CHAPTER IV

RESULTS

In this chapter, results are reported and interpreted. It includes the section of hypotheses testing and the preferred marketing strategies of South Korean customers.

Hypotheses Testing

H 1. There is no significant difference between South Korean and U.S. customers in terms of demographic characteristics and expenditure of money at Wal-Mart.

Chi-square analysis and the *t*-test were used to test whether there were significant differences between South Korean and U. S. respondents regarding demographic characteristics and expenditure at Wal-Mart.

H1a. There is no significant difference between South Korean and U.S. customers at Wal-Mart in terms of occupation.

Chi-square analysis was used to determine whether a significant difference exists between the occupations of respondents from the two countries. A significant difference was found (α =61.61, *p*<.001). The distribution graph showed that in South Korea more than half of the respondents were homemakers (*n*=67, 57.3%), followed by the professional occupations (*n*=24, 20.5%). No one was retired. About one forth of the U. S. respondents were professionals (*n*=32, 27.4%), followed by 'others' (i.e., sales, secretary, labor, *n*=20, 17.1%) and technical occupations (*n*=18, 15.4%). This result is consistent with the study of Summers and Wozniak (1990) who found that discount store customers were mostly white-collar workers. South Korea

had many more homemakers than the U.S. did (*n*=67, 57.3% vs *n*=16, 13.7%; see Figure 4-1).
More U.S. than South Korean female respondents worked (70% vs 42.7%). Based on the result,
Hypothesis 1a was rejected. There was a significant difference between South Korean and U.S.
customers at Wal-Mart in terms of occupation.
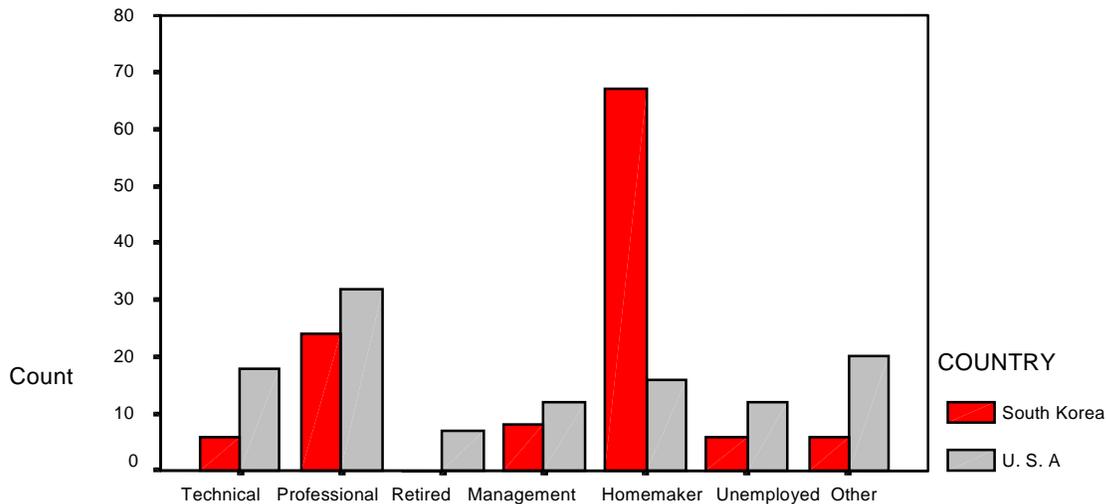
Figure 4-1. Comparison of occupations between the two countries

H1b. There is no significant difference between South Korean and U.S. customers at Wal-Mart in terms of marriage status.

Chi-square analysis tested whether there was a significant difference in the marriage
status of respondents from the two countries. The result showed a significant difference
(α =25.90, *p*<.001). Even though the majority of respondents were married, more South Korean
respondents than U.S. respondents were married (*n*=92, 78.6% vs *n*=70, 59.8%; see Figure 4-2).
These results are consistent with the study of Kim and Lee (1994) who also found the majority of
discount store customers in South Korea were married. However, the results contrast with the
study of Tatzel (1982) who found that discount store customers in the U.S. were mostly single.
Since Tatzel's study was conducted 18 years ago, it is possible that single consumers in the U.S.
today do not go to a discount store as often as they did in the past. The current study also
showed that a similar number of respondents in the two countries were never married (South
Korea *n*=22, 18.8% vs the U.S. *n*=28, 23.9%). No South Korean respondents were divorced,
while 15 (12.8%) of U.S. respondents were divorced. Only a few respondents in both countries

were separated (South Korea *n=1*, 0.9% vs the U.S. *n=3*, 2.6%) or widowed (South Korea *n=2*, 1.7% vs the U.S. *n=1*, 0.9%). Based on the result, Hypothesis 1b was rejected. There was a significant difference between South Korean and U.S. customers at Wal-Mart in terms of marriage status.
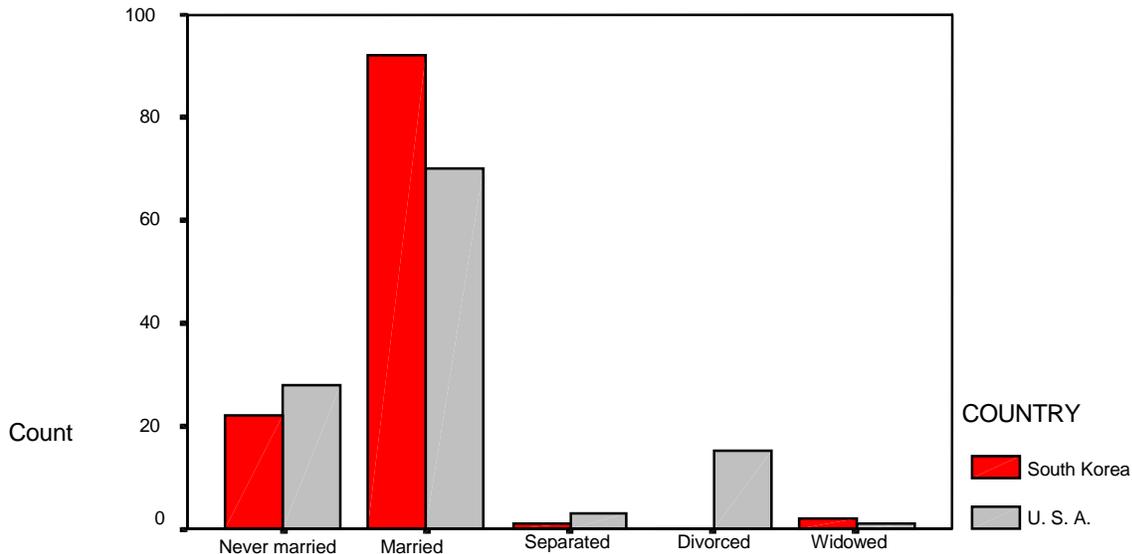

Figure 4-2. Comparison of marriage status between the two countries

H1c. There is no significant difference between South Korean and U.S. customers at Wal-Mart in terms of age.

The *t*-test was used to test whether the average age of respondents from the two countries differed significantly. The result showed that there was no significant difference in the mean of respondents' age at the .05 level of significance. Although both averages of respondents' age of the two countries ranged from 31 to 40 years old, the results of the Chi-square test showed that significant differences existed in at least one age range between the two countries (α =17.76, *p<.01*). The distribution graph showed that more than half of South Korean respondents ranged from 31 to 40 years old (*n=60*, 51.3%), while U.S. respondents were mostly distributed from 21 to 50 years old (*n= 92*, 78.7%; see Figure 4-3). These results supported the study in South Korea indicating that the majority of discount store customers ranged from 31 to 40 years old (Discount Stores, 1997). However, the results contrast with Tatzel's study (1982), which found that U.S. customers were mostly young. It is possible that young consumers in the U.S. today do not go to

discount stores as often as before. Based on the result, Hypothesis 1c was rejected. There was a significant difference between South Korean and U.S. customers at Wal-Mart in terms of age distribution.
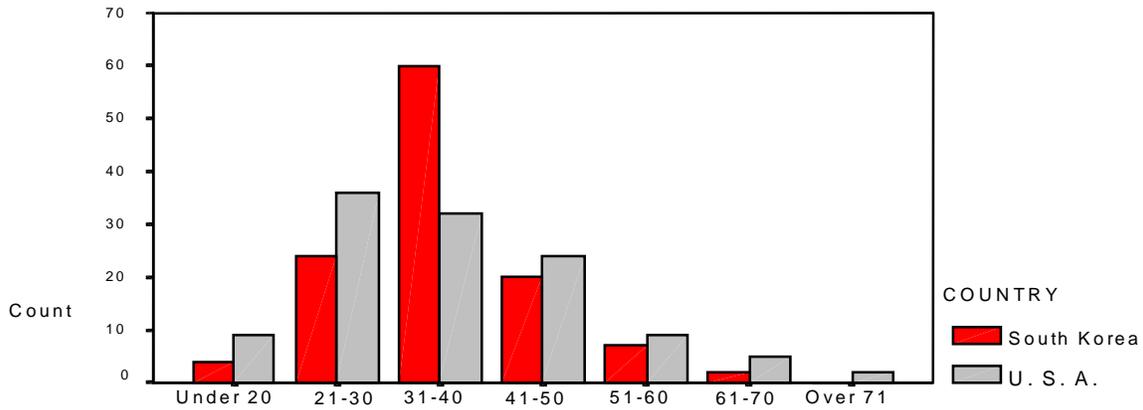

Figure 4-3. Comparison of age between the two countries

H1d. There is no significant difference between South Korean and U.S. customers at Wal-Mart in terms of education.

The *t*-test was used to determine whether a significant difference in terms of the average of education level exists between respondents from the two countries. The result showed that there was no significant difference at the .05 level of significance. However, Chi-square analysis showed a significant difference in the education level distribution (α =20.83, *p*<.01). More South Korean respondents had a bachelor degree than U.S. respondents (*n*= 57, 48.7% vs *n*= 30, 25.6%; see Figure 4-4). Close to half of the U.S. respondents had a high school degree (*n*=53, 45.5%). Four cells (i.e., some high school, doctorate and "others" in South Korea, doctorate in the U.S.) had numbers of respondents fewer than five, which may weaken the validity of the Chi-square result. Because of the significant difference in the bachelor degree category, Hypothesis 1d was rejected. There was a significant difference between South Korean and U.S. customers at Wal-Mart in terms of education. These results contrast with the study of Kim and Lee (1994) who found that South Korean discount store customers had a low educational level and U.S. customers had more than a college education level (Sweeney, 1992). It is possible that Kim and Lee (1994) investigated the customers in South Korean domestic

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discount stores whose customers had a low level of education. However, Wal-Mart, a foreign discount store, attracts more customers with a higher education. In the U.S., Wal-Mart attracts more customers with a high school education.
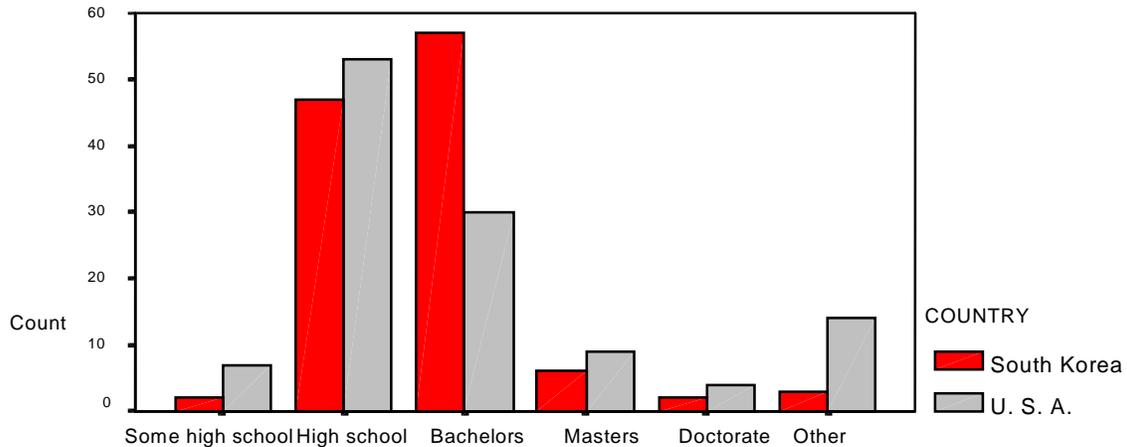

Figure 4-4. Comparison of education between the two countries

H1e. There is no significant difference between South Korean and U.S. customers at Wal-Mart in terms of household income.

Both the *t*-test and Chi-square test were used to determine whether household income was significantly different between the two countries. The results from both tests showed no significant difference in household income between the two countries at the .05 level of significance. In both countries, respondents had an income between $20,000 and $49,999. Slightly more South Korean than U.S. respondents had an income between $20,000 and $39,999, and slightly more U.S. than South Korean respondents had an income between $40,000 and $79,999 (see Figure 4-5). This result contrasts with the study of Summers and Wozniak (1990) who found that discount store customers had an average household income of over $35,000. Based on the result, Hypothesis 1e was not rejected. There was no significant difference between South Korean and U.S. customers at Wal-Mart in terms of household income.
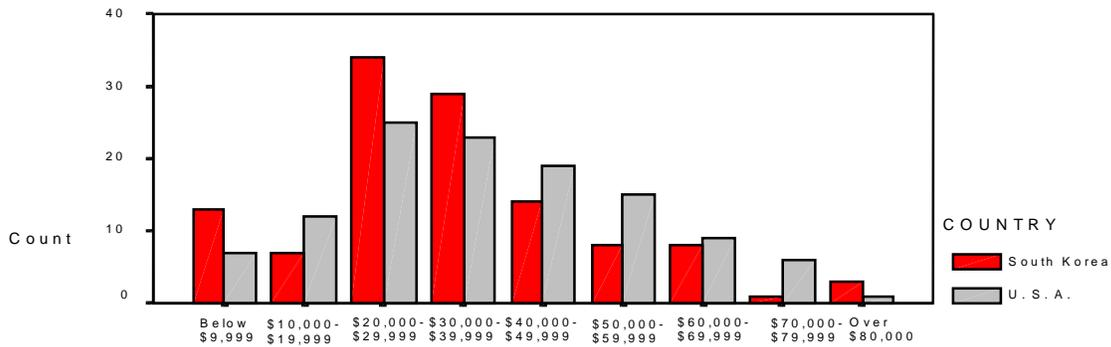
Figure 4-5. Comparison of household income between the two countries

H1f. There is no significant difference between South Korean and U.S. customers in terms of expenditure of money at Wal-Mart on a single trip.

The *t*-test result showed that South Korean respondents spent significantly more money at Wal-Mart on a single trip than U.S. respondents (*t*=2.19, *p*<.05). The distribution graph showed that more U.S. than South Korean respondents spent between $10 and $80 (see Figure 4-6). More South Korean than U.S. respondents spent between $81 and $250. This result contrasts with Gu's study (1998), which found that the majority of discount store customers in South Korea spent between $42 and $83. It is possible that South Korean customers spent more money than they did a year before this study was conducted. Based on the result, Hypothesis 1f was rejected. There was a significant difference between South Korean and U.S. customers at Wal-Mart in terms of their expenditure of money at Wal-Mart on a single trip.
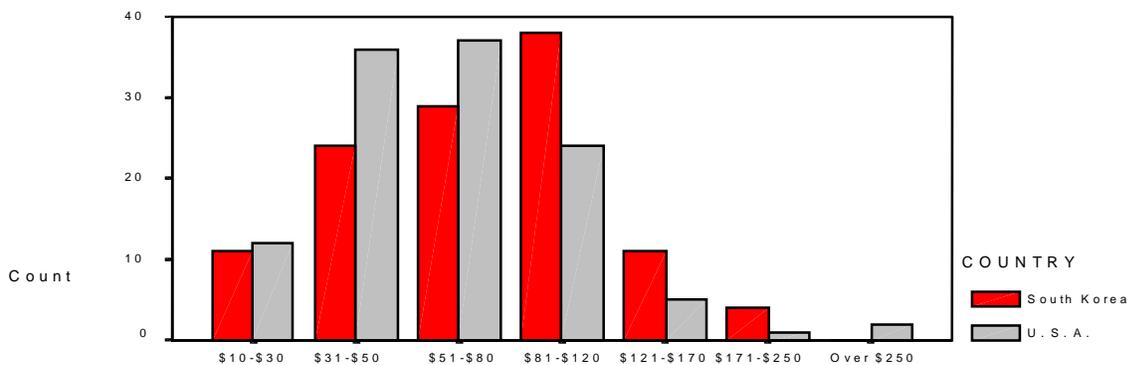

Figure 4-6. Comparison of expenditure of money at Wal-Mart on a single trip between the two countries

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H1g. There is no significant difference between South Korean and U.S. customers in terms of expenditure on a wardrobe last year.

The *t*-test result showed a significant difference in the average expenditure on wardrobe last year between the two countries (*t*= 6.70, *p*<.001). U.S. respondents spent significantly less money on their wardrobes than the South Korean respondents. Figure 4-7 shows that the wardrobe expenditure of most of the U.S. respondents ranged between under $200 to $999 (*n*=95, 81.2%). More South Korean than U.S. respondents spent between $1000 to over $3000. Based on the result, Hypothesis 1g was rejected. There was a significant difference between South Korean and U.S. customers in terms of expenditure on a wardrobe last year.
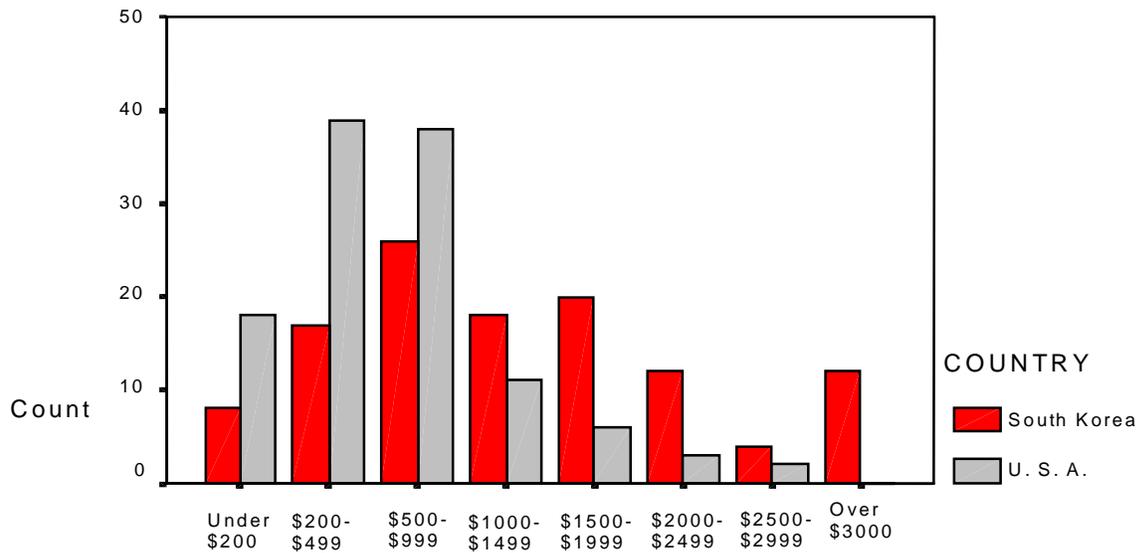
Figure 4-7. Comparison of expenditure on wardrobe last year between the two countries

In summary, there were significant differences between customers from the two countries in terms of occupation, marriage status, age, education, expenditure of money at Wal-Mart on a single trip, and expenditure on a wardrobe last year. There was no significant difference between the household income of respondents from the two countries. Based on the results, Hypothesis 1 was partially rejected.

H 2.   There is no significant difference between South Korean and U.S. customers in terms of shopping orientations.

The factor analysis was used to group the nine questions related to shopping orientations. Factor analysis is a statistic tool that reduces a large number of variables to smaller number. A factor is "a set of variables that can be conceptually and statistically related or grouped together and often used in survey research to see if a long series of questions can be grouped into shorter sets of questions" (Vogt, 1999, p108). The Principal Component Analysis and the Oblimin with Kaiser Normalization Rotation Method were used. The criteria of eigenvalues greater than 1 and factor loading over .50 were set to determine the grouping of the nine shopping orientation questions. Eigenvalues indicate "how much of the variation in the original group of variables is accounted for by a particular factor. It is the sum of the squared factor loadings of a factor. Eigenvalues of less than 1.0 are usually not considered significant" (Vogt, 1999, p95). Factor loadings is "the correlation between each variable and each factor in a factor analysis. The higher the loading, the closer the association of the item with a group of items that make up the factor" (Vogt, 1999, p109). In general, the factor loading set of over .50 is acceptable. The results showed three factors with eigenvalues greater than 1 (see Figure 4-8). Three questions were grouped as the brand-conscious factor, three questions as the fashion-conscious factor, and two questions as the price-conscious factor (see Table 4-1). One question (i.e., I usually choose the lower priced products) was omitted, because it was not closely associated with any of the three factors. These three factors explained 55.8% of total variance.

To determine a respondent's shopping orientation, the average score of the questions in each factor was calculated. Then, the three average factor scores were compared. The respondent's shopping orientation was decided by the highest score among the three factors. The mean scores of each shopping orientation segment were compared to examine the each shopping orientation segment has the highest score on the factor which determines its shopping orientation. Table 4-2 shows that the brand-conscious segment has the highest mean score on the brand-conscious factor (M=5.25). The price-conscious segment has the highest mean score on the price-conscious factor (M=5.94). The fashion-conscious segment has the highest mean score on the fashion-conscious factor (M=4.85). These results confirmed the validity of the classification of shopping orientation segments.

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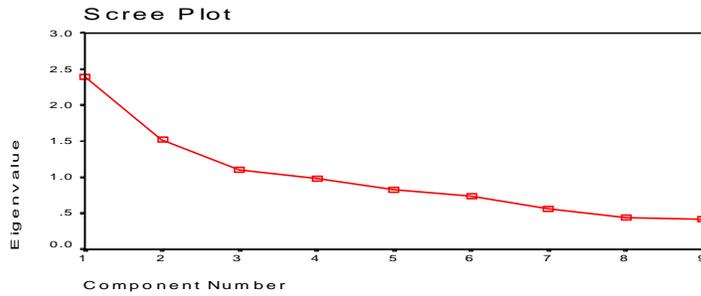
Figure 4-8. Scree plot for shopping orientation

Table 4-1. Factor analysis for shopping orientation

Shopping orientation	Loading	Eigenvalue	% of variables
Factor 1 Brand-conscious		2.39	26.60
Brand names are important when I shop	.809		
I try to stay with certain brands	.812		
A well-known brand means good quality	.562		
Factor 2 Fashion-conscious		1.53	16.97
I buy clothes I like, regardless of the current fashion	.822		
I always try to have the newest fashions	.522		
I like to try new fashion products	.502		
Factor 3 Price-conscious		1.10	12.25
I save a lot of money by shopping around for bargains	.841		
I usually read sale advertising	.665		

Table 4-2. The mean scores of each factor for each shopping orientation segment

Factors	Brand-conscious	Price-conscious	Fashion-conscious
Brand-conscious	5.25	3.86	3.37
Price-conscious	3.97	5.94	3.60
Fashion-conscious	4.08	4.14	4.85

Chi-square analysis was used to examine whether there is a significant difference between the shopping orientations of respondents from the two countries. The result showed no significant difference. In both countries, most respondents were price conscious (South Korea 67.3% vs the U.S. 64.8%). In both countries, the proportions of brand-conscious and fashion-conscious respondents were also similar. In South Korea, 15.9% of respondents were brand-

conscious, and 16.8% were fashion-conscious. In the U.S., 19% of respondents were brand-conscious and 16.2% were fashion-conscious. This result supports the studies conducted by Shim and Kotsiopulos (1992), Park and Lim (1996), Kim and Lee (1994) and Summers and Wozniak (1990) who all found that most discount store customers were price-conscious. Based on the result, Hypothesis 2 was not rejected. There was no significant difference between South Korean and U.S. customers in terms of their shopping orientations.

H 3.   There is no significant difference between South Korean and U.S. customers in terms of their perceptions of the importance of store/product attributes.

The perception of the importance of 20 store/product attributes in general and 16 attributes for apparel items was examined to test the differences between the countries. To reduce the number of attributes, factor analysis was used. Then, the MANOVA tests were used to test whether significant differences existed between the two countries. MANOVA is "the extension of ANOVA to studies with multiple dependent variables. MANOVA allows the simultaneous study of two or more related dependent variables while controlling for the correlation among them" (Vogt, 1999, p185). MANOVA is valid only when the dependent variables are related each other. If the dependent variables are not related, separate ANOVA for each unrelated dependent variable would be appropriate. In Hypothesis 3, the independent variable was country and the dependent variables were the four factors of the importance of store/product attributes.

H3a. There is no significant difference between South Korean and U.S. customers in terms of their perceptions of the importance of store/product attributes in general.

The principal component analysis and the Promax with Kaiser Normalization Rotation Method were used to group the 20 questions for the perception of importance of attributes in general. Eignvalue was greater than 1 (see Figure 4-9) and factor loading over .50 was set as the criteria. The first factor, identified as store-related attributes (see Table 4-3), had seven questions. The second factor, identified as product-related attributes, also had seven questions. The third factor, store environmental/credit card-related attributes, contained four questions. The fourth factor, reputation-related attributes, included two questions. These four factors explained

56.7% of the total variance. The average score of each factor was calculated for each respondent.
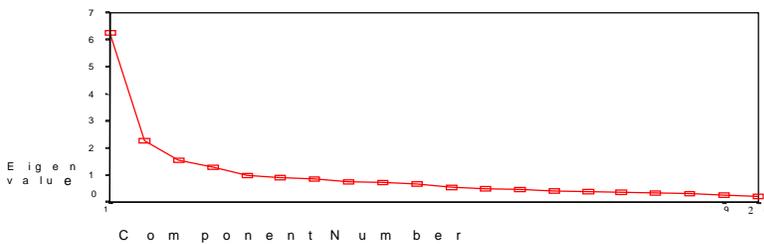
Figure 4-9. Scree plot for store/product attributes in general

Table 4-3. Factor analysis of importance of store/product attributes in general

Attributes in general	Loading	Eigenvalue	% of variables
Factor 1 Store-related attributes		6.24	31.22
Rest room	.831		
Store Layout	.809		
Salesperson	.665		
Easy return	.660		
Parking	.658		
Price label	.633		
Seating for resting	.569		
Factor 2 Product-related attributes		2.27	11.34
Number of products	.696		
Well-known brands	.661		
Special sales	.655		
Variety of products	.630		
Every day low price	.618		
Quality	.614		
Value for money	.589		
Factor 3 Environmental/credit card-related attributes		1.55	7.77
Community involvement	.820		
Transportation	.689		
Credit cards	.612		
Low-priced brands	.545		
Factor 4 Reputation-related attributes		1.28	6.42
Store reputation	.731		
Advertising in mass media	.689		

Respondents in both countries indicated that the factor of store-related attributes was the most important (South Korea $M= 6.22$ and the U.S. $M=5.78$; 7 is the highest possible score), followed by the factor of environment/credit card-related attributes (South Korea $M= 5.80$ and the U.S. $M=5.69$). This result contrasts with the studies of Arnold (1988) and Lumpkin and Burnett (1991) who found that the factors of product-related and environmental/credit card-related attributes (i.e., price, product assortment, convenience) were most important in discount stores. The factor of reputation-related attributes and the product-related attributes were ranked third and fourth in importance in South Korea ($M=5.12$, and 4.96), while in the U.S., the ranking of these two factors was reversed (product-related attributes $M=5.44$, and reputation-related attributes $M=5.43$).

Roy's Largest Root, one of the MANOVA tests, was used to determine whether a significant difference existed between the two countries regarding the four factors. The result showed that the dependent variables, the four factors of importance of store/product attributes, were significantly related to each other ($p<.001$). The use of the MANOVA test was appropriate. The result showed that there were significant differences between the two countries in the perceptions of the importance of the four factors ($F= 22.47$, $p<.001$). The univariate F tests indicated that the importance of store-related attributes and product-related attributes were significantly different between the two countries. Compared to U.S. respondents, South Korean respondents considered store-related attributes significantly more important ($M= 6.22$ vs $M= 5.78$) and product-related attributes significantly less important ($M= 4.96$ vs $M= 5.44$). Based on the result, Hypothesis 3a was rejected. There was a significant difference between South Korean and U.S. customers in terms of their general perceptions of the importance of store-related and product-related attributes.

> **H3b. There is no significant difference between South Korean and U.S. customers in terms of their perceptions of the importance of store/product attributes regarding apparel items.**

The factor analysis was used to group the 16 questions for the importance of attributes regarding apparel items. The result showed four factors with eigenvalues greater than 1 (see Figure 4-10). The factor loading set was over .60. The first factor, identified as store-related attributes, had four questions (see Table 4-4). The second factor, product-related attributes, also had four questions. The third factor, fitting room-related attributes, contained three questions.

The fourth factor, fashion/price label-related attributes, included two questions. Since the questions of prices, product assortment in each category, and low priced brands were not significantly related to any factors, these attributes were removed. The four factors explained 66.25% of the total variance.
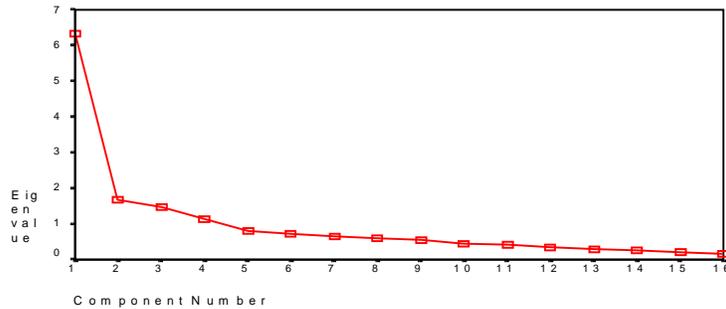

Figure 4-10. Scree plot for store/product attributes for apparel items

Table 4-4. Factor analysis of importance of store/product attributes regarding apparel

Apparel attributes	Loading	Eigenvalue	% of variables
Factor 1 Store-related attributes			
		6.32	39.50
Well-known brands	.734		
Variety of products	.693		
Store reputation	.662		
Advertising in mass media	.651		
Factor 2 Product-related attributes			
		1.69	10.53
Quality	.883		
Value for money	.820		
Sizes	.756		
Style & Shape	.610		
Factor 3 Fitting room-related attributes			
		1.46	9.11
Lighting in fitting room	.859		
No. of fitting room	.836		
No. of mirrors	.765		
Factor 4 Fashion/ price label-related attributes			
		1.14	7.11
Fashion	.685		
Price label	.616		

Respondents in both countries indicated that the factor of product-related attributes was the most important regarding apparel at Wal-Mart (South Korea M=6.16 and the U.S. M=6.16), followed by the factor of fashion/price label-related attributes (South Korea M=5.65 and the U.S. M=5.71). The factors of fitting room-related attributes and store-related attributes were ranked third and fourth in importance in South Korea (M= 5.00 and 4.75), while in the U.S., the ranking of these two factors was revised (store-related attributes M=5.50 and fitting room-related attributes M=5.21).

Roy's Largest Root was used to determine whether there was a significant difference between the two countries regarding the four factors for apparel items. The result showed that the dependent variables, the four factors of importance attributes, were significantly related to each other (p<.001). The MANOVA test was appropriate and the result showed that there was a significant difference between the two countries in the perceptions of the importance of the four factors regarding apparel (F= 9.80, p<.001). The univariate F test indicated that the factor of store-related attributes was significantly different between the two countries. U.S. respondents perceived that the factor of store-related attributes was significantly more important than did South Korean respondents (M= 4.75 vs 5.50). Based on the result, Hypothesis 3b was rejected. There was a significant difference between South Korean and U.S. customers in terms of their perceptions of the importance of store-related attributes regarding apparel items.

Hypotheses H3a and H3b were rejected, and therefore Hypothesis 3 was rejected. There was a significant difference between South Korean and U.S. customers in terms of their perceptions of the importance of store/product attributes.

H 4.   There is no significant difference between South Korean and U.S. customers in terms of overall evaluations of Wal-Mart's performance.

The t-tests were used to examine whether a significant difference existed between respondents in the two countries regarding store evaluation in general and regarding apparel items.

H4a. There is no significant difference between South Korean and U.S. customers in terms of overall evaluations of Wal-Mart's performance in general.

The results showed that there was a significant difference between the two countries in respondents' overall store evaluation in general (t=6.26, p<.001). The mean score of U.S.

respondents' evaluation was significantly higher than that of South Korean respondents' evaluation (*M*=5.89 vs 5.00). Based on the result, Hypothesis 4a was rejected. There was a significant difference between South Korean and U.S. customers in terms of overall evaluations of Wal-Mart's performance in general.

H4b. There is no significant difference between South Korean and U.S. customers in terms of overall evaluations of Wal-Mart's performance regarding apparel items.

The results showed significantly different mean scores of evaluation between respondents in the two countries regarding apparel items at Wal-Mart (*t*=5.63, *p*<.001). U.S. respondents' evaluations were significantly higher than South Korean respondents' (*M*=5.41 vs 4.44). Based on the result, Hypothesis 4b was rejected. There was a significant difference between South Korean and U.S. customers in terms of overall evaluations of Wal-Mart's performance regarding apparel items.

Hypotheses 4a and 4b were rejected, and therefore Hypothesis 4 was rejected. There was a significant difference between South Korean and U.S. customers in terms of overall evaluations of Wal-Mart's performance. In addition, the paired *t*-test showed that the evaluation scores of overall performance regarding apparel at Wal-Mart were significantly less than those in general (South Korea *t*=4.5, *p*<.001 and the U.S. *t*=4.17, *p*<.001).

H 5. There is no significant difference between South Korean and U.S. customers in terms of overall satisfaction/dissatisfaction with Wal-Mart.

The *t*-test was used to examine whether a significant difference existed between respondents in the two countries regarding overall satisfaction/dissatisfaction with Wal-Mart in general and with apparel items at Wal-Mart.

H5a. There is no significant difference between South Korean and the U.S. customers in terms of overall satisfaction/dissatisfaction with Wal-Mart in general.

The result showed that U.S. respondents were significantly more satisfied with Wal-Mart than South Korean respondents (*t*= 9.50, *p*<.001, *M*=5.87 vs 4.57). Based on the result, Hypothesis 5a was rejected. There was a significant difference between South Korean and U.S. customers in terms of overall satisfaction/dissatisfaction with Wal-Mart in general.

H5b. There is no significant difference between South Korean and U.S. customers in terms of overall satisfaction/dissatisfaction with Wal-Mart regarding apparel items.

The result showed that U.S. respondents were significantly more satisfied with apparel at Wal-Mart than South Korean respondents were ($t=7.47$, $p<.001$, $M=5.00$ vs 3.73). Based on the result, Hypothesis 5b was rejected. There was a significant difference between South Korean and U.S. customers in terms of overall satisfaction/dissatisfaction with Wal-Mart regarding apparel items.

Hypotheses 5a and 5b were rejected, and therefore Hypothesis 5 was rejected. There was a significant difference between South Korean and U.S. customers in terms of overall satisfaction/dissatisfaction with Wal-Mart. In addition, compared with overall satisfaction in general, respondents in both countries were significantly less satisfied with apparel products at Wal-Mart (South Korea $t=7.81$, $p<.001$ and the U.S. $t=7.34$, $p<.001$). South Korean respondents' average satisfaction score of apparel items at Wal-Mart was even less than the neutral score of 4 ($M=3.73$).

H 6.   There is no significant difference between South Korean and U.S. customers in terms of store patronage.

The *t*-test was used to examine whether there was a significant difference between respondents in the two countries regarding store patronage. Store patronage was calculated by multiplying the score of the question about the frequency of visiting Wal-Mart with the score of the question about the expense at Wal-Mart on a single trip, according to the definition of store patronage stated in Chapter III (Sinclair, et al., 1993). The result showed that there was no significant difference at the .05 level of significance (South Korea $M=14.85$, the U.S. $M=15.03$), and therefore Hypothesis 6 was not rejected. There was no significant difference between South Korean and U.S. customers in terms of store patronage.

H 7.   There is no significant difference between South Korea and U.S. customers in terms of the frequency of purchase of the five types of apparel items

Chi-square analysis was used to test whether there were significant differences between respondents in the two countries regarding the frequency of purchase of the following five

selected items: socks/ hosiery, sweatshirts, coat, suit, and dress. There was a significant difference between respondents' purchase of socks/hosiery in the two countries (α=7.50, *p*<.05). Most respondents in both countries had an experience of purchasing socks/hosiery; however, more U.S. respondents purchased these items at Wal-Mart than South Korean respondents (*n*=103, 88.0% vs *n*=87, 74.4%; see Figure 4-11). Most respondents in both countries had also purchased sweatshirts at Wal-Mart. There was no significant difference between respondents' purchase of sweatshirts in the two countries at the .05 level of significance. A significant difference between customers in each country turned up in their experience of purchasing a coat, suit and dress, shopping for but never purchasing these items, and never purchasing these items (coat: α=11.90, *p*<.01; suit: α=16.21, *p*<.001, dress; α=33.75, *p*<.001). About half of the respondents in both countries had never shopped for these items at Wal-Mart (see Table 4-5); however, more South Korean than U.S. respondents had the experience of shopping for coat, suit and dress items at Wal-Mart but never purchased them (see Figure 4-12). The reasons why respondents did not purchased these items were primarily poor quality and style, and limited selection. Based on the results, Hypothesis 7 was partially rejected. There was a significant difference between South Korean and U.S. customers in terms of the frequency of purchase of socks/hosiery, coat, suit and dress, but not sweatshirts.
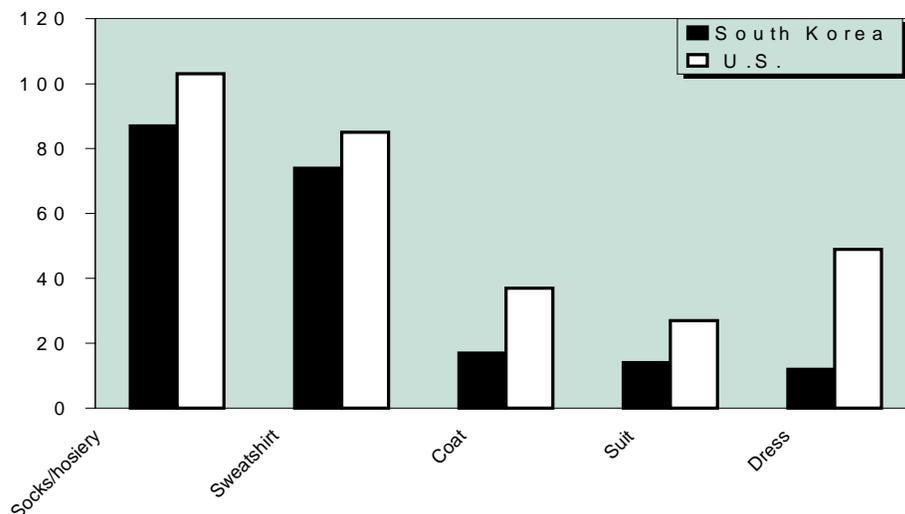
Figure 4-11. The experience of purchase of the five apparel items

Table 4-5. Chi-square test for the frequency of purchase of coat, suits, and dress.

	Never shopped		Shopped but never purchased		Purchased		α	Sig.
	n	*%*	*n*	*%*	*n*	*%*		
Coat							11.9	.003*
The U.S.	54	46.2	26	22.2	37	31.6		
South Korea	57	48.7	43	36.6	17	14.5		
Suit							16.21	.000*
The U.S.	73	62.4	17	14.5	27	23.1		
South Korea	61	52.1	42	35.9	14	12.0		
Dress							33.75	.000*
The U.S.	48	41.0	20	17.1	49	41.9		
South Korea	64	54.7	41	35.0	12	10.3		
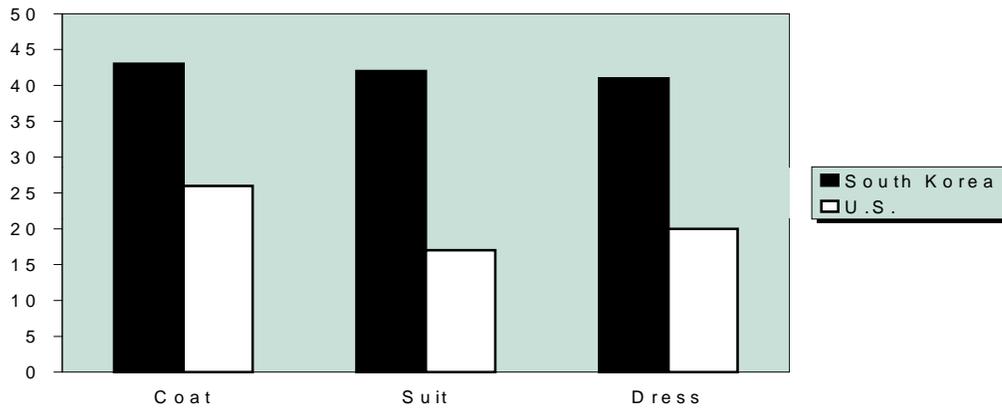
Figure 4-12. The experience of shop for coat, suit and dress, but never purchased

H 8. There is no significant difference among the three shopping orientation segments in terms of their perceptions of the importance of store/product attributes.

The MANOVA was used to test whether a difference existed among the three shopping orientation segments regarding their perceptions of the importance of attributes. The independent variables were the three shopping orientation segments and the dependent variables were the four factors of importance of attribute. These four dependent variables were significantly related to each other, according to Roy's Largest Root ($p<.001$).

H8a. There is no significant difference among the three shopping orientation segments in terms of their perceptions of the importance of store/product attributes in general.

In South Korea, a significant difference was found among the three shopping orientation segments regarding the importance of the product-related attributes, according to Roy's Largest Root ($F=2.70$, $p<.05$; see Table 4-6). The univariate F tests indicated that the perception of the importance of product-related attributes significantly differed between the brand-conscious respondents and the price-conscious respondents ($F=4.55$, $p<.05$). The Tukey's Honestly Significant Difference (THSD) showed that the product-related attributes were significantly more important to the price-conscious respondents than to the brand-conscious respondents (M =4.62 vs 5.10). This result supports the studies conducted by Lumpkin and Stone (1954), Moschis (1992) and Bellenger et al. (1986) who found that two product-related attributes, price and quality, were most important to the price-conscious customers. The product-related attributes in the current study included everyday low price, special sale price, variety of product category, number of products in each category, well-known brands, quality, and value for money. In the U.S., the price-conscious respondents consistently scored every factor of important attributes slightly higher than the other two shopping orientation segments. All factors seemed to be more important to price-conscious respondents. However, no significant difference was found in the perception of importance of attributes among the three shopping orientation segments, according to Roy's Largest Root at the .05 level of significance. Based on the result, Hypothesis 8a was not rejected for U.S. respondents, but was rejected for South Korean respondents. In South Korea, there was a significant difference among the three shopping orientation segments in terms of their perceptions of the importance of store/product attributes in

general. There was a significant relationship between respondents' shopping orientations and their perceptions of the importance of store/product attributes in general.

Table 4-6. The means of the importance of store/product attributes in general among three shopping orientations

	Shopping orientations		
Important attribute factors	Brand-conscious	Price-conscious	Fashion-conscious
South Korea			
Store-related	5.84	6.33	6.35
Product-related	4.62[a]	5.10[b]	4.76
Environmental/credit card-related	5.53	5.88	5.95
Reputation-related	5.17	5.14	5.16
U.S.			
Store-related	5.55	5.93	5.58
Product-related	5.28	5.55	5.14
Environment/credit card-related	5.14	5.92	5.50
Reputation-related	5.23	5.61	5.18

Note. a, b. In the same row, means with different superscript letters are significantly different at .05 level by the Tukey's Honestly Significant Difference Test.

H8b. There is no significant difference among the three shopping orientation segments in terms of their perceptions of the importance of store/product attributes regarding apparel items.

In South Korea, there was no significant difference among the three shopping orientation segments at the .05 level of significance. Every shopping orientation segment gave similar importance of attribute ratings. This result contrasts with the study of Lee (1989) who found a significant relationship between shopping orientations and the importance of attributes. In the U.S., comparison of the means of the importance of attributes for apparel items among the three shopping orientation segments showed the price-conscious segment consistently gave the highest ratings on every attribute factor (see Table 4-7). The MANOVA results showed that in the U.S. perceptions of importance of attributes differed significantly among the three shopping orientation segments regarding apparel items, according to the Roy's Largest Root (F=3.63,

65

$p<.01$). This result supports the studies of Shim and Kotsiopulos (1992) and Moye and Giddings (1998) who found shopping orientations were closely related to the perception of importance of store attributes. The univariate F tests showed that there were significant differences among the three shopping orientation segments in both product-related attributes ($F=3.49$, $p<.05$) and store-related attributes ($F=3.64$, $p<.05$). The THSD test showed that there was a significant difference between the brand-conscious and price-conscious shopping orientation segments in terms of their perceptions of the importance of product-related and store-related attributes regarding apparel items. Based on the result, Hypothesis 8b was not rejected for South Korean respondents, but was rejected for U.S. respondents. In the U.S., there was a significant relationship between respondents' shopping orientations and the perception of important attributes regarding apparel at Wal-Mart.

Table 4-7. The means of shopping orientations and the importance of store/product attributes
regarding apparel items

	Shopping orientations		
Important attribute factors	Brand-conscious	Price-conscious	Fashion-conscious
South Korea			
Store-related	5.63	6.32	6.14
Product-related	4.82	4.81	4.53
Fitting room-related	4.59	5.06	5.09
Fashion/price label-related	5.36	5.71	5.82
U.S.			
Store-related	5.78[a]	6.28[b]	5.93
Product-related	5.19[c]	5.69[d]	5.28
Fitting room-related	5.15	5.35	5.00
Fashion/price label-related	5.65	5.73	5.50

Note. a, b, c, d. In the same row, means with different superscript letters are significantly different at .05 level by the Tukey's Honestly Significant Difference Test.

According to the results of Hypotheses 8a and 8b, Hypothesis 8 was partially rejected. In South Korea, there was a significant relationship between respondents' shopping orientations and the perception of important attributes in general, but not in apparel items. In the U.S., there was

a significant relationship between respondents' shopping orientations and the perception of important attributes regarding apparel items, but not in general.

H 9. There is no significant relationship between the perceptions of importance of store/ product attributes and the overall evaluation of Wal-Mart's performance.

The four-way ANOVA was used to test whether there was a significant difference among the levels of importance of store/product attributes in the overall evaluation of Wal-Mart's performance in general and in apparel items. Each factor of importance of store/product attributes in general and of apparel items were classified into three levels based on the general rule of the 33% (low), 33% (medium), and 33% (high) split.

H9a. There is no significant relationship between the perceptions of importance of store/product attributes and the overall evaluation of Wal-Mart's performance in general.

In South Korea, there was no significant relationship between the importance of store/product attributes and respondents' overall evaluation of Wal-Mart's performance in general at the .05 level. South Korean respondents do not evaluate the store based on their perception of the importance of store/product attributes. Other variables, such as social class or personal influences, may play a more important role in determining South Korean's store evaluation.

In the U.S., a significant relationship was found between the importance of store/product attributes and respondents' overall evaluation of Wal-Mart's performance in general (F=1.56, p<.05; see Table 4-8). There was a significant relationship between reputation-related attributes and overall evaluation (F=5.32, p<.01). The result of THSD test showed that respondents with the low perception of importance regarding the reputation-related attributes had a significantly lower evaluation score on the reputation-related attributes than those with the medium and high perceptions of importance (M=5.52 vs 6.02 and 6.32). Based on these results, Hypothesis 9a was not rejected for the South Korean respondents, but was rejected for U.S. respondents. In the U.S., there was a significant difference among the levels of importance of store/product attributes in terms of overall evaluation of Wal-Mart's performance in general. There was a significant relationship between U.S. respondents' perceptions of the importance of store/product attributes and their overall evaluation of Wal-Mart's performance in general.

Table 4-8. Four-Way ANOVA tests for the relationship between the levels of importance of store/product attributes and overall evaluation in general in the U.S.

Evaluation	F	Sig.
U.S.	1.56	.044*
Store-related attributes	.78	.462
Product-related attributes	.13	.882
Environmental/credit card-related attributes	.79	.456
Reputation-related attributes	5.34	.007*
Store-related attributes x Product-related attributes	.90	.468
Store-related attributes x Environmental/credit card-related attributes	.04	.997
Store-related attributes x Reputation-related attributes	2.30	.069
Product-related attributes x Environmental/credit card-related attributes	.48	.749
Product-related attributes x Reputation-related attributes	1.88	.124
Environmental/credit card-related attributes x Reputation-related attributes	.24	.917
Store-related x Product-related x Environmental/credit card-related	.61	.610
Store-related x Product-related x Reputation-related	.02	.977
Store-related x Environmental/credit card-related x Reputation-related	.24	.788
Product-related x Environmental/credit card-related x Reputation-related	.10	.886
Store-related x Product-related x Environmental/credit card-related x Reputation-related	2.03	.159

H9b. There is no significant relationship between the perceptions of importance of store/product attributes and the overall evaluation of Wal-Mart's performance regarding apparel items.

In South Korea, although a significant relationship was found between the importance of fashion/price label-related attributes and respondents' overall evaluation of Wal-Mart's performance regarding apparel items, the result of the overall model showed no significant relationship between the importance of store/product attributes and respondents' overall evaluation of Wal-Mart's performance regarding apparel items at the .05 level. In the U.S., a significant relationship was found between the importance of product-related attributes and respondents' overall evaluation of Wal-Mart's performance regarding apparel items, but the result of the overall model showed no significant difference. Based on this result, Hypothesis 9b was not rejected for both South Korean and U.S. respondents.

According to the results of Hypotheses 9a and 9b, Hypothesis 9 was not rejected for South Korean customers. There was no significant relationship between respondents' perceptions of the importance of store/product attributes and their overall evaluation of Wal-Mart's

performance in general and regarding apparel items. However, Hypothesis 9 was partially rejected for the U.S. There was a significant relationship between respondents' perceptions of the importance of store/product attributes and their overall evaluation of Wal-Mart's performance in general and regarding apparel items, except product-related attributes regarding apparel items.

H 10. There is no significant difference among the levels of overall evaluation in terms of customers' satisfaction/dissatisfaction with Wal-Mart.

ANOVA was used to test whether there was significant difference among the levels of overall evaluation in satisfaction/dissatisfaction with Wal-Mart in general and apparel items. The overall evaluations in general and for apparel items were classified into three levels based on the general rule of the 33% (low), 33% (medium), and 33% (high) split. The actual numbers of respondents for each country are given in Tables 4-9 and 4-10.

H10a. There is no significant difference among the levels of overall evaluation in terms of customers' satisfaction/dissatisfaction with Wal-Mart in general.

In both countries, a significant difference was found among the levels of overall evaluation in terms of respondents' satisfaction/dissatisfaction with Wal-Mart in general (South Korea $F=20.83$, $p<.001$, the U.S. $F=17.31$, $p<.001$; see Table 4-9). The THSD tests showed that the average satisfaction score of the low evaluation group was significantly lower than those of the medium and high evaluation groups. Based on this result, Hypothesis 10a was rejected. There was a significant relationship between customers' overall evaluation and satisfaction/dissatisfaction with Wal-Mart in general in both countries.

Table 4-9. ANOVA test for the relationship between overall evaluation and satisfaction/ dissatisfaction in general

Satisfaction		Level of Evaluation			F	Sig.
		Low	Medium	High		
South Korea	M	3.91^a	4.71^b	5.22^c	20.83	.000*
	n	43	38	36		
U.S.	M	5.09^d	6.04^e	6.35^e	17.31	.000*
	n	32	51	34		

Note. a, b, c, d, e. In the same row, means with different superscript letters are significantly different at .05 level by the Tukey's Honestly Significant Difference Test.

H10b. There is no significant difference among the levels of overall evaluation in terms of customers' satisfaction/dissatisfaction with Wal-Mart regarding apparel items.

In both countries, significant differences were found among all three levels of overall evaluation in terms of respondents' satisfaction/dissatisfaction with Wal-Mart regarding apparel (South Korea $F=14.62$, $p<.001$, the U.S. $F=19.41$, $p<.001$). The THSD tests showed that for South Korea, the satisfaction scores were significantly different among all three levels. For the U.S., the satisfaction of the low level of evaluation was significantly lower than those of the medium and high levels of evaluation (see Table 4-10). Based on these results, Hypothesis 10b was rejected. There were significant differences between the levels of evaluation and customers' satisfaction/dissatisfaction with Wal-Mart regarding apparel in both countries. There was a significant relationship between customers' overall evaluation and satisfaction/dissatisfaction with Wal-Mart regarding apparel in both countries.

Table 4-10. ANOVA test for the relationship between overall evaluation and satisfaction/ dissatisfaction regarding apparel items

Satisfaction		Level of Evaluation			F	Sig.
		Low	Medium	High		
South Korea	M	2.70^a	3.67^b	4.23^c	14.62	.000*
	n	23	42	52		
U.S.	M	4.30^d	5.53^e	5.81^e	19.41	.000*
	n	56	34	27		

Note. a, b, c, d, e. In the same row, means with different superscript letters are significantly different at .05 level by the Tukey's Honestly Significant Difference Test.

Hypotheses 10a and 10b were rejected, and therefore Hypothesis 10 was rejected. There was a significant relationship between consumers' overall evaluation and satisfaction/ dissatisfaction with Wal-Mart in both countries.

H 11. There is no significant difference among the levels of satisfaction/dissatisfaction in terms of store patronage.

ANOVA was used to test whether there was a significant difference among the levels of overall store satisfaction/dissatisfaction in store patronage in general and regarding apparel

items. The overall store satisfaction/dissatisfaction in general and for apparel items were classified into three levels based on the general rule of the 33% (low), 33% (medium), and 33% (high) split. The actual percentages of respondents for each country are given in Tables 4-11 and 4-12.

H11a. There is no significant difference among the levels of satisfaction/ dissatisfaction in terms of store patronage in general.

Although in both countries, as the level of satisfaction increased, the store patronage consistently increased, the relationships were not significant at the .05 level (see Table 4-11). This result contrasts with the study conducted by Westbrook (1981) who found higher satisfaction generated higher store patronage. Based on the result, Hypothesis 12a was not rejected. There was no significant relationship between customer satisfaction/dissatisfaction and store patronage in general.

Table 4-11. ANOVA test for the relationship between satisfaction/dissatisfaction in general and store patronage

Store patronage	Level of satisfaction	M	n	F	Sig.
South Korea	Low	13.62	60	2.16	.120
	Medium	15.74	35		
	High	16.77	22		
U.S.	Low	14.29	35	1.48	.232
	Medium	14.40	47		
	High	16.60	35		

H11b. There is no significant difference among the levels of satisfaction/ dissatisfaction regarding apparel items in terms of store patronage.

A significant difference was found in South Korea ($F=5.08$, $p<.01$). The THSD test showed that store patronage was significantly higher in the high level of satisfaction/ dissatisfaction than the medium level. In the U.S., there was no significant difference at the .05 level of significance. The satisfaction/dissatisfaction with apparel items at Wal-Mart did not significantly affect respondents' store patronage behavior (see Table 4-12). Based on the result, Hypothesis 12b was not rejected for U.S. respondents, but was rejected for South Korean respondents. There was a significant relationship between customer satisfaction/dissatisfaction regarding apparel items and store patronage in South Korea.

Table 4-12. ANOVA test for the relationship satisfaction/dissatisfaction regarding apparel items and store patronage

Store patronage	Level of satisfaction	M	n	F	Sig.
South Korea	Low	15.09	45	5.08	.008*
	Medium	12.65[a]	43		
	High	17.72[b]	29		
U.S.	Low	13.73	41	1.68	.191
	Medium	16.46	35		
	High	15.10	41		

Note. a, b. In the same column, means with different superscript letters are significantly different at .05 level by the Tukey's Honestly Significant Difference Test.

In the U.S., both Hypotheses 12a and 12b were not rejected, and therefore Hypothesis 12 was not rejected. In South Korea, Hypothesis 12 was partially rejected, because there was no significant relationship between customers' satisfaction/dissatisfaction in general and store patronage, but there was a significant relationship between customers' satisfaction/dissatisfaction regarding apparel items and store patronage.

H 12. There is no significant difference among customers with different demographic characteristics in terms of store patronage.

ANOVA tests were used to test whether there were differences among customers with different demographic characteristics in terms of store patronage.

H12a. There is no significant difference among consumers with different occupations in terms of their store patronage.

In South Korea, a significant difference was found among respondents with different occupations regarding their store patronage ($F=4.221$, $p<.01$). The THSD test showed that respondents with professional occupations had significantly higher store patronage than respondents with management level jobs and in the "other" category (i.e., sales, secretary, labor, etc.) ($M=18.08$ vs 10.13 vs 10.25). In the U.S., the strongest store patronage was shown by the respondents who were homemakers, followed by the respondents who were retired ($M=16.63$). In contrast to South Korean respondents, U.S. respondents with professional occupations showed the lowest store patronage ($M=13.41$). However, the ANOVA result showed that the differences were not significant at the .05 level. This result supports the study of Summers and Wozniak (1990) who found no significant relationship between U.S. customers' occupation and their

discount store patronage. Based on the result, Hypothesis 13a was not rejected for U.S. respondents, but was rejected for South Korean respondents. There was a significant relationship between customers' occupations and their store patronage in South Korea.

H12b. There is no significant difference among customers of different marriage status in terms of their store patronage.

A significant difference was found among respondents of different marriage status regarding their store patronage in South Korea ($F=5.77$, $p<.001$). Married respondents showed the strongest store patronage, while the respondents who were never married had the lowest store patronage at Wal-Mart ($M=16.12$ and 9.82). In the U.S., there was no significant difference found at the .05 level. This result is consistent with the study of Summers and Wozniak (1990) who found no significant relationship between U.S. customers' marriage status and discount store patronage. Based on the result, Hypothesis 13b was not rejected for U.S. respondents, but was rejected for South Korean respondents. There was a significant relationship between customers' marriage status and their store patronage in South Korea.

H12c. There is no significant difference among customers of different ages in terms of their store patronage.

In South Korea, a significant difference was found among respondents of different ages regarding their store patronage ($F=3.69$, $p<.01$). The THSD test showed the significant difference between respondents 41 to 50 years old and respondents under 20 years old ($p<.05$). Respondents 41 to 50 years old showed the strongest store patronage, while respondents under 20 years old had the lowest store patronage at Wal-Mart ($M=18.30$ and 6.25). In the U.S., no significant difference was found at the .05 level of significance. This result is consistent with the study conducted by Summers and Wozniak (1990) who found there was no relationship between customers' ages and their store patronage. Based on the result, Hypothesis 13c was not rejected for U.S. respondents, but was rejected for South Korean respondents. There was a significant relationship between customers' age and their store patronage in South Korea.

H12d. There is no significant difference among customers with different educations in terms of their store patronage.

In South Korea, a significant difference was found among respondents with different educations regarding their store patronage ($F=2.95$, $p<.05$). The respondents who had master's degrees showed the strongest store patronage, followed by those with doctoral and bachelor's

degrees (*M*= 21.17 vs 16.00 vs 15.33), while respondents in the "other" category (i.e., associates, 2-year college etc.) and with a some high school diploma had the lowest store patronage at Wal-Mart (*M*=5.67vs 7.00). The THSD test showed a significant difference between the master's degree and the "others" category (*p*<.05). In contrast to South Korea, in the U.S., the strongest store patronage was shown by the respondents in "others" category and with a some high school diploma (*M*=16.71 and 15.86). Respondents with doctoral and master's degrees showed the lowest store patronage (*M*=8.50 and 14.33). However, the differences were not significant at the .05 level. This result is similar to the study of Summers and Wozniak (1990) who found that as the level of education increased, U.S. customers' preference for discount stores decreased. Customers with a high school diploma showed the highest preference, and customers with more than college degree showed the least preference for discount stores. Based on the result, Hypothesis 13d was not rejected for U.S. respondents, but was rejected for South Korean respondents. There was a significant relationship between customers' education level and their store patronage in South Korea.

H12e. There is no significant difference among customers with different household incomes in terms of their store patronage.

In South Korea, there was a significant difference found. Respondents with an income of $70,000 or more had significantly higher store patronage than those with an income of less than $70,000 (*t*=2.77, *p*<.01). A significant difference was found among different respondents' household incomes. In the U.S., a significant difference was also found among respondents with different household incomes and store patronage. (*F*=4.41, *p*<.001). The respondents who had household incomes of $40,000 to $49,999 showed the strongest store patronage, followed by respondents with household incomes of $50,000 to $59,999 (*M*=18.21 and 16.2). Respondents whose income was below $9,999 showed the lowest store patronage at Wal-Mart (*M*=9.71). These results contrast with the study of Summers and Wozniak (1990) who found that the upper economic class customers favored discount stores less, while the low economic class customers with household incomes of less than $20,000 favored discount stores. Summers and Wozniak's study was conducted 10 years ago, since then, Wal-Mart has shifted its target customers from the low to the medium economic class. Based on the result, Hypothesis 12e was rejected. There was a significant relationship between customers' household incomes and their store patronage in both countries.

For South Korea, all five sub-hypotheses were rejected, and therefore Hypothesis 12 was rejected for South Korean customers. In South Korea, customers' occupations, marriage status, ages, education, and household incomes significantly related to their store patronage. In the U.S., only customers' household incomes were significantly related to their store patronage, and therefore Hypothesis 12 was partially rejected.

<p align="center">South Korean customers' preference for marketing strategies</p>

The *t*-tests were used to test the significant difference between countries regarding preferences towards suggested marketing strategies. These strategies were generated from the practices used in the U.S. Wal-Mart, but not in the South Korea Wal-Mart.

I prefer special sales for an extra low price on some products rather than have everyday low prices for every product.

The results of market survey conducted by the investigator at a Wal-Mart in South Korea and one in the U.S., found more extra low priced products were displayed in special areas in the South Korea Wal-Mart than in the U.S. Wal-Mart. The Wal-Mart in the U.S. placed more emphasis on everyday low prices than extra low prices. When the importance of special sales and everyday low prices were compared, the paired *t*-test showed that South Korean respondents perceived that everyday low prices were significantly more important than special sales prices ($t=3.94, p<.001$) and U.S. respondents showed no significant preference for either price strategy. It is possible that because the South Korean Wal-Mart offered fewer every day low prices, South Korean respondents considered every day low prices more important. However, when respondents' preference for special sales versus everyday low prices was compared between the two countries, the result of paired *t*-test indicated that there was no significant difference between the two countries. Respondents in both countries showed no special preference for either extra low prices on some products or everyday low prices for every product (South Korea *M*= 4.32 and the U.S. *M*= 4.45; 4 indicated "neutral").

I prefer to have a strict policy of keeping all customers' bags in the cabinet to reduce the cost of stealing.

In the Wal-Mart in South Korea, there are cabinets to keep customers' bags to prevent customers' stealing products from the store. This policy does not exist in the Wal-Mart in the U.S. South Korean respondents were asked whether they prefer this policy. The levels of agreement were divided as three groups: not prefer, neutral, and prefer. The percentages of each level were 33.3%, 24.8%, and 41.8%, respectively. More respondents had a positive attitude towards this policy, even though the mean score was close to neutral ($M=4.10$). Although the average score suggests that South Korean customers do not mind the strict policy of keeping their bags in the store cabinet, because one-third of the respondents still disagreed with this policy, Wal-Mart may consider alternative solutions to reduce the cost of stealing.

To get information of items on sales, Wal-Mart should send sale flyers directly to me rather than putting advertisements on TV.

The Wal-Mart in the U.S. promotes sales with mail flyers more than the Wal-Mart in South Korea. This policy was examined to determine whether the method of mailing sales flyers to customers should be also used in South Korea. The result showed that respondents in both countries preferred this promotion method ($M=5.78$ and 5.20). However, significantly more South Korean respondents preferred to receive sale flyers directly than put commercials on TV ($t=2.92, p<.01$). This result suggests that the direct mailing of sales flyers is an effective way for the Wal-Mart in South Korea to promote its business. However, the cost of printing and mailing needs to be investigated before this strategy is executed.

Wal-Mart should provide more sales personnel rather than reduce the price of the product.

The Wal-Mart in the U.S. has fewer sales personnel than the Wal-Mart in South Korea. The South Korea Wal-Mart provides as many sales personnel as traditional South Korean retail stores do. To determine whether sales personnel can be reduced, the importance of sales personnel and everyday low prices were compared. South Korean respondents perceived that both sales personnel and everyday low prices were highly important ($M=6.10$ and 6.09). U.S. respondents also agreed that sales personnel was important ($M=6.01$). There was no significant difference between the two countries in the importance of sales personnel. However, when the

policy of providing more sales personnel were compared to that of reducing the price of the products, the results showed a significant difference between the respondents in the two countries ($t=2.0$, $p<.05$). U.S. respondents presented a neutral attitude between more sales personnel and lower prices, while South Korean respondents preferred lower priced products at Wal-Mart to receiving more services from sales personnel ($M=4.01$ vs 3.56). This result suggests that the Wal-Mart in South Korea can reduce sales personnel to reduce prices of goods.

I prefer a strict return policy to make sure that I always buy new products.

The Wal-Mart in South Korea practices a more strict return policy than the Wal-Mart in the U.S. For example, the receipt is required, the number of days allowed to return an item is limited, and the condition of the returned product must be the same as when it was purchased. To determine whether this policy should be continued in South Korea, the importance of ease of return was examined. The results showed that ease of return was highly important to respondents in both countries (South Korea $M=6.42$ and the U.S. $M=6.25$). There was no significant difference between the two countries. However, if a strict return policy could guarantee that the products purchased from the Wal-Mart are always new, South Korean respondents preferred the guarantee of purchasing new products rather than the ease of return ($t=7.84$, $p<.001$, $M=5.74$ vs 3.97). This result suggests that Wal-Mart in South Korea could keep its current strict return policy. However, the returned products should be correctly managed to ensure that customers always purchase the products that never have been used by others.

I prefer more in-store small snack bars for rest rather than more product displays.

Snack bars or fast-food stores are often located in the U.S. Wal-Mart stores. The Wal-Mart in South Korea has a food court outside the store but does not have any snack bar inside the store. Whether snack bars should be included in the store was examined. Results showed that although South Korean respondents had a significantly higher preference for in-store small snack bars than U.S. respondents ($t=2.54$, $p<.05$, $M=4.32$ vs 3.73), the mean score of 4.32 showed that South Korean customers were not very anxious for the snack bars.

I prefer Wal-Mart to have an individual price label on each product instead reducing the price of the product by saving the cost of putting labels.

Many products, especially apparel items, at the Wal-Mart in South Korea do not have individual price labels. Whether individual price labels should be provided on each product as in the U.S. was examined. Respondents in both countries indicated price labels were very important (South Korea $M=6.30$, the U.S. $M=6.25$). However, when the preferences for individual price labels and saving the cost of providing labels were compared, South Korean respondents' preference for individual price labels was only moderately high ($M=4.74$). These results showed that if the cost of providing labels is not very high, the South Korean Wal-Mart may consider providing individual price labels, but if cost is high, it is not necessary.

I prefer a large quantity of selected brands displayed in the Wal-Mart to a small quantity of many different brands displayed in Wal-Mart, so that I can always purchase what I want right at the shop.

Like the U.S Wal-Mart, the South Korean Wal-Mart provides various products and brands; however, empty shelves or a low quantity of products on shelves were observed more often at Wal-Mart in South Korea than in the U.S. To improve this situation, whether South Korean customers prefer a large quantity of selected brands was examined. Results showed that South Korean respondents perceived that number of products in each category was significantly less important than U.S. respondents ($t=7.40$, $p<.001$, $M=4.81$ vs 6.10). Compared to U.S. respondents, South Korean respondents also slightly more preferred to have displayed a large quantity of selected brands than a small quantity of many different brands, so that they could purchase the product at anytime they want (South Korea $M=4.95$ and the U.S. $M=4.56$). This result suggested that the Wal-Mart in South Korea should focus on providing a large quantity of selected brands to reduce product shortage.

If I can use credit cards in Wal-Mart, I definitely will visit Wal-Mart more frequently and buy more products from it.

The Wal-Mart in South Korea does not accept payment by credit card. South Korean respondents were asked whether they would visit Wal-Mart more frequently if Wal-Mart accepted credit. The result showed that South Korean respondents perceived that credit card

acceptance was very important (*M*=6.17). They showed high preference for this suggestion
(*M*=5.44). This result suggests that the acceptance of credit cards was highly desirable. The
Wal-Mart in South Korea should, therefore, quickly adopt the credit card payment system.

I prefer that Wal-Mart provide more services to the community rather than only focus on lowering the price of the product.

Wal-Mart in South Korea does not provide any community service, while Wal-Mart in
the U.S. has extensive community involvement. Whether South Korean customers also
appreciate community involvement was examined. The result indicated that community
involvement was important to respondents in both countries (South Korea *M*= 5.37 and the U.S.
M=5.09). The preference for community involvement was shown to be significantly higher in
South Korea than in the U.S. (t=3.79, p<.001, *M*=4.92 vs 4.11). South Korean respondents
wanted Wal-Mart to be involved in community services, even if it meant giving up low prices.
This result suggests that Wal-Mart in South Korea should provide more services to the
community to strengthen the store image.

In the apparel department, I prefer that more garments be displayed rather than providing more mirrors in aisles to avoid trips to the fitting rooms.

Wal-Mart in South Korea provides more mirrors and fitting rooms in the apparel
department than Wal-Mart in the U.S. Whether space devoted to more product display than to
mirrors should be provided was examined. The result showed that in both countries respondents
expressed no significant preference regarding the number of garments displayed or the number
of mirrors (South Korea *M*=4.29 and the U.S. *M*=4.44). Wal-Mart in the South Korea may keep
its current practice.

CHAPTER V

SUMMARY, DISCUSSION, AND RECOMMENDATIONS

Summary

Differences in the two countries

When the differences between the two countries were examined, the results showed that there were significant differences in some demographic characteristics, such as occupation, marriage status, age, and education. The majority of customers at Wal-Mart in South Korea were married, homemakers, 31 to 40 years old, and had a bachelor's education (see Table 5-1). The majority of customers at Wal-Mart in the U.S. were married, aged 21 to 50 years old, and had a professional, sales, secretarial, or labor occupation and a high school education. There was no significant difference between household incomes of customers in the two countries. Customers in both countries had household incomes from $20,000 to $49,999. South Korean customers spent significantly more money at Wal-Mart on a single trip and on a wardrobe last year than did U.S. customers.

There was no significant difference between the shopping orientations of customers in the two countries. Most customers at Wal-Mart in both countries were economic conscious. Although both countries' customers responded that store-related attributes and environmental/ credit card-related attributes were most important, South Korean customers considered store-related attributes even more important than U.S. customers did. Regarding product-related attributes, South Korean customers considered these attributes significantly less important than did U.S. customers. For apparel items at Wal-Mart, customers in both countries responded that the product-related attributes and fashion/price label-related attributes were most important. Regarding store-related attributes, significantly more U.S. customers than South Korean

Table 5-1. The similarities and the differences between the two countries.

Variables	South Korea	U.S.
Occupation	Homemaker	Professional
Marriage status	Married	Married
Age	31-40 years old	21-50 years old
Education	Bachelor	High school
Income	$20,000-$49,000	$20,000-$49,000
Shopping orientation	Economic-conscious	Economic-conscious
Important attributes		
In general	Store-related, environmental/credit card-related	
Apparel items	Product-related, fashion/price label-related	
Evaluation, Satisfaction	Lower	Higher
Store patronage	Similar level	Similar level
Purchase of apparel items		
Socks/hosiery	Purchase less	Purchase more
Sweatshirts	Similar frequency	Similar frequency
Coat, Suit, Dress	Shopped more, but never purchased	Shopped less

customers responded that store-related attributes were important when they shopped for apparel items at Wal-Mart. U.S. customers evaluated Wal-Mart's performance in general and regarding apparel items significantly higher than did South Korean customers. They were also more satisfied with Wal-Mart store in general and regarding apparel items. In both countries, the scores of the evaluation and satisfaction with Wal-Mart's performance in general were significantly higher than those regarding apparel items. Customers in the two countries showed a similar level of store patronage.

Regarding the apparel items that customers purchased at Wal-Mart, significantly more U.S. customers than South Korean customers purchased socks/hosiery items. More South Korean customers than U.S. customers have shopped for coat, suit and dress items at Wal-Mart, but have never purchased these items because of poor quality and style and limited selection. Customers in both countries purchased sweatshirts with the same frequency.

Testing of the model

When the relationships between the variables in the proposed model were tested, the proposed model was partially supported for South Korea. Customers' shopping orientations had a significant relationship to their perception of importance of store/product attributes (see Figure 5-1). The economic-conscious customers perceived that the product-related attributes were

significantly more important than did the brand-conscious customers. Regarding apparel items at Wal-Mart, no significant relationship was found between the importance of store/ product attributes and shopping orientation. In South Korea, there was no significant relationship between customers' perceptions of the importance of store/product attributes and their overall evaluation of Wal-Mart's performance in general and regarding apparel items. South Korean customers did not evaluate the performance of Wal-Mart based on their perception of the importance of attributes. The overall evaluations of Wal-Mart's performance in general and in apparel items were significantly related to South Koreans' satisfaction/dissatisfaction with the store. The average satisfaction score in the low evaluation group was significantly lower than that in the medium and high evaluation group. There was no significant relationship between satisfaction with Wal-Mart in general and store patronage; however, satisfaction with Wal-Mart's performance regarding apparel items was significantly related to store patronage. In South Korea, customers with different occupations, marriage status, ages, education and household incomes had significantly different levels of store patronage. Customers who were married and 41 to 50 years old, and had a professional occupation, a master's or doctoral degree and a household income over $70,000 showed the strongest store patronage toward Wal-Mart. In South Korea, the results supported most relationships proposed in the model, except the relationship between the importance of store/product attributes and the evaluation of Wal-Mart's performance.

In the U.S., the proposed model was partially supported. Customers' shopping orientations had no significant relationship to the importance of store/product attributes in general. However, a significant relationship was found for apparel items (see Figure 5-2). Economic-conscious customers responded that the product-related and store-related attributes were significantly more important than did the brand-conscious customers. In the U.S., there was a significant relationship between customers' perceptions of the importance of store/product attributes and their overall evaluation of Wal-Mart's performance in general. However, the relationship between customers' perceptions of the importance of store/product attributes and their overall evaluation of Wal-Mart's performance was not found regarding apparel items. Customers with a low perception of importance regarding the reputation-related attributes gave a significantly lower evaluation of store overall performance than customers with the medium and high level of the perception of importance.

The overall evaluations of Wal-Mart's performance in general and regarding apparel items were significantly related to store satisfaction. The average satisfaction score of the low evaluation group was significantly lower than those of the medium and high evaluation groups. No significant relationship between store patronage and satisfaction/dissatisfaction with Wal-Mart's performance in general or in apparel items was found. There was no significant relationship between customers' demographic characteristics and store patronage except customers' household incomes. U.S. customers with household incomes from $40,000 to 49,999 showed significantly stronger store patronage than customers with other household income levels. In the U.S., the results supported most relationships proposed in the model, except the relationship between the satisfaction/dissatisfaction with Wal-Mart's performance and store patronage.

Discussion and Implication

Suggestions Related to Consumers' Characteristics

In South Korea, most female Wal-Mart shoppers are married and have a family. They may enjoy shopping with their spouses and children. Wal-Mart should provide more family entertainment and convenient facilities; for example, carts with child seats, rest rooms with baby booths, enough space and aisle width for strollers to pass through, and more open hours for working spouses. Wal-Mart should improve its image as a pleasant family entertainment place. It should focus more on basic items frequently used in family life rather than new and fashionable items with a short life cycle.

Even though a majority of the South Korean customers were homemakers, 31 to 40 years old, with a bachelor's degree and a household income from $20,000 to $49,999, the customers who showed the strongest store patronage were 41 to 50 years old, with a professional occupation, a master's or doctoral degree, and a household income over $70,000. Customers with a higher education and household income patronized Wal-Mart more than those with less education and income. The reason could be that the Wal-Mart in South Korea does not have a strong promotion program. Average customers do not know of Wal-Mart's success in the U.S. and other countries. Customers with high educations usually have access to more information

about a new foreign discount store, and they judged Wal-Mart as a desirable shopping place in response to the information they referred to. To increase store patronage of all customers, Wal-Mart should provide sufficient and accurate information about the store and its store/product attributes to build up a strong store image. Wal-Mart should choose the right media and right time to provide customers with information effectively. Because the result shows that the majority of Wal-Mart's customers were homemakers, Wal-Mart could schedule TV commercials during daytime or after dinner programs. The results also showed that South Korean customers significantly prefer receiving information directly from flyers sent via mail than from watching TV commercials that provide limited information within a short time. Mailing flyers could be an effective way for Wal-Mart in South Korea to promote its business. However, the cost of printing and mailing needs to be investigated before this strategy can be implemented.

The majority of Wal-Mart's customers are disproportionate to a certain characteristic group. Wal-Mart can decide whether it wants to keep the current demographic customer group or try to attract demographically broader groups of customers, as it has in the U.S. If Wal-Mart decides to cater to more varied characteristic groups, it needs to improve its marketing strategies. For example, currently, a small percentage of customers are young or single. Wal-Mart can improve store/product attributes to attract these customer segments.

<center>Suggestions Related to Store/product Attributes</center>

Store-related attributes

All customers at Wal-Mart are most concerned about store-related attributes. Wal-Mart should make its first priority store-related attributes such as rest rooms, store layout, sales personnel, return policies, parking, price labels, and seating for shoppers to rest. Several store-related strategies only used in South Korea or the U.S. were investigated to determine whether South Korean customers preferred these strategies or not. Even though keeping bags in a cabinet is inconvenient, more South Korean customers perceive that this policy is needed to prevent the increase of the price caused by the cost of stealing. However, because one-third of the respondents still disagreed with this policy, Wal-Mart may consider alternative solutions to reduce the cost of stealing; for example, providing alarm systems at exits or more surveillance cameras in the store. The cost and effectiveness of different alternatives should be considered before any are implemented. Regarding sales personnel, South Korean customers responded that

both sales personnel and low prices are highly important. However, when these two attributes were compared to each other, South Korean customers preferred low prices to sales personnel at Wal-Mart. Wal-Mart in South Korea should reduce the number of its sales personnel, as it has in the U.S., to reduce the prices of merchandise, but train sales personnel to serve customers more efficiently. Ease of return was another store attribute examined. Ease of return is highly important to South Korean customers; however, to guarantee that they purchase new products all the time, they support keeping a strict return policy. This result indicates that South Korea customers believe that retail stores re-shelve the returned products. Wal-Mart should improve its inventory control of returned products. It is important to assure customers that the products they purchase at Wal-Mart have never been used by others, or Wal-Mart should notify customers if the product is a returned item. Regarding price labels, South Korean customers perceive that price labels should be easy to find and read; however, if the cost of placing individual price labels increases the price of merchandise, their preference for individual price labels decreases. These results suggest that if the cost of providing individual price labels is not very high, Wal-Mart should consider providing labels; however, if the cost is too high, a big, easy to read price sign may be also acceptable. Another store attribute examined was the snack bars. South Korean customers in this study are not very anxious to the snack bars inside store, because a food court is located just beside the surveyed store. In addition, South Korean customers showed no significant preference between more garment displays and more mirrors in aisles. Wal-Mart can keep the current store layout regarding the number of mirror and garment displays.

Product-related attributes

Most Wal-Mart customers are economic conscious, not brand conscious. Compared to brand-conscious customers, price-conscious customers are more concerned about the product-related attributes, such as quality, variety of products, and value for money. Thus, Wal-Mart should promote its low-priced merchandise to customers, emphasizing quality and value. To improve product-related attributes, Wal-Mart in South Korea may consider more every day low prices because results show that South Korean respondents perceived that everyday low prices were more important than special sales prices. Wal-Mart in South Korea should find the best logistics, which are most appropriate to the South Korean market environment, to provide customers every day low prices for all their merchandise. Another attribute, which should be

improved, is inventory control. The empty shelves or a low quantity of products were observed often at the Wal-Mart in South Korea. Customers expressed that they preferred a large quantity of selected brands rather than a small quantity of many different brands. Wal-Mart in South Korea should focus on selected brands and make sure that Wal-Mart consistently has sufficient inventory.

    South Korean customers spend significantly more money on a wardrobe than the U.S. customers do. Wal-Mart should improve the product-related attributes of apparel items, such as quality, value for money, sizes, style, and shape, because most customers responded that these attributes were most important for apparel products. In addition, Wal-Mart should improve the quality, style, and selection of coats, suits, and dresses, because South Korean customers are willing to purchase these items at Wal-Mart. Most of them, however, could not find a satisfactory product to purchase.

Environmental/credit card-related attributes

    In the environmental/credit card-related attributes, two questions about community involvement and credit cards were asked. South Korean customers showed a strong preference for Wal-Mart's involvement in community services and were even willing to give up low prices. Wal-Mart in South Korea should provide more services to the community to strengthen the store image. South Korean customers also prefer using credit cards. They expressed that they will patronize Wal-Mart more if credit cards are accepted. Wal-Mart should quickly adopt the credit card payment system.

<div align="center">Suggestions Related to Store Patronage</div>

    In both countries, the satisfaction with Wal-Mart's performance in general did not affect store patronage. One possible reason is that when respondents evaluated the satisfaction in general, they scored their satisfaction with different features of Wal-Mart. Some respondents might only evaluate in-store or product attributes. On the other hand, some might only consider the environmental attributes of Wal-Mart, such as parking availability, transportation or store location as the criteria of satisfaction. The features that respondents did not consider when they evaluated their satisfaction in general might affect their store patronage. Another reason may be that even though customers are satisfied with Wal-Mart, they can purchase the low-priced basic

items in other stores, and therefore customer satisfaction has no significant relationship to store patronage. Wal-Mart needs to differentiate its store/product attributes from those of other stores that also provide competitive prices, quality and brand names, and basic products to increase store patronage. Regarding apparel items at Wal-Mart, results show that in South Korea a positive evaluation of Wal-Mart's performance increases customer satisfaction, and satisfaction was significantly related to store patronage. To improve store patronage, Wal-Mart in South Korea should improve the performance of store/product attributes regarding apparel items to increase customers' evaluation and satisfaction in turn, which will increase store patronage.

Recommendations

The respondents in this study were not selected randomly, because the survey was conducted only at one Wal-Mart store in each country. Randomly selected samples are recommended for the future studies to obtain the reliability of the study, so that the study can be generalized to all populations. The results of this study revealed some difficulties in comparing the cells, which did not exceed the minimum count number for statistical tests. To run statistical tests, a larger sample size would make it possible for each cell to have enough count numbers, which add more validity. This study focused exclusively on female customers. Studies are needed to examine both female and male customers, because South Korean male customers visit stores more than before and communicate with their spouses and children to decide on the purchase of products. They have power as decision-makers and decision-influencers. This study only examined three shopping orientation segments (i.e., brand-conscious segment, economic-conscious segment, fashion-conscious segment). However, there are many other aspects of shopping orientations, such as shopping enjoyment shoppers, confident/efficient shoppers, and convenience-conscious shoppers, considering the customers' psychographic characteristics (Shim & Bickle, 1994). More studies with various shopping orientation segments would provide a more complete understanding of customers' shopping motives. In this study, only six variables were included in the proposed model (i.e., customers' demographic characteristics, shopping orientation, importance of store/product attributes, store evaluation, satisfaction, store patronage). Other variables related to customers' store patronage were not included in this study.

Exploratory studies are needed to find out other variables, which influence store patronage. The results showed that the proposed model was partially supported. For example, in South Korea, the results of this study did not support the relationship between the importance of store/product attributes and the evaluation of Wal-Mart's performance. It could be concluded that South Koreans do not evaluate store performance based on their perception of the importance of store/product attributes. Other variables, such as social class, personal influences or perceptions of performance on those attributes, may play a more important role in determining South Koreans' store evaluation. More studies are needed to examine which variables affect South Korean customers' store evaluation. Each country has a different macroenvironment and microenvironment that shape customers' unique shopping behavior. A framework for each country needs to be developed to fit customers' store patronage behavior in each country. The economic crisis of South Korea and other situations might affect the respondents' preference for price-related questions. Currently, the economic situation in South Korea is rapidly recovering and customers' propensity is returning to what it was before the economic crisis. Thus, longitudinal studies are needed to verify the responses in this study.

Researchers can replicate this study to understand discount store consumers in other countries or to understand customers' store patronage of other types of retail stores; for example, hypermarkets, warehouse marketers, catalog shopping, and newly emerging retail systems, such as Internet shopping.