

Story Makes a Difference: The Effects of Providing Product History in Promoting Circular Fashion Among Consumers

Hongjoo Woo, Yonsei University, South Korea

Naeun Lauren Kim, University of Minnesota, USA

Bharath Ramkumar, SUNY Oneonta, USA

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Introduction & Purpose: In Copenhagen Fashion Summit 2018, over 50 leading fashion retailers, such as Burberry, H&M, and Inditex, have together pledged that circular fashion will be the future of fashion business (Ellen MacArthur Foundation, n.d.). *Circular fashion system* posits that clothes not only need to be designed and produced sustainably, but also need to circulate among consumers for as long as possible to minimize wastes (circularfashion.com, n.d.). Following this, a number of brands have launched platforms where consumers can exchange or donate their used clothes (e.g., H&M, Thematerialworld.com, Closetshare.com, etc.). However, circular fashion still needs to overcome the negative images associated with secondhand clothes, such as contamination. What could decrease consumers' concerns with used clothes, thus promote circular fashion effectively among consumers? Literature still lacks evidence to fully answer this question. This study examines the effects of providing product history of clothes on increasing consumers' trust, attitude, and use intentions toward circular fashion service. Also, these effects are compared by countries (US and Korea that represent low- and- high uncertainty avoidance cultures).

Theoretical Background & Hypotheses: The power of story—providing product history when promoting secondhand clothes—can be explained by *narrative competence theory*. Narrative competence indicates one's human skill to comprehend, interpret, and be touched by the stories that one is exposed to (Westby, Van Dongen, & Maggart, 1989). Because of this skill, consumers are supposed to be able to read and digest narratives related to the product in their own ways and reflect those narratives in their product evaluations. This understanding about the background of the product then decreases uncertainty and doubtfulness about the product, thus can lower perceived risk of purchasing the product, and enhancing consumers' trust toward the product (Pappas, 2016). However, the extent of how much such product narratives can reduce consumers' perceived risk/enhance consumers' trust may depend on their uncertainty avoidance (UA) tendencies. UA indicates one's tendency to protect themselves from unexpected risks and prefer reliability (Hwang & Lee, 2012). For instance, the effectiveness of providing product history can be greater for consumers with high UA, who are likely to seek for details about the product more actively to reduce uncertainty than consumers with low UA. According to the Hofstede's dimension of national culture, Korean consumers tend to score highly on uncertainty avoidance, while such tendency is lower for the US consumers (Hofstede Insights, 2020). Hence, it can be postulated that the effect of providing product history plays a greater role in reducing

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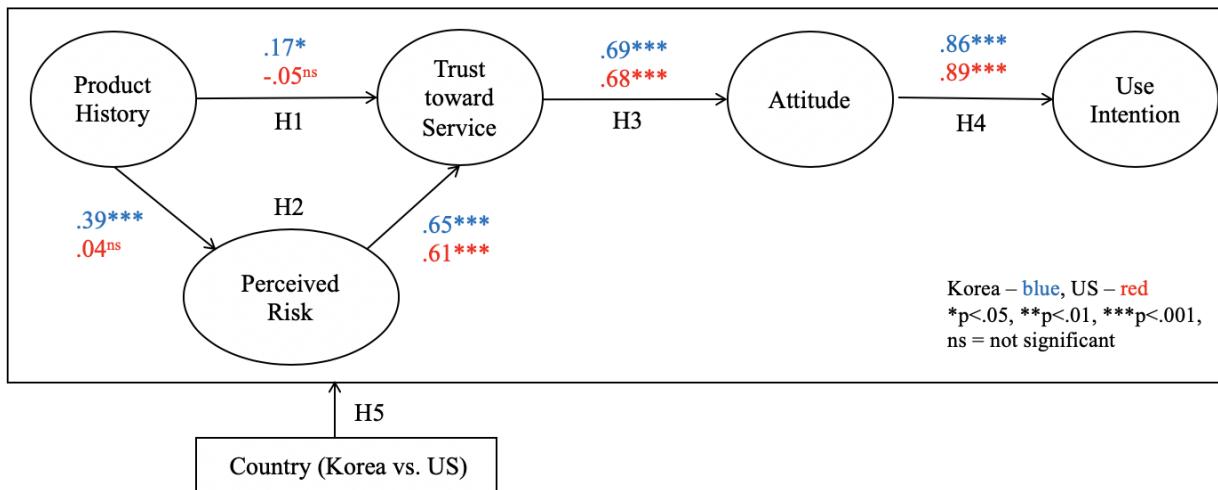
perceived risk and enhancing trust toward circular fashion service for the Korean consumers than the US consumers. Thus, hypotheses were developed.

- H1: Product history enhances consumers' trust toward circular fashion service (CFS).*
- H2: Perceived risk mediates the effect of product history on consumers' trust toward CFS.*
- H3: Consumers' trust toward CFS positively influences their attitude toward it.*
- H4: Consumers' attitude toward using CFS positively influences their intentions to use it.*
- H5: The direct and indirect relationships between product history and trust are moderated by countries (H5).*

Research Method: To test hypotheses, 2x2 (country [US vs. Korea] x product history [provided vs. none]) online experiment was designed. Product history was manipulated as a personal narrative written by the former owner of the secondhand product, which is displayed on a virtual circular fashion website ("I first purchased this on my birthday in 2016. This only shares good memories through my college years..."). This manipulation was then validated through a pretest. Upon IRB approval, a total of 255 participants (US = 102, Korea = 153) were recruited by a professional research firm and randomly assigned to one of the four conditions. Participants evaluated perceived risk, trust, attitude, and use intentions toward the manipulated website, using measures from previous studies (e.g., Flavián, Guinalíu, & Gurrea, 2006; Van der Heijden, Verhagen, & Creemers, 2003). Data was analyzed through the partial least squares (PLS) path modeling technique using SmartPLS 2.0 software. To test the significance of each path, a nonparametric bootstrapping procedure was conducted. Manipulation check and the reliability, convergent validity, and discriminant validity of the measurement model were confirmed.

Results and Discussion: The results indicated that while product history directly enhanced consumers' trust toward CFS for the Korean consumers, it did not have a significant influence on the US consumers (H1 partially supported). Perceived risk partially mediated the effect of product history on consumers' trust toward service for Korean consumers, but no mediation effect was found for the US consumers (H2 partially supported). Consumers' trust toward CFS then positively influenced their attitude toward, and eventually, intentions to use CFS for both Korean and US consumers (H3 & H4 supported). These results were also moderated by countries, such that the influence of product history on trust toward CFS and perceived risk were more prominent for the Korean consumers than the US consumers (H5 supported). Figure 1 summarizes the path coefficients and the results of hypotheses testing. These results suggest that providing product history can be an effective way to reduce perceived risk and enhance consumers' evaluations toward CFS for Korean consumers with greater uncertainty avoidance culture. To overcome negative images of secondhand clothing and promote circular fashion more actively among consumers, brands and marketers may utilize effective narrative strategies based on these results.

Figure 1. PLS Path Modeling Results of Testing Hypotheses



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