality. This may mean that a high and a low prestige store can carry the same grade of quality in certain products but the consumers will perceive a difference because of the stores' images.

Furthermore, this explains the price differences estimated by the subjects and justifies the prices charged by different types of retailers. High prestige stores are able to take higher mark-ups than low prestige stores on identical goods. This practice apparently is expected and accepted by the consumers in this study who chose the high prestige, domestic or imported (higher estimated price) sweater over the low prestige, domestic or imported (lower

estimated price) sweater which they rated as being equal in quality in the overall analysis. Perhaps these consumers rely on the high prestige store's reputation as an inferred guarantee of quality and a fair price and are willing to pay a higher price to avoid the social-psychological risk they may perceive in shopping at a low prestige store.

Within store type comparisons were made using analysis of variance to determine if consumers perceived a difference in quality and price between the domestic and imported garments carried by each store. There were no significant differences found for either price or quality between the domestic or imported goods in either the high prestige or low prestige stores.

In conducting the analysis of variance for the Buy American cue manipulation, significant differences did not occur in quality perception or in price estimates for either the shirts or sweaters. The Buy American campaign materials were ineffective in changing consumers' attitudes positively toward domestic apparel in this situation.

However, descriptive analysis of the Chi Square tests carried out on the data did show that the presence of Buy American campaign materials increased the frequency of choice of both the high and low prestige retailers' domestic shirts while reducing selection of imported shirts. The results were significantly reversed for the sweaters. When

the Buy American cue was present, subjects selected the imported sweaters over the domestic sweaters. The presence of the Buy American cue decreased the frequency of choice of the imported sweater from a low prestige store.

The results for the majority of the statistical tests were the same for both the shirt and the sweater samples. The few discrepancies found may possibly be attributed to the reasoning that the female subjects were more personally involved in rating and selecting a woman's sweater than a man's shirt and therefore tended to rate the sweater somewhat differently than the shirt. In the Chi Square tables in Appendix A, the subjects selected the high prestige, domestic sweater and the low prestige, imported shirt most often. The women were perhaps responding to a higher social-psychological risk in selecting a woman's sweater and therefore chose the high prestige store's private brands as a guarantee of satisfaction and a good value. The lack of personal involvement in selecting a man's shirt resulted in the subjects' frequent selection of the lowest estimated price, low prestige store's shirts.

CHAPTER VI

SUMMARY AND RECOMMENDATIONS

The purpose of this study was to investigate consumers' perceptions of quality and estimation of retail price by manipulating the information cues of country of origin, store image and the Buy American campaign. The research objectives for this study included: (1) to determine if consumers perceive quality differences as a result of product origin, store prestige or the absence or presence of Buy American campaign materials; (2) to determine if consumers perceive price differences as a result of product origin, store prestige or the absence or presence of Buy American campaign materials; and (3) to determine if the presence of Buy American campaign materials influence consumers to select domestic versus imported apparel.

A questionnaire was developed to collect information and record the subjects' responses to the experimental manipulation of information cues during the study. The study was carried out in two shopping malls located in a midwestern college town and state capital. The random sample was obtained by asking every third woman over age 16 if she would be willing to participate in a consumer research study concerning quality and retail pricing of

clothing. A total of 395 subjects participated in the study in which they rated four identical shirts or four identical sweaters on perceived quality and estimated retail price as influenced by the information cues for: domestic or foreign country of origin, high prestige store image or low prestige store image, and the presence of Buy American campaign materials or no Buy American campaign materials. They were also asked to select one garment based on their quality and price estimates.

Stepwise regression analysis was used to determine of the three independent variables which was the best one through best seven term predictors of quality and price, their order of importance and significance. All three variables and their interactions were significant at the $p<.05$ or better level. However, their low R square (.01 to .09) indicates that these variables did not explain much of the variance.

Correlation coefficients showed low to moderate positive correlations between price and quality and between store prestige and price. Combined variables resulted in high positive correlations.

The major focus of this study was to investigate the impact and influence of domestic versus imported information cues on consumers' perceptions of quality and retail price estimates and selection of one garment based on their

ratings. It was found that the country of origin cue had little effect on the consumers' judgement of quality and price. However, the store image cue of either high or low prestige, had highly significant effects primarily on estimation of price differences and selection of a high prestige store's domestic or imported sweater and a low prestige store's, domestic or imported shirt. The store image cue proved to be the strongest of the three cues and was apparently used more often by the consumers in making their decisions. The Buy American campaign cue had no effect on perception of quality or estimation of price differences. It appears to have influenced more consumers to select domestic shirts over imported and imported sweaters over domestic.

The Buy American information cue influence was investigated using multiple analysis of variance. The only instance where the Buy American cue effect was significant was within the manipulation of the store prestige cue. The combined means results suggest that the Buy American campaign materials would be more effective in positively influencing consumers' attitudes about the quality and price of domestic apparel in a low prestige store (Tables 4.32 and 4.33).

Analyses of variances were employed to fulfill the first two objectives to determine if the consumers perceived a difference in quality or price as a result of the

manipulation of the information cues. It was determined that in the mean overall quality and price ratings, there were no significant differences in perceived quality for shirts or sweaters but there were significant differences in estimated price for both the shirts and sweaters. A Chi Square test fulfilled the third objective by revealing that the presence of Buy American campaign materials did not significantly influence consumers to select domestic apparel over imported apparel.

This exploratory study paves the way for further research in the area of consumers' perceptions of quality and estimated retail price using the information cues of country of origin, store prestige and Buy American campaign materials. Replication of the study would show if any progress has been made by the effort of the Buy American program to influence consumers' attitudes and buying behavior in favor of American made apparel. The inclusion of male subjects in a similar study should be considered. A final recommendation would be to carry out the study in a non-college town to obtain a sample more representative of the average population.

Further exploration of consumers' attitudes toward and the effects of country of product origin and Buy American campaign efforts is needed since the controversy of restricting imports and promoting domestic goods will have a strong impact on our national and world economy. Domestic

manufacturers, retailers and consumers all have financial concerns pending on the outcome of future developments on these issues.

APPENDICES

APPENDIX A

APPENDIX A

Table A.1 Chi Square Results for Shirt Choice by Age

Shirts	#1 HD		#2 LI		#3 LD		#4 HI		Totals	
Age	No.	%	No.	%	No.	%	No.	%	No.	%
16-20	9	20.5	7	13.0	5	10.0	7	21.2	28	15.5
21-30	9	20.5	25	46.3	19	38.0	17	51.5	70	38.7
31-40	8	18.2	9	16.7	9	18.0	4	12.1	30	16.6
41-50	10	22.7	7	13.0	10	20.0	2	6.1	29	16.0
51-60	5	11.4	5	9.3	4	8.0	0	0.0	14	7.7
61-+	3	6.8	1	1.9	3	6.0	3	9.1	10	5.5
Totals	44	24.3	54	29.8	50	27.6	33	18.2	181	

Chi Square = 18.910 DF = 15

Table A.2 Chi Square Results for Sweater Choice by Age

Sweater	#1 HD		#2 LI		#3 LD		#4 HI		Totals	
Age	No.	%	No.	%	No.	%	No.	%	No.	%
16-20	5	9.1	6	12.8	7	21.9	7	15.6	25	14.0
21-30	17	30.9	24	51.1	14	43.8	18	40.0	73	40.8
31-40	15	27.3	8	17.0	5	15.6	8	17.8	36	20.1
41-50	9	16.4	6	12.8	4	12.5	4	8.9	23	12.8
51-60	2	3.6	1	2.1	2	6.3	4	8.9	9	5.0
61-+	7	12.7	2	4.3	0	0.0	4	8.9	13	7.3
Totals	55	30.7	47	26.3	32	17.9	45	25.1	179	

Chi Square = 16.019 DF = 15

Table A.3 Chi Square Results for Shirt Choice by Education

Shirt	#1 HD		#2 LI		#3 LD		#4 HI		Totals	
Education	No.	%	No.	%	No.	%	No.	%	No.	%
2 yrs. H.S.	4	8.5	--	---	1	1.9	3	8.8	8	4.3
Completed H.S.	16	34.0	17	31.5	15	28.8	6	17.6	54	28.9
2 yrs. College	12	25.5	16	29.6	15	28.8	10	29.4	53	28.3
Completed College	8	17.0	10	18.5	10	19.2	8	23.5	36	19.3
Some Grad Work	2	4.3	7	13.0	5	9.6	4	11.8	18	9.6
Completed Grad	5	10.6	4	7.4	6	11.5	3	8.8	18	9.6
Totals	47	25.1	54	28.9	52	27.8	34	18.2	187	

Chi Square = 12.022 DF = 15

Table A.4 Chi Square Results for Sweater Choice by Education

Sweater	#1 HD		#2 LI		#3 LD		#4 HI		Totals	
Education	No.	%	No.	%	No.	%	No.	%	No.	%
2 yrs. H.S.	1	1.8	1	2.1	1	3.0	1	2.1	4	2.2
Completed H.S.	16	29.1	10	20.8	5	15.2	12	25.5	43	23.5
2 yrs. College	12	21.8	18	37.5	16	48.5	12	25.5	58	31.7
Completed College	13	23.6	10	20.8	6	18.2	7	14.9	36	19.7
Some Grad Work	7	12.7	5	10.4	4	12.1	11	23.4	27	14.8
Completed Grad	6	10.9	4	8.3	1	3.0	4	8.5	15	8.2
Totals	55	30.1	48	26.2	33	18.0	47	25.7	183	

Chi Square = 13.719 DF = 15

Table A.5 Chi Square Results for Shirt Choice by Occupation

Shirt	#1 HD		#2 LI		#3 LD		#4 HI		Totals	
Occupation	No.	%	No.	%	No.	%	No.	%	No.	%
Professional/ Technical	7	14.9	7	13.0	14	27.5	3	8.8	31	16.7
Manager/ Administrator	4	8.5	3	5.6	5	9.8	5	14.7	17	9.1
Sales	2	4.3	5	9.3	4	7.8	1	2.9	12	6.5
Clerical	6	12.8	6	11.1	5	9.8	1	2.9	18	9.7
Craftsperson	--	---	--	---	--	---	--	---	--	---
Machine Operator	1	2.1	1	1.9	--	---	--	---	2	1.1
Non-farm Labor	--	---	--	---	--	---	--	---	--	---
Service Worker	1	2.1	3	5.6	--	---	--	---	4	2.2
Farm Owner	1	2.1	--	---	--	---	--	---	1	0.5
Student	14	29.8	20	37.0	12	23.5	11	32.4	57	30.6
Retired	3	6.4	--	---	1	2.0	3	8.8	7	3.8
Unemployed	2	4.3	3	5.6	4	7.8	3	8.8	12	6.5
Other	6	12.8	6	11.1	6	11.8	7	20.6	25	13.4
Totals	47	25.3	54	29.0	51	27.4	34	18.3	186	

Chi Square = 30.438 DF = 30

Table A.6 Chi Square Results for Sweater Choice by Occupation

Sweater	#1 HD		#2 LI		#3 LD		#4 HI		Totals	
Occupation	No.	%	No.	%	No.	%	No.	%	No.	%
Professional/ Technical	15	27.3	13	27.7	6	18.2	14	29.2	48	26.2
Manager/ Administrator	6	10.9	--	---	3	9.1	6	12.5	15	8.2
Sales	2	3.6	4	8.5	1	3.0	3	6.3	10	5.5
Clerical	6	10.9	2	4.3	--	---	3	6.3	11	6.0
Craftsperson	--	---	--	---	--	---	--	---	--	---
Machine Operator	--	---	--	---	--	---	2	4.2	2	1.1
Non-farm Labor	--	---	1	2.1	--	---	--	---	1	0.5
Service Worker	--	---	4	8.5	3	9.1	2	4.2	9	4.9
Farm Owner	1	1.8	--	---	--	---	--	---	1	0.5
Student	10	18.2	15	31.9	15	45.5	12	25.0	52	28.4
Retired	5	9.1	1	2.1	1	3.0	2	4.2	9	4.9
Unemployed	3	5.5	1	2.1	2	6.1	--	---	6	3.3
Other	7	12.7	6	12.8	2	6.1	4	8.3	19	10.4
Totals	55	30.1	47	25.7	33	18.0	48	26.2	183	

Chi Square = 41.931 DF = 33

Table A.7 Chi Square Results for Shirt Choice by Income

Shirt	#1 HD		#2 LI		#3 LD		#4 HI		Totals	
Income	No.	%	No.	%	No.	%	No.	%	No.	%
Under $10,000	6	12.8	10	18.9	6	12.2	5	15.2	27	14.8
10,001-20,000	6	12.8	13	24.5	8	16.3	13	39.4	40	22.0
20,001-30,000	3	6.4	7	13.2	8	16.3	2	6.1	20	11.0
30,001-40,000	11	23.4	7	13.2	9	18.4	6	18.2	33	18.1
40,001-50,000	8	17.0	7	13.2	8	16.3	2	6.1	25	13.7
50,001-60,000	5	10.6	5	9.4	5	10.2	1	3.0	16	8.8
60,001 and up	8	17.0	4	7.5	5	10.2	4	12.1	21	11.5
Totals	47	25.8	53	29.1	49	26.9	33	18.1	182	

Chi Square = 18.395 DF = 18

Table A.8 Chi Square Results for Sweater Choice by Income

Sweater	#1 HD		#2 LI		#3 LD		#4 HI		Totals	
Income	No.	%	No.	%	No.	%	No.	%	No.	%
Under $10,000	6	11.3	7	15.6	7	21.2	6	12.8	26	14.6
10,001-20,000	11	20.8	8	17.8	7	21.2	8	17.0	34	19.1
20,001-30,000	6	11.3	8	17.8	3	9.1	9	19.1	26	14.6
30,001-40,000	13	24.5	6	13.3	5	15.2	8	17.0	32	18.0
40,001-50,000	4	7.5	5	11.1	5	15.2	3	6.4	17	9.6
50,001-60,000	5	9.4	6	13.3	4	12.1	6	12.8	21	11.8
60,001 and up	8	15.1	5	11.1	2	6.1	7	14.9	22	12.4
Totals	53	29.8	45	25.3	33	18.5	47	26.4	178	

Chi Square = 9.218 DF = 18

Table A.9 Chi Square Results for Shirt Choice by Dependents

Shirt	#1 HD		#2 LI		#3 LD		#4 HI		Totals	
Dependents	No.	%	No.	%	No.	%	No.	%	No.	%
One Person	6	12.0	16	32.0	16	32.0	12	24.0	50	26.6
Two People	12	25.5	12	25.5	15	31.9	8	17.0	47	25.0
Three People	9	29.0	10	32.3	7	22.6	5	16.1	31	16.5
Four People	14	36.8	9	23.7	9	23.7	6	15.8	38	20.2
Five People	3	23.1	6	46.2	3	23.1	1	7.7	13	6.9
Six or More	3	33.3	2	22.2	2	22.2	2	22.2	9	4.8
Totals	47	25.0	55	29.3	52	27.7	34	18.1	188	

Chi Square = 11.643 DF = 15

Table A.10 Chi Square Results for Sweater Choice by Dependents

Shirt	#1 HD		#2 LI		#3 LD		#4 HI		Totals	
Dependents	No.	%	No.	%	No.	%	No.	%	No.	%
One Person	21	36.8	11	19.3	10	17.5	15	26.3	57	30.6
Two People	14	28.6	16	32.7	8	16.3	11	22.4	49	26.3
Three People	6	17.6	9	26.5	10	29.4	9	26.5	34	18.3
Four People	10	40.0	7	28.0	4	16.0	4	16.0	25	13.4
Five People	4	26.7	4	26.7	1	6.7	6	40.0	15	8.1
Six or More	1	16.7	1	16.7	--	---	4	66.7	6	3.2
Totals	56	30.1	48	25.8	33	17.7	49	26.3	186	

Chi Square = 16.832 DF = 15

Table A.11 Chi Square Results for Shirt Choice by Race

Shirt	#1 HD		#2 LI		#3 LD		#4 HI		Totals	
Race	No.	%	No.	%	No.	%	No.	%	No.	%
Black	4	8.5	5	9.3	2	3.9	2	5.9	13	7.0
White	42	89.4	46	85.2	48	94.1	32	94.1	168	90.3
Other	1	2.1	3	5.6	1	2.0	--	---	5	2.7
Totals	47	25.3	54	29.0	51	27.4	34	18.3	186	

Table A.12 Chi Square Results for Sweater Choice by Race

Sweater	#1 HD		#2 LI		#3 LD		#4 HI		Totals	
Race	No.	%	No.	%	No.	%	No.	%	No.	%
Black	8	14.8	5	10.6	--	---	3	6.1	16	8.7
White	42	77.8	41	87.2	32	97.0	43	87.8	158	86.3
Other	4	7.4	1	2.1	1	3.0	3	6.1	9	4.9
Totals	54	29.5	47	25.7	33	18.0	49	26.8	183	

Table A.13 Multiple Analysis of Variance for Shirt Quality

Source	Sum of Squares	Degrees of Freedom	Mean Square	F
Buy American	447.85	1	447.85	1.23
Prestige	1,936.95	1	1,936.95	5.31*
Origin	194.00	1	194.00	0.53
BA x P	62.38	1	62.38	0.17
BA x O	142.18	1	142.18	0.39
P x O	690.50	1	690.50	1.89
BA x P x O	153.85	1	153.85	0.42
Error	279,949.73	768	364.52	

* p<.05

Table A.14 Multiple Analysis of Variance for Shirt Price

Source	Sum of Squares	Degrees of Freedom	Mean Square	F
Buy American	36.87	1	36.87	0.74
Prestige	2,342.39	1	2,342.39	46.94***
Origin	60.78	1	60.78	1.22
BA x P	38.80	1	38.80	0.78
BA x O	77.44	1	77.44	1.55
P x O	42.88	1	42.88	0.86
BA x P x O	11.71	1	11.71	0.24
Error	38,326.54	768	49.90	

*** p<.001

Table A.15 Multiple Analysis of Variance for Sweater Quality

Source	Sum of Squares	Degrees of Freedom	Mean Square	F
Buy American	455.91	1	455.91	Ø.97
Prestige	6,686.51	1	6,686.51	14.25***
Origin	585.63	1	585.63	1.25
BA x P	45.62	1	45.62	Ø.1Ø
BA x O	154.62	1	154.62	Ø.33
P x O	458.Ø8	1	458.Ø8	Ø.98
BA x P x O	283.17	1	283.17	Ø.6Ø
Error	365,647.45	779	469.38	

*** p<.ØØ1

Table A.16 Multiple Analysis of Variance for Sweater Price

Source	Sum of Squares	Degrees of Freedom	Mean Square	F
Buy American	31.14	1	31.14	Ø.55
Prestige	4,5Ø5.39	1	4,5Ø5.39	79.Ø1***
Origin	142.15	1	142.15	2.49
BA x P	Ø.Ø1	1	Ø.Ø1	Ø.ØØ
BA x O	3.Ø1	1	3.Ø1	Ø.Ø5
P x O	35.41	1	35.Ø1	Ø.62
BA x P x O	25.59	1	25.6Ø	Ø.45
Error	44,48Ø.74	78Ø	57.Ø3	

*** p<.ØØ1

APPENDIX B

APPENDIX B

1234	2134	3124	4123
1342	2341	3214	4213
1423	2314	3142	4132
1243	2431	3412	4312
1432	2413	3241	4231
1324	2143	3421	4321

Figure B.1 Random Number Order

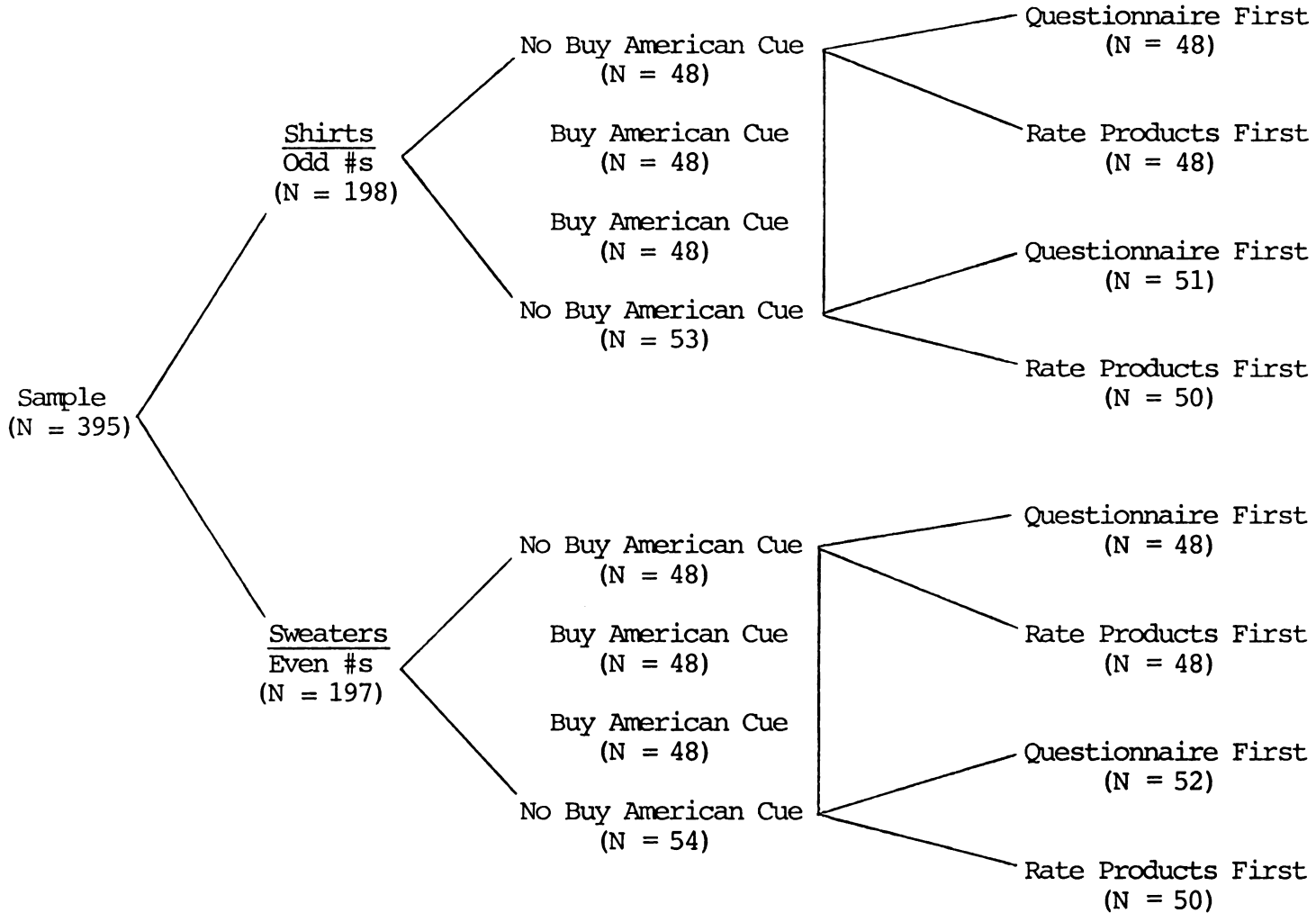

Figure B.2 Experimental Design

STUDY QUESTIONNAIRE

( ) ( ) ( ) ( ) ( )
1 2 3 4 5

Please indicate your level of agreement/disagreement with the following statements.

		Disagree Strongly					Agree Strongly		
1.	I buy U.S. made clothes because it helps the economy.	1	2	3	4	5	6	7	(6)
2.	To me, buying a product from a particular store is more important than the price I have to pay.	1	2	3	4	5	6	7	(7)
3.	When I buy clothing from a discount store, it is not important to me if it is made in countries such as Taiwan, Korea or Hong Kong.	1	2	3	4	5	6	7	(8)
4.	I think that high class stores sell the same quality clothing for a higher price than discount stores.	1	2	3	4	5	6	7	(9)
5.	I am proud to wear clothes that are made in the U.S. because I believe they are "Crafted with pride".	1	2	3	4	5	6	7	(10)
6.	I prefer to buy clothing gifts at a high class store.	1	2	3	4	5	6	7	(11)
7.	American made clothing can compete with clothing products made anywhere in the world.	1	2	3	4	5	6	7	(12)
8.	I would be willing to pay a higher price for an American-made product, just to support our economy.	1	2	3	4	5	6	7	(13)
9.	I am more thrifty than extravagant when I buy American-made clothing.	1	2	3	4	5	6	7	(14)
10.	I feel that my own experience allows me to be an excellent judge of quality clothing.	1	2	3	4	5	6	7	(15)
11.	The reason that U.S. firms can not compete with other countries is that other countries take advantage of their workers by paying a very low wage.	1	2	3	4	5	6	7	(16)

12. When I get a shopping bag from a high class store, I save the bag and use it for carrying things.	1	2	3	4	5	6	7	(17)
13. I really believe that you get what you pay for.	1	2	3	4	5	6	7	(18)
14. Compared to clothing made in the U.S., I find it difficult to estimate if imported clothing will fit.	1	2	3	4	5	6	7	(19)
15. When I buy clothing from a high class store it is not important to me if it is made in countries such as Taiwan, Korea or Hong Kong.	1	2	3	4	5	6	7	(20)
16. I am more of a quality seeker than a bargain hunter, therefore I try to buy American-made clothing.	1	2	3	4	5	6	7	(21)

Please check the correct response for the following questions.

	TRUE	FALSE	DO NOT KNOW	
When we import more apparel goods into the United States than we export, it is good for our national economy.	____	____	____	(22)
Apparel products from countries such as Korea, Taiwan and Hong Kong cost less than similar products made in the United States.	____	____	____	(23)
It helps the U.S. economy if I buy apparel goods that are made here.	____	____	____	(24)
The United States apparel manufacturing industry and labor unions have funded an advertising campaign to convince consumers that they should buy American made apparel.	____	____	____	(25)
When the dollar is strong, our country has a flood of imports.	____	____	____	(26)
The American textile-apparel industry is one of the most protected (from imports) in the United States.	____	____	____	(27)
By buying imported apparel products, I will be contributing to unemployment in this country.	____	____	____	(28)

Please evaluate the four sweater products and the four shirts before answering the following questions.

On a scale of 1 to 100, with 100 being the highest quality possible, how would you evaluate the following products and what do you estimate their retail price to be?

SWEATERS

	Quality 1=lowest	Price 100=highest	
Sweater 1	_____	$___.___	(29-36)
Sweater 2	_____	$___.___	(37-44)
Sweater 3	_____	$___.___	(45-52)
Sweater 4	_____	$___.___	(53-60)

If you were going to buy one of these sweaters, which sweater would you buy based on your quality and price estimates. (Please check one)

_____Sweater 1 _____Sweater 2 _____Sweater 3 _____Sweater 4 (61)

SHIRTS

	Quality 1=lowest	Price 100=highest	
Shirt 1	_____	$___.___	(62-69)
Shirt 2	_____	$___.___	(70-77)
Shirt 3	_____	$___.___	(2/6-13)
Shirt 4	_____	$___.___	(2/14-21)

If you were going to buy one of these shirts, which shirt would you buy based on your quality and price estimates. (Please check one)

_____Shirt 1 _____Shirt 2 _____Shirt 3 _____Shirt 4 (2/22)

What is your age? _____ (2/23-24)

What is the highest level of education you have achieved? (2/25)

_____Some elementary school (1)
_____Completed elementary school (2)
_____2 years of high school (3)
_____Completed high school (4)
_____2 years of college (5)
_____Completed college (6)
_____Some graduate work (Master's or Professional degree) (7)
_____Completed graduate program (8)

Your occupation? (2/26-27)

_____Professional or Technical (1)
_____Manager or Administrator, except farm (2)
_____Sales (3)
_____Clerical (4)
_____Craftsperson (5)
_____Machine operator (6)
_____Non-farm laborer (7)
_____Service worker (8)
_____Farm owner (9)
_____Student (10)
_____Retired (11)
_____Unemployed (12)
_____Other_____(13)
(Please specify)

Family income from all sources? (2/28-29)

_____Under $10,000 (1)
_____$10,001 to $20,000 (2)
_____$20,001 to $30,000 (3)
_____$30,001 to $40,000 (4)
_____$40,001 to $50,000 (5)
_____$50,001 to $60,000 (6)
_____$60,001 to $70,000 (7)
_____$70,001 to $80,000 (8)
_____$80,001 to $90,000 (9)
_____$90,001 to $100,000 (10)
_____$100,001 to $110,000 (11)
_____$110,001 and over (12)

How many people are financially dependent on the income stated above(including yourself and spouse)? _____ people (2/30)

Your sex?

_____Male (1) _____Female (2) (2/31)

Your race? (2/32)

_____Black (1)
_____White (2)
_____Hispanic (3)
_____American Indian (4)
_____Asian or Pacific Islander (5)
_____Middle Eastern (6)
_____Other_____ (7)
(Please specify)

Have you ever worked in retailing? _____Yes _____No (2/33)
Have you ever worked in apparel manufacturing? _____Yes _____No (2/34)

How patriotic do you feel you are?

Unpatriotic Very Patriotic
1 2 3 4 5 6 7 (2/35)

Please list the three stores where you purchase the majority of your clothing.

1. _____ (2/37-39)
2. _____ (2/40-42)
3. _____ (2/43-45)

Please list three stores where you would never buy clothing.

1. _____ (2/46-48)
2. _____ (2/49-51)
3. _____ (2/52-54)

LIST OF REFERENCES

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