

Service-Based Perceived Risk in Milestone Events

by  
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# **Service-Based Perceived Risk in Milestone Events**

A Dissertation Presented to  
the Faculty of the  
Conrad N. Hilton College of Hotel and Restaurant Management  
University of Houston

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## **DEDICATION**

I would like to dedicate my dissertation to my family and friends, who mean the world to me. I wish that my mother was here to see this accomplishment in person; she would have been so incredibly proud of me and I'm sorry we can't celebrate it together. My father, who is a rock and constant support. He may not say much, but he makes sure that I know how proud he is of me in so many small, special ways. Pat, who has been a source of encouragement throughout. My brother, Jeff, and his family Michelle, Sarah Grace, Bethany, and Jack, who have been there from the start, checking on me, sharing meals, holidays, and a semblance of normalcy! I am so blessed to have these amazing people as my family and thank God for them daily.

My friends, who, from coast to coast, have supported me and cheered me on during both the highs and the lows. We've Zoomed, toasted with untold glasses of wine and bubbly, had sleepovers, movie nights, and many long, heartfelt conversations. This family of choice of mine has loved me so well throughout and I am thrilled to share this with them. Thank you from the bottom of my heart.

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## **ABSTRACT**

Consumers process perceived risk in purchases as varied as a new car or choosing a travel destination. Researchers have focused primarily on consumer goods purchases, so a gap exists addressing how consumers assess risk when making service-based purchases. This study addresses this gap, proposing a scale to measure service-based perceived risk (SBPR) and how perceived risk influences well-being when making a service-based purchase. This study also introduces a new dimension of event research, milestone events, such as weddings, mitzvahs, and quinceanaras, which reflect events that are infrequently celebrated, include a life transition and a significant financial commitment, and for which the celebrant has no prior experience planning. Milestone events are the service-based purchase reflected in the perceived risk studies.

Study 1 develops a scale to better understand the psychological underpinnings of SBPR by producing a multi-item scale. This study proposes a scale composed of 4 constructs: social, psychological, relational, and locational risk. This scale was developed using a mixed methods approach, including a qualitative analysis using an extensive literature review and interviews with consumers actively involved in a service-based purchase and a quantitative analysis involving an exploratory factor analysis identifying the constructs. Confirmatory factor analysis was used to test the model, including construct validity, reliability, and discriminant validity.

Study 2 tests the hypothesis that the dimensions of SBPR moderate the effect of uncertainty on a consumer's hedonic well-being when planning a service-based purchase. Using milestone events, specifically the choice of a wedding venue, respondents were brides and grooms actively planning their wedding within the next 24 months. This study used an

experimental design, where respondents were randomly presented one of two conditions reflecting either a high (new wedding venue) or low (well-established wedding venue) uncertainty service-based purchase. Using PROCESS v. 3.5 for SPSS v. 27, the moderating effect of each dimension on the relationship between uncertainty and hedonic well-being was measured and found to be significant for three of the four SBPR constructs: relational, psychological, and locational. Specifically, at lower levels of uncertainty, consumers' hedonic well-being showed an increase at lower levels of relational, psychological, and locational perceived risk. The quantitative portion, within the milestone events context, shows that brides and grooms are susceptible to perceived risk and that it can have a significant impact on their hedonic well-being when choosing a wedding venue.

This study indicate that social, psychological, relational, and locational risk are salient for consumers making service-based purchases. This study also defines and outlines the dimension of milestone events within the event literature. Within this context, specifically psychological, relational, and location risk present an opportunity for practitioners to alleviate consumers perception of risk when making event-based purchases. By providing assurances, references, opportunities to preview the consumption experience, and access to the facility prior to purchasing, venue representatives can address the most common risk concerns for brides and grooms choosing a venue and mitigate the reduction in hedonic well-being associated with that perceived risk. Future research can begin to test these proposed interventions to determine best practices for practitioners to alleviate service-based perceived risk. Additionally, this study addressed an affective impact of perceived risk, hedonic well-being, but future research can investigate how perceived risk and the resultant impact on

well-being would impact behaviors such as purchase intention and willingness to pay a premium price.



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## **CHAPTER I**

### **Introduction**

When making purchasing decisions, consumers have been shown to assess risk as a part of their decision-making process (Bauer, 1960). Risk is largely a function of uncertainty as to the outcome of the purchase; consumers will perceive more risk when there is more uncertainty in the outcome of the purchase versus when there is less uncertainty (Jacoby & Kaplan, 1972; Mitchell, 1992). Risk may be assessed among several dimensions, and each purchase will reflect a unique combination of these dimensions: financial, performance, social, psychological, time, and physical (Taylor, 1974). While for some purchases performance risk may be more salient, for others it may be physical or social; which dimension is activated will depend on both the product being purchased and the individual consumer (Stone & Grønhaug, 1993). Because of these actions, perceived risk is largely subjective, with the levels of perceived risk varying from purchase to purchase and consumer to consumer (Mitchell, 1999). As such, many researchers approach the study of perceived risk by comparing consumers' perception of risk between two products or focusing solely on individual dimensions of perceived risk. The majority of perceived risk studies therefore take a narrower approach to their research, choosing to hone in on one specific aspect of consumer behavior, such as luxury purchases (Sun, 2014) or destination choice (Slevitch & Sharma, 2008).

The current research in perceived risk also acknowledges that there are differences in how consumers perceive risk when purchasing a consumer good versus a service-based product, but those differences have not been fully conceptualized (Laroche, Bergeron, & Goutaland, 2003). Service-based purchases are largely intangible, are not guaranteed to be

the same from purchase to purchase, are produced and consumed simultaneously, and if they are not used, are lost (Laroche, McDougall, Bergeron, & Yang, 2004). These defining factors separate them from consumer goods, which are largely tangible and consumed separately from production, but this delineation has not been clearly made in the perceived risk literature. As with consumer goods, the uncertainty associated with service-based purchases may activate some or all of the dimensions of perceived risk, and this may vary from purchase to purchase (Ozturk, 2016; Sun, 2014). While it has been shown that consumers perceive more risk when purchasing a service rather than a good (Murray & Schlacter, 1990), the mechanisms by which this occurs has not been explored fully and this relationship should be more thoroughly quantified.

The uncertainty associated with both perceived risk and service-based purchases have been linked to increases in anxiety and stress (Taylor, 1974). Additionally, copious literature makes the connection between increased anxiety and decreased well-being (Deci & Ryan, 2008; Gray, Ozer, & Rosenthal, 2017; Lee, Back, & Chan, 2015). This has been shown in various domains, from the work environment (Bohdanowicz & Zientara, 2009) to consumer purchases (Moschis, 2007). Despite the connection between increased perceived risk and stress, however, the association between perceived risk and well-being has not been fully explored. When combined with the increased uncertainty of service-based purchases, a consumer perceiving higher levels of risk has the potential to experience significantly decreased levels of the associated well-being.

The event industry provides a particularly rich context to study the intersection of perceived risk, service-based purchases, and the resultant well-being. Specifically, events that represent a milestone in the celebrant's life are ripe for studying these concepts. Milestone

events are a specific subset of events, such as quinceanaras (Davalos, 1996), mitzvahs (Oppenheimer, 2005), and of particular interest, weddings (Currie, 1993). These events represent a period of transition for the celebrant, typically involving a ceremony and a celebration, all on a scale that is typically unfamiliar to those planning it (Carter & Duncan, 2016; Castren & Maillochon, 2009). Because of these characteristics, as well as the required balancing act between the goals of the participants, in this case the bride or groom, with the expectations of the family and friends, (Castren & Maillochon, 2009), planning a milestone event involves a great deal of stress and anxiety. This can come from multiple sources, whether it be to create the perfect wedding or to represent the best version of themselves as a couple (Barnes, 2014), because of family dynamics (Bertella, 2015), or larger consumer based stress (Moschis, 2007), which is of particular interest to this study.

### **Statement of Problem**

Although perceived risk has been associated with both consumer goods purchases and service-based purchases, current research has not developed a measurement of service-based perceived risk. As the marketing literature moves away from a manufacturing model and more thoroughly embraces the service-based nature of most purchases (Vargo & Lusch, 2004), a better understanding of the unique elements of service-based purchases becomes more important. Service-based purchases are inherently riskier than consumer goods, so developing a scale that embraces the service concept will allow researchers to apply these measurements to a variety of research areas, including hospitality, tourism, and luxury purchases.

Milestone events provide a context for the intersection of perceived risk and service-based purchases. Because of the personal nature of milestone events, as well as the



significant financial and social pressure associated with events such as weddings, perceived risk should be salient in the associated decisions. Events also represent a significant service-based purchase: they are intangible, can vary significantly from event to event, and are simultaneously produced and consumed (Wood & Masterman, 2008). By better understanding how consumers process perceived risk in service-based purchases, specifically within the event industry, practitioners can provide consumers with the appropriate information and resources, as well as develop sales techniques that will mitigate the negative impact of these concepts on consumer's well-being.

### **Purposes and Objectives**

The purposes of this study are to (1) review the current and past literature related to perceived risk and service-based purchases in holistically a hospitality context; (2) develop and validate a scale that integrates perceived risk with the unique characteristics of service-based purchases; (3) empirically test the proposed scale in a wedding-based purchase context to better understand the relationship between service-based perceived risk and well-being in the wedding context. The specific objectives of this study are to:

- 1) provide a critical review of perceived risk, service-based purchases, and milestone events in the current and past literature;
- 2) develop and validate a scale that reflects the unique aspects of perceived risk in a service-based purchase context such as milestone events, specifically weddings; and
- 3) investigate the relationship between service-based perceived risk and well-being in a wedding-based purchase scenario.

## **Justification of the Study**

Although the perceived risk research has been extensively studied in a consumer goods context, and the service-based purchase research understands what makes service purchases different from consumer goods purchases, there is a lack of understanding of how perceived risk is conceptualized in a service-based purchase context. This study integrates those two concepts to develop a scale that expands perceived risk to a new avenue of research. By better understanding how consumers process perceived risk beyond consumer goods, researchers can apply the concept to new areas, including hospitality and tourism, which largely involve service-based purchases.

This study also defines a new area of events research, milestone events. Looking beyond the traditional event research streams of meetings, conventions, mega-events, and festivals, a host of other event types contribute significantly to the economy, specifically the hospitality and tourism industries, but are underrepresented in the research. By defining milestone events within the event research and providing boundaries to what is included, researchers can expand the literature to include other events that have a significant impact on industry, furthering the connection between industry and academia. Insights gained can be translated to best practices for industry practitioners.

This study also explores the potential connection between perceived risk and well-being in a service-based purchase context. Well-being is an important concept in the hospitality and tourism literature, but the focus has not necessarily been on how well-being can be impacted throughout the purchase process, specifically when they are purchasing an experience or other intangible purchase and not a consumer good. A better understanding of

how these mechanisms impact well-being can lead to further research offering techniques to mitigate the effects.

## **Hypotheses**

After developing and validating the service-based perceived risk scale, the following hypotheses will be investigated in study 2.

Hypothesis 1: Brides or grooms' exposure to lower versus higher levels of uncertainty influences their hedonic well-being when making wedding-related decisions.

Hypothesis 2: The dimensions (defined in study 1) of service-based perceived risk moderate the relationship between uncertainty and hedonic well-being when making wedding-related decisions.

## **Definition of Terms**

**Milestone Events:** Milestone events are events that are infrequently celebrated, frequently a once in a lifetime event, are tied to a life transition, involve a formal ceremony, and incorporate a larger celebration than those that are routinely celebrated with a significant financial commitment.

**Perceived Risk:** Perceived risk reflects the intersection of uncertainty related to a potential purchase and the potential consequences associated with the potential purchase (Bauer, 1960).

**Service-Based Purchases:** Service-based purchases typically incorporate intangibility, generalizability, inseparability, and perishability in contrast to a consumer good (Kotler, Bowen, Makens, & Baloglu, 2017).

**Hedonic Well-being:** Seeking pleasure in life; typically it is conceptualized as fleeting, subjective and frequently connected to bodily pleasures (Deci & Ryan, 2008).

## **CHAPTER II**

### **LITERATURE REVIEW**

This chapter undertakes a review of the literature related to milestone events, perceived risk, service-based consumer purchases, and well-being, as well as presenting a theoretical model for the study. This chapter includes: 1) a review of the existing literature on milestone events, perceived risk, service-based consumer purchases, and well-being and 2) a presentation of the theoretical model, justification of the study, and an explanation of the study variables.

#### **Milestone Events**

The study of events has historically been demarcated into several broad areas, primarily meetings, expositions, events, and conventions (MEEC), which typically also includes festivals, mega-events, and leisure events (Getz & Page, 2016). Current research has largely focused on festivals, mega-events, and other public or ticketed events, and most of these studies incorporate a tourism focus (Draper, Young Thomas, & Fenich, 2018). Although they contribute significantly to the hospitality and tourism industries, as well as the economy at large, private events are rarely researched. Of specific interest for the current studies are milestone events, a specific subsection of private events.

Private events encompass a wide range of events, from birthday parties to weddings, anniversary celebrations to funerals, all of which are typically acknowledged as being both personal to those participating and social in nature (Getz & Page, 2016). Milestone events represent a subset of these private events, with a specific set of criteria associated with them. Beyond just celebrations of annual events, such as birthdays or anniversaries, milestone events are events that are infrequently celebrated, frequently a once in a lifetime event, are

tied to a life transition, involve a formal ceremony, and incorporate a larger celebration than those that are routinely celebrated and with a significant financial commitment. Because of how infrequently one plans a milestone event, those planning one are doing so with no training or prior experience (Daniels, Lee, & Cohen, 2012). Examples include quinceañeras, mitzvahs, funerals, and weddings.

Quinceañeras mark the beginning of independence for a fifteen-year-old Latina, allowing more freedom and involvement in decisions related to her future (Romo, Mireles-Rios, & Lopez-Tello, 2014). In the Jewish culture, a similar life transition is represented by the bat or bar mitzvah, where a thirteen-year-old girl or boy undergoes formal education in the faith and begins to be considered an adult in the synagogue (Oppenheimer, 2005). Most universally recognized within these milestone events are weddings, which occur regardless of faith, across cultures, and now, between both heterosexual and same-sex couples (Barnes, 2014). Weddings represent the joining of two individuals into a new unit and have, traditionally, symbolized the entry of the bride and groom into adulthood (Kalmijn, 2004). Weddings represent the largest number of milestone events, with over 2.2 million occurring in 2017 (Statista, 2018). Because of these factors, weddings are the focus of this study and, because of similarities between weddings and other milestone events, it is believed that the results should apply to milestone events in general, with weddings acting as the context.

### **Attributes of Milestone Events**

**Infrequently celebrated.** Unlike birthdays or anniversaries, milestone events are not celebrated annually, but as a life transition is reached, as with quinceañeras or mitzvahs, which occur when the celebrant is 15 or 13, respectively (Bronner, 2018; Romo et al., 2014). Weddings are not conscripted to occur at a specific age, and the average age of those getting

married is steadily increasing, from 25 and 27 for women and men respectively in 2000 to 28 and 30 in 2018 (Bureau, 2018). Regardless, weddings are frequently a once in a lifetime celebration and although the marriage rate has decreased, currently standing at 6.9 per 1,000 people in the United States population, the divorce rate has also decreased, to 2.9 out of 1,000 people in the United States; the average length of a first marriage is 8 years and for a second marriage, 10 years (Statista, 2018). This would seem to indicate that weddings are not celebrated frequently, and are significant celebrations when they are celebrated.

**Life transition.** Milestone events celebrate a life transition for those participating in the event. Quinceañeras are celebrated by a 15-year-old Latina who is transitioning into a more adult role in the Catholic church and her family (Davalos, 1996). Bar and bat mitzvahs represent a similar rite of passage for a Jewish girl or boy at the age of 13; they are now considered an adult in the synagogue (Oppenheimer, 2005). Weddings represent a slightly different life transition, as they include not one but two families, typically, and the creation of a new family unit (Kalmijn, 2004). Although wedding planning is increasingly done by the bride and groom, and more fully represents them as a couple (Knot, 2016), they are still a time to enact a family's script, representing the family both socially and financially and presenting the couple as an image of how the family would like to be perceived by the outside world (Castren & Maillochon, 2009; Currie, 1993). Although the average age of first time brides and grooms is increasing, a wedding is still an opportunity for a couple to present themselves to the world as a new family unit, transitioning from their parents' home to their own as a couple (Kalmijn, 2004). Even if couples have cohabited prior to marrying, they still report feeling a deeper commitment and legitimization of their relationship after they marry (Baker & Elizabeth, 2013).

**No Prior Experience.** Unless there is an older sibling or close family member, most people planning a milestone event do not have experience in the planning of such a large-scale event, especially one that has such a personal connection and involves a significant financial commitment (Daniels et al., 2012). Brides and grooms are increasingly relying on wedding professionals to assist with the planning of their weddings, but they are still responsible for the decisions and the event ultimately stands as a reflection of their relationship, so the pressure to perform appropriately is significant (Blakely, 2008; Carter & Duncan, 2016). Add to this the cultural pressure, whether it be from popular culture (Galloway, Engstrom, & Emmers-Sommer, 2015; Robnett & Leaper, 2013) or family pressure (Barnes, 2014; Otnes & Pleck, 2003), couples are increasingly feeling anxiety and to produce a “perfect” event, without ever having planned such an intricate production before.

**Financial Commitment.** Milestone events also represent a significant financial commitment, and that commitment continues to grow as families spend more, on average, on special events (Cattanach, 2018). Although traditionally the bride’s family pays for the wedding-related expenses, it is becoming increasingly common for financial support to come from a variety of sources, whether it be extended family, the groom’s family, or the couple themselves (Knot, 2018). In order to enact the script as previously discussed, couples are taking on increasing amounts of debt, with an average loan of \$16,000 to brides and grooms wanting an Instagram-worthy wedding (Bhattarai, 2019).

### **Perceived Risk**

Bauer (1960) originally conceived of perceived risk as an alternative to the existing theories of consumer purchase behavior. Despite consumers believing that they are rational actors, Bauer (1960) proposed that in actuality, they create “decision strategies” (p. 390) that

incorporate ways to reduce risk in their minds when making a purchase decision. He began to outline what have become the two driving forces of perceive risk theory today, that consumers perceive risk because of uncertainty related to the potential purchase and because of the potential consequences associated with the decision when contemplating purchasing.

Subsequent research has expanded on these ideas of uncertainty and consequences to better realize the theory. Risk and uncertainty are strongly tied to one another, but the relationship has been conceptualized in two ways (Quintal, Lee, & Soutar, 2010a). In one stream of research, risk and uncertainty are conceptualized as the same construct (Cox, 1967); they are tied together such that “(r)isk is seen as an individual’s subjective feelings of uncertainty that the consequences of a potential purchase will be favorable” (Quintal et al., 2010a, p. 798). The opposing research stream posits that risk and uncertainty are two distinct constructs (Stone & Grønhaug, 1993). With this distinction, risky purchases represent a situation where a number of potential outcomes exist and probability is attached to each potential outcome (Stone & Grønhaug, 1993). Uncertainty, however, has no probability attached to it, just a sense that anything can happen and there is ambiguity as to what will actually happen (Hofstede, 2001). In this second conceptualization, uncertainty triggers feelings of risk; it is this delineation between risk and uncertainty that will be used in this study because of the sequential nature of uncertainty affecting risk and the potential variance in risk that uncertainty can lead to.

Uncertainty is generally related to outcomes; the consumer does not have the knowledge that the purchase decision that they are making will have the desired outcomes, so they perceive higher risk associated with the purchase (Taylor, 1974). Hofstede (2001) likens this to anxiety; there is no specific locus for their uncertainty, just that there are potential



unknown outcomes. Consequences are typically associated with how those outcomes might negatively impact the consumer. Therefore, risk represents the interaction between the uncertainty associated with a potential purchase, and the consumer's perception of whether those consequences will be negative (Campbell & Goodstein, 2001; Mitchell, 1992).

Uncertainty may come from multiple sources (Mitchell, 1999) and is primarily associated with the information gathering stage of a purchase decision (Cox, 1967; Cunningham, Gerlach, Harper, & Young, 2005; Taylor, 1974). It may be that a consumer's understanding of the goals and needs associated with the purchase may be lacking. They also may not fully understand the range of options available to them for the item that they are purchasing. These two sources result in knowledge uncertainty (Urbany, Dickson, & Wilkie, 1989) or a general uncertainty as to what the consumer knows about the alternatives. Comparatively, consumers may not have confidence in their ability to use the information that they do have about a potential purchase to predict performance or whether that information is in fact predictive; this is considered confidence value and reflects a consumer's ability to judge information related to a purchase as good or bad (Cox, 1967; Taylor, 1974). Finally, consumers may have difficulty with brand evaluation, resulting in choice uncertainty (Urbany et al., 1989).

Building on this, it has largely been argued that perceived risk is subjective; consumers process risk through the lens of their experience and their personal threshold for risk acceptance (Seabra, Dolnicar, Abrantes, & Kastenholz, 2013). As such, Stone and Grønhaug (1993) define perceived risk as "subjective expectation of loss" (p. 42). An individual that perceives more certainty of loss has more perception of risk associated with that purchase. This subjective perceived risk is "that risk which is perceived by the consumer and which motivates behavior" (Mitchell, 1999, p. 165). The amount of risk that a consumer

perceives also depends on the amount that would potentially be lost should the purchase decision be a poor one.

Overall, the more a consumer perceives risk, the more hesitant they are to purchase (Campbell & Goodstein, 2001). In high-risk purchasing situations, a consumer may default to a known brand or good, preferring to stay with a known quantity rather than risk disappointment or other consequences that might result from purchasing an item that is associated with higher perceived risk (Slovic & Peters, 2006). When faced with an unfamiliar purchasing situation, however, consumers use various methods to assess and reduce risk (Campbell & Goodstein, 2001; Mitchell, 1992). Included in these methods are using word of mouth information, purchasing a brand that they have previously had success with, or one that they have evaluated as low risk (Campbell & Goodstein, 2001). Consumers have been shown to purchase a known brand when faced with a high-risk new brand (Erdem, 1998).

### **Dimensions of Perceived Risk**

The literature identifies six dimensions of consumer goods perceived risk: financial, performance, social, psychological, time, and physical (Conchar, Zinkhan, Peters, & Olavarrieta, 2004; Jacoby & Kaplan, 1972; Laroche et al., 2004; Mitchell, 1992). When assessing risk, consumers may consider one or more of these for each purchase (Campbell & Goodstein, 2001) and these dimensions are largely outcome-driven, where the risk will be realized after the purchase of the good (Taylor, 1974). Each dimension of risk taps into a specific type of potential loss and multiple dimensions may be present with each purchasing decision, and in varying levels (Laroche et al., 2004)

**Financial risk.** Financial risk develops out of uncertainty on two levels: (a) the consumer may not achieve the anticipated monetary gain, or may lose money as a result of

the purchase (Taylor, 1974) or (b) the consumer may face a “net financial loss” (Sweeney, Soutar, & Johnson, 1999, p. 81) because of lack of performance. This feeling that they may not get everything that they paid for or that what they did receive was not worth what they paid for it is referred to as a “value-for-money perception” (Mitchell & Vassos, 1998, p. 49). Financial risk can be seen in the purchase of a new model of a car; because the model is new, there is uncertainty associated with the vehicle. The consumer may perceive this uncertainty as financial risk; they may believe that they will have to purchase a replacement vehicle or spend excessive money repairing a vehicle that does not perform as expected.

**Performance risk.** Performance risk represents the consumer’s uncertainty related to the purchased item not functioning as anticipated (Mitchell, 1992). This represents a future vision, the idea that at the time of purchase, the consumer is already concerned that the performance of the purchased item will not meet expectations (Sweeney et al., 1999). Returning to the car purchasing example, there is uncertainty because the model is new and its ability to perform as promised has not been proven. The consumer may perceive performance risk because of this uncertainty.

**Social risk.** Social risk is associated with how the consumer will be assessed by those in their social circle for their purchase choice (Jacoby & Kaplan, 1972). Social risk addresses the potential loss of relationship or social isolation as the result of a purchase that is not accepted by the consumer’s normative reference group composed of family and close others (Childers & Rao, 1992). Consumers are both influenced by their normative reference group, looking to them for expert evaluations of products, and judged by the same group for the purchase decisions that they make (Burnkrant & Cousineau, 1975; Childers & Rao, 1992). In

the vehicle purchasing scenario, the consumer may question their vehicle choice because of the potential lack of approval by close others (Escalas & Bettman, 2005).

**Psychological risk.** Psychological risk ties into the consumer's comfort or discomfort with a purchase decision (Stone & Grønhaug, 1993). Bauer (1960), when initially conceptualizing perceived risk, recognized that "any action of a consumer will produce consequences which he cannot anticipate with anything approximating certainty, and some of which at least are likely to be unpleasant" (p. 390). The uncertainty associated with making purchasing decisions can increase anxiety, diminish self-esteem, and increase tension (Taylor, 1974). Dissonance has also been identified as a source of psychological risk; the consumer may try to reduce the risk of dissatisfaction by researching the product, thereby diminishing the potential disparity between pre-purchase assessment and post-purchase performance (Mitchell, 1992). When choosing a vehicle, the consumer may perform extensive research, speak with those that have chosen the same vehicle, and test drive the vehicle in order to decrease the feeling of anxiety associated with making the purchase decision.

**Time Risk.** Time risk anticipates the potential loss of time spent making a purchasing decision (Taylor, 1974). It also encompasses the loss of time when using the purchased product, whether it be as a distraction, or by wasting time to have repairs done or having to have a service performed again (Stone & Grønhaug, 1993; Taylor, 1974). Continuing the vehicle example, time may be wasted researching a specific vehicle, only to find out that it is not available or not reliable. The vehicle may not perform as expected and additional time will need to be spent researching and purchasing another vehicle, or having the purchased car repaired.

**Physical risk.** Physical risk encompasses the potential for a health or safety concern associated with the purchase (Dholakia, 1997; Taylor, 1974). This may be a result of a product defect, a malfunction, or overuse by the consumer (Stone & Grønhaug, 1993). When evaluating a vehicle, a consumer may consider the safety of the vehicle, but there may be uncertainty because it is a new model with no history.

Although described as individual dimensions, these risk factors frequently act in conjunction with one another to provide a more thorough explanation of a consumer's perceived risk in the purchasing decision. As the vehicle example shows, one purchasing decision may incorporate one or multiple dimensions of perceived risk and each consumer will assess that risk differently, based on their personal experience, involvement with the purchase, and inherent comfort with risk (Conchar et al., 2004; Stone & Grønhaug, 1993).

### **Perceived Risk in Hospitality and Tourism**

Perceived risk in the hospitality literature primarily follows two streams of research: (a) safety and security associated with a destination (Law, 2006) and (b) minimizing risk associated with poor destination choice (Caber, González-Rodríguez, Albayrak, & Simonetti, 2020; Quintal, Lee, & Soutar, 2010b). With the potential for dangerous situations to arise at any time anywhere in the world, travelers are assessing not only positive and negative destination attributes, but also the likelihood for dangerous situations to arise when traveling, and how a destination is equipped to manage a volatile situation (Slevitch & Sharma, 2008). This falls under the physical dimension of risk as detailed previously. Recent studies have attempted to quantify this aspect of perceived risk, but have again taken a narrow approach, as did Mahatme and Mekoth (2020) with the development of their risk perceptions in

international travel (RPIT) scale; it focuses on risks associated with a destination, such as bad weather, airline delays, or being robbed or injured.

More closely aligned with the current studies, the assessment of risk when making destination choice and visit intention decisions reflects a consumer's attempts to reduce uncertainty when making decisions (Caber et al., 2020; Kozak, Crotts, & Law, 2007; Quintal et al., 2010b). This may be related to the safety and security of the traveler when reaching the destination (Karl & Schmude, 2017), but may also incorporate information collection and processing prior to making destination decisions (Fuchs & Reichel, 2011; Sharifpour, Walters, Ritchie, & Winter, 2014; Slevitch & Sharma, 2008). Consumers may seek extensive information or rely on past experiences when making destination decisions (Perpiña, Prats, & Camprubí, 2017).

Beyond these destination choice-related decisions, perceived risk has focused on technological advances and customers' perception of risk associated with their use. These have primarily related to online purchases, such as airline tickets (Kim, Qu, & Kim, 2009) or online travel purchases in general (Lin, Jones, & Westwood, 2009). More recent research has identified customers' willingness to use other technologies when traveling, such as apps, cashless payments, or online check-in (Dayour, Park, & Kimbu, 2019; Ozturk, 2016). These studies recognize that consumers factor uncertainty associated with purchases from unfamiliar sources into their decisions when making travel-related purchases.

### **Existing Measurements of Perceived Risk**

The early measures of perceived risk focused on paired products; the respondent chose which product was riskier and then rated how much riskier that product was relative to the other, resulting in a relative measurement of risk (Bettman, 1973). These studies were

product specific and did not provide an overall measure of risk, but instead ranked products as to their particular risk in comparison to other products (Hampton, 1977). These studies were generally used to compare how different populations assessed risk and did not originally differentiate between the established dimensions of perceived risk, although later studies added that component (Jacoby & Kaplan, 1972). Subsequent research has used study-specific scales to measure perceived risk (Mitchell & Vassos, 1998; Shimp & Bearden, 1982), but there has generally not been a universally accepted perceived risk scale. Within the hospitality and tourism literature, Sun (2014) developed a scale that reflects the dimensions of perceived risk, as well as an overall perceived risk measurement that is gaining acceptance in the literature. Chang and Ko (2017) have also proposed a scale to measure perceived post-purchase risk, approaching the measurement after consumption, rather than prior to purchase, and in a luxury context. Mahatme and Mekoth (2020) recently took a narrow approach, focusing on destination-based risk perceptions. Regardless, the existing scales are largely contextual and do not comprehensively measure perceived risk either holistically or at the dimension level. There is a gap relative to understanding perceived risk beyond these specific contexts. The current study addresses the gap in the hospitality literature related to understanding perceived risk by addressing the psychological underpinnings of the concept, not just the physical or technological risks or within a specific context. The scale measures each dimension separately so that we can better understand how each dimension interacts with others and proposed outcomes. Finally, it addresses that the hospitality industry is largely service based, which may incorporate other conceptualizations of perceived risk beyond the current research streams.

## **Service-Based Purchases**

Service-based purchases are inherently different than consumer goods purchases. While a consumer good has been described as “a physical entity composed of tangible attributes which buyers purchase to satisfy specific wants and needs” (Murray & Schlacter, 1990, p. 53), the understanding of a service-based purchase becomes more complex. Because of the nature of a service-based purchase, it is more difficult for a consumer to evaluate the product prior to purchase (Laroche et al., 2004). One delineation between service-based purchases and consumer goods purchases is the idea that consumer goods are “fixed packages of features” (Araujo & Spring, 2006, p. 799) while service-based purchases are created when consumed. Zeithaml, Parasuraman, and Berry (1985) identified four characteristics of services: intangibility, inseparability, variability, and perishability.

**Intangibility.** Intangibility is the most studied dimension of service-based purchases and the one most frequently linked with perceived risk (Laroche et al., 2003; Laroche et al., 2004; Pleger Bebko, 2000). An intangible product is one that cannot be touched, observed, tasted, felt, or interacted with prior to purchase or consumption (Kotler et al., 2017). Further, consumption of a service is seen as a performance, not an object that can be held, further underscoring the intangibility of services (Zeithaml et al., 1985). Intangibility has been further broken down into three components: physical intangibility, generality, and mental intangibility (Laroche et al., 2004). Physical intangibility relates to the fact that a service cannot be held, touched, or seen. Generality is tied to the consumer, that they are incapable of completely defining a service. Finally, mental intangibility suggests that whether describing a good or a service, the consumer may not understand the product mentally. “(P)hysical tangibility does not ensure a clear, mentally tangible representation of an object, especially if



the evaluator lacks experience with the object” (Laroche et al., 2004, p. 375). These three dimensions can be translated to an event context, specifically related to a venue. When selecting a venue for a milestone event, although the venue can be seen, the performance of the event in that venue cannot be held or touched; they are booking the promise of successful execution (physical intangibility). The customer also may not be able to fully describe exactly what they are getting when booking a venue; they may know the specifications of the space, but don’t comprehend the services that are associated with it (generality). And finally, a consumer may not be able to fully comprehend the full scope of what they are purchasing, especially when planning an event like this for the first time (mental intangibility).

**Inseparability.** Secondly, previous research has identified inseparability as an identifier of services versus goods. Inseparability reflects the idea that production and consumption occur simultaneously; the typical service consumption experience begins with the purchase of the service, then, at a later date, the service is produced and consumed at the same time (Kotler et al., 2017). With consumer goods, the product is produced, then subsequently sold and, potentially at an even later date, consumed or used (Edgett & Parkinson, 1993). Purchase and consumption frequently include service providers, such as waitstaff in a restaurant; these interactions can influence the consumers perception of the interaction, both positively and negatively (Kotler et al., 2017). Additionally, the producer and seller of a service are frequently the same entity, rather than a producer and retailer in a typical consumer goods interaction (Zeithaml et al., 1985). This is prevalent in the event industry, where consumers are involved with the consumption of an event that employees produce. Guests attend an event at a venue that the employees set up, provide food and beverage service, and continually interact with throughout the consumption experience.

**Variability.** Next, the literature identifies variability (or generalizability), or the fact that consumption experiences can vary from experience to experience, as another hallmark of service purchases (Murray & Schlacter, 1990). Because service consumption largely depends on execution by service providers, there can be variances between instances of execution – the staff member may be having a bad day, the service provider may be different between service interactions, or service may vary from location to location (Kotler et al., 2017). As well, one service encounter may include several service providers, any one of whom may provide a service the consumer deems of lesser quality, thereby reducing customer satisfaction (Sun, 2014). There is great potential for variability within the event industry. Service levels may vary between event planners or managers, even at the same property. Food quality and service can change from event to event. There may also be variance between branded venues, different hotels for example; what service production looks like at one branded hotel may be very different at another branded property, which can decrease customer trust and satisfaction (Coulter & Coulter, 2002).

**Perishability.** Finally, perishability represents the fact that services have an expiration date; services that are not consumed cannot be resold or used later (Kotler et al., 2017). Zeithaml et al. (1985) states that “services are performances that cannot be stored” (p. 34) resulting in service-based business having to be more attuned to supply and demand. Within an event context, a venue that isn’t frequently used may be more inconsistent in providing services because of their lack of practice (Kandampully, 2000).

### **Service-Based Perceived Risk**

While the perceived risk literature acknowledges that there may be differences in perceived risk when purchasing a consumer good versus a service (Laroche et al., 2004; Sun,

2014), limited research attempts to identify those differences and quantify them into something that can be measured. Perceived risk research recognizes that services are riskier because of the intangibility, inseparability and generalizability of the service good, and have attempted to identify how consumers navigate those differences (Murray & Schlacter, 1990). These studies conceptualize the goods versus service differences as service quality expectations (Pleger Bebko, 2000), a comparison between firm characteristics and individual characteristics of the consumer (Sun, 2014), and trust (Coulter & Coulter, 2002). There is a need to formalize a scale that captures perceived risk through the unique elements of a service-based purchase.

### **Well-being**

Well-being is frequently conceptualized as a multifaceted construct that is made up of subjective and psychological well-being (Ryff & Singer, 2008), or as a balance between an individual's resources, whether they be psychological, social or physical, and the challenges that they face (Dodge, Daly, Huyton, & Sanders, 2012). Ryan and Deci (2001) refer to well-being as either hedonic or eudaimonic; these are the descriptors that will be used moving forward. Hedonic, or subjective, well-being is related to pleasure seeking, and is more often seen as fleeting, subjective, and, although not exclusively, connected to bodily pleasures (Smith & Diekmann, 2017). Eudaimonic, or psychological, well-being is more strongly associated with personal growth, requiring effort, and reflecting a person's true self (Ryan & Deci, 2001). Well-being research in the hospitality literature focuses primarily on employee well-being (Bohdanowicz & Zientara, 2009; Kara, Uysal, Sirgy, & Lee, 2013), travelers well-being while at their destination (Filep, 2014), or how tourism impacts the well-being of residents in well-traveled areas (Chou, Huang, & Mair, 2018), but limited research exists

relating perceived risk to well-being. It is proposed that these two constructs have an inverse relationship; as perceived risk increases, well-being is proposed to decrease.

Wedding planning encompasses a variety of stressors, which can decrease well-being: balancing other aspects of life throughout the process (Blakely, 2008), managing the expectations of family and friends relative to the wedding (Castren & Maillochon, 2009; Currie, 1993), in addition to the decisions directly related to the wedding (Daniels et al., 2012). Planning a wedding presents a new challenge for most brides and grooms; the scale of the event, coupled with a budget beyond what they have probably spent on any one thing before has the potential to increase anxiety (Knot, 2016). This uncertainty with regards to skill and knowledge, as well as the risk associated with wedding-related decisions can create an environment ripe for additional stress. Weddings foster a setting where the bride or groom may feel inadequate, unqualified, or isolated throughout the process, afraid of making missteps or wrong decisions (Blakely, 2008). As such, brides and grooms may look to a variety of sources to guide them through the process and assuage some of the associated stress and anxiety (Blakely, 2008; Daniels & Loveless, 2007).

The current study focuses specifically on hedonic well-being. Weddings are performative in nature, with a strong focus on how the couple will be perceived not only by their close others, but by their larger network (Bloch, Rao, & Desai, 2004; Carter & Duncan, 2016). Families choose to incur debt to create the wedding of their dreams, largely for an external audience (Bhattarai, 2019), despite the lack of correlation between an extravagant wedding and marriage happiness or duration (Francis-Tan & Mialon, 2015). Because hedonic well-being focuses more on fleeting or short-term well-being, with a connection to pleasure

seeking, we propose that it presents more fully during wedding-related purchasing decisions, than would psychological or eudaimonic well-being.

### **Perceived Risk and Well-Being**

The literature indicates that the outcomes of perceived risk can result in a consumer experiencing increased anxiety. Taylor (1974) notes that “choice situations involve uncertainty which creates some level of anxiety” (p. 57). Although not explicitly connecting perceived risk with a decline in well-being, research has shown that consumers use various methods, such as information gathering (Conchar et al., 2004; Cox, 1967) or the use of heuristics (Campbell & Goodstein, 2001) to decrease uncertainty and the resultant stress associated with risky decisions (Moschis, 2007). The uncertainty associated with wedding-related decisions (Blakely, 2008), as well as the public nature of the purchase and consumption of wedding purchases (Arend, 2015) seem to indicate that an increase in perceived risk would result in a decrease in well-being for a bride or groom planning their wedding.

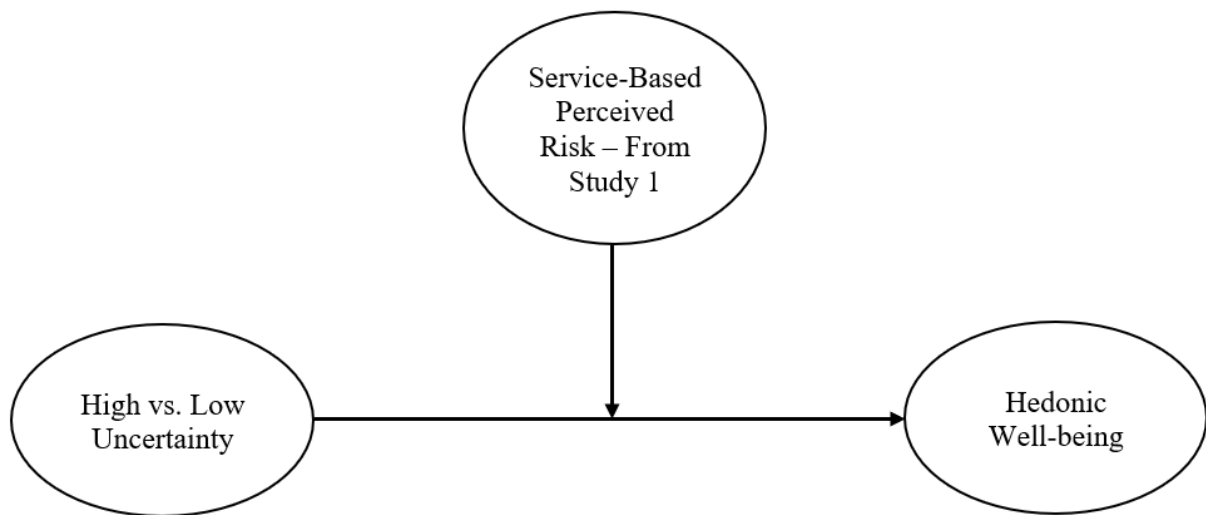
Each of the currently identified dimensions of perceived risk have the potential to negatively impact well-being. Financial uncertainty has been shown to diminish relational well-being, impacting both stability of the household and the overall feelings of quality of life (Romo, 2015). Within the hospitality literature, performance risk of a destination has been linked to a tourist’s well-being; the uncertainty associated with travelling to an unknown destination can result in a consumer’s increased anxiety (Smith & Diekmann, 2017). Social risk has been shown to have a distinct impact on well-being; when an individual feels threatened that their choices will not be accepted by their close others, the individual will feel increased stress and anxiety (Burnkrant & Cousineau, 1975).

Psychological risk, similarly to social risk, has a rich history in the literature linking it to a decrease in well-being; when a consumer feels that they may make an unwise purchasing decision, they will frequently feel uncertainty or anxiety (Taylor, 1974). Time risk has the potential to decrease well-being as a result of time wasted on the decision-making process or through the consumption of the product; the consumer may feel that they have less time available for more pressing matters as a result of the product (Stone & Grønhaug, 1993). Finally, physical risk can have a significant impact on a consumer's well-being; feeling threatened at or uncertain about a destination choice, for example, can result in increased feelings of anxiety (Law, 2006). Hedonic and eudaimonic well-being each connect with these dimensions of perceived risk. Hedonic well-being, which is more closely tied with external motivation and the perceptions of others (Deci & Ryan, 2008) should be impacted by those dimensions that have a more public-facing outcome, such as social and financial risk.

Although the individual dimensions of well-being have been connected to well-being, there is not a comprehensive connection between the concept of perceived risk and well-being. Study one develops a scale that represents the unique elements of service-based perceived risk; this allows study two to better understand the connection between perceived risk during a service-based purchase and well-being. Study two uses experimental design to measure the differences between how a low versus high uncertainty situation influences hedonic well-being. It also proposes using the dimensions of service-based perceived risk as moderators to this relationship (figure 1).

Hypothesis 1: Brides or grooms' exposure to lower versus higher levels of uncertainty influences their hedonic well-being when making wedding-related decisions.

Hypothesis 2: The dimensions of service-based perceived risk, (a) relational, (b) psychological, (c) locational, and (d) social risk moderate the relationship between uncertainty and hedonic well-being when making wedding-related decisions.



*Figure 1:* Proposed Model for Study 2.

## **CHAPTER III**

### **METHODOLOGY**

This study addresses the gap in the literature relative to perceived risk in a service-based purchase context by developing a service-based perceived risk scale (SBPR). The current research approaches the scale development using mixed methods, employing qualitative and quantitative methodologies to better understand how consumers perceive risk when purchasing a service rather than a traditional consumer good. The study also addresses how perceived risk impacts a consumer's well-being during the purchasing process. The first step involves using both qualitative and quantitative methods to develop the service-based perceived risk scale. The four-stage scale development process (figure 2) was used to validate the proposed scale and, once developed, study the relationships between perceived risk and well-being in a service-based purchase context.

#### **Service-Based Perceived Risk Scale Development (SBPR)**

**Qualitative study.** This study undertook identifying the measurements of SBPR through several steps, following a process based on Churchill Jr (1979) outlined in Yoo and Chon (2008). The initial step was an extensive literature review of the existing research in perceived risk and service-based purchase decisions. This approach was chosen so that a full understanding of the existing constructs was incorporated into the next steps of the process. This literature review included literature from the following domains: consumer behavior (Aqueveque, 2006; Mitchell, 1992; Stone & Grønhaug, 1993); perceived risk (Bauer, 1960; Bettman, 1973; Karl & Schmude, 2017); and service-based purchases (Laroche et al., 2003; Murray & Schlacter, 1990). The literature review exposed that neither body of literature has a scale that fully encompasses both perceived risk and service-based purchases concurrently.



Therefore, it was decided to proceed with the SBPR scale development to capture how perceived risk might be assessed differently in service-based purchase contexts, versus with consumer goods purchases. During this process, an initial list of statements that reflect the two components of the new scale were identified and formatted as statements.

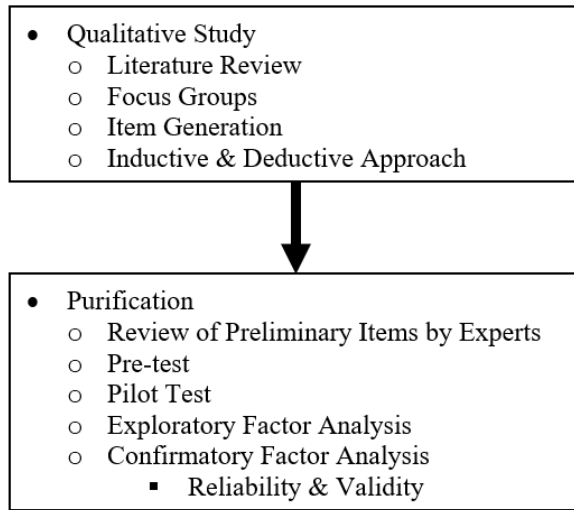


Figure 2. Scale development procedure.

In addition to the literature review, this step of the scale development included interviews with brides and grooms currently planning their wedding. These participants are considered experts because of their familiarity with service-based purchases in the study context as they are currently making those purchase decisions. Using existing industry contacts, eight brides and grooms, comprised of two couples and four individual brides, actively planning their wedding were identified to participate in interviews to further ascertain major dimensions of perceived risk in service-based purchases. Preference was given to brides and grooms planning their first wedding, as they have not gone through the planning process on a previous occasion, so are assessing perceived risk in this context for the first time. Additionally, we spoke with both brides and grooms, and both those working with an independent wedding planner and those planning the event on their own. We

conducted interviews lasting in the range of an hour and interviews were audio taped. The interviewees were asked open-ended questions pertaining to what aspects of perceived risk they encountered when making wedding-related purchase decisions; the interviews followed a semi-structured interview format to allow participants to speak and express their experiences freely.

Following transcription of the interviews, content analysis was used to determine themes and further statements that participants used to describe perceived risk in a service-based purchase context. These statements were further assessed to determine content validity. A panel of four expert judges, chosen for their familiarity with the research area, examined the proposed statements for content validity, ensuring that the statements align with and are relevant to the definitions of the proposed constructs (Haynes, Richard, & Kubany, 1995). These judges reviewed each of the initial statements identified through the literature and interviews for content validity. We used an a priori decision rule as to agreement that a specific item meets the standard for inclusion in the study; in this case, three out of four judges have to agree for inclusion. Judges were asked to review the final statements for clarity and readability. Concurrently, academic experts, chosen for their experience with the research subject, reviewed the statements for relevance and wording clarity to confirm face validity (Varshneya & Das, 2017). At this time, the statements were modified as needed to ensure clarity and ambiguity; modifications were minor and included correcting word choice and ensuring consistent scales.

The remaining items were then pretested using 15 students and academic staff at a hospitality program in the southwestern United States. Participants were asked to rate each item as to how important it is in describing service-based perceived risk on a 7-point Likert

scale from 1 (extremely not relevant) to 7 (extremely relevant). They were also asked to comment on clarity and readability. Prior to this step, we determined criteria for inclusion based on participants responses and remove items that don't meet these criteria.

Following this assessment, a pilot test was conducted using a sample from an online survey company. Participants resided in the United States, were over 18 years old and had made a service-based purchase in the prior 12 months; we included 100 respondents. These responses were used to further confirm content validity by identifying those items that are not consistent conceptually (DeVellis, 2016). Reliability of the remaining items was determined at this time.

Following the pilot study, data was collected from a larger sample in order to perform a two-factor analysis (Gerbing & Anderson, 1988). Data was collected using MTurk, a national online survey company, and we collected 500 responses. Participants were screened to ensure that they were over 18 years old and had made a service-based purchase in the last 12 months. The collected data was split into two halves, with the first half used to perform an exploratory factor analysis to further refine the scale, and the second half to perform a confirmatory factor analysis to confirm and assess the scale as it has been hypothesized.

An exploratory factor analysis (EFA) was performed on one half of the data. Using principle components analysis and a Promax rotation, items were assessed for fit within the resultant factors. Each item was reviewed for their individual loadings and those with factor loadings less than 0.40 or those that loaded on two factors with each loading over 0.20 were evaluated for removal from the model (Hair, Black, Babin, & Anderson, 2010). An eigenvalue of over 1.0 was used as a criterion for a factor to be included in the model. Following these procedures, the factors representing SBPR were identified and labeled.

Reliability was tested at this time and we achieved a Cronbach alpha over 0.70, indicating that the measures are correlated within the factor, indicating internal stability.

The next step to confirming the proposed scale was to perform a confirmatory factor analysis (CFA) on the remaining data. CFA allows us to evaluate the measurement model for reliability, and convergent and discriminant validity using composite reliability and average variance extracted. Following assessment of the model fit, the scale was established.

## **Study 2**

Using a mixed methods approach of experimental design and qualitative analysis, this study substantiated the quantitative results using respondents' own words. In the quantitative method, the study used a 2-factor experimental design to determine if higher levels of perceived risk reduce well-being, in addition to measuring how the perceived risk dimensions moderated the relationships between uncertainty and well-being. In the qualitative method, respondents were asked open-ended questions related to how they perceive risk when making wedding-related purchasing decisions, as well as what strategies they have used to alleviate the impact of perceived risk on their well-being.

**Sample and procedure.** Respondents were brides and grooms that were over 18 years old and currently planning their wedding within the next 24 months. Data was collected via MTurk, a national online survey company. Respondents were randomly presented with one of two scenarios that present high versus low uncertainty in a wedding-related purchase context, specifically the purchase of a wedding venue. We received 400 responses, 200 per scenario. The high uncertainty scenario involved a new venue that does not have any online reviews, has all new staff that have not done a significant number of events, and is not able to provide any references for satisfied customers. The low uncertainty scenario involved an

established venue that has a significant number of positive online reviews, long-tenured staff, and can provide numerous references from delighted customers. Following exposure to these scenarios, respondents were presented with the SBPR scale, established in study 1, to assess how high versus low uncertainty affects service-based perceived risk. They were also asked a series of questions that relate to hedonic well-being as well as demographic questions. Respondents were then asked two open-ended questions: *How risky does it feel to book this venue for your wedding reception and what specifically feels risky? What could the venue do to make you feel better about booking this venue?* These questions allowed the respondents to use their own words to address the research questions of this study.

**Quantitative method.** The quantitative data was analyzed using SPSS (v. 27) for descriptive and inferential analysis, as well as respondents' profiles, correlations, and the reliability of constructs. Internal consistency and construct validity was reviewed using Cronbach's alpha and average variance extracted (AVE). The data was tested for common method bias using the variance inflation factor (VIF). PROCESS (v. 3) MACRO (Hayes, 2018) uses ordinary least squares (OLS) regression to test relationships between the variables, as well as moderation. In PROCESS, 5,000 bootstrapping re-samples were used, and the bias corrected 95% confidence interval (CI) was calculated.

**Qualitative Method.** These responses were analyzed using Linguistic Inquiry and Word Count (LIWC). LIWC2015 was used to classify the meanings of the words that respondents used in their responses to the open-ended questions (Pennebaker, Boyd, Jordan, & Blackburn, 2015). LIWC2015 uses four summary language variables (analytical thinking, authenticity, clout, and emotional tone) which are ranked from low (0) to high (100). The program also provides categories of psychological constructs (e.g. affective, social, and

cognitive processes, drives) and personal concern constructs (e.g. domains of work, home, or leisure). These analyses allowed us to better understand how the respondents are processing risk and how it is impacting their well-being. Responses were also assessed for common themes and used to create a more dynamic narrative.

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## **CHAPTER IV**

### **SERVICE-BASED PERCEIVED RISK SCALE DEVELOPMENT**

#### **Abstract**

This study addresses the gap in the literature relative to a service-based perceived risk scale. To better understand how consumers process risk when making a service-based versus consumer goods purchase, this study proposes a 4-item scale that captures 4 discrete dimensions of service-based perceived risk: relational, psychological, locational, and social. A mixed methods approach was used to develop the scale, beginning with a comprehensive literature review of the perceived risk and service-based purchase research and coupled with interviews with consumers in the process of making a service-based purchase, specifically a venue for their upcoming wedding. Exploratory and confirmatory factor analyses suggest a 4-item scale, composed of 20 measurement items for a service-based perceived risk scale.

**Keywords:** Perceived risk, service-based purchase, scale development, consumer behavior

## **Introduction**

Understanding purchase decisions has long been a goal of consumer behavior research. Much attention has been spent on better grasping how consumers process information and use that information to make purchases, as well as defining the related concepts to better refine the ability to measure these constructs. This allows practitioners to focus their attention on the consumers most likely to purchase their products and assure them that they are making the right purchasing decision. In order to do this, practitioners must better understand how consumers process the risk that is inherent in purchasing decisions.

Consumers assess a number of characteristics of the item that they are purchasing prior to making a decision, including the risk of making that purchase (Bauer, 1960): Will the purchase function as promised? Will it be worth the price that was paid? Will others look down at them for making this purchase? All of these reflect the uncertainty associated with making purchases of unknown products or brands. When there is more uncertainty, as with a brand or purchase that the consumer has never made before, the consumer will perceive that purchase as riskier (Jacoby & Kaplan, 1972). Because each consumer and each purchase are unique, perceived risk is subjective; what one consumer thinks is a risky purchase will feel routine to another consumer (Stone & Grønhaug, 1993). Risk has traditionally been defined using six dimensions: financial, social performance, psychological, time, and physical risk (Taylor, 1974). These different dimensions of risk can be activated for different consumers and at different levels dependent on the uncertainty associated with the purchase (Mitchell, 1999). Prior research has focused on this subjective risk by comparing perceived risk between two similar products or by focusing on only one dimension of risk.

The majority of extant literature in perceived risk focuses on consumer goods purchases (Casidy & Wymer, 2016; Jacoby & Kaplan, 1972; Taylor, 1974). When considering a service-based purchase, research treats the purchase as it would a consumer goods purchase (Ghotbabadi, Feiz, & Baharun, 2016), despite the research outlining the differences between a consumer goods and service-based purchase (Murray & Schlacter, 1990). While a consumer good can be described as “a physical entity composed of tangible attributes which buyers purchase to satisfy specific wants and needs” (Murray & Schlacter, 1990, p. 53), a service-based purchase can be more complex to define. They have traditionally been described as being intangible, variable, perishable, and inseparable (Kotler, Bowen, Makens, & Baloglu, 2017; Laroche, McDougall, Bergeron, & Yang, 2004), but the unique risk attributes of a service-based purchase have not been thoroughly explored in the consumer behavior literature. The research that has been done does acknowledge that consumers perceive more risk when purchasing a service rather than a good, but the research has not gone so far as to develop a way to measure service-based perceived risk. Because perceived risk has been shown to increase anxiety and stress associated with a purchase (Moschis, 2007; Taylor, 1974), and service-based purchases activate more perceived risk, a better understanding of the mechanisms involved in service-based purchases may help future researchers further develop consumer interventions that will increase consumer’s comfort in making service-based purchases.

This study represents an intersection of two streams of research: perceived risk and service-based purchases. Although extensive research exists in both areas, and some overlap, there has not been a comprehensive effort to create a measurement scale for service-based perceived risk (SBPR). The current marketing literature represents the migration from a

traditional manufacturing model and more thoroughly explores the service-based nature of most purchases (Vargo & Lusch, 2004); therefore, a more comprehensive understanding of the distinctive elements of service-based purchases is becoming more necessary. This study follows a multi-step scale development procedure that includes item generation, purification, and validation of the scale (Churchill Jr, 1979; Yoo & Chon, 2008). The development of a SBPR scale will allow researchers to more completely probe what makes these purchases unique. The application of this scale includes the areas of hospitality, retail, tourism, and luxury purchases.

## **Theoretical Background**

### **Perceived Risk**

Bauer (1960) initially proposed perceived risk as an alternative to the prevailing theories of consumer behavior at the time. Research largely focused on the idea that consumers were rational actors, objectively weighing the pros and cons of purchases before unemotionally making a decision. As an alternative, Bauer (1960) proposed that consumers “develop decision strategies and ways of reducing risk that enable them to act with relative confidence and ease in situations where their information is inadequate and the consequences of their actions are in some meaningful sense incalculable” (p. 390). Decisions focus on reducing the risk associated with the purchase and, along with the risk, the anxiety and stress associated with it. His original conceptualization includes the two primary foci of current perceived risk theory: (a) consumers perceive uncertainty associated with a potential purchase as risk, and (b) there are potential consequences to the purchase decision.

Subsequent research has further developed the two core aspects of perceived risk, uncertainty and consequences, to more fully advance the theory. Risk and uncertainty are

strongly linked, but there have been two approaches to how the concepts interact (Quintal, Lee, & Soutar, 2010a). One stream of research conceptualizes risk and uncertainty as one construct (Cox, 1967). The two concepts are tied together such that “(r)isk is seen as an individual’s subjective feelings of uncertainty that the consequences of a potential purchase will be favorable” (Quintal et al., 2010a, p. 798). The opposing research separates risk and uncertainty into two separate constructs (Stone & Grønhaug, 1993). As such, consumers purchasing goods or services that involve risk assign probability to each of the many potential outcomes of the purchase (Stone & Grønhaug, 1993). There is no probability attached to uncertainty, just a vague sense of multiple potential outcomes (Hofstede, 2001). This second conceptualization posits that uncertainty triggers feelings of risk. This study uses this differentiation between risk and uncertainty, focusing on the cause and effect of uncertainty and risk.

Uncertainty relates primarily to outcomes; because the consumer does not have a sense of whether the purchase that they are contemplating will have the desired outcomes, they perceive more risk in the purchase (Taylor, 1974). Uncertainty is analogous to anxiety, with no specific locus for the resultant uncertainty, just a general sense that there will be unknown outcomes (Hofstede, 2001). Consequences are an outgrowth of the potential unknown outcomes and their possible impact on the consumer. The interaction of this uncertainty and the potential negative consequences of the purchase result in increased feelings of risk associated with the prospective purchase (Campbell & Goodstein, 2001; Mitchell, 1992). Uncertainty may come from a variety of sources (Mitchell, 1999) and occurs primarily during the information gathering stage of the purchasing decision (Cox, 1967; Cunningham, Gerlach, Harper, & Young, 2005). Because of this, perceived risk is observed

to be subjective; consumers process risk based on their own prior experience and individual tolerance for risk. Stone and Grønhaug (1993) define perceived risk as “subjective expectation of loss” (p. 42). A consumer that detects more potential loss associates more risk with that purchase. The consumer also weighs the amount of potential loss when evaluating a potential purchase.

### **Dimensions of Perceived Risk**

As previously mentioned, when considering consumer goods purchases, prior research has identified six dimensions of perceived risk: financial, performance, social, psychological, time, and physical (Conchar, Zinkhan, Peters, & Olavarrieta, 2004; Jacoby & Kaplan, 1972; Laroche et al., 2004; Mitchell, 1992). During the purchasing decision-making process a consumer may consider one, all, or a combination of these dimensions for the purchase (Campbell & Goodstein, 2001); these dimensions are considered outcome-driven, as the risk will not be actualized until after the purchase is completed (Taylor, 1974). Each dimension as conceptualized focuses on a specific potential loss and may be present to varying degrees during the purchase process (Aqueveque, 2006).

**Financial risk.** Financial risk has two foci: (a) the consumer may lose money as a result of the purchase or may not attain the financial gain that was anticipated (Taylor, 1974); or (b) there may be a “net financial loss” (Sweeney, Soutar, & Johnson, 1999, p. 81), such that the consumer loses money as a result of lack of performance. This feeling that the consumer did not receive what they anticipated or what they paid for, or that they did not get the full value of the purchase, results in a “value-for-money perception” (Mitchell & Vassos, 1998, p. 49). An example of financial risk would be the purchase of a new model of a vehicle; there is uncertainty associated with this purchase, as the model is new and has not



been tested in the consumer market. This uncertainty may translate to financial risk, resulting in the consumer worrying that they may have to purchase a replacement vehicle or spend more money than anticipated because of excessive repairs on the untested vehicle.

**Performance risk.** Performance risk is tied to function; the consumer may be concerned that the purchased product may not function as expected or promised (Mitchell, 1992). Performance risk is outcome-driven and represents a future vision, such that the consumer is concerned, at purchase, that the product will have performance issues in the future (Sweeney et al., 1999). Continuing the car purchase example, performance risk would be activated due to uncertainty associated with the vehicle being untested and/or not performing as promised

**Social risk.** Social risk develops because of concerns with how close others, family and friends, will assess the purchase choice (Jacoby & Kaplan, 1972). Social risk refers to the potential loss of relationship or social isolation that may result from disapproval or lack of acceptance of a purchase by the consumer's normative reference group (Childers & Rao, 1992). Normative reference groups may influence the consumer, via experience with a similar purchase, or judge the consumer for purchases of which they do not approve (Burnkrant & Cousineau, 1975; Childers & Rao, 1992). To continue the vehicle purchasing scenario, the consumer may feel a lack of approval, or feel judged for their choice and may question their choice as a result (Escalas & Bettman, 2005).

**Psychological risk.** Psychological risk connects uncertainty with the consumer's comfort or discomfort with a purchase decision. (Stone & Grønhaug, 1993). From the initial conceptualization of perceived risk, Bauer (1960) noted that "any action of a consumer will produce consequences which he cannot anticipate with anything approximating certainty, and

some of which at least are likely to be unpleasant” (p. 390). Purchasing decisions, specifically those with a high degree of uncertainty associated with them, can result in increased stress and anxiety, and diminished self-esteem (Aqueveque, 2006; Taylor, 1974; Tversky & Fox, 1995). Psychological risk also encompasses dissonance, such that a consumer may try to reduce the risk of potential negative outcomes by extensive research about the purchase (Mitchell, 1992). Within the vehicle purchase scenario, the consumer may feel psychological risk as increased anxiety and work to dispel that anxiety by speaking to those that have purchased the vehicle or test drive it.

**Time risk.** Time risk is multifaceted, including both the potential loss of time preparing for a purchase, as well as the loss of time using the purchased item, having to repair it if it doesn’t perform as anticipated, or having to replace the item (Stone & Grønhaug, 1993; Taylor, 1974). When purchasing a vehicle, for example, the consumer may waste time on excessive research, only to find it is no longer available or has an unreliable service record and research must begin again with another vehicle.

**Physical risk.** Physical risk incorporates health and safety concerns with a purchase (Dholakia, 1997). These health and safety concerns may be the result of defects, misuse or overuse, or malfunctions (Stone & Grønhaug, 1993). When evaluating a vehicle, the consumer may try to assuage the associated physical risk by studying consumer safety reports, test driving the vehicle; they may feel increased uncertainty with a new model because of the lack of a safety track record.

These individual dimensions may present themselves in conjunction with each other when a consumer faces a purchasing decision. As the vehicle example shows, purchases may

activate one, some, or all of the dimensions and how salient each risk dimension is will vary from consumer to consumer (Conchar et al., 2004; Stone & Grønhaug, 1993).

### **Perceived Risk in Hospitality and Tourism**

The preponderance of perceived risk research in the hospitality and tourism literature falls under one of two umbrellas: (1) safety and security traveling to or at a destination (Caber, González-Rodríguez, Albayrak, & Simonetti, 2020; Law, 2006; Mahatme & Mekoth, 2020); and (2) perceived risk with destination or travel choice (Quintal, Lee, & Soutar, 2010b). The potential for dangerous situations arising during travel is of concern for travelers around the world (Quintal et al., 2010a; Seabra, Dolnicar, Abrantes, & Kastenholtz, 2013), so travelers are having to weigh not just destination attributes, but how well the destination is equipped to handle a potentially volatile situation (Slevitch & Sharma, 2008). Most of the hospitality and tourism research, as a result of this concern, focuses on the physical risk dimension as previously discussed. More in line with the current research, hospitality and tourism research also includes consumer destination choice decisions and addresses consumers' tactics for tackling uncertainty when making travel decisions (Kozak, Crotts, & Law, 2007; Mahatme & Mekoth, 2020; Quintal et al., 2010b). This may be related to perceived safety and security concerns at the potential destination (Karl & Schmude, 2017), but may also include information collection and processing related to destination attributes (Fuchs & Reichel, 2011; Sharifpour, Walters, Ritchie, & Winter, 2014; Slevitch & Sharma, 2008). To reduce this uncertainty, consumers may rely on word-of-mouth, past experiences, or extensive research (Perpiña, Prats, & Camprubí, 2017).

Hospitality and tourism research has also considered emerging technology, consumer adoption of that technology, and how they process the risk associated with new technology

(Koenig-Lewis, Marquet, Palmer, & Zhao, 2015). This research has primarily focused on online purchases (Lin, Jones, & Westwood, 2009), with specific focus on airline tickets (Kim, Qu, & Kim, 2009). More recently, this research has expanded to include cashless payments, apps, and online check-in (Dayour, Park, & Kimbu, 2019; Ozturk, 2016). These studies represent an increased awareness of perceived risk in consumer purchases, specifically from unknown sources or using unfamiliar payment methods.

### **Existing Measurements of Perceived Risk**

Early studies involving perceived risk primarily used product comparisons; the respondents made evaluations of a pair of products to determine which was the riskier purchase, resulting in a relative measurement of risk (Bettman, 1973). Because these studies were product or product category specific, they did not provide an overall measurement of risk, but instead provided a ranked assessment of product risk (Hampton, 1977). The products might change, but so might the population, allowing researchers to see how different populations considered risk associated with certain products and vice versa. These studies also focused on individual characteristics of the product and not dimensions of perceived risk (Jacoby & Kaplan, 1972). Although subsequent research has developed study- or industry-specific scales (Mitchell & Vassos, 1998; Shimp & Bearden, 1982), there has not been a universally accepted perceived risk scale that encompasses all the defined dimensions, as well as overall perceived risk.

Within the hospitality and tourism literature, there have been recent advances in developing a perceived risk scale, but they are still largely targeted at a specific aspect of the industry or population. Sun (2014) proposed a scale that reflects the majority of the dimensions of perceived risk which also includes some aspects of service-based risk.

Mahatme and Mekoth (2020) recently validated a perceived risk scale, but it is narrow in its scope, focusing on how international travelers perceive risk in a destination. Regardless of these recent attempts, the existing scales are largely contextual and do not assess the dimensions of perceived risk in their entirety. There is a gap in the current literature relative to a comprehensive and holistic perceived risk scale. The current research addresses this gap by addressing the psychological underpinnings of the concept across contexts, proposing a scale that addresses the dimensions of perceived risk, and focusing on one of the defining attributes of the hospitality industry, the service-based nature of hospitality and tourism products.

### **Service-Based Purchases**

There is consensus amongst most researchers that service-based purchases are inherently different than consumer goods purchases (Kotler et al., 2017; McDougall, 1987; Murray & Schlacter, 1990). While a consumer goods purchase has been described as “a physical entity composed of tangible attributes which buyers purchase to satisfy specific wants and needs” (Murray & Schlacter, 1990, p. 53), understanding a service-based purchase presents a more complicated task. Generally, evaluating a service-based purchase prior to purchase presents a more complex undertaking than a traditional consumer good (Laroche et al., 2004), largely because a consumer good is seen as a “fixed package of features” (Araujo & Spring, 2006, p. 799) while service-based purchases are simultaneously created and consumed. Service-based purchases are largely described as having intangibility, inseparability, variability, and perishability (Zeithaml, Parasuraman, & Berry, 1985).

**Intangibility.** Intangibility is considered the defining characteristic of service-based purchases and, as a result, is its most studied dimension; it is also most frequently associated

with perceived risk (Laroche, Bergeron, & Goutaland, 2003; Laroche et al., 2004; Pleger Bebko, 2000). Intangible products are not capable of being touched, observed, tasted, felt or interacted with prior to purchase or consumption (Kotler et al., 2017). Intangibility also reflects the idea that service-based purchases are seen as a performance, not an object (Hellén & Gummerus, 2013). Intangibility is reflected in three components: physical intangibility, generality, and mental intangibility (Laroche et al., 2004). Physical intangibility focuses on the fact that a service cannot be touched, held, or seen. Generality addresses how consumers may not be capable of defining the service and how it will be enacted. Mental intangibility relates to the consumer not being able to understand the product mentally. “(P)hysical tangibility does not ensure a clear, mentally tangible representation of an object, especially if the evaluator lacks experience with the object” (Laroche et al., 2004, p. 375). Considering a consumer evaluating a service purchase, they may not understand how a service will be enacted because it cannot be touched or held and are trusting that it will be produced as promised (physical intangibility). They also may not be able to describe the details of the service; they may understand aspects of it but can’t relate them to the service itself (generality). Finally, they may not be able to describe the full scope of the service, especially when making the service purchase for the first time (mental intangibility). The hospitality industry is largely populated with intangible products; when planning an event, for example, the consumer is unable to perceive how the event will actually happen, despite seeing pictures of prior events or speaking with an event professional. An event can not be touched, or even fully conceptualized, before it happens and is, therefore, intangible.

**Inseparability.** Inseparability encompasses the idea that a service is simultaneously created and consumed; typically, a service is purchased, then created and consumed at the

same time, frequently at a later date (Kotler et al., 2017). This stands in contrast to a good, which is produced, then sold, then at a later date consumed by the purchaser (Edgett & Parkinson, 1993). Additionally, the consumption of service-based purchases include a service provider, such as waitstaff in a restaurant or a hairdresser; the interaction with a service provider can influence the consumer and their consumption experience, both positively and negatively (Kotler et al., 2017). The service producer and seller are frequently the same entity rather than a producer and retailer in typical consumer goods interactions (Zeithaml et al., 1985). Continuing the event example, the event is created as it is simultaneously consumed. The production of the event happens in real time, as guests are consuming the product.

**Variability.** Variability (or generalizability) reflects that service experiences can vary from consumption experience to consumption experience (Coulter & Coulter, 2002). As discussed above, service experiences rely on service providers, resulting in the potential for varying levels of execution – the staff member may be having a bad day, the service provider may be different from service experience to service experience, or there may be locational differences in service execution (Murray & Schlacter, 1990). These fluctuations in service execution can result in reduced customer satisfaction and trust (Coulter & Coulter, 2002; Sun, 2014). For example, two events can be planned with all of the same specifications, the same menu, venue, band, etc., but on the night of production, each event has a different staff. This can result in variability between the two events, as different staff may execute what it on paper the same event differently.

**Perishability.** One of the hallmarks of a service is that if it isn't consumed, it cannot be resold or used at a later date; services have an expiration date (Kotler et al., 2017).

Zeithaml et al. (1985) indicate that “services are performances that cannot be stored” (p. 34) which results in a service-based business relying heavily on supply and demand. This can lead to the perception that a business that isn’t frequently used may be inconsistent in providing services because of lack of consistency or practice (Kandampully, 2000).

### **Service-Based Perceived Risk**

Although the perceived risk literature acknowledges that there may be differences between how a consumer perceives risk when making a consumer goods versus a service-based purchase (Laroche et al., 2004; Sun, 2014), limited research attempts to identify and quantify them into a scale to measure those differences. The perceived risk literature recognizes that services hold more inherent risk because of the intangible, variable, inseparable, and perishable nature of a service and have begun identifying how consumers navigate those differences (Murray & Schlacter, 1990). This study develops and validates a scale that underscores the unique aspects of a service-base purchase and how consumers process the perceived risk when making these purchases.

### **Scale Development**

Identifying the measurements of SBPR followed a process outlined in Yoo and Chon (2008) and built upon the guidelines of Churchill Jr (1979). The steps, as outlined in figure 1, began with the qualitative portion of the study, including a review of the current literature and interviews with consumers planning a service-based purchase, resulting in the generation of items for further study. The study then entered the purification stage, when data was collected to further refine the scale. The scale was then finalized following purification with confirmatory factor analysis.



## **Qualitative study**

The initial step was an extensive literature review of the existing research in the areas of perceived risk (e.g., Bauer (1960); Dholakia (1997); Dowling (1986); Jacoby and Kaplan (1972); and Mitchell (1999)), service-based purchase decisions (e.g., Hellén and Gummerus (2013); . and service-based perceived risk (e.g., Grewal, Iyer, Gotlieb, and Levy (2007), Kim et al. (2009); Laroche et al. (2003)); and Murray and Schlacter (1990)) to understand prior scales that have been used in the measurement of service-based perceived risk. Although attempts have been made to develop a perceived-risk scale (Espejel, Fandos, & Flavián, 2009; Jacoby & Kaplan, 1972; Stone & Grønhaug, 1993), the current scales do not effectively capture the full extent of the theory. Most relevantly, the existing measurement scales did not comprehensively address the unique attributes of a service-based purchase, although Sun (2014) proposed an initial scale not significantly different than the consumer goods scales. Based on the literature review, it was decided to proceed with the SBPR scale development as no existing scale captures the unique elements of perceived risk when making service-based purchases. During this process, a comprehensive list of statements from prior scales was aggregated.

In addition to the literature review, this step of the scale development included interviews with consumers knowledgeable about the topic being studied (Ap & Crompton, 1998), in this instance, service-based purchases. Using milestone events as a context, brides and grooms actively planning their wedding were chosen to be a part of in-depth interviews about their experiences making service-based purchases related to their wedding. Using existing contacts, eight brides and grooms were identified to participate in interviews to further ascertain major dimensions of service-based perceived risk. Interviews were

conducted via telephone and recorded with interviewees' approval; saturation was met following the eight interviews. Each interview lasted approximately an hour. The interviewees were asked open-ended questions pertaining to what aspects of perceived risk they encountered when making wedding-related purchase decisions and followed a semi-structured interview format to allow participants to speak and express their experiences freely. Following the literature review and the semi-structured interviews, an initial list of 42 potential items was generated (table 1).

A panel of four expert judges then examined the proposed statements for content validity, ensuring that the statements align with and are relevant to the definitions of the proposed constructs (Haynes, Richard, & Kubany, 1995). The expert judges were academic faculty members chosen for their familiarity with the research area and their personal research experience. The judges reviewed the statements for content validity and of the 42 statements, 2 were slightly reworded to make it more clear as to what they were intended to capture. The remaining statements were retained as proposed as they met the a priori rule for acceptance: three out of the 4 judges agreed that the statements were aligned with the proposed definitions of the constructs (Yoo & Chon, 2008). Academic experts reviewed the statements for relevance and wording clarity to confirm face validity and statements were further modified to ensure precision and avoid ambiguity (Varshneya & Das, 2017).

### **Quantitative Study**

The originally proposed 42 statements were then pretested using 15 graduate students and faculty at a large state university in the southwestern United States. The respondents were asked to rate each statement on a 7-point Likert scale from 1 (extremely not relevant) to 7 (extremely relevant) as to how well they fit the definitions of each proposed construct.

Based on an a priori rule, items that were rated above 4 were retained for further study (Yoo & Chon, 2008); all items met the criteria, so 42 items were carried forward to the next part of the study. Respondents were also asked to provide feedback on readability and clarity and the items were refined accordingly.

A pilot test was conducted using a sample from MTurk, an online survey company. Participants resided in the United States, were over 18 years old, and had made a service-based purchase in the last 12 months; we surveyed 100 respondents. Respondents were asked to identify the service-based purchase that they considered when answering the questions; responses included hotel stays, haircuts and other spa services, and restaurant reservations, confirming that respondents were aware of what service-based purchases were. These responses were used to further confirm content validity by identifying those items that are not consistent conceptually (DeVellis, 2016). All 42 items were retained for the exploratory factor analysis (EFA). Data was then collected from a larger sample in order to perform a two-factor analysis (Gerbing & Anderson, 1988). Data was collected using MTurk, a national online survey company, and we collected 500 responses. Participants were screened to ensure that they were over 18 years old and had made a service-based purchase in the last 12 months. The collected data was split into two halves, with the first half used to perform an EFA to refine the scale, and the second half to perform a confirmatory factor analysis (CFA) to assess the scale.

An EFA was performed on one half of the data using SPSS v. 26. Using principle components analysis and a Promax rotation, items were assessed for fit within the resultant factors. As EFAs for scale development are used to assess the correlation of multiple dimensions, an oblique rotation was used, resulting in more significant factors theoretically

(Netemeyer, Bearden, & Sharma, 2003). KMO's measure of sampling adequacy was 0.956 and Bartlett's Test of Sphericity was significant at  $p < 0.05$ , indicating that the data was appropriate for continuing with the EFA (Yong & Pearce, 2013). Each item was reviewed for their individual loadings and those with factor loadings less than 0.40 or those that loaded on two items with less than 0.20 difference between them were evaluated for removal from the model (Ford, MacCallum, & Tait, 1986; Hair, Black, Babin, & Anderson, 2010). One item was retained despite cross-loading at a level smaller than 0.20 because prior research in perceived risk indicated that this statement has theoretical backing to remain in the model (Espejel et al., 2009). Factors were assessed using scree plots (Cattell, 1988). After a series of EFAs, 4 dimensions of SBPR were identified, accounting for 73.61% of overall variances (Table 2). The 4 factors were comprised of 20 statements, with each factor containing between 4 and 6 items. The factors were labeled as (a) relational; (b) psychological; (c) locational; and (d) social. Reliability was tested and the factors each had Cronbach alpha over 0.70 (0.882 to 0.946).

The proposed scale was confirmed by performing a confirmatory factor analysis (CFA) using AMOS v. 26 on the second half of the data. The factor matrix was imported to AMOS and maximum likelihood estimation was used to further assess the data for internal consistency, as well as provide a measurement of external consistency (Yoo & Chon, 2008). The fit of the initial model was moderate, with  $\chi^2 = 334.813$  and degrees of freedom = 146, CFI = 0.953, RMSEA = 0.072, GFI = 0.872 (Hu & Bentler, 1999). The modification indices were reviewed to better understand the potential differences between the proposed model and the initial estimated model (Byrne, 2013). The modification indices indicated that pairs of items, each within a single construct, could be covaried. Based on theoretical support, pairs

of the error variances of each construct were covaried and the model was run again (Byrne, 2013; Varshneya & Das, 2017). The respecified model resulted in good model fit, with  $\chi^2=229.829$  and degrees of freedom=139, CFI=0.977, RMSEA=0.051, GFI=0.912. All factor loadings on the respecified model were above 0.71.

The final model resulted in 20 items distributed amongst the four constructs. Reliability and validity of the respecified model was then assessed. Composite reliability, equivalent to Cronbach alpha, was calculated and all exceeded the suggested minimum of 0.700 (Hair et al., 2010). Locational was 0.941, relational was 0.926, psychological was 0.894, and social was 0.869; this indicates internal consistency of the constructs. Reliability was also measured by average variance extracted (AVE) for each construct and each was above 0.50 (0.627 to 0.761). (Hair et al., 2010). To determine discriminant validity, the square root of AVE was compared with the correlations of the construct. There is a slight discriminant validity issue between psychological and locational, as the square root of AVE (0.793) is smaller than the correlation between psychological and location (0.810). These results are summarized in Table 3.

### **Conclusion**

By using an accepted scale development process, this study created and validated a measurement scale for service-based perceived risk (SBPR). The procedure began with an extensive literature review into perceived risk, service-based purchase, and uncertainty. This literature review was coupled with interviews of individuals in the process of making a service-based purchase to better understand how they process and express risk during this purchase experience. The literature review and interviews resulted in 42 proposed measurements, which were shown to have content validity. These initial measurements were

subjected to a series of exploratory factor analyses, resulting in a model with 20 items grouped into 4 dimensions, which was then subjected to a confirmatory factor analysis, retaining the model of 20 items in 4 dimensions. The resulting scale was then reviewed for model fit, reliability, and validity. The factor loadings were all above 0.70 indicating convergent validity of the proposed constructs. All composite reliability scores were acceptable, which suggests that the proposed items reliably measure their constructs. Discriminant validity was also found to be satisfactory. The study resulted in a four-construct measure of SBPR, with constructs defined as social, psychological, locational, and relational service-based perceived risk.

Social SBPR functions as an assessment of the purchasers' close others' perception of the proposed purchase. Social SBPR is defined in this study as "the purchase of this service will result in potential loss of standing with family and friends". When making a service-based purchase, consumers assess not only their own perception of the purchase, but how others may assess or judge the purchase (Jacoby & Kaplan, 1972). A negative perception by close others may result in the loss of relationship or standing and, because of the more public nature of service-based purchases, social SPBR may result in a sense of social isolation as a result of the purchase (Childers & Rao, 1992). The items measuring social SBPR in this study reinforce the threat of loss of standing, with the focus on others' judgement of the purchase, the amount of money spent, or not fully representing the purchaser's standards.

Psychological SBPR focuses on the consumer's lack of comfort with a purchase decision (Stone & Grønhaug, 1993) and has been defined in this study as: "there will be increased anxiety associated with this service purchase because of the intangibility, variability, generalizability, or separability of purchase and execution". This dimension

focuses explicitly on the uncertainties associated with service-based purchases, with a focus on the traditional elements of a service (Laroche et al., 2004). Because a service is simultaneously consumed and executed (Kotler et al., 2017), cannot be experienced prior to consumption (Laroche et al., 2003), and can vary from experience to experience (Sun, 2014), service-based purchases have the potential to increase a purchaser's anxiety and stress (Murray & Schlacter, 1990). The measures in this construct capture that anxiety by focusing on the potential for circumstances to change between purchase and execution, the inability to experience the purchase before consumption, and a general unease resulting from the time that may pass between purchase and execution.

Locational SPBR incorporates how the physical location of the service purchase can impact the purchaser. It is defined in this study as: "there are potential access, health, or safety concerns with this service purchase". This construct builds on the physical risk dimension proposed in consumer good perceived risk, expanding it from the potential of defect in the item purchased (Dholakia, 1997) to encompass the physical traits of where the service will be performed. Services are frequently performed in designated locations, specific to the service being performed, such as a hotel where a purchase is made, but is also where the guest receives the service of an overnight stay (Sun, 2014). As such, the attributes of the service location become salient in the purchase decision of a service and this dimension captures that through measurements that assess access, safety, convenience, and maintenance.

Relational SBPR focuses on the relationship between purchaser and service provider and is defined as "the interaction with the service provider has increased my anxiety associated with this purchase". Service based purchases rely more extensively on a

salesperson or service provider; while consumer goods purchases certainly can involve a salesperson, the relationship is typically short lived and less involved (Hochstein, Bolander, Goldsmith, & Plouffe, 2019). Service-based purchases incorporate the accepted tenets of services, including the inseparability and variability inherent to service experiences (Kotler et al., 2017). Service-based purchases rely on a service provider for execution, resulting in the inability to separate the purchase and the provider; therefore, the service provider might play a larger role and the consumer may have a stronger emotional connection to the provider in the purchase situation than with most consumer goods purchases (Sierra & McQuitty, 2005). Additionally, uncertainty surrounds the service, attributable to the variability of the service execution from experience to experience; therefore a strong connection to the service provider should result in less uncertainty (Murray & Schlacter, 1990).

### **Theoretical Contributions**

The results of this study align with existing conceptualizations of perceived risk, while also incorporating the unique elements of service-based purchases. The accepted dimensions of perceived risk include both social and psychological elements (Taylor, 1974), which have been carried over to this scale. Social SBPR retains the original focus on how significant others assess a purchase and pronounce judgement, but the psychological SBPR dimension expands the original conceptualization to reflect the challenges that service-based purchases present. While most consumer goods scales for psychological risk incorporate aspects of anxiety (Mitchell, 1992), this scale integrates the intangibility (“I feel anxious because I am purchasing something unknown”) inherent in service-based purchases (Laroche et al., 2004). It also includes the inseparability (“I feel anxious because I can’t experience this service before purchasing it”) and incorporates the potential for differences between purchase



and execution (“I feel like the time between purchasing and executing the service allows for unwanted changes to occur”). This more fully combines the consumer-based anxiety of most purchases (Moschis, 2007) with the elevated stress associated with service-based purchases (Murray & Schlacter, 1990).

The two additional dimensions presented here are fully rooted in service-based purchases. Although many consumer goods are purchased in a retail environment, they are fleeting interactions; service-based purchases typically include sustained exposure to the location where the service is performed (Sierra & McQuitty, 2005). The importance of the location and service environment are captured in this scale, with a focus on convenience, accessibility, and safety. Although adjacent to the physical risk associated with consumer goods, this focuses not on the product, but the enactment of the service. Further, the relational SBPR construct is unique to the service-based purchase arena. Service-based purchases incur persistent contact with the service provider and that relationship can impact how the purchase is perceived. With a focus on service providers being mercenary (“I feel like the service provider is just concerned with making money from me”) or not connecting with the service provider (“I did not feel a connections with the service provider”) and broken communication (“I feel like the communication with the service provider was not transparent”), this construct captures a more comprehensive picture of the risk associated with service-based purchases.

The proposed SBPR scale varies from the existing perceived risk scales in several ways. It more thoroughly engages the concerns of those purchasing a service versus a consumer good through several measures, while also removing or combining dimensions that are less relevant to the service purchase. The psychological risk dimension incorporated

aspects of the dimensions that were not individually salient for service-based purchases, namely the financial, time, and performance dimensions. While consumers may still have concerns related to cost or value associated with the purchase, it is not as present in the service-based purchase. Espejel et al. (2009) proposed measures that captured consumer goods perceived risk (“I think it is not worth spending so much money” and “I think there are similar or better products which are cheaper”) but in both the interviews and the scale development products, the proposed financial measurements were not shown to be perceived in the purchasing process. We propose that financial risk is tied to a more overarching anxiety, as was captured by the psychological risk (Archuleta, Dale, & Spann, 2013), therefore it is not a part of the SBPR scale. Similar results were encapsulated in the SBPR scale for the consumer good scale’s time dimension. It was largely incorporated into the psychological dimension found in our scale development process and prior research has shown that consumers treat time when making a purchasing decision as a commodity, similar to financial resources, so it would follow that the time dimension would be captured in the psychological dimension of SBPR (Jacoby, Szybillo, & Berning, 1976). Increased time risk is tied to the psychological risk associated with the purchase (“I feel like the time between purchasing and executing the service allows for unwanted changes to occur”). Finally, performance risk has also been incorporated into the psychological risk dimension, building on the literature that consumers associate performance concerns with anxiety associated with the purchase (Dholakia, 2001).

The primary contribution of this study is the enhanced ability to assess consumers’ perception of risk in a service-based purchase environment. Because of the increased focus on service, as the marketing model moves away from a traditional manufacturing model

(Vargo & Lusch, 2004), the ability to measure how consumers process risk when making service-based purchases becomes more important. This scale has the potential to be applied in a variety of arenas, from the hospitality and tourism industry, the event industry, and online purchases, as well as traditional service-based purchases, such as choosing a professional services provider. This study also defines the dimensions that are salient in service-based purchases. As with consumer goods purchases, one, some, or all of these dimensions may be activated when making a purchase and this study provides definitions and applications for the dimensions so that future research can apply the relevant constructs as appropriate.

### **Limitations and Future Research**

The SBPR scale can now be applied in service-based purchase scenarios to determine its predictive capabilities; some contexts researchers should consider are events, hotel stays, and professional services. These areas include the hallmarks of service-based purchases, but also represent situations where risk may be more salient. Potential outcomes to measure with SBPR include purchase intention and willingness to pay a premium price for a service, as well as affective outcomes such as well-being. Additionally, because of the subjective nature of perceived risk, using personality measurements may provide more insight into traits that may perceive risk more acutely.

When considering practical applications, having access to a SBPR scale will allow researchers to develop interventions that can be used to mitigate perceived risk for consumers making novel or high involvement purchases. One application would be the special event arena; most consumers making event-based purchases are doing so having never made a purchase of that scale and scope before, resulting in increased stress and discomfort with the

purchasing process (Mann & Sahni, 2015). Future research can propose interventions that will allow industry professionals to provide the assurances, information, communication, and relationship that individuals planning a special event seek in order to feel comfortable making the purchase. These interventions can also be used to increase the associated spend and prevent a decrease in well-being.

This study is not without limitations which should be addressed in future research. The interviews were performed with brides and grooms planning their wedding; although a significant service-base purchase, that may result in bias in the scale for that specific purchase. Additional qualitative study at the item generation stage, in another service-based purchase field may further refine these scales. As well, the online sample for validation was based in the United States and respondents were asked to think of a service-based purchase of their own. Most behavioral decision-making literature indicates that making decisions is an individual act, so trying to apply one model to a variety of populations may not represent each fully (Sirakaya, McLellan, & Uysal, 1996). As risk perception is unique to each individual, incorporation of personality or comfort with risk scales might reduce some of this variance. A broader sample with a more focused service application may result in a more comprehensive scale with wider applications. Additionally, further study may help refine and fine-tune the instrument.

It should also be noted that this study straddled the beginning of the COVID-19 pandemic. Initial interviews were conducted prior to the introduction of COVID-19, while the remaining stages of the scale development were implemented during the pandemic. Because of the general anxiety associated with the pandemic, results may be skewed, especially because the topic involves how people perceive risk. Future research should

incorporate measures that assess general anxiety and general risk behavior to better capture the intent of the scales.

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## Tables and Figures

Table 1

*Initial scale items of service-based perceived risk scale*

Number	Scale Item
1	I feel that the pricing for the service was too high.
2	I feel that the pricing for the service was difficult to understand.
3	I feel that there were too many options for the pricing for this service.
4	I feel that the prices charged for this service were not worth the service that I would receive.
5	The base pricing for this service included everything I needed. (R)
6	The advertised pricing did not match what the actual pricing was for this service.
7	The pricing wasn't guaranteed for this service between purchase and execution.
8	I feel that this service would not meet the caliber of service that I expect.
9	I am not able to visualize how this service purchase will actually happen.
10	How well this venue would perform was based solely on how much I could pay.
11	I feel like I am not the focus of this service provider so performance will suffer.
12	I feel that their willingness to work with me was lacking.
13	I feel that resources bring stretched at the service location could negatively impact performance.
14	I feel that this service would not represent my standards to my family and friends.
15	I feel that my family and friends might judge me for choosing this service.
16	I feel like my family and friends will judge me for the amount of money I spend on this service.
17	Making this service purchase has strained relationships with my family and friends.
18	I question whether I have made the right decision when purchasing this service.
19	I feel uncomfortable making this service purchase because I've never purchased this service before.
20	I feel like this service purchase is causing me additional anxiety.
21	I feel anxious because I am purchasing something unknown.
22	I feel increased negative emotions when making this service purchase.
23	I feel anxious because I can't experience this service before purchasing it.
24	I feel like people could be hurt during the execution of this service at this location.
25	I feel that the venue for this service is not accessible for all of my guests.
26	The location of this service felt unsafe.
27	Access to this location was difficult.
28	The location of this service was not convenient.
29	The location of this service was not well-maintained.
30	I feel that I will waste time changing my mind between purchasing and execution of this service.
31	I feel pressured to make decisions because of the amount of time between purchasing and execution of the service.
32	I feel like the time between purchasing and execution of the service allows for something to go wrong.
33	I feel like the time between purchasing and executing the service allows for unwanted changes to occur.
34	I feel anxiety that circumstances might change between purchase and execution of this service.
35	I feel like the service representative wasn't responsive to my needs.
36	I feel like the service representative didn't care about me as a customer.
37	I feel like the service representative was just concerned with making money from me.
38	I feel like the service representative understood my needs. (R)
39	I did not feel a connection with the service representative.
40	I feel like the service representative did not communicate in a timely manner.
41	I feel like the communication with the service representative was not transparent.
42	I feel like the service representative did not have time for me.

Table 2

*Exploratory Factor Analysis Results for Measurement Scale*

Rotated Component Matrix	Component				
	Cronbach Alpha	Relational	Psychological	Locational	Social
Factor 1: Relational					
I feel like the service provider is just concerned with making money from me.	0.928	0.908	0.082	-0.222	0.032
I feel like the service provider doesn't care about me as a customer.		0.836	-0.032	0.111	0.038
I did not feel a connection with the service provider.		0.792	-0.013	0.117	-0.156
I feel like the service provider did not have time for me.		0.722	0.071	0.091	0.069
I feel like the communication with the service provider was not transparent.		0.624	0.098	0.204	0.001
Factor 2: Psychological					
I feel anxious because I can't experience this service before purchasing it.	0.907	-0.137	0.835	0.153	-0.044
I feel anxious because I'm a purchasing something unknown.		0.126	0.795	-0.055	0.012
I feel anxiety that circumstances might change between purchase and execution of this service.		0.039	0.757	0.018	0.097
I feel like this service purchase is causing me additional anxiety.		0.160	0.650	-0.040	0.131
I feel like the time between purchasing and executing the service allows for unwanted changes to occur.		0.144	0.584	0.240	-0.072
I feel pressured to make decisions because of the amount of time between purchasing and execution of the service.		0.241	0.555	0.096	0.065
Factor 3: Locational					
Access to this location is difficult.	0.946	-0.001	0.056	0.873	-0.038
The location of this service feels unsafe.		-0.102	0.103	0.833	0.073
The location of this service is not convenient.		0.087	-0.015	0.776	0.037
I feel that the location for this service is not accessible.		-0.015	0.142	0.776	0.042
The location of this service is not well maintained.		0.154	0.051	0.705	0.038
Factor 4: Social					
I feel that my family and friends might judge me for choosing this service.	0.882	-0.050	-0.003	0.003	0.970
I feel that my family and friends will judge me for the amount of money I spend on this service.		-0.101	0.209	-0.090	0.712
Making this service purchase has strained relationships with my family and friends.		0.089	-0.085	0.235	0.671
I feel that this service would not represent my standards to my family and friends.		0.150	-0.120	0.307	0.422

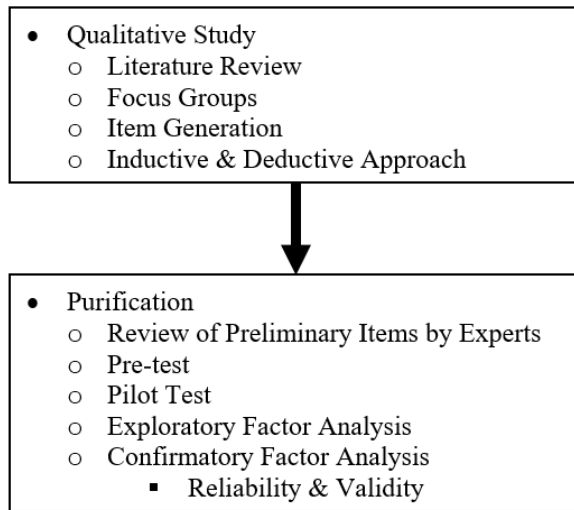


Table 3

*Reliability and validity of constructs*

	CR	AVE	Location	Relational	Psychological	Social
Location	0.941	0.761	[0.872]			
Relational	0.926	0.715	0.755	[0.845]		
Psychological	0.887	0.629	0.800	0.781	[0.793]	
Social	0.869	0.627	0.635	0.591	0.665	[0.792]

Alpha = Cronbach's Alpha; AVE = Average Value Extracted. Reliability coefficients of the respective constructs shown in brackets.



*Figure 1.* Scale development procedure.

**CHAPTER V**  
**MILESTONE EVENTS: EFFECTS ON SERVICE-BASED PERCEIVED RISK AND**  
**WELL-BEING**

**Abstract**

The current study explores the impact of uncertainty on hedonic well-being for consumers making service-based rather than consumer goods purchases. Additionally, the service-based perceived risk dimensions, relational, psychological, locational, and social risk, moderate the relationship between uncertainty and hedonic well-being. Using milestone events as a context, a 2-factor experimental design was used to examine these relationships; 423 respondents were randomly assigned to one of two groups, either high uncertainty (a new, unproven venue) or low uncertainty (an established venue with a positive reputation). Respondents were brides and grooms actively planning their weddings who were asked to evaluate the risk dimensions and hedonic well-being, as well as two open-ended questions used to further assess their emotional response to the condition to which they were assigned. There was a significant difference on hedonic well-being between the two uncertainty conditions. Social risk did not moderate the relationship, but relational, psychological, and locational risk did moderate the relationship between uncertainty and hedonic well-being. As relational, psychological, and locational risk decreased, well-being increased, indicating an inverse relationship between risk and well-being. This study provides support that service-based perceived risk does have an impact on well-being, indicating the need for service providers to mitigate these effects when interacting with consumers. This study provides validation for the service-based perceived risk scale.

**Keywords:** Service-based, perceived risk, milestone events, hedonic well-being

## **Introduction**

Increasingly, the marketing world is shifting away from a traditional consumer goods and manufacturing model and embracing a service-based model, recognizing that purchases more and more have a strong service focus (Vargo & Lusch, 2004, 2008). With this intensified focus on service models, it becomes imperative that research focus on how consumers make purchasing decisions and what impacts those decisions. One of the more prominent theories in the consumer goods arena is the concept of perceived risk; consumers perceive risk when faced with uncertainty and the potential for negative consequences associated with a purchasing decision (Bauer, 1960; Stone & Grønhaug, 1993). A significant amount of research has investigated how consumers process risk when making a consumer goods purchase (Mitchell, 1999; Taylor, 1974), but the research has not caught up with the increasing interest in service-based purchases. This study uses the service-based perceived risk scale developed in study one to better understand the mechanisms involved with making these service-based purchasing decisions. Additionally, this study explores how increased uncertainty and perceived risk impacts the consumer's well-being.

Considerable research addresses consumer stress and anxiety (Moschis, 2007; Shimp & Bearden, 1982) and it has been shown that uncertainty associated with a purchasing decision can increase anxiety related to that purchase (Taylor, 1974; Tversky & Fox, 1995; Urbany, Dickson, & Wilkie, 1989). Consumers frequently look for ways to reduce stress when making purchasing decisions (Sharifpour, Walters, Ritchie, & Winter, 2014), but the mechanisms that trigger these feelings of anxiety and how they impact the well-being of the consumer are not well understood. The very nature of service-based purchasing contexts would appear to provide more opportunities for increased anxiety and decreased well-being;

the intangibility, generalizability, and inseparability of service based purchases make them harder to conceptualize (Kotler, Bowen, Makens, & Baloglu, 2017; Murray & Schlacter, 1990), therefore potentially increasing anxiety associated with the purchase, which, in turn, results in decreased well-being. It is understood that uncertainty can trigger feelings of risk (Stone & Grønhaug, 1993), and that in turn increases anxiety (Kogan & Wallach, 1964), but it is less well understood how that might impact consumer well-being.

This study uses milestone events as a context for service-based purchases. Milestone events represent a subset of personal events unique from other personal events for several reasons. They are typically (a) associated with a life transition, (b) frequently coupled with a ceremony, (c) of a larger scale and scope than other personal events, (d) involve a significant financial commitment, and (e) those planning them have no prior experience with planning events of this scale. Milestone events include such life transitions as mitzvahs, quinceañeras, and weddings. Unlike birthdays and anniversaries, which recur every year, these milestone events are once-in-a-lifetime events, resulting in increased anxiety, stress, and nervousness. Because of the heightened pressure (Barnes, 2014) and the unique attributes associated with them, milestone events represent an excellent context to measure uncertainty and perceived risk.

The current research measures the influence of uncertainty in a service-based purchase decision on well-being, while also analyzing the interaction of uncertainty and perceived risk. Using milestone events as a context this study uses a mixed methods approach to better understand these relationships. A 2-factor experimental design allows us to understand the differences in impact on well-being between low and high uncertainty purchasing scenarios. We are also able to measure service-based perceived risk and better

understand at when uncertainty and perceived risk interact to impact well-being. In addition to the quantitative study, we use content analysis and analyze emotional expression via written responses to open-ended questions to further support our conclusions.

## **Theoretical Background**

### **Milestone Events**

The study of events has typically been broken into several large categories, with the largest, and most studied, representing meetings, expositions, events, and conventions (MEEC), which includes festivals, mega-events, and other public or ticketed events (Getz & Page, 2016b). The majority of this research stream has a tourism focus, with the primary questions related to how the event(s) will impact the hosting destination, how to attract these events, and the long-term impact of hosting these events (Draper, Young Thomas, & Fenich, 2018; Dwyer, Forsyth, & Spurr, 2005). Personal events, which are events that are both personal and social (Getz & Page, 2016a), are less frequently researched despite their significant contribution to the hospitality and tourism industries. Personal events can be further categorized into two subsections: recurring events, celebrated on a regular timetable, such as birthdays and anniversaries; and milestone events, such as weddings and mitzvahs, which are more infrequently celebrated, among other distinct characteristics. This study defines a large subsection of the event market that has not been well-represented in the research: milestone events.

As stated, personal events include a variety of events, from birthday parties, anniversary parties, showers, weddings, and funerals, with the overriding theme being events that are personal and social (Getz & Page, 2016a). There is a differentiation, however, between recurring events and what we have termed milestone events. Recurring events

happen with regularity and, while they involve celebrations, are not unique in the scope of the celebration; examples are birthdays and anniversaries. While there are landmark birthdays and anniversaries, such as when an individual turns 50 years old, these celebrations still occur annually, regardless of the level of attainment. Milestone events are events that are infrequently celebrated, frequently represent a once in a lifetime event, are tied to a life transition, involve a formal ceremony, and incorporate a larger celebration than those that are routinely celebrated with a significant financial commitment. These are not events that happen routinely, so those planning them are frequently planning them for the first time, with no prior experience or training. (Daniels, Lee, & Cohen, 2012). Examples include mitzvahs, quinceañeras, weddings, and funerals.

In the Jewish culture, the bar or bat mitzvah represents a life transition, where a thirteen-year-old girl or boy undergoes a structured, formal education in the faith and is now considered an adult in their synagogue (Oppenheimer, 2005; Schoenfeld, 2010). Quinceañeras serve a similar function for fifteen-year old Latinas; they are allowed more independence, freedom, and involvement in life choices following their quinceañeras (Romo, Mireles-Rios, & Lopez-Tello, 2014). Of the milestone events, the most recognized is a wedding, which occur across cultures, regardless of faith, and between both heterosexual and same-sex couples (Barnes, 2014). Mitzvahs and quinceañeras are focused on the individual celebrating the life transition, but weddings represent two individuals or families coming together to create a new family unit; weddings also represent a transition to independent adulthood in many cultures (Kalmijn, 2004). Weddings are universally celebrated and represent the largest number of milestone events, with over 2.2 million occurring in 2017 (Statista, 2018).

## **Attributes of Milestone Events**

**Infrequently celebrated.** While birthdays and anniversaries are celebrated annually, milestone events are frequently once-in-a-lifetime events, typically tied to an important life transition. Examples include quinceañeras and mitzvahs, which happen at fifteen years old and thirteen years old respectively (Bronner, 2018; Romo et al., 2014). Weddings are not celebrated at any specific age and brides and grooms are increasingly getting married older; the average age of brides and grooms has increased from 25 and 27 respectively in 2000 to 28 and 30 in 2018 (Bureau, 2018). Regardless of the age at which they marry weddings are frequently only celebrated once in an individual's lifetime. In recent years the marriage rate has decreased, to 6.9 per 1,000 people in the United States currently, but so too has the divorce rate, now only 2.9 out of 1,000 people in the United States (Statista, 2018). This would seem to reinforce that weddings are infrequent and therefore are significant celebrations when celebrated.

**Life transition.** Milestone events are typically in conjunction with a life transition for the participants. Quinceañeras celebrate a 15-year-old girls transition to a more adult role in her family and in the Catholic church (Davalos, 1996). Mitzvahs represent a similar rite of passage in the Jewish faith (Oppenheimer, 2005; Schoenfeld, 2010). Weddings also represent a life transition for not only the bride and groom, but their families as well; the union creates a new family union, while typically honoring the individuals' path to marriage (Kalmijn, 2004). Wedding planning has typically been the purview of the bride's family and serves as a way to enact the family's script and reinforce their status in the community both financially and socially (Castren & Maillochon, 2009; Currie, 1993). Increasingly, brides and grooms are undertaking the planning of their own wedding, as a way to more fully represent



themselves as a couple and present themselves to the outside world as a unified entity (Knot, 2016). Even as more couples cohabitate before marriage, brides and grooms indicate feeling that their relationship is more legitimate and report a deeper commitment after the ceremony (Baker & Elizabeth, 2013).

**No prior experience.** Unless a close friend or family member has planned a milestone event, most people undertake the planning with no formal training or experience. The scale of these events, coupled with the personal connection and significant financial commitment, can be intimidating for those involved with the planning (Daniels & Loveless, 2007). To address the inexperience with planning a large-scale event, brides and grooms are increasingly seeking assistance from wedding professionals; the bride and groom are still ultimately responsible for the decisions and the event is designed to represent them as a couple, which can increase the pressure associated with the planning (Blakely, 2008; Carter & Duncan, 2016). This anxiety associated with doing everything right, coupled with cultural pressure from popular culture (Galloway, Engstrom, & Emmers-Sommer, 2015) or family pressure (Barnes, 2014; Otnes & Pleck, 2003) can lead to increased stress to produce the perfect event, despite never planning one before.

**Financial commitment.** Producing a milestone event increasingly comes with a significant financial commitment and families continue to feel pressure to spend more on special events (Cattanach, 2018). It is increasingly common for mitzvahs to approach the scope and scale of a wedding, both in number of guests invited and the amount of money spent on the event (Salkin, 2005). And although the financial aspect of a wedding has traditionally fallen on the bride's family, increasingly others are contributing to the cost of the wedding, whether it be extended family, the groom's family or the couple themselves

(Knot, 2018). In order to create what is to their mind the perfect event, couples are taking on additional debt, with some lenders estimating loans of \$16,000 to brides and grooms wanting the Instagram-perfect wedding (Bhattarai, 2019).

Weddings are the focus of this study. As discussed, they are the most recognized and most frequently celebrated milestone event (Barnes, 2014; Statista, 2018). They also represent a significant contributor to the economy, with an estimated \$35-50 billion a year spent on weddings and receptions in the United States (Arend, 2015; Bhattarai, 2019). It is also anticipated that the results will apply across milestone event due to their similarities.

### **Service-Based Perceived Risk**

As originally conceptualized, perceived risk focused on consumer goods purchases; Bauer (1960) describes consumers developing “decision strategies and ways of reducing risk that enable them to act with relative confidence” (p. 390) when purchasing durable goods. He focused on two aspects associated with risk, uncertainty and consequences; uncertainty related to the potential purchase and the potential consequences associated with the outcome of the purchasing decision. Further research embraced uncertainty and consequences and expanded on them (Quintal, Lee, & Soutar, 2010b), focusing on how risk and uncertainty interact with each other. Cox (1967) proposed that risk and uncertainty are the same construct, such that “(r)isk is seen as an individual’s subjective feelings of uncertainty that the consequences of a potential purchase will be favorable” (Quintal, Lee, & Soutar, 2010a, p. 798). Other research has posited that risk and uncertainty are distinct, with uncertainty triggering feelings of risk (Stone & Grønhaug, 1993). Risky purchasing situations may result in a variety of potential outcomes, and there are probabilities associated with each of the potential outcomes (Stone & Grønhaug, 1993). Uncertainty has no probability associated

with it, just the general feeling that anything can happen and the associated ambiguity (Hofstede, 2001). This study embraces the second conceptualization, that uncertainty triggers feelings of risk when making purchases.

Uncertainty is most closely aligned with outcomes; the consumer doesn't possess the knowledge that the potential purchase will have a positive outcome, so they perceive more associated risk (Taylor, 1974). This feeling of uncertainty is most closely aligned with anxiety; there is not a specific focus for a consumer's uncertainty, just that the outcomes are unknown (Hofstede, 2001). Risk therefore represents the interaction between uncertainty of a potential purchase and the consumer's perception of potential consequences and their impact, whether they be negative or positive (Campbell & Goodstein, 2001; Mitchell, 1992).

Uncertainty may come from a variety of sources and it has widely been argued that perceived risk is subjective; each consumer will process risk through their own experience and their individual threshold for risk (Mitchell, 1999). Additionally, the amount of risk a consumer perceives is dependent on the potential loss associated with a poor purchasing decision.

Overall, the more risk a consumer perceives, the more hesitant they are to purchase (Campbell & Goodstein, 2001).

Increasingly, the marketing model is shifting from a consumer goods perspective to a service-based model (Vargo & Lusch, 2004). As such, it becomes more important to observe perceived risk through a service-based lens. The literature acknowledges the distinction between consumer goods and service-based purchases (Laroche, McDougall, Bergeron, & Yang, 2004; Sun, 2014), largely because of the intangibility, inseparability, and generalizability of service-based purchases (Murray & Schlacter, 1990). A consumer is not able to touch or experience a service-based purchase before consumption (intangibility)

(Laroche, Bergeron, & Goutaland, 2003; Pleger Bebko, 2000), consumption and production happen simultaneously (inseparability) (Edgett & Parkinson, 1993), and there can be variance between service consumption experiences (generalizability) (Kotler et al., 2017), increasing the potential for uncertainty and perceptions of risk (Murray & Schlacter, 1990).

Study one developed a service-based perceived risk (SBPR) scale, capturing the elements that make service-based purchases unique. The study defined four constructs specifically for service-based purchases: social, psychological, relational, and locational risk. Social risk focuses on how the consumer believes their close others will assess the potential service purchase, so it is defined as “the purchase of this service will result in potential loss of standing with family and friends”. In an event venue purchase, for example, the purchaser may think that their close others will judge the venue as too expensive, or not representing their standards, resulting in social isolation and strained relationships.

Psychological risk focuses not on how others perceive the purchase, but on how the consumer themselves perceives the purchase (Stone & Grønhaug, 1993); the potential purchase may incite anxiety or a lack of comfort with the purchase decision. Psychological risk is defined as “there will be increased anxiety associated with the service purchase because of the intangibility, variability, or separability of purchase and execution”. The measures in this construct capture the potential anxiety associated with the purchase through a focus on the potential for change between purchase and consumption, the inability to experience the purchase before consumption, and a general sense of unease because of the time that passes between purchase and consumption and the resultant second-guessing that may occur.

Relational risk is unique to the service-based purchase ecosystem. In a service-based purchase, the consumer potentially interacts more explicitly and for an extended period of time with the service provider, so relational risk is defined as “the interaction with the service provider has increased my anxiety associated with this purchase”. With the focus on inseparability, that consumption and production happen simultaneously, the role of the service provider is increased in service-based purchases and may result in a stronger emotional connection to the service purchase (Sierra & McQuitty, 2005). This dimension also taps into the variability associated with services; in an event context, different service providers, even at the same venue, may execute differently for different events (Kotler et al., 2017). A stronger positive connection to the service provider, measured in this scale through timely communication, personalized and focused service, and general connection, will result in lower levels of uncertainty (Murray & Schlacter, 1990).

Finally, locational risk is again unique to SBPR; this dimension incorporates how the location of the service purchase potentially impacts the purchase decision. This dimension is defined as “there are potential access, health, or safety concerns with this service purchase”, building on the potential for issues with the location of the service. Services are performed in a designated location and as such, the specific attributes of the service location become more salient when a consumer is purchasing a service. In an event context, the focus may be on accessibility for family and friends, convenience for those traveling, the safety of the venue and access for other service providers, and perceptions of maintenance.

### **Well-Being**

Well-being is frequently conceptualized as the attempt to balance personal resources, specifically psychological, social, or physical (Dodge, Daly, Huyton, & Sanders, 2012). Ryan

and Deci (2001) describe two aspects of well-being, eudaimonic and hedonic. Eudaimonic well-being relates to personal growth, requiring effort and reflecting the true self (Ryan & Deci, 2001). Hedonic well-being is more fleeting and subjective, focusing on pleasure seeking, and, although not exclusively, bodily pleasures (Smith & Diekmann, 2017). Well-being has been studied in the hospitality research, but focuses on employee well-being (Bohdanowicz & Zientara, 2009; Kara, Uysal, Sirgy, & Lee, 2013) or how travelers experience well-being in a destination (Filep, 2014).

The literature indicates that perceived risk can lead to increased anxiety and that “choice situations involve uncertainty which creates some level of anxiety” (Taylor, 1974, p. 57). Though not explicitly linking perceived risk and well-being, research shows that consumers use various methods, such as information gathering (Conchar, Zinkhan, Peters, & Olavarrieta, 2004; Cox, 1967) or heuristics (Campbell & Goodstein, 2001) to decrease uncertainty and the associated stress when making risky purchasing decisions (Moschis, 2007). Weddings provide a context for the study of perceived risk in a service-based purchase environment, one ripe with stress and anxiety. Wedding planning incorporates stress from a variety of fronts, including family expectations (Castren & Maillochon, 2009; Currie, 1993), trying to balance other aspects of your life with the increased responsibilities associated with planning a wedding (Blakely, 2008), on top of the need to make a variety of purchasing decisions related to the wedding (Daniels et al., 2012). As discussed earlier, planning a wedding is a new experience for most brides and grooms, so the scale of the event, the financial commitment, and general uncertainty associated with planning something unfamiliar also has been shown to increase stress and anxiety (Knot, 2016). Overall, brides and grooms may feel inadequate, unqualified, or isolated throughout the process and fear

making mistakes or wrong decisions (Blakely, 2008). The uncertainty associated with wedding-related purchasing decisions (Blakely, 2008), as well as the social and public consumption of wedding purchases (Arend, 2015) would seem to indicate that perceived risk might adversely impact well-being. This study focuses specifically on hedonic well-being; weddings are a conspicuous consumption occasion, with a strong emphasis on physical pleasure and enjoying the moment (Bloch, Rao, & Desai, 2004). They are also largely performative events, produced to project a specific image of the bride and groom as a couple (Carter & Duncan, 2016). As such, we proposed the following hypotheses, as shown in figure 1:

Hypothesis 1: Brides' or grooms' exposure to lower versus higher levels of uncertainty influences their hedonic well-being when making wedding-related decisions.

Hypothesis 2: The dimensions of service-based perceived risk, (a) relational, (b) psychological, (c) locational, and (d) social risk moderate the relationship between uncertainty and hedonic well-being when making wedding-related decisions.

### **Methodology**

This study takes a mixed methods approach combining experimental design and qualitative analysis to test the hypotheses. The quantitative portion uses a 2-factor experimental design to evaluate the differences in how low versus high uncertainty influence well-being when making a wedding-related purchase. The dimensions of perceived risk act as moderators to this relationship to investigate the interaction of uncertainty and perceived risk on well-being. The qualitative aspect allows respondents to describe how they perceive risk in this purchasing scenario and what methods might be used to alleviate this risk via responses to open ended questions.

## **Sample and Procedure**

Respondents were brides and grooms who are over 18 years old, residing in the United States and actively planning their wedding within the next 12 months. Data was collected using MTurk, an online national survey company. Respondents were randomly assigned to one of two conditions, a high uncertainty scenario versus a low uncertainty scenario. Each scenario included a photo of a venue and a written scenario to accompany it. The high uncertainty condition presented the venue with the verbiage “Coming Spring 2021” and “Be the first to host your wedding with us”; the accompanying scenario verbiage was “You are in the process of choosing a venue for the wedding that you are planning and your first choice, the venue that was pictured on the previous page, is a new venue that does not have any online reviews, has all new staff that have not done a significant number of events, and is unable to provide any references for satisfied customers.” The low uncertainty condition presented the same picture of the venue with the verbiage “Celebrating 20 Years” and “Over 800 weddings in our 20 years” and the verbiage of the scenario was “You are in the process of choosing a venue for the wedding that you are planning and your first choice, the venue that was pictured on the previous page, is an established venue that has a significant number of positive online reviews, long-tenured staff, and can provide numerous references from delighted customers.”

Data was analyzed using SPSS (v. 27) for descriptive and inferential analysis, as well as respondents’ profiles, correlations, and construct reliability. PROCESS (v. 3.5) Macro (Hayes, 2018) uses ordinary least squares (OLS) regression to test relationships and interactions between variables. In PROCESS, 5,000 bootstrapping samples were used and bias corrected confidence intervals (CI) were calculated. The open-ended questions were



evaluated using Linguistic Inquiry and Word Count (LIWC) which was used to classify the meanings of word choice used by respondents in the responses to open-ended questions (Pennebaker, Boyd, Jordan, & Blackburn, 2015). LIWC2015 uses four summary language variables (analytic thinking, authenticity, clout, and emotional tone) which can be assessed on a scale from 1 (low) to 100 (high). LIWC2015 provides categories of psychological constructs (e.g. affective, social, and drives) which allow us to better understand how the respondents are processing risk and its impact on well-being.

## **Measures**

Following exposure to these scenarios, respondents were presented with the service-based perceived risk scale from study one, as well as a previously validated hedonic well-being scale (Diener, Emmons, Larsen, & Griffin, 1985). All scales were assessed using a 7-point Likert scale measuring from strongly disagree (1) to strongly agree (7). Respondents were also asked demographic questions. They were also asked two open-ended questions: *How risky does it feel to book this venue for your wedding reception and what specifically feels risky?* and *What could the venue do to make you feel better about booking this venue?*

## **Results and Discussion**

### **Respondents' Profile**

We collected 440 responses and of those responses, seventeen were removed for not passing manipulation and attention checks, leaving us with 423 respondents. Of the 423 usable responses, 212 were in the high uncertainty scenario (coded 0) and 211 in the low uncertainty scenario (coded 1). The average age of respondents was 34.6 and 263 (62.2%) were male, 156 (36.9%) were female and 4 (0.9%) chose not to respond. Table 1 provides demographic information for respondents.

## **Manipulation Checks**

Responses were coded such that high uncertainty was coded 0 and low uncertainty coded 1. Responses were reviewed to ensure that manipulation checks were passed and those that did were retained. An independent samples t-test was performed to ascertain if the manipulation was successful. There was a significant difference between the two conditions for the first manipulation check question ( $t(423)=-7.549, p<0.000$ ) and the second manipulation check question ( $t(423)=-9.450, p<0.000$ ), indicating that the manipulation was successful. Additionally, the manipulation checks were asked at the beginning and the conclusion of the survey and responses between those two sets of questions were compared; those responses were not significantly different (manipulation check question 1 ( $t(422)=-0.069, p=0.945$ ) and manipulation check question 2 ( $t(422)=-0.707, p=0.480$ )) indicating that respondents maintained the perception of the manipulation throughout the survey.

## **Internal Consistency and Construct Validity**

Based on Cronbach's alpha, each construct showed internal consistency, above the accepted lower limit of 0.700 (Hair, Black, Babin, & Anderson, 2010). Cronbach's alpha ranged from 0.836 (social risk) to 0.914 (locational risk), as shown in table 2. Average variance extracted (AVE) confirms the convergent validity of the multi-item constructs and all exceeded 0.500 (Malhotra, 2008). There is a small issue with discriminant validity between the locational and relational constructs, but all other constructs meet the recommended thresholds (Hair et al., 2010). The service-based perceived risk factors show a higher degree of correlations as they are all measuring a dimension of service-based perceived risk. Each factor was studied individually as a moderator between uncertainty and well-being, removing the potential overlapping effects of highly correlated factors.

## **Moderation Analysis**

To test the first hypothesis, an independent sample t-test was performed, to determine if there were different effects on hedonic well-being between the high and low condition of uncertainty. The high ( $M=5.279$ ,  $SD=0.957$ ) and low ( $M=5.500$ ,  $SD=0.942$ ) conditions show a significant difference between them ( $t(420.95)=-2.387$ ,  $p=0.017$ ), indicating that people perceived different levels of hedonic well-being between the two conditions, thus supporting H1.

To determine whether the effect of the perceived risk dimensions (i.e., relational, social, psychological, and location risk) identified in study one interacted with uncertainty to influence hedonic well-being, we used moderation analysis; the results are presented in table 3 (Hayes, 2018). Relational risk moderated the relationship between uncertainty associated with a service-based purchase and hedonic well-being such that at low levels of uncertainty and low levels ( $b=0.3579$ ,  $p=0.0036$ ) and the mean levels ( $b=0.1952$ ,  $p=0.0244$ ) of relational risk, hedonic well-being was increased, supporting H2<sub>a</sub>. Psychological risk also moderated the relationship between uncertainty and hedonic well-being at low levels ( $b=0.4821$ ,  $p=0.0002$ ) and mean levels ( $b=0.2204$ ,  $p=0.0140$ ), supporting H2<sub>b</sub>. Finally, locational risk moderated the relationship between uncertainty and hedonic well-being at low levels ( $b=0.3825$ ,  $p=0.0019$ ) and mean levels ( $b=0.1958$ ,  $p=0.0238$ ), supporting H2<sub>c</sub>. Social risk did not have a significant interaction with uncertainty, so H2<sub>d</sub> is not supported. These results are also presented graphically in figure 2.

Overall, lower levels of relational, psychological, and locational risk resulted in higher levels of hedonic well-being, indicating that when consumers feel lower levels of these dimensions of risk, they have fewer negative impacts on their hedonic well-being.

Relational risk is related to how consumers feel they are being treated by the service providers; these results indicate that consumers who feel that their service providers spend time developing a relationship with the consumer, value their business, and communicate effectively have positive effects on their well-being. Psychological risk focuses on how consumers process anxiety and stress when making a service-based purchase; consumers who feel less anxiety and uncertainty and are not impacted by potential changes due to the intangibility and generalizability of the service have higher levels of hedonic well-being. Finally, locational risk is related to the location where the service is being performed and any potential access, safety, convenience or maintenance issues associated with the venue; consumers who are reassured that there are fewer risks associated with the location will also see increased well-being.

### **Qualitative Results**

Respondents were asked two open-ended questions at the conclusion of the survey: *How risky does it feel to book this venue for your wedding reception and what specifically feels risky?* and *What could the venue do to make you feel better about booking this venue?*

The responses to these questions were then analyzed using Linguistic Inquiry and Word Count (LIWC2015) to assess the responses for further insights into respondents emotional and cognitive reaction to the scenario they were presented (Pennebaker et al., 2015).

LIWC2015 has a dictionary of over 6,400 words and word stems that are defined into categories that correspond to cognitive and emotional responses. For example, positive emotional responses would be indicated by the use of words such as “love, nice, sweet” and negative emotional responses with words such as “hurt, ugly, nasty” (Pennebaker et al., 2015, p. 3). The responses were inputted into an Excel spreadsheet and coded according to the

scenario they received, 0=high uncertainty and 1=low uncertainty. The results from LIWC2015 were then subjected to a series of independent t-tests to determine if there were differences in some of the primary affective categories between the two conditions, particularly positive and negative emotion, anxiety, anger, and sadness.

For question one, *How risky does it feel to book this venue for your wedding reception and what specifically feels risky?* there were significant differences at the  $p < 0.10$  level between the high ( $M = 18.5$ ,  $SD = 21.0$ ) and low ( $M = 14.4$ ,  $SD = 18.1$ ) uncertainty groups for the overall affective measure ( $t(256) = 1.787$ ,  $p = 0.075$ ), indicating that those in the higher uncertainty group used more affective language when describing risk than those in the lower uncertainty group. There was also a significant difference between the high ( $M = 11.2$ ,  $SD = 15.0$ ) and low ( $M = 8.0$ ,  $SD = 12.0$ ) uncertainty groups for the anxiety measurement ( $t(286) = 1.997$ ,  $p = 0.047$ ); this indicates that the higher uncertainty group felt more anxiety when describing the risk associated with the venue. The remaining affective process categories were not significantly different between the two groups. Examples of the language used from the higher uncertainty group are: “It feels extremely risky to book this venue for my wedding reception. It feels risky because this is a brand-new location. No one has had an opportunity to rate it online yet. That means that this could either be the best venue ever or the worst. There is no way of knowing. The staff is entirely new and inexperienced. That means that I can probably expect them to be unprepared to some degree. There are no reviews from satisfied customers so that means I don't know whether or not I will be satisfied.” and “It's risky because the place is still new with new staff that are not too experienced. I want the wedding to go perfectly so I'd rather have a venue that has more experience.” The low uncertainty group responded with statements such as: “It doesn't feel

risky at all. I think it would deliver exactly what it promises to, with so many good reviews and a high usage, I have to imagine everyone comes out very satisfied who uses this venue. So I don't feel a risk in booking it at all.” and “I don't think it feels very risky; the company is fairly well-established and unlikely to fold in between now and the wedding. Of course, the economy can be shaky and bad things do happen.”

For the second question, *What could the venue do to make you feel better about booking this venue?*, there were significant differences at the  $p < 0.10$  level between the overall affective measurement between the high ( $M = 14.1$ ,  $SD = 20.8$ ) and low ( $M = 19.3$ ,  $SD = 25.4$ ) uncertainty groups ( $t(249) = -1.879$ ,  $p = 0.061$ ), indicating that those in the lower uncertainty group used more affective language when describing ways to make them feel better about choosing that venue. There was also a significant difference at the  $p < 0.10$  level between the high ( $M = 13.9$ ,  $SD = 10.9$ ) and the low ( $M = 18.7$ ,  $SD = 25.5$ ) uncertainty groups when considering the use of language indicating positive emotion ( $t(248) = -1.727$ ,  $p = 0.085$ ); those in the low uncertainty group expressed more positive emotion when describing how to reduce risk when making venue decisions. Examples of the language used by the high uncertainty group include: “Show me the detailed plans and packages they have for my wedding and guarantee me a refund if they fail to meet the expectations they state to offer.” and “The venue could make me feel better about booking this venue if they did three things. If they hosted a few events before mine and received online ratings for those reviews, then I would feel better. Those reviews would help me to gain trust in this venue. I would also feel better if they hired experienced staff. This way I would know that if anything happens the staff would be prepared to handle it. They also could allow free demos of the venue to couples who have already been married in other great venues. This would allow for an online

comparison and give me confidence in this venue.” For the low uncertainty group, examples of the language used include: “Actually its looks pretty venue to hold my most important day in my life. I am very glad to book this venue for my day.” and “I don't have any suggestions - what I was presented with looked great and the information that I was given, specifically the positive reviews and the number of wedding that have already taken place there are satisfactory to me.”

Overall, the qualitative results align with the quantitative results, indicating that those presented with more uncertainty used language that matched their additional anxiety. They spoke of needing additional reassurance, through reviews, testimonials, and more experienced staff. Those presented with the lower uncertainty condition didn’t express concerns or feelings of increased risk. They used more positive language and if they did express any anxiety it was related to external factors, such as the pandemic, and was not venue related. This is consistent with the literature, which indicates that when faced with uncertainty or upheaval, respondents tend to use more affective language, as seen in our study (Cohn, Mehl, & Pennebaker, 2004; Kahn, Tobin, Massey, & Anderson, 2007).

## **Conclusions**

This study addressed several gaps in the literature. We introduced the concept of milestone events, which are infrequently celebrated, are tied to a life transition, involve a formal ceremony, and incorporate a larger celebration than those that are routinely celebrated. Because of this, those planning these events have no prior experience or training; milestone events can also involve a significant financial commitment. This study also connected increased uncertainty and decreased well-being in service-based purchases; prior research has indicated that consumers experience stress when contemplating purchases

(Moschis, 2007) but limited research made the connection between uncertainty and hedonic well-being. Finally, this study validated the service-based perceived risk scale identified in study 1 and showed that uncertainty and service-based perceived risk interacted to influence hedonic well-being.

### **Theoretical Implications**

As the marketing world moves from the traditional consumer goods-based model to one more fully embracing service-based models, it becomes increasingly important to understand how service-based perceived risk influences consumers as they make purchasing decisions (Vargo & Lusch, 2004). Research has begun to investigate the differences between perceived risk when making consumer goods purchases versus when making service-based purchases, but few studies have focused exclusively on service-based perceived risk. Prior studies have adapted existing consumer goods scales to a service-based purchasing situation which fail to fully capture what makes service-based purchases unique (Sun, 2014). The current study uses the service-based perceived risk scale developed in study one to capture the defining elements of a service-based purchase, such as its intangibility, variability, and inseparability (Kotler et al., 2017). This scale fills a gap in the existing literature by providing a way to measure service-based perceived risk.

The SBPR scale also capture unique elements of a service-based purchase that have not been attained with previous scales. Research has shown that service-based purchases elicit higher perceptions of risk (Laroche et al., 2004), but the research has not attempted to more fully understand the psychological underpinnings of what causes this increase in risk perceptions and the impact it can have on a consumer's affect. The current study provides more illumination to what aspects of risk are more relevant for consumers faced with



uncertainty. Rather than focusing on product comparisons (Bettman, 1973) or more tangible aspects of a consumer good (Stone & Grønhaug, 1993), this study provides a more thorough understanding of each dimension of risk in a service-based purchase. The relational and locational risk dimensions are unique to service-based purchase as the interaction with a service provider and the location where the service will be enacted are more salient for a service consumer than a consumer goods customer, so higher perceived risk in these categories did decrease the hedonic well-being of the respondents. The psychological risk dimension also brought in characteristics specific to service-based purchases, such as the risk associated with not being able to experience the service before purchase and the potential for change between purchase and execution; again, these elements are unique to service-based purchases and resulted in a loss of well-being in high uncertainty purchasing situations. Overall, there is an inverse relationship between uncertainty, which triggers feelings of risk (Hofstede, 2001; Taylor, 1974), and hedonic well-being, such that higher levels of risk translated to lower levels of well-being.

The experiment in this study assessed how uncertainty and risk interact with each other. As has been previously detailed in the literature, uncertainty is generally believed to trigger risk (Stone & Grønhaug, 1993); uncertainty is a state of being, there are no consequences or probabilities associated with the outcomes, but a general feeling of anxiety or malaise (Hofstede, 2001). By activating both high and low levels of uncertainty through the scenarios related to choosing a wedding venue, we were able to trigger risk associated with the purchase decision; there were now consequences associated with the potential purchase decision, which, in turn, influenced the well-being of the respondents (Taylor, 1974). The service-based perceived risk dimensions interacted with purchase-related

uncertainty to influence consumer's well-being when making a service-based purchase. The service-based perceived risk scale allowed us to measure the interaction between risk and uncertainty and determine at what levels it was salient to those making wedding venue purchasing decisions. This supports the use of a service-based perceived risk scale versus a consumer goods scale.

Additionally, although prior research has described anxiety associated with making service-based purchase (Moschis, 2007), this study provides support to the idea that there is an inverse relationship between well-being and service-based perceived risk. Well-being increased at lower levels of uncertainty, as well as at lower levels of relational, psychological, and locational perceived risk when making wedding-related purchases. The primary affective response that has been previously discussed in the literature is stress or anxiety (Moschis, 2007; Slovic & Peters, 2006), so this study connects perceived risk and hedonic well-being. It also demonstrates which dimensions of perceived risk most impact well-being in the wedding planning context; brides and grooms planning their weddings are more susceptible to relational, psychological, and locational risk and less involved with social risk in this context.

### **Managerial Implications**

As discussed, brides and grooms are impacted by relational, psychological, and locational risk, so wedding professionals should consider how they can reduce those risk factors when working with prospective brides and grooms. For example, when considering relational risk, hospitality professionals can improve not only their communication style, by providing reassuring and nurturing communication, but also timeliness of communication. These efforts will help develop rapport with the prospective customers and provide

reassurance that the service provider is a helpful ally. Prior research has shown that the relationship between a consumer and a service provider during a service-based purchase is integral to the purchase decision, and has also indicated that adapting the sales and communication style to the individual consumer increases purchase intention (Hochstein, Bolander, Goldsmith, & Plouffe, 2019; Sierra & McQuitty, 2005), so determining best practices for the wedding market can potentially decrease perceived risk and increase purchase intentions. With regards to psychological risk, hospitality professionals can provide references, allow prospective consumers to speak with previous consumers who had a positive experience, or host open houses so that potential consumers can experience a mock event prior to making their decisions. By providing potential customers with peace of mind that the event will run as promised, the venue representative is seen as forthright and consumers will feel less anxiety. Finally, when considering locational risk, hospitality professionals should maintain the facility in such a way that it feels safe, accessible, and convenient. This will reassure potential customers that the venue takes pride in their product and works to maintain and improve it.

### **Limitations and Future Research**

Despite the results, there are potential limitations associated with this study that provide an insight into further research. Firstly, this study was undertaken during the COVID-19 pandemic, when brides and grooms were forced to reschedule or cancel their weddings out of concern for the safety of them, their guests, and their service providers. As well, there was not consistent messaging as to how events could be managed, and information was constantly changing. As a result, the respondents could have been influenced, especially in a study focused on perceived risk and well-being, by the global

situation. Including a measure that assessed the impact of a global pandemic would allow for the potential impacts to be measured.

The use of MTurk for data collection represents an additional limitation. The data collected from MTurk has been shown to have some reliability issues (Kennedy et al., 2020; Loepp & Kelly, 2020), resulting in some researchers questioning the viability of using MTurk as a data collection tool. Some of these issues have been variability as to quality of the data, as well as the increase in professional “turkers”, who may not pass attention checks or have become immune to manipulation through repetitive exposure. Despite these potential issues, we chose MTurk as our data collection method, primarily because of the current pandemic. MTurk allowed us expedient access to a broad cross-section of respondents, which would be difficult using industry contacts during a time when the industry has been severely impacted by COVID-19. In order to capture a better sample, respondents were asked to answer a series of qualification questions, as well as pass manipulation checks and multiple attention checks. Additionally, we were able to confirm engagement with the responses to the open-ended questions. Respondents that did not meet these criteria were disqualified. In the future, however, we will leverage our industry contacts to ensure a sample of respondents who can be confirmed as current brides or grooms.

As well, the choice of a wedding venue is a high-involvement purchase, so uncertainty and risk, as well as their impact on well-being may be heightened for this population. Including involvement as a construct could add an additional dimension to the results. Secondly, this study also provides the framework to begin exploring interventions that could be used to mitigate the effects of perceived risk on well-being. Some interventions to consider would be the inclusion of a third-party wedding planner (Blakely, 2008), different

sales approaches, and information availability/use (Urbany et al., 1989). Testing the scale with a variety of service-based purchases will further strengthen its predictive power. Some areas to consider for future research would include hospitality purchases such as hotel stays and all-inclusive vacations, and cruises.

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## Tables and Figures

Table 1

### *Sample Profile*

Respondent Characteristics (n=423)		Number	Percentage
<i>Age</i>			
	20 – 30	197	46.6%
	31 – 40	143	33.8%
	41 – 50	47	11.1%
	Over 50	36	8.5%
<i>Gender</i>			
	Male	263	62.2%
	Female	156	36.9%
	Did not respond	4	0.9%
<i>Annual Household Income</i>			
	Under 30,000	63	14.9%
	30,000 – 39,999	47	11.1%
	40,000 – 49,999	48	11.3%
	50, 000 – 59,999	109	25.8%
	60,000 – 69,999	42	9.9%
	70,000 – 79,999	46	10.9%
	Over 80,000	60	14.2%
	Did not respond	8	1.9%
<i>Highest Level of Education Completed</i>			
	High School Graduate	6	1.4%
	Some College	16	3.8%
	2 Year Degree	17	4.0%
	4 Year Degree	297	70.2%
	Professional Degree	79	18.7%
	Doctorate	4	1.0%
	Did not respond	4	1.0%

Table 2

*Correlations and Reliabilities of Constructs*

	$\alpha$	AVE	1	2	3	4	5	6
1. Social	.836	.672	[.819]					
2. Relational	.887	.690	.797	[.830]				
3. Psychological	.882	.655	.694	.817	[.809]			
4. Locational	.914	.764	.748	.850	.787	[.874]		
5. Hedonic Well-Being	.817	.579	.474	.351	.221	.350	[.761]	
6. High vs. Low Uncertainty	1.000		.063	.000	.036	.036	.116	[1.000]

*Note.*  $\alpha$  = Cronbach's Alpha; AVE = Average Value Extracted. Reliability coefficients of the respective constructs shown in brackets.

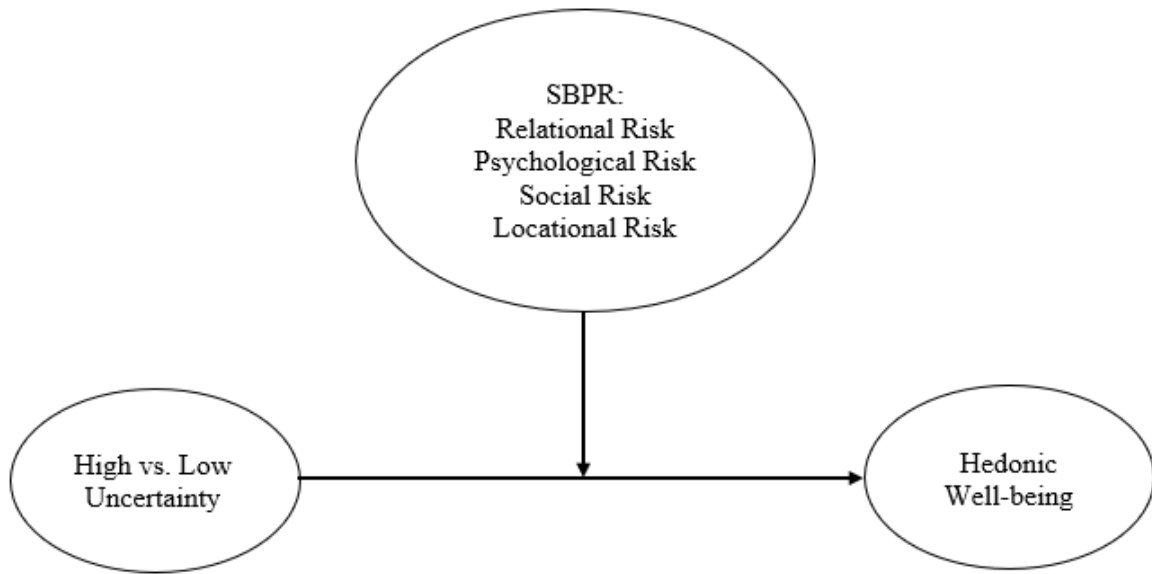
Table 3

*Model Coefficients for the Moderation Effects of (a) Relational Risk; (b) Psychological Risk; and (c) Location Risk on Hedonic Well-Being*

Risk Factors	Moderation Effect				
	W	b	SE <sub>0X→Y</sub>	p	95% Bias-Corrected Bootstrap CI
Relational	3.7029	.3579	.1223	.0036	.1563 to .5595
	4.9461	.1952	.0864	.0244	.0527 to .3376
	6.1893	.0325	.1227	.7912	-.1697 to .2347
Psychological	3.9077	.4821	.1277	.0002	.2311 to .7331
	5.0532	.2204	.0893	.0140	.0448 to .3960
	6.1987	-.0413	.1277	.7463	-.2923 to .2096
Location	3.2880	.3825	.1221	.0019	.1424 to .6225
	4.7130	.1958	.0863	.0238	.0262 to .3655
	6.1380	.0092	.1224	.9403	-.2315 to .2498

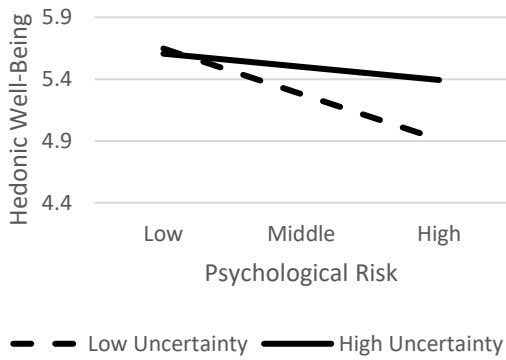
Note. W = Level of moderator; b = standardized coefficient; SE = standard error; p= significance  
Significant at p<.05.



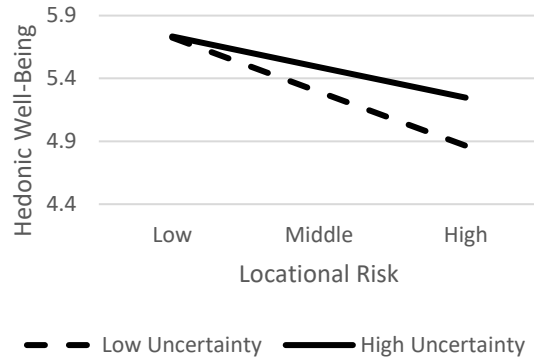


*Figure 1:* Proposed Model.

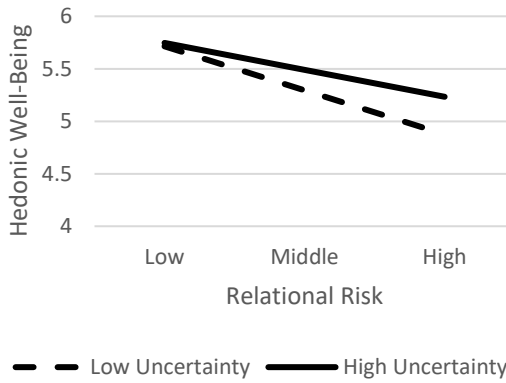
a. Psychological Risk



b. Locational Risk



c. Relational Risk



d. Social Risk

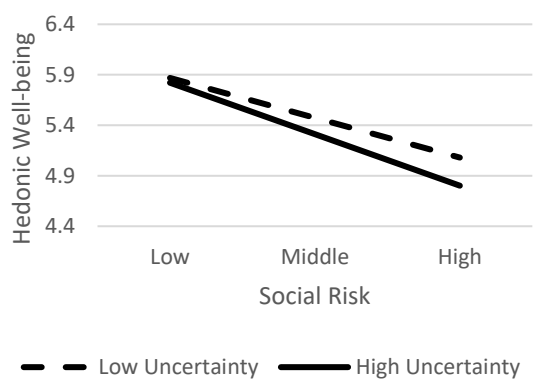


Figure 2: Interaction effects of a) psychological risk, b) locational risk, c) relational risk, and d) social risk.

## **CHAPTER VI**

### **SUMMARY AND CONCLUSIONS**

Increasingly, consumer modeling recognizes the shift from a purely consumer goods economy to one rooted in service-based purchases (Vargo & Lusch, 2004, 2008). This shift necessitates a better understanding of not just service-based purchases, but what influences consumers when they are making service-based purchases (Sierra & McQuitty, 2005). One prevailing theory in the research is perceived risk, that consumers assess uncertainty associated with purchases and assign potential consequences to those purchase options in the form of risk factors (Bauer, 1960; Conchar, Zinkhan, Peters, & Olavarrieta, 2004). Uncertainty triggers these perceptions of risk, which can, in turn, influence a consumer to purchase or not purchase the item, whether it be a consumer good or a service (Stone & Grønhaug, 1993). The majority of the perceived risk research focuses on consumer goods purchases, whether it be through product comparisons (Bettman, 1973; Hampton, 1977), or through early scales that were generally product-specific (Mitchell & Vassos, 1998; Shimp & Bearden, 1982). But with this shift to a service-based model, it now becomes more important to more fully measure how consumers perceive risk when making service-based purchases.

Hospitality and tourism research has attempted to better understand service-based perceived risk (SBPR), due to the inherent service focus of the industry (Kotler, Bowen, Makens, & Baloglu, 2017), but has generally modified existing consumer goods scales (Sun, 2014; Wolff, Larsen, & Øgaard, 2019) and not endeavored to develop a scale specific to service-based purchases. This study attempts to address this gap and propose a scale that can be used to better understand SBPR and then apply it in a service-based purchase situation.

Personal events are a significant portion of the hospitality industry (Getz & Page, 2016) but are underrepresented in the research. Personal events may include anniversaries, birthdays, showers, weddings, mitzvahs, and quinceañeras, but the defining factors are that they are personal and social. Within this category, this study proposes a subcategory of events that we've defined as milestone events, which are events that are infrequently celebrated, represent a once in a lifetime event, involve a formal ceremony surrounding a life transition, and incorporate a larger celebration than many other personal events. Milestone events also require a more significant financial contribution and those planning the event do not have prior experience with the planning process (Daniels, Lee, & Cohen, 2012). Recurring special events are things such as birthdays or anniversaries, which happen annually. Milestone events are events such as weddings, mitzvahs, and quinceañeras; because of the cross-cultural significance of weddings, as well as the number which occur annually, weddings were the chosen context for this study.

This study had three objectives. The first was to provide a critical review for perceived risk, service-based purchases, and milestone events in the current and past literature. The second was to develop and validate a scale that reflects the unique aspects of perceived risk in a service-based purchase context such as milestone events, specifically weddings. The third objective was to investigate the relationship between service-based perceived risk and well-being in a wedding-based purchase scenario. To achieve these objectives, two studies were undertaken, both of which took a mixed methods approach. The first study began with a comprehensive literature review of the perceived risk, service-based purchase, and event literature, coupled with interviews of consumers currently making service-based purchases. From these reviews and interviews, the study produced the initial

items of service-based perceived risk, as well as definitions of the proposed constructs. An online survey was then undertaken to purify and validate the measurements. Confirmatory factor analysis further refined the scale, provided model fit, and assessed convergent and discriminant validity. A second study used experimental design to examine the relationship between uncertainty (high versus low) and hedonic well-being, as well as understand how the dimensions of perceived risk moderated that relationship. Additionally, two open ended questions were used to provide additional support to the relationships that were uncovered during the moderation analysis.

### **Major Findings**

To understand the relationships between uncertainty and hedonic well-being, PROCESS v. 3.5, using OLS regressions was used to analyze the relationships. The letter “S” stands for supported and “NS” stands for not supported.

#### **Hypothesis 1 (S)**

Brides or grooms’ exposure to lower versus higher levels of uncertainty influences their hedonic well-being when making wedding-related decisions.

#### **Hypothesis 2a (S)**

Relational service-based perceived risk moderates the relationship between uncertainty and hedonic well-being when making wedding-related decisions.

#### **Hypothesis 2b (S)**

Psychological service-based perceived risk moderates the relationship between uncertainty and hedonic well-being when making wedding-related decisions.

#### Hypothesis 2c (S)

Locational service-based perceived risk moderates the relationship between uncertainty and hedonic well-being when making wedding-related decisions.

#### Hypothesis 2d (NS)

Social service-based perceived risk moderates the relationship between uncertainty and hedonic well-being when making wedding-related decisions.

Results of the moderation analysis provide information about the relationship between uncertainty and hedonic well-being, when moderated by the dimensions of service-based perceived risk. Hypothesis 1 is supported by a significant independent samples t-test, showing that there is a significant difference between the high and low uncertainty groups, ( $t(420.95)=-2.387, p=0.017$ ). Hypothesis 2<sub>a</sub> is supported through the moderation analysis, so that lower levels of uncertainty led to higher levels of well-being when moderated by relational risk, specifically at the low ( $b=0.3579, p=0.0036$ ) and mean levels ( $b=0.1952, p=0.0244$ ) of relational risk. Hypothesis 2<sub>b</sub> is also supported through the moderation analysis, so that lower levels of uncertainty led to higher levels of well-being when moderated by psychological risk, specifically at the low ( $b=0.4821, p=0.0002$ ) and mean levels ( $b=0.2204, p=0.0140$ ). Hypothesis 2<sub>c</sub> is confirmed by the moderation analysis, which shows that lower levels of uncertainty led to higher levels of well-being when moderated by psychological risk, specifically at the low ( $b=0.3825, p=0.0019$ ) and mean levels ( $b=0.1958, p=0.0238$ ). Hypothesis 2<sub>d</sub> was not supported by the analysis; there was no significant interaction between social risk and uncertainty.

The qualitative analysis provided further support for the difference in the low and high uncertainty groups, specifically as to how they wrote about the risk inherent with

choosing the venue in the scenario and what might be done to alleviate that risk. Using LIWC2015 allowed us to better understand the respondents' cognitive and emotional reaction. For the first open-ended question, *How risky does it feel to book this venue for your wedding reception and what specifically feels risky?* there were significant differences at the  $p < 0.10$  level between the high ( $M = 18.5$ ,  $SD = 21.0$ ) and low ( $M = 14.4$ ,  $SD = 18.1$ ) uncertainty groups for the overall affective measure ( $t(256) = 1.787$ ,  $p = 0.075$ ) indicating that those in the higher uncertainty group used more affective language when describing risk than those in the lower uncertainty group. There was also a significant difference between the high ( $M = 11.2$ ,  $SD = 15.0$ ) and low ( $M = 8.0$ ,  $SD = 12.0$ ) uncertainty groups for the anxiety measurement ( $t(286) = 1.997$ ,  $p = 0.047$ ); this indicates that the higher uncertainty group felt more anxiety when describing the risk associated with the venue. For the second question, *What could the venue do to make you feel better about booking this venue?*, there were significant differences at the  $p < 0.10$  level between the overall affective measurement between the high ( $M = 14.1$ ,  $SD = 20.8$ ) and low ( $M = 19.3$ ,  $SD = 25.4$ ) uncertainty groups ( $t(249) = -1.879$ ,  $p = 0.061$ ) indicating that those in the lower uncertainty group used more affective language when describing ways to make them feel better about choosing that venue. There was also a significant difference at the  $p < 0.10$  level between the high ( $M = 13.9$ ,  $SD = 10.9$ ) and the low ( $M = 18.7$ ,  $SD = 25.5$ ) uncertainty groups when considering the use of language indicating positive emotion ( $t(248) = -1.727$ ,  $p = 0.085$ ); those in the low uncertainty group expressed more positive emotion when describing how to reduce risk when making venue decisions.

## **Discussions and Conclusion**

The current research contributes to the literature in several ways. It introduces the concept of milestone events, a unique subset of personal events, events that are infrequently

celebrated, occur once in a lifetime, usually surrounding a significant life transition, involve a formal ceremony, and represent a larger celebration than most personal events. Milestone events also require significant financial output and the participants are novices when planning an event of this scope and scale. The literature primarily focuses on conferences, mega-events such as the Olympics, and trade shows (Getz & Page, 2016), so by defining another subset of events, it opens the door for further research into milestone events.

The study also developed and validated the service-based perceived risk scale. Using an established method of scale development, four constructs were defined, and measurements were developed. Drawing on the defining characteristics of a service-based purchase, namely intangibility, generalizability, and inseparability, the service-based perceived risk dimensions of relational, psychological, locational and social risk capture the unique elements of a service-based purchase. Relational SBPR concentrates on the relationship between purchaser and service provider and is defined as “the interaction with the service provider has increased my anxiety associated with this purchase”. Psychological SBPR focuses on the consumer’s discomfort making a purchase decision (Stone & Grønhaug, 1993) and has been defined in this study as: “there will be increased anxiety associated with this service purchase because of the intangibility, variability, generalizability, or separability of purchase and execution”. Locational SPBR focuses on how the physical service location and its attributes can impact the purchaser. It is defined in this study as: “there are potential access, health, or safety concerns with this service purchase”. Finally, social SBPR assess how the purchasers’ close others perceive the proposed purchase. Social SBPR is defined in this study as “the purchase of this service will result in potential loss of standing with family and friends”. These



dimensions better address how consumers process information when making service-based decisions and expand the ability to study perceived risk beyond the consumer goods market.

Although the social and psychological dimensions of risk exist in the consumer goods perceived risk scale, the conceptualization in the SBPR define them for a service-based purchase, incorporating elements such as the intangibility of the purchase, by not being able to experience it prior to purchase, or the fact that the service purchase might alienate their friends and family because of the public nature of the purchase. Beyond the original measurements, these dimensions now more fully represent a service-based purchase. The other two dimensions, relational and locational, are unique to a service-based purchase, which require a longer interaction with a service provider, as well as a distinct location where the service is performed. The interaction with the service provider becomes a defining characteristic of the purchasing interaction, which does not typically occur when purchasing a consumer good. Additionally, the consumer must assess the location for any potential pitfalls, such as lack of maintenance, safety concerns, or accessibility issues; these concerns are not typical for a consumer goods purchase where the time spent at the location of purchase is not as long, nor as significant.

Additionally, through the moderation analysis, we are better able to understand how consumers' well-being is impacted by uncertainty, specifically when making decisions related to a milestone event. We observed an inverse relationship between uncertainty and well-being; as uncertainty decreased, well-being increased. Additionally, at high levels of uncertainty, and high levels of relational, locational, and psychological risk, well-being was negatively impacted. This leads to the suggestion of several managerial impacts of the current research. These results give support to the need for specific training when service

providers are interacting with consumers planning milestone events, and specifically weddings. At lower levels of relational risk, consumers felt higher levels of hedonic well-being, suggesting that effective and timely communication are imperative when working with wedding clients, as is the ability to tailor communication style to each individual client. Additionally, consumers pay attention to the maintenance, accessibility, and safety of the service location, and deficiencies in these areas can also impact well-being. Service providers should spend resources presenting a clean, updated, and accessible location for the performance of the service, to avoid negatively impacting consumer affect. And finally, service providers should reassure consumers that they are making the right decision in purchasing the service, in order to avoid negative psychological impacts and the resultant decrease in well-being. Providing opportunities to experience even a small portion of a comparable event, or extensive references should alleviate some of the perceived psychological risk when making a purchasing decision.

### **Limitations and Future Research**

Despite the results, there are potential limitations associated with this study that provide an insight into further research. Firstly, this study was undertaken during the COVID-19 pandemic, when brides and grooms were forced to reschedule or cancel their weddings out of concern for the safety of them, their guests, and their service providers. As well, there was not consistent messaging as to how events could be managed, and information was constantly changing. As a result, the respondents could have been influenced, especially in a study focused on perceived risk and well-being, by the global situation. Including a measure that assessed the impact of a global pandemic would allow for the potential impacts to be measured.

The use of MTurk for data collection represents an additional limitation. The data collected from MTurk has been shown to have some reliability issues (Kennedy et al., 2020; Loepp & Kelly, 2020), resulting in some researchers questioning the viability of using MTurk as a data collection tool. Some of these issues have been variability as to quality of the data, as well as the increase in professional “turkers”, who may not pass attention checks or have become immune to manipulation through repetitive exposure. Despite these potential issues, we chose MTurk as our data collection method, primarily because of the current pandemic. MTurk allowed us expedient access to a broad cross-section of respondents, which would be difficult using industry contacts during a time when the industry has been severely impacted by COVID-19. In order to capture a better sample, respondents were asked to answer a series of qualification questions, as well as pass manipulation checks and multiple attention checks. Additionally, we were able to confirm engagement with the responses to the open-ended questions. Respondents that did not meet these criteria were disqualified. In the future, however, we will leverage our industry contacts to ensure a sample of respondents who can be confirmed as current brides or grooms.

As well, the choice of a wedding venue is a high-involvement purchase, so uncertainty and risk, as well as their impact on well-being may be heightened for this population. Including involvement as a construct could add an additional dimension to the results. Secondly, this study also provides the framework to begin exploring interventions that could be used to mitigate the effects of perceived risk on well-being. Some interventions to consider would be the inclusion of a third-party wedding planner (Blakely, 2008), different sales approaches, and information availability/use (Urbany, Dickson, & Wilkie, 1989). Testing the scale with a variety of service-based purchases will further strengthen its

predictive power. Some areas to consider for future research would include hospitality purchases such as hotel stays and all-inclusive vacations, and cruises.

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## Appendix A 1- Approval of Institutional Review Boards



April 10, 2020  
Marisa Ritter  
[mr Ritter@uh.edu](mailto:mr Ritter@uh.edu)

Dear Marisa Ritter:

On March 30, 2020, the IRB reviewed the following submission:

Type of Review:	Initial Study
Title of Study:	Service-Based Perceived Risk in Milestone Events
Investigator:	Marisa Ritter
IRB ID:	STUDY00002194
Funding/ Proposed Funding:	Name: Unfunded
Award ID:	
Award Title:	
IND, IDE, or HDE:	None
Documents Reviewed:	<ul style="list-style-type: none"><li>• Experiment Cover Letter.docx, Category: Consent Form;</li><li>• Pilot Study Cover Letter.docx, Category: Consent Form;</li><li>• Recruitment Posting Onlinea.docx, Category: Recruitment Materials;</li><li>• Interview Consent 3-24c.docx, Category: Consent Form;</li><li>• Marisa Ritter Dissertation Protocol 3-24c.docx, Category: IRB Protocol;</li><li>• Script.docx, Category: Study tools (ex: surveys, interview/focus group questions, data collection forms, etc.);</li><li>• EFA Cover Letter.docx, Category: Consent Form;</li></ul>
Review Category:	Expedited
Committee Name:	Noncommittee review
IRB Coordinator:	<u>Maria Martinez</u>

The IRB approved the study on March 30, 2020; recruitment and procedures detailed within the approved protocol may now be initiated.

# UNIVERSITY of HOUSTON

## DIVISION OF RESEARCH Institutional Review Boards

As this study was approved under an exempt or expedited process, recently revised regulatory requirements do not require the submission of annual continuing review documentation. However, it is critical that the following submissions are made to the IRB to ensure continued compliance:

- Modifications to the protocol prior to initiating any changes (for example, the addition of study personnel, updated recruitment materials, change in study design, requests for additional subjects)
- Reportable New Information/Unanticipated Problems Involving Risks to Subjects or Others
- Study Closure

Unless a waiver has been granted by the IRB, use the stamped consent form approved by the IRB to document consent. The approved version may be downloaded from the documents tab.

In conducting this study, you are required to follow the requirements listed in the Investigator Manual (HRP-103), which can be found by navigating to the IRB Library within the IRB system.

Sincerely,

Research Integrity and Oversight (RIO)  
Office University of Houston, Division of  
Research 713 743 9204  
[cphs@central.uh.edu](mailto:cphs@central.uh.edu)  
<http://www.uh.edu/research/compliance/irb-cphs/>



## Appendix A – 2 – Online survey instrument from scale development

Please think of a **service-based purchase** that you plan to make within the next 12 months. **Service-based purchases** are those that involve purchasing a service (haircut, choosing an internet service provider, restaurant reservation, hotel stay, mobile food delivery system) versus a consumer good (couch, microwave, computer). Please think of the same **service-based purchase** throughout the survey and answer the questions based on planning that purchase.

	Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	Strongly disagree
I feel that this service would not represent my standards to my family and friends.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel that my family and friends might judge me for choosing this service.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like my family and friends will judge me for the amount of money I spend on this service.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Making this service purchase has strained relationships with my family and friends.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	Strongly disagree
I feel that the pricing for the service was too high.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel that the pricing for the service was difficult to understand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel that there were too many options for the pricing for this service.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel that the prices charged for this service were not worth the service that I would receive.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The base pricing for this service included everything I needed.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The advertised pricing did not match what the actual pricing was for this service.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The pricing wasn't guaranteed for this service between purchase and execution.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	Strongly disagree
I feel that this service would not meet the caliber of service that I expect.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am not able to visualize how this service purchase will actually happen.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How well this service would perform was based solely on how much I could pay.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like I am not the focus of this service provider so performance will suffer.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel that the service provider's willingness to work with me was lacking.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel that resources being stretched at the service location could negatively impact performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	Strongly disagree
I question whether I have made the right decision when purchasing this service.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel uncomfortable making this service purchase because I've never purchased this service before.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like this service purchase is causing me additional anxiety.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel anxious because I am purchasing something unknown.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel increased negative emotions when making this service purchase.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel anxious because I can't experience this service before purchasing it.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	Strongly disagree
I feel like people could be hurt during the execution of this service at this location.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel that the location for this service is not accessible.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The location of this service felt unsafe.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to this location was difficult.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The location of this service was not convenient.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The location of this service was not well-maintained.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	Strongly disagree
I feel that I will waste time changing my mind between purchasing and execution of this service.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel pressured to make decisions because of the amount of time between purchasing and execution of the service.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like the time between purchasing and execution of the service allows for something to go wrong.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like the time between purchasing and executing the service allows for unwanted changes to occur.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel anxiety that circumstances might change between purchase and execution of this service.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	Strongly disagree
I feel like the service provider wasn't responsive to my needs.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like the service provider didn't care about me as a customer.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like the service provider was just concerned with making money from me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like the service provider understood my needs.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like the service provider did not communicate in a timely manner.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like the communication with the service provider was not transparent.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like the service provider did not have time for me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I did not feel a connection with the service provider.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### Appendix A – 3 – Online survey instrument from study 2

Please consider this scenario (High Uncertainty):

You are in the process of choosing a venue for the wedding that you are planning and your first choice, the venue that was pictured on the previous page, is a new venue that does not have any online reviews, has all new staff that have not done a significant number of events, and is unable to provide any references for satisfied customers.





Please consider this scenario (Low Uncertainty):  
 You are in the process of choosing a venue for the wedding that you are planning and your first choice, the venue that was pictured on the previous page, is an established venue that has a significant number of positive online reviews, long-tenured staff, and can provide numerous references from delighted customers.



	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
This venue is very established.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This venue has performed a large number of weddings.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I feel that my family and friends might judge me for choosing this service.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like my family and friends will judge me for the amount of money I spend on this service.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Making this service purchase has strained relationships with my family and friends.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel that this service would not represent my standards to my family and friends.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I feel like the service provider is just concerned with making money from me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like the service provider doesn't care about me as a customer.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I did not feel a connection with the service provider.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like the service provider did not have time for me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I feel like the communication with the service provider was not transparent.

☐
☐
☐
☐
☐
☐
☐

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I feel anxious because I can't experience this service before purchasing it.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel anxious because I am purchasing something unknown.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel anxiety that circumstances might change between purchase and execution of this service.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like this service purchase is causing me additional anxiety.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like the time between purchasing and executing the service allows for unwanted changes to occur.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel pressured to make decisions because of the amount of time between purchasing and execution of the service.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
For this question, please select disagree.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
Access to this location is difficult.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The location of this service feels unsafe.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The location of this service is not convenient.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel that the location for this service is not accessible.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The location of this service was not well-maintained.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
In most ways, my life is close to ideal.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The conditions of my life are excellent.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am satisfied with my life.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
So far I have gotten the most important things I want in life.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If I could live my life over, I would change almost nothing.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
For this question, please select agree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
You intend to book this wedding venue within 24 months.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You plan to host a wedding at this venue within 24 months.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You want to host a wedding at this venue within 24 months.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You probably will host a wedding at this venue within 24 months.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How risky does it feel to book this venue for your wedding reception and what specifically feels risky?

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What could the venue do to make you feel better about booking this venue?

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