The Relationship of Consumer Smartness to Demographic and Behavioral Characteristics

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Introduction
Consumers are changing. The advancement of digital technology has enabled consumers to access more information, connect with more people and institutions, and have more influence on people and societies than ever before. As consumers have transformed into influential entities in the recent consumption environment, a new concept is needed to describe their characteristics. Kim, Ahn, and Forney (2014) introduced smart consumer experience portraying consumers who are empowered, networked, and engaged in digital environments. These consumers create, share, and demand a smart experience which capitalizes on their social structure, relationships, and knowledge. Drawn on the notion of smart consumer experience (Kim et al., 2014), Ryou and Ahn (2018) defined the traits of new consumers as consumer smartness. Although many researchers and practitioners have been aware of the new consumers, they have mainly focused on specific features such as emergent nature (Hoffman, Kopalle, & Novak, 2010), market mavenship (Barnes & Pressley, 2012; Goldsmith, Flynn, & Goldsmith, 2003; Ruvio & Shoham, 2007), consumer savvy (Macdonald & Uncles, 2007) and lead-userness (Franke, Hippel, & Schreier, 2006; Lüthje & Herstatt, 2004; Schuhmacher & Kuester, 2012) in addition to innovativeness and opinion leadership (Flynn, Goldsmith, & Eastman, 1996), which limits considering the multifaceted characteristics of smart consumers who play multiple roles in the consumption environment. This study adopts Ryou and Ahn (2018)’s comprehensive approach which integrated innovativeness, opinion leadership, emergent nature, market mavenship, consumer savvy, self-disclosure, and lead-userness to account for consumer smartness. Therefore, the purpose of this study is to identify the consumer smartness and examine how it is related to demographic and behavioral characteristics.

Methods
A professional online survey company which secures over 1.3 million consumer panels nationwide in Korea was hired to collect the data. A total of 309 consumers responded to the self-administered questionnaires asking about their consumer smartness (Ryou & Ahn, 2018), demographics, and shopping behavior online using a six-point Likert scale ranging from strongly disagree (1) to strongly agree (6). The initial 36 items measuring consumer smartness (Ryou & Ahn, 2018) were drawn from the literature on innovativeness, opinion leadership, consumer savvy, self-disclosure, lead-userness, and market mavenship. This study employs exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) to identify the measures of consumer smartness. Multiple Chi-square tests verify the differences between groups with low and high consumer smartness. Descriptive statistics provide general demographic characteristics and online behaviors of the respondents.

With an average age of 34.5, the respondents comprise male (n=156, 50.5%) and female (n=153, 49.5%) consumers. The majority of respondents were primarily employed (n=228, 73.8%) and university graduates (n=196, 63.4%). Their monthly income level ranged from $2,000 to $4,000 (n=115, 37.2%). They spent between $100 and $250 on clothes monthly (n=144, 46.6%) and mainly shopped for apparel goods via internet or mobile phones (n=229, 74.1%). The e-tailers or shopping platforms that they most frequently visited were Naver shopping (n=75, 24.3%) and 11st (n=58, 18.1%). Their most popular SNSs are Facebook (n=256, 82.8%), Kakao story (n=209, 67.6%), and Instagram (n=202, 65.4%) respectively.

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Except for apparel goods, food (n=255, 82.5%) and books (n=159, 51.5%) were the most often purchased items online by respondents.

Results First, a series of principal component analyses removed items with low factor loading or cross-loadings and finally revealed the six underlying dimensions of consumer smartness with 21 items which explained 77.495% of total variance with acceptable scale reliabilities ranging from .845 to .908 Cronbach’s $\alpha$. Consumer smartness includes innovativeness (38.495% of variance, $\alpha=.908$) which means the tendency of buying or using a new product, or brand as soon as it becomes available; opinion leadership (10.345% of variance, $\alpha=.889$) which represents the ability to influence public opinion on shopping; self-disclosure (9.080% of variance, $\alpha=.871$) which refers to the tendency of sharing information on shopping with other consumers; and dissatisfaction (7.658% of variance, $\alpha=.876$) in which consumers are dissatisfied with the existing products or shopping systems and expect potential benefits. Technology acceptance (7.149% of variance, $\alpha=.845$) denotes that consumers are familiar with the methods of marketing and advertising and marketing literacy (4.768% of variance, $\alpha=.869$) is that consumers are proficient in searching the shopping-related information. Subsequently, CFA confirmed 21 indicators to measure six latent constructs. The $\chi^2$ of 280.784 ($df=174, p=.000; \chi^2/df=1.614$), NFI of .935, CFI of .974, and RMSEA of .045 supported a good model fit. Composite reliabilities ranged from .694 to .909, AVEs ranged from .632 to .716, and the squared correlation between each pair of constructs did not exceed the square root of AVE obtaining discriminant validity.

Lastly, before examining the relationship of consumer smartness to demographic and behavioral characteristics, the samples were divided into low consumer smartness group (LOW group: n= 147, 47.6%) and high consumer smartness group (HIGH group: n=162, 52.4%) based on the median score of consumer smartness. The results of Chi-square test showed that there were significant differences between two groups on gender ($\chi^2= 4.007, p=.045$), monthly income level ($\chi^2= 20.879, p=.000$), and education level ($\chi^2= 8.802, p=.032$). The HIGH group is more likely to be female, have higher levels of education and earn more than the LOW group. The results of comparing shopping behaviors depict significant differences of monthly expenditure levels on apparel shopping ($\chi^2= 28.925, p=.000$), regular shopping place for apparel goods ($\chi^2= 10.013, p=.018$), average number of weekly visits in the patronage online store for apparel shopping ($\chi^2= 7.569, p=.023$), the amount of time to stay at the store per visit ($\chi^2= 15.543, p=.001$), and sharing experience with others ($\chi^2= 21.147, p=.000$). The HIGH group tends to spend more money on apparel shopping, prefer Internet/mobile shopping, visit the patronage online store more often, stay longer per visit, and share their shopping experience with others than the LOW group does.

Conclusions Based on the diverse concepts of consumer traits, this study attempts to identify dimensions of consumer smartness and examine its relationship to demographic and behavioral characteristics. First, this study empirically extracted six traits of consumer smartness: innovativeness, opinion leadership, self-disclosure, dissatisfaction, technology acceptance, and marketing literacy. Lastly, this study found its meaningful relationship to consumer smartness and demographic characteristics and shopping behavior. This result implies that smart consumers are not only buyers who buy more than non-smart consumers, but also are potential influencers who have the power to affect others’ decisions by sharing information. In addition, they are external brand advisors who find problems of the present products or services and provide ideas for them. It suggests that fashion firms pay attention to smart consumers who are multiplayers in digital retailing context and devise a new approach to segmentation.
and targeting. Further research on smart consumers’ characteristics, behaviors, and influence on retailing is needed.

References