GENDER DIFFERENCES IN RISK PERCEPTION AND RISK REDUCTION STRATEGIES TOWARDS GIFT GIVING

Liew Cheng Siang

KDU College, Malaysia

Abstract
This study examines gender differences in risk perception and risk reduction strategies towards gift giving. A self administered questionnaire was adopted for this research study and a total of 300 surveys were given out. The study showed significant difference on risk reduction strategies adopted between men and women. The findings confirmed that men are perceived risk at higher degree as compared to women. Out of 11 risk reduction strategies used in this study, only 3 shown significant differences towards the engagement of risk reduction strategy between men and women.

Keywords: Gift giving; Perceived risk; Risk reduction.

JEL Classification Codes: J16; M52.

1. Introduction
Gift giving has been extensively researched from various disciplines like sociology (Gouldner, 1960), economic (Belshaw, 1965) and even anthropology (Mauss, 1954). Only the past two decades gift giving has received much attention in the area of marketing (Webster & Nottingham, 2000). This never come a surprise as in USA alone, over $78 billion spend on expenditure annually comes from extra household gift purchases (Garner & Wagner, 1991). This accounts for almost 4% of American total household budget. From this point it can be argued that more comprehensive researches are necessary to further understand the ritual of gift giving and receiving.

During the past two decades marketing scholars have researched into various gift giving topics. Previous researchers have been looking into brand choice when purchasing gift (Parsons, 2002); how cultural values affecting choice of gift for recipients (Wang et al., 2007); analyze the effect of the socioeconomic and demographic characteristics of household towards expenditure for extra household gifts (Wagner & Garner, 1993); motivations in gift giving (Wolfinbarger & Yale, 1993; Othman et. al, 2005) and measuring involvement in gift giving (Clarke, 2006).

Although marketing scholars had conducted many researches in the context of gift giving but little study had been conducted to understand gender differences towards gift giving. The aim of this research is to understand the types of risk experienced by male and female consumer when purchasing gifts and to explore any differences exist between these two groups. The next aim for this study is to understand what kind of risk reduction strategies male and female consumers used when purchasing gifts and to further understand the differences that exits between them.

This paper is divided into 4 sections. The first section covers the introduction and objectives of this research. Section 2 provides a critical review of gift giving literature, purchase perceived risk and risk reduction strategy literature. Further hypotheses will be developed in this section to understand the relationship of males and females in risk and risk reduction strategy towards gift giving. Section 3 shall discuss the research methodology applied for testing the hypotheses. Section 4 uses the survey research to triangulate reliable and convincing findings by engaging upon statistical analysis tests further discussion and interpretation of the survey and Section 5 is the conclusion and discussion of the research implications.

Corresponding author. Liew Cheng Siang. Address: 25 Jalan BU4/11, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan. Email: toxius_liew@yahoo.com
2. Literature Review

Gift giving

Gift giving rituals are evident from every part of the world (Cowley et al., 2004; Gehrt & Shim, 2002; Park, 1998). Although this ritual has been practised all around the world yet up until now not much research are being conducted in this area (Durgee & Sego, 2001). This is unacceptable given the size of the gift industry and the amount of money each year consumers spend on gifts for every gift giving occasion (Garner & Wagner, 1991). Previous researches conducted in the area of gift giving failed to understand the process of gift giving or even examine the underlying behaviour of gifts in their researches (Sherry, 1983). A further study is essential to better understand of the process and underlying behaviour of gift giving on a wider perspective.

Gift giving is simply defined as exchanging of goods between giver and receiver in order to promote ties and bonding (Joy, 2001). This gift giving activity is highly ego involving where gifts are often selected for the purpose of fulfilling certain values an individual have (Beatty, 1991). More than often gift giving is more than just a physical objects being exchanged between the giver and receiver. Factors such as receiver taste or giver-recipient relationship can affect this gift giving process (Belk, 1976). This reveals that gift giving is not merely just the physical objects but the experience felt by the giver and receiver throughout this exchange process. A research defined this gift giving experience into 4 dimensions such as: economic, functional, social and expressive value (Larsen & Watson, 2001).

Why an individual involve themselves in a gift giving process? A research identified that there are three motivations for gift giving, experiential/positive, obligated and practicality (Wolfinbarger, 1993). Experiential or positive motivation explained that the giver enjoying choosing gifts and put a lot of thoughts and efforts towards selecting gifts. Furthermore this type of motivation feels that exercising gift giving ritual is mainly to show love and friendship to the recipient. While experiential/positive motivation enjoys the whole process of gift giving, obligated motivation gift giving is the opposite of it. This type of motivation felt that gift giving is compliance with the social norm of gift giving. This is because an individual will feel guilty they if they don’t give or other people expecting them to perform this ritual. Other than that it can also be due to recipient feeling they must reciprocate when they received gift from someone. Lastly practicality is one of the motivation that primarily providing practical assistance to receivers. Practicality gift giving motivation often uses various rites of passage gift giving to support the recipient through gifts. Previous research found that types of motivation will affect variety of consumer behaviours (Goodwin, et al., 1990). This is because types of motivation will drive the giver towards buying what the types of gifts for the recipient.

Gender differences behaviour in gift giving

Previous research has found that there are gender effects when it comes to gift giving (Cheal, 1987; McGrath, 1995; Caplow, 1982). According to Otines et al. (1993) men in general are not interested and pressured when it comes to gift giving. Due to the fact that men are not interested in gift giving activity, men often buy fewer gifts and often conduct last minute shopping for gifts (Laroche et al., 2000). Although men buy lesser gifts compared to women however in average the gifts that are bought by men are more expensive (Mortelmans & Sinardet, 2004). Usually men feel obliged to purchase gifts for someone that they are close with (Fischer & Arnold, 1990). But they will try to avoid gift giving activity with person they are not close with. Previous research found that men only involve in gift giving activity to avoid recipient being disappointed and to show recipient that they care for them (Otines et al., 1994).

In contrast women put more thoughts and experience a pleasant emotion in comparison to men (Webster & Nottingham, 2000). This is because women are socializes to be gift givers at an early age and gift giving has always been seen as a women’s job (Otines & McGrath, 1994; Caplow, 1982; McGrath, 1995). Furthermore women are more attentive to the receiver needs when it comes to gift giving (Goodwin et al., 1990). Where women will shop around and carefully choose a gift that able to meet the needs of the recipient. But in general women often spend less money on gift in comparison to men (Belk and Coon, 1991).

Perceived Risk

The concept of perceived risk is defined as the probability of loss and the subjective feeling of unfavourable consequences towards purchasing a product or services (Cunningham, 1967). Ever since Bauer introduced this concept of perceived risk, many researches have been applying this concept in a
wide range of area (Cunningham et al., 2005; McCorkle 1990; Mieres et al., 2005). This concept received much attention from researchers, due to its power towards explaining consumers’ choice behaviour as compared to other concepts (Mitchell, 1999). Majority researches conducted previously shown low involvement in product or nature, where little or no risk is evident. There should be more research emphasizing on perceived risk with high involvement in product or nature where it is seems to be most theoretically valid and practically meaningful (Mitchell & Vassos, 1997).

The concept of perceived risk is often measured in a multidimensional construct- financial, performance, psychological, social, physical and time risk (Roselius, 1971; Jacoby & Kaplan, 1972; Peter & Tarpey, 1972). Financial risk is viewed as monetary loss from choosing an unfamiliar product or brand. Besides that financial risk also includes monetary loss from hidden cost and maintenance cause if in any case is spoilt. Performance risk is viewed as the risk of goods failing to meet the performance that have been promised prior purchasing the product. Physical risk is viewed as the probability of the product an individual purchased that may cause injury or physical harm. Physiological risk is viewed as purchase of a product that may result in purchase inconsistent with the personal or self image of the purchaser. Social risk is viewed as the product an individual purchased will cause others thinking of the individual less favourably. Lastly time risk is viewed as an individual purchase will result to time loss in delivery or even repair.

The amount of risk consumer perceived when purchasing a product can be affected by many factors. (Bettman, 1973; Spence et al., 1970; Mieres et al., 2005; Cunningham et al., 2005). These factors can be grouped into three distinctive groups; personal, product and situational. Personal factors are related to characteristic of an individual towards affecting risk perception for example emotion (Chaudhuri, 1997) and gender (Garbarino & Strahilevitz, 2002). Product factors are related to the characteristics of the product for example brand name (Huang, et al., 2004) and intangibility (Laroche, et al., 2003). As for situational it is related to environment factors for example purchases using mail order or retail store (Spence et al., 1970).

**Risk Reduction Strategy**

Every purchase decision a consumer made will have some degree of risks accompanying it. Consumers often find ways to reduce these uncertainties. Up to date risk reduction strategies concept have been given very little attention among the researchers (Mitchell & McGoldrick, 1996). Due to this, practitioners now facing dilemma towards understanding and facilitating consumers towards reducing consumers’ risks in purchase decision.

A research conducted by Roselius (1971) identified 11 different types of risk reduction strategies consumers used towards reducing various types of risks. These risk reductions are endorsement, brand loyalty, major brand image, private testing, store image, free sample, money back guarantee, government testing, shopping, expensive model and word of mouth. It is found that risk reliever strategies that often used by consumers varied across products (Mitchell & Vassos, 1997; Poel & Leunis, 1996). Although there are differences towards risk reduction strategies across products but according to a research from Mitchell & Goldrick (1996) reviewing more than 30 different type of risk reduction strategies found that word of mouth and buying expensive brand are strategies most often used by consumer towards reducing risk in purchase decision.

Hence, in the light of the literatures discussed above, the following hypotheses are proposed:
H1: There are gender differences in perceived risk when purchasing gift.
H2: There is gender differences in Risk Reduction Strategies used when purchasing gift.

### 3. Methodology

**Data Collection**

Due to the amount of occasions for gift giving, this research is focusing on Valentine’s Day. Valentine’s Day was chosen because this occasion is a day in which individuals express their love and affection towards each others through gift giving (Wooten, 2000). Furthermore previous researches found that type of occasions may influence a consumers’ involvement towards gift giving (Rugimbana et al., 2002). The fact that Valentine’s Day is an occasion for relationship development purposes, consumers’ involvement level in gift giving for this occasion will be higher in comparison to other occasions.
This research adopted self administered questionnaire method for data collection. 300 surveys were given out to college students in one of the premier college in Malaysia. Ensuring validity and reliability of data collected some data collection strategies were employed. First, the data collection period lasted for five days to ensure that the gift purchase experiences are still fresh in the respondent’s memory. Secondly, qualifying questions such as: are they currently involve in a relationship or have they bought any gifts for their partners were asked and if the answer is yes for both questions, respondents will only be allow to participate in this research.

While previous research has raised a lot of concern in research using students as surrogate consumers (Cunningham et. al., 2005), but this research is deemed to be appropriate. This is because the students that participated in this research are actually involved in the gift giving process during the occasion.

**Instrument Development and Measurement**

Questionnaire for this research are divided into 3 sections. The first section of the questionnaire is to collect the demographic profile of the respondents. Second section of the questionnaire was designed to measure the risks perceived by the consumer (functional, financial, social, physical, psychological and time risk) when purchasing gift. This measurement was adopted from Stone & Gronhaug (1993). The respondents were asked to indicate the level of agreement of each of the statement from 1 “Strongly Agree” to 7 “Strongly Disagree” for each of the item. The third section of the questionnaire is to measure the risk reduction strategies respondents used when purchasing gifts. The measurement was adopted from Roselius (1971) where respondents were asked to indicate the level of helpfulness of each of the statement from 1 “Almost Always Helpful to 7 “Always Never Helpful”.

### 4. Findings

A total of 300 questionnaires were distributed out. Out of the all the questionnaires that were be distributed, 33 of them were rejected due to incomplete answers. As a result a total of 267 final questionnaires were used for analysis. Although this research are looking into gender differences but the sample consisted of slightly more female respondents (55%) as compared to male respondents (45%). The data was split into two groups based on gender and T-test was conducted to examine are there any differences in risk perception and risk reduction between men and women.

**Risk perception towards gift purchase**

The risk perception towards gift giving between men and women were analyzed using t-tests. Mean values of the two groups were compared. The results are presented in Table 1.

As shown in Table 1, male respondents perceived higher risk towards purchasing gift in comparison to female respondents in general. The result showed that male perceived higher performance, physical, financial and time risk as compared to women. The reason for male perceived higher risk as compared to women is because in general men are not interested and are pressured when it comes to gift giving purchase decision (Otnes et al., 193). Furthermore men often avoid gift giving activity if it is possible (Fischer & Arnold, 1990).

When the differences between two genders group with respect to the types of risk perceived towards gift giving were examined, the study found that only financial risk ($p \leq 0.05$) and social risk ($p \leq 0.05$) were the only risk that drawn significant result. Other type of risks did not show any significance difference among men and women. Thus H1 are partially supported since only two types of risk perception men and women differed significantly.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean- Women</th>
<th>SD Women</th>
<th>Mean- Men</th>
<th>SD Men</th>
<th>t- value</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychological Risk</td>
<td>11.05</td>
<td>3.711</td>
<td>10.65</td>
<td>3.743</td>
<td>1.507</td>
<td>.132</td>
</tr>
<tr>
<td>Performance Risk</td>
<td>14.03</td>
<td>3.187</td>
<td>14.06</td>
<td>3.433</td>
<td>-.121</td>
<td>.904</td>
</tr>
<tr>
<td>Physical Risk</td>
<td>13.09</td>
<td>3.700</td>
<td>13.36</td>
<td>3.879</td>
<td>-1.009</td>
<td>.313</td>
</tr>
<tr>
<td>Financial Risk</td>
<td>12.28</td>
<td>3.811</td>
<td>13.10</td>
<td>3.910</td>
<td>-2.970</td>
<td>( .003^* )</td>
</tr>
<tr>
<td>Time Risk</td>
<td>12.23</td>
<td>3.590</td>
<td>12.38</td>
<td>3.196</td>
<td>-.606</td>
<td>.545</td>
</tr>
<tr>
<td>Social Risk</td>
<td>12.17</td>
<td>3.622</td>
<td>11.64</td>
<td>3.495</td>
<td>2.068</td>
<td>( .039^* )</td>
</tr>
</tbody>
</table>

Note: * $p \leq 0.05$
Risk reduction strategies towards gift purchase

Table 2 shows the risk reduction strategies used by men and women towards reducing the risk perception. From the mean score it is found that risk reduction strategies men and women used to reduce risk are different. Where women tend to use free trials to reduce risk while for men, they tend to buy the most expensive model. This finding was never a surprise since women often play a dominant role in shopping activity in comparison to men (Laroche, et al., 2000; McGrath, 1995). From this point it can be justified that the differences of risk reduction strategies used between men and women towards gift shopping.

Again the data was split into two groups and t-test was conducted to examine differences of risk reduction strategies used by men as compared to women. Research found that men are significantly buying expensive model as the way to reduce risk when purchasing gift in comparison to women ($p \leq 0.05$). Furthermore it is also found out that women are significantly to shop around and compare product features on several brands in several stores as the way to reduce their risk perception in comparison with men ($p \leq 0.001$). Furthermore, female significantly will buy brands that have been used before or have been satisfied with in the past before as the way to reduce risk perception in comparison of men ($p \leq 0.05$). From the finding it can be concluded that there are differences in risk reduction strategies used among men and women towards gift giving. Of all the 11 risk reduction strategies being examined it was found that only 3 types of risk reduction strategies shown significance difference between men and women. Thus H2 is partially supported.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean-Women</th>
<th>SD Women</th>
<th>Mean-Men</th>
<th>SD Men</th>
<th>t-value</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endorsement</td>
<td>2.98</td>
<td>1.129</td>
<td>3.062</td>
<td>1.012</td>
<td>-.653</td>
<td>.515</td>
</tr>
<tr>
<td>Brand loyal</td>
<td>2.63</td>
<td>1.177</td>
<td>2.19</td>
<td>1.141</td>
<td>3.067</td>
<td>.002*</td>
</tr>
<tr>
<td>Brand image</td>
<td>2.70</td>
<td>1.130</td>
<td>2.49</td>
<td>1.071</td>
<td>1.601</td>
<td>.111</td>
</tr>
<tr>
<td>Testing</td>
<td>3.02</td>
<td>1.110</td>
<td>2.86</td>
<td>1.095</td>
<td>1.183</td>
<td>.238</td>
</tr>
<tr>
<td>Store image</td>
<td>2.86</td>
<td>1.059</td>
<td>2.63</td>
<td>1.096</td>
<td>1.729</td>
<td>.085</td>
</tr>
<tr>
<td>Free Sample</td>
<td>3.04</td>
<td>1.193</td>
<td>2.85</td>
<td>1.250</td>
<td>1.275</td>
<td>.203</td>
</tr>
<tr>
<td>Money back guarantee</td>
<td>2.89</td>
<td>1.290</td>
<td>2.99</td>
<td>1.276</td>
<td>-.594</td>
<td>.553</td>
</tr>
<tr>
<td>Government test</td>
<td>3.04</td>
<td>1.241</td>
<td>2.99</td>
<td>1.215</td>
<td>.364</td>
<td>.716</td>
</tr>
<tr>
<td>Shopping</td>
<td>2.64</td>
<td>1.265</td>
<td>2.13</td>
<td>1.170</td>
<td>3.392</td>
<td>.001**</td>
</tr>
<tr>
<td>Expensive Model</td>
<td>2.97</td>
<td>1.176</td>
<td>3.34</td>
<td>1.085</td>
<td>-2.641</td>
<td>.009*</td>
</tr>
<tr>
<td>WOM</td>
<td>2.53</td>
<td>1.148</td>
<td>2.40</td>
<td>1.028</td>
<td>.937</td>
<td>.350</td>
</tr>
</tbody>
</table>

Note: * $p \leq 0.05$ and ** $p \leq 0.001$

5. Conclusion

The findings of the study revealed that in general men perceived higher risk as compared to women towards gift giving. Further analysis conducted to examine the differences, found that financial risk and social risk are the only two types of risk to be significantly different between men and women.

The results for types of risk reduction strategies used by both men and women again found to be different based on their mean scores. Men prefer to buy expensive model as the way to reduce their risk perception. While for the women, they tend to use free trial. Further analysis was conducted and found that only expensive model, shopping and brand loyalty are risk reduction strategies shown significant differences.

This research concludes that, there are differences in risk perception and risk reduction adopted by men and women. This information will be valuable especially for the marketers towards the understanding of men and women behaviour in gift giving.

Limitation and future research

The sample population for current research are only drawn from Klang Valley which is the most advanced cities in Malaysia. Future research study samples should include other major cities as it may have different risk perception and risk reduction strategies used by both men and women.

Another limitation of this research, it is only focusing into one occasion of gift giving. Future research study should include more occasions of gift giving. This is because different gift giving occasion might
vary the risk or risk reduction strategies used. For example buying a gift for a teacher during Teacher’s Day the risk and risk reduction used will be somehow different as compared to buying a gift for the love ones during Valentine’s Day.

References


