The Value and Risk of Curated Shopping: Online Consumer’s Choice

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ABSTRACT
Online shopping is attractive to consumers because they can look for and compare products faster and easier. However, as the number of products available online continues to increase at a dizzying pace, consumers have to spend more time and effort searching for relevant product information. As a result, curated shopping, which recommends a limited number of products carefully chosen by professional shopping curators, is becoming more popular among online consumers. In this study, the authors empirically investigate how consumers’ perceived risk, perceived value of curated shopping, and personal characteristics affect their decision to use curated shopping. The results show that perceived convenience, the efficiency of curated shopping, and the degree of shopping fatigue are positive factors that increase the intention to use curated shopping. On the other hand, perceived financial risk is shown to be a significant negative factor. The study found, furthermore, that previous experiences with curated shopping moderate the aforementioned relationships. The authors also discuss the academic and practical implications of these findings.

Keywords: Curated shopping, online consumer, shopping fatigue, electronic commerce
1. INTRODUCTION

Online shopping is convenient and attractive because consumers can search for and compare relevant product information faster and easier than in offline shopping. When e-commerce first emerged, most online stores therefore placed a priority on displaying as much product information as possible on their webpages, using large product catalogs. However, as the number of products available online continues to increase and new information sources such as social media outlets become even more prevalent, information overload has become a serious issue for online consumers (Li, 2017; Zhang, Zhao, & Gupta, 2018). As a result, there is a trend among online consumers to use specialized shopping malls where they can browse only limited numbers of pre-selected product collections based on their personal preferences. This new type of online shopping is called curated shopping because the product selection is usually done by professional shoppers called curators. In this paper, we empirically investigate various factors that influence consumers’ decisions to use curated shopping.

Curation is not a new phenomenon in the offline context. For a long time, museums and galleries have relied on professional curators to sort out special items for collection and display. Also, in offline shopping malls, consumers often rely on the suggestion of salespersons. On the other hand, it is relatively recent that people realized the wide applicability of curation in filtering and compiling online contents. For example, Pinterest is one of the well-known and early online curation services. It allows users to compile various kinds of web content such as news, images, and videos on a personal bulletin board and to share them with other users who have similar tastes. This process is known as social curation because the compiled contents are shared on social network services (SNS) so that SNS users can add their qualitative judgment (by clicking like/dislike buttons) to originally indiscreet web contents (Rosenbaum, 2011; Song, Williams, Pruitt, & Schallert, 2017). Pinterest started its official service in May 2011, crossed the line of 100 million users in 2015, and reached more than 175 million users in January 2018 (Lo, Cheng, & Leskovec, 2017). As indicated by these numbers, the role of curation has grown exponentially and has become more important as more and more effort is required to find desired information among superfluous web content.

Whereas the focus of social curation is on filtering and scrapping various web contents, the curation service concept has gradually expanded its scope to online shopping, where a large amount of product information exists. Initially, several retailers – especially those in inspiration-driven industries such as fashion, beauty, or furniture – adopted curated shopping for their business models. For example,
Fab.com began to display and sell goods such as furniture, kitchen items, costumes, and shoes that were carefully curated by professional designers. 6PM.com was another curated shopping portal that offered retail shoes, clothing, bags, accessories, and other products for women, men, girls, and boys. After witnessing the success of early adopters, some large traditional online merchants began to leverage curated shopping as their new strategy through mergers and acquisitions. For instance, Wanderfly.com, which had been curating travel goods, merged with TripAdvisor; and Trunk Club, which had been launched as an independent, curated fashion shopping mall, merged with Nordstrom in 2014. Likewise, the web giant Amazon acquired ShopBop to expand its curated shopping section, MyHabit, which had been offering exclusive selections from designer and boutique brands.

With the increasing number of curated shopping malls, online consumers now realize the great benefits of filtering large product catalogs down to manageable hand-picked collections. In fact, this process saves considerable time in searching for products and makes online shopping more satisfying and enjoyable for online consumers.

Despite the benefits of curated shopping, there have been some criticisms against it. The most common is whether a curation service can sufficiently reflect the purchasing intention of consumers since the curator is in charge of the actual search and comparison of products. Without full control of purchase decision making, consumers perceive higher levels of risk and uncertainty associated with online shopping. For example, consumers who do not thoroughly compare the price of products may be more hesitant because of concern about potentially paying more than others. In addition, some consumers may have higher levels of fear that the product quality or performance is not as expected when they solely use curated shopping. Some consumers simply may not trust others for their personal shopping experiences.

Numerous studies have examined the role of risk and uncertainty perceived by consumers as a critical barrier to online purchases (Cases, 2002; Garbarino & Sreahilevitz, 2002; Glover & Benbasat, 2011; Hong, Kim, & Cha, 2013; Hwang, Hwang, & Jung, 2001; Jung, Kang, & Lee, 2006; Murray & Schlacter, 1990; Stone & Gronhaug, 1993). These risk factors would be more critical when consumers use curated shopping malls.

Given the mixture of benefits and risks of using curated shopping, we do not expect that curated shopping will completely replace traditional online shopping malls. Instead, both curated and traditional online shopping malls will coexist for
a while, competing with and complementing each other. When traditional and curated online shopping malls exist together, the purchase decision process of online consumers gets more complicated because they need the additional step of choosing the better buying option between them. Certainly, the greater the benefit and advantage of curated shopping with less awareness of the risk, the higher the probability that online consumers will decide to use curated shopping. But, this may not be a simple decision. Consumers must consider different types of risk and benefit factors in a complex way.

To elucidate this complexity in our research, we categorize risk into financial, performance, and psychological factors and classify benefit in terms of selection efficiency and shopping convenience. This approach enables us to better understand the individual influence relationships of different risk factors, benefit factors, and intention to use curated shopping.

In addition to a consumer’s perception of the risks and potential benefits of curated shopping, the consumer’s intention to use curated shopping may be influenced by his or her personal characteristics. In particular, we investigated the two most critical factors; namely, a consumer’s shopping fatigue (Chen, Shang, & Kao, 2009; Ding, Zhang, & Wang, 2017; Lee, Son, & Kim, 2016; Lee & Lee, 2004) and product involvement (Celsi, 1988; Hong et al., 2013; Petty & Cacioppo, 1990; Venkatraman, 1989; Zaichkowsky, 1994). In terms of shopping fatigue, we examined whether a consumer who is easily tired of excessive information prefers to use curated shopping. On the other hand, we examined whether more involved consumers prefer to use traditional shopping malls for their own research about the products, instead of using curated shopping.

The contribution of our research has both theoretical and practical dimensions. Although abundant research exists regarding the factors that influence the online consumer’s purchase decisions, little attention has been given to the consumer’s behavior, particularly that associated with the curated shopping environment. In this study, we contribute to consumer behavior research by investigating how the perceived risk of curated shopping, the perceived value of curated shopping, and personal characteristics of consumers affect purchasing behavior. From a practical perspective, the research will help e-commerce develop strategies to better manage the specific types of perceived risks and benefits of curated shopping, thereby attracting more consumers and ultimately increasing online sales.
2. THEORETICAL BACKGROUND AND HYPOTHESES

We established the empirical model and the hypotheses for this study based on the review of a wide range of prior studies. The dependent variable of the study was set as the intention of online consumers to purchase through the curated shopping mall compared with the traditional one. As the benefit and risk factors affecting the consumers’ purchasing intentions, we integrated appropriate constructs from the widely referenced theory of reasoned action (TRA) (Fishbein & Ajzen, 1975), the technology acceptance model (TAM) (Davis, 1989), and the theory of planned behavior (TPB) (Ajzen, 2012). Figure 1 presents the research model for this study.

2.1. Perceived Risk and Value of Curated Shopping

The relationship between consumers’ perceived risk and the effect of risk on purchasing has been studied from various perspectives. Bauer's (1960) early proposition about perceived risk is that "consumer behavior involves risk in the sense 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. 24). Likewise, Murray and Schlacter (1990) explain...
perceived risk as a function of the uncertainty about the potential outcomes of a behavior and about loss or gain in a particular transaction. Therefore, the greater the perceived risk, the greater the likelihood that consumers will postpone or abandon their purchases. According to Pavlou and Gefen (2004), perceived risk expands in online commerce because uncertainty about the lack of knowledge of the seller, quality of goods, delivery, and quality assurance is generally higher for online purchases than offline ones.

Because of various reasons that cause the risk perceived by online consumers, researchers have made great efforts to systematically categorize them. Although those classifications are slightly different from one another, they share several common categories. For example, according to Valla (1982), risks faced by consumers can be classified into technical risk, financial risk, shipping risk, service risk, and risk associated with the long-term seller-buyer relationship. In the case of Michell (2006), risk is related with losses and can be classified as financial loss, physical loss, temporal loss, and psycho-social loss. In a similar way, Glover and Benbast (2011) classify perceived risk as financial risk, time risk, psychological risk, social risk, and physical risk.

The current study is in a similar research stream in terms of studying the perceived risk of online consumers. In particular, given the distinctive characteristics of curated shopping, we identify the three most relevant risk factors (i.e., financial, performance, and psychological risks) and revise their definitions in the context of curated shopping.

First, we define financial risk as a risk that consumers have perceived because of the possibility of higher monetary expenditure when they use the curated shopping mall rather than traditional shopping malls. For example, a consumer may be concerned that he or she has not been able to sufficiently compare the prices of the product and has paid more than others as a result of using curated shopping. Furthermore, some customers may believe that an additional fee might be added to the original product price for the curator’s recommendation service (Petty & Cacioppo, 1990; Zaichkowsky, 1994).

Second, performance risk implies that the purchased product has a functional error or its quality may be below the level expected by the consumer (Horton, 1976). When a consumer uses online shopping, the ability to judge product quality may be limited by barriers to touching and trying the product, a situation that generally results in increased performance risk. In the case of curated shopping, the performance risk may be higher than that of traditional online shopping.
because selection of the products will be done by the curators instead of the consumers (Featherman & Pavlou, 2003; Hong et al., 2013).

Third, *psychological risk* indicates concern about the loss of the consumer’s self-esteem or a harmful influence on self-dignity. In this study, *psychological risk* is defined as the experience of anxiety or discomfort that the products purchased through the curated shopping malls will not fit the consumer's taste or value because of the difference between the curator's selection criteria and the consumer's preference (Hwang et al., 2001; Jacoby & Kaplan, 1972). Overall, consumers may be less likely to choose curated shopping when the perceived risk factors related to curated shopping are high.

Based on this discussion, we posit the following hypothesis:

**[Hypothesis 1]**: Higher perceived risk of curated shopping is negatively related with the intention to use it.

In Figure 1, H1 consists of three micro-level hypotheses illustrating the effect of financial risk (H1-1), performance risk (H1-2), and psychological risk (H1-3) on the intention to use curated shopping.

Although curated shopping has various risks inherent in the inability of the consumer to reflect fully his or her purchasing intention, it has distinct benefits and value brought by a light and intuitive platform centered on selected products. These benefit-side constructs have been adapted from TAM, which has been widely used to explain the adoption intention of the new IT/IS systems and services (Davis, 1989; Gefen, Karahanna, & Straub, 2003). In particular, based on the perceived ease of use and the usefulness constructs of TAM, we define the value of curated shopping with two items: selection efficiency and purchasing convenience.

*Selection efficiency* means that the curator intervenes in the purchasing decision on behalf of the consumer, and, in this way, the consumer can choose the appropriate products faster and more efficiently. From the consumer's point of view, this efficiency is based on the trust that he or she has in the curator’s ability. According to Mayer et al. (1995), “Trust is the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party.” Many online consumer research studies (Jarvenpaa, Tractinsky, & Vitale, 2000; McKnight & Chervany, 2002; Pavlou, 2003) have shown that consumers increase their intention to buy when they trust sellers. We assume that this relationship is also valid in curated shopping. If the
consumer has enough trust in the curator, he or she may have expectations that the curator will choose the right product. As a result, the intention to use curated shopping will increase.

*Purchasing convenience* is another value of curated shopping in terms of saving the time, money, and effort of consumers during online shopping. It is based on the perceived usefulness of TAM, which Davis (1989) defined as “the degree to which a person believes that using a particular system would enhance his or her job performance.” The curated shopping malls mentioned earlier exclude excessive product catalogs and provide filtered information on the products pre-selected by professional shopping curators. Therefore, consumers can search for desired products easily and quickly and thereby greatly reduce the effort and time required for online shopping.

Therefore, this study posits that the differentiated value of curated shopping, which consumers perceive, will positively affect the intention to use curated shopping.

**[Hypothesis 2]:** Higher perceived value of curated shopping is negatively related with the intention to use it.

In Figure 1, H2 consists of two micro-level hypotheses illustrating the effect of selection efficiency (H2-1) and shopping convenience (H2-2) on the intention to use curated shopping.

### 2.2. Shopping Fatigue and Product Involvement

When information on a website increases beyond a certain threshold, online users begin to show fatigue because it requires more effort to deal with so much information. A good example might be SNS users. Many SNS users enjoy participating in various social groups and making connections with others. However, as time goes on, some of those users tend to pull back from social media as they become overwhelmed with too many friends and followers and too much time spent online to maintain these connections. This phenomenon, called *social media fatigue*, has been studied in many previous studies (Lee et al., 2016; Ravindran, Yeow Kuan, & Hoe Lian, 2014).

In the same way, most consumers relish good deals and would prefer to have access to good product information, discounts, and product reviews. But, at some point, the large amount of shopping information exceeds one’s ability to process and becomes confusing background noise as the user gets fatigued. We define *shopping fatigue* as the degree of difficulty and annoyance that a consumer perceives when he or she searches for a desired product when too much
information is provided. Shopping fatigue is becoming a more serious issue as many online shopping malls have adopted the marketplace business model in which more than one seller is selling the same product in the same store (e.g., eBay and Amazon Marketplace). This duplication results in an increased level of fatigue for consumers as they have to not only compare the products but also compare the seller information (e.g., seller-specific price and reviews). Tsang et al. (2004) showed the negative influence of the irritation and repulsion of repeated advertisements on purchasing intention.

Furthermore, information overload and consumer fatigue have been found to influence online consumers’ choice quality and subjective state toward the buying decision (Chen et al., 2009; Lee & Lee, 2004). More relevant to our current study, Chen et al. (2009) showed that information filtering tools have influences on relieving shopping fatigue.

Therefore, we posit that consumers who have relatively high shopping fatigue will be easily affected by excessive information, which may increase the demand for curated shopping.

[Hypothesis 3]: Higher shopping fatigue is positively related with the intention to use curated shopping.

In addition to the level of shopping fatigue, an online consumer can be characterized by his or her product involvement. Product involvement is defined as the level of a consumer’s interest in purchasing the product or how committed the consumer is to purchasing that product. Depending on the level of product involvement, previous studies show that consumers follow different processes of making purchasing decisions (Browne, 1997; Dholakia, 2001; Houston, 1978; Zaichkowsky, 1994). When the involvement level is high, the consumer pursues the related information in depth and becomes more cautious about the decision. In general, product involvement tends to be greater for more expensive goods since a wrong decision could result in greater damages. In that case, the process of purchasing products may require considerable research. A traditional online shopping experience is expected to be preferred rather than curated shopping. On the other hand, if the consumer is not greatly involved in the products, we can expect him or her to skip the complicated product search process and prefer curated shopping. We therefore posit the following hypothesis:

[Hypothesis 4]: Higher product involvement is negatively related with the intention to use curated shopping.
Last, we examine the previous experience of using curated shopping as a moderating variable in the research model. Because curated shopping is a relatively new business model and not fully known to many online consumers, we assume that previous experience can affect the strength of the relationship between the above factors and the intention to use curated shopping. To indicate moderating effect, the suffix “m” is added to the names of our hypotheses (H1-1m, H1-2m, H1-3m, H2-1m, H2-2m, H3-1m, and H3-2m).

3. METHOD

This section discusses scale development, the data collection process, and the respondent profile for the current study.

3.1. Scale Development

We used a survey instrument to empirically test the hypotheses shown in the research model (Figure 1). The items were measured on a five-point Likert scale. To ensure content validity, the scales were adopted from the previous studies discussed in the section on hypotheses development, and, if necessary, we slightly modified them for the current research context.

The items used to measure financial risks were adapted from Featherman and Pavlou (2003) and Garbarino and Strahtilevitz (2002); those used to measure performance risk were adapted from Kim and Joo (2002) and Jung et al. (2006); and those used to measure psychological risk were adapted from Hwang et al. (2001).

The items used to measure purchasing convenience were adapted from Zaichkowsky (1994) and Petty and Cacioppo (1990), but were revised for the current research context. Selection efficiency was based on Jarvenpaa et al. (2000) and Pavlou (2003).

The items used to measure shopping fatigue were adapted from Lee et al. (2004) and Chen et al. (2009). The items for measuring product involvement were based on Zaichkowsky (1994) and Petty and Cacioppo (1990).

3.2. Data Collection and Respondent Profile

In this study, we examined through empirical analysis the factors influencing consumers' choice of curated shopping as a buying option. To test the model, we used the online survey method. The questionnaire was divided into three sections.

To increase the level of understanding about curated shopping, the first section compared the existing online shopping mall with the curated shopping mall and provided full descriptions of each, along with several screen shots as examples.
After that, two questions were asked to confirm whether the subjects sufficiently understood the differences.

The second section of the questionnaire elicited demographic and personal characteristics of the subjects such as shopping fatigue and online shopping preference.

In the third section, we configured the consumer to experience a hypothetical scenario of buying a designated product online. The virtual experience was designed in three different types: purchasing a clothing item, purchasing a wristwatch, or purchasing a cosmetic item. One of the three was randomly assigned to each participant at the beginning of the questionnaire using random numbers. By manipulating and controlling these virtual experiences, we avoided inconsistent questionnaires on various online shopping behaviors, which were difficult to control and generalize for each individual subject. After finishing the experiment, the subjects were asked to answer questions regarding the value and the risk of curated shopping and their intention to purchase through the curated shopping mall, based on their experience.

Prior to the main survey, we conducted a pilot test using 20 subjects in order to make sure that the questionnaire items were properly developed to meet our research objectives. We examined the responses to the preliminary instrument for consistency and revised the items in the questionnaire as necessary to eliminate redundant items and to ensure that all items were phrased clearly and concisely.

Then, we administered the questionnaire to 325 college students in order to access a suitable sample of consumers who have experienced online shopping. To minimize the representative sample composition problem, 82 students in the Executive MBA program and in the working adult program were included in the survey pool. Of the 325 students, 257 answered the questionnaire (response rate 71.8%), and were given extra credits for their course.

After eliminating questionnaires with missing or unusable data, we used 255 observations to test our model and hypotheses. As indicated in Table 1, 61.6% of the respondents were male and 38.4% were female. Most were in their 20s and 30s. Although student participants may not fully represent the online shopper population, many previous studies (Bhatnagar, Misra, & Rao, 2000; Featherman & Pavlou, 2003; Gefen, 2000; Jarvenpaa et al., 2000; Lee & Turban, 2001) show that college students are a good surrogate for online consumers. Indeed, our data indicate that the participants are active online consumers. More than 70% of the respondents reported that they have shopped online for more than three years and do online shopping at least once a month. Moreover, 32.9% of respondents said
they have experience with curated shopping. This number reflects the popularity of curated shopping in the last one to two years.

Table 1
Profile of Survey Respondents (n = 255)

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Value</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>157</td>
<td>61.6%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>98</td>
<td>38.4%</td>
</tr>
<tr>
<td>Age</td>
<td>Less than 18</td>
<td>1</td>
<td>0.4%</td>
</tr>
<tr>
<td></td>
<td>18 – 25</td>
<td>179</td>
<td>70.2%</td>
</tr>
<tr>
<td></td>
<td>26 – 35</td>
<td>66</td>
<td>25.9%</td>
</tr>
<tr>
<td></td>
<td>36 – 45</td>
<td>6</td>
<td>2.4%</td>
</tr>
<tr>
<td></td>
<td>Over 45</td>
<td>3</td>
<td>1.2%</td>
</tr>
<tr>
<td>Online Shopping Period</td>
<td>Less than 6 months</td>
<td>2</td>
<td>0.8%</td>
</tr>
<tr>
<td></td>
<td>6 months – 1 year</td>
<td>11</td>
<td>4.3%</td>
</tr>
<tr>
<td></td>
<td>1 year – 2 years</td>
<td>11</td>
<td>4.3%</td>
</tr>
<tr>
<td></td>
<td>2 years – 3 years</td>
<td>19</td>
<td>7.5%</td>
</tr>
<tr>
<td></td>
<td>More than 3 years</td>
<td>188</td>
<td>73.7%</td>
</tr>
<tr>
<td>Online Shopping Frequency</td>
<td>Never</td>
<td>12</td>
<td>4.7%</td>
</tr>
<tr>
<td></td>
<td>Less than once every year</td>
<td>48</td>
<td>18.8%</td>
</tr>
<tr>
<td></td>
<td>At least once every month</td>
<td>140</td>
<td>54.9%</td>
</tr>
<tr>
<td></td>
<td>At least once every week</td>
<td>43</td>
<td>16.9%</td>
</tr>
<tr>
<td></td>
<td>Almost everyday</td>
<td>12</td>
<td>4.7%</td>
</tr>
<tr>
<td>Online Shopping Preference</td>
<td>Almost use only offline stores</td>
<td>32</td>
<td>12.5%</td>
</tr>
<tr>
<td></td>
<td>Use online as well but prefer offline stores</td>
<td>79</td>
<td>31.0%</td>
</tr>
<tr>
<td></td>
<td>Use both similarly</td>
<td>67</td>
<td>26.3%</td>
</tr>
<tr>
<td></td>
<td>Use offline as well but prefer online stores</td>
<td>63</td>
<td>24.7%</td>
</tr>
<tr>
<td></td>
<td>Almost use only online stores</td>
<td>14</td>
<td>5.5%</td>
</tr>
<tr>
<td>Curated Shopping Experience</td>
<td>I have used curated shopping</td>
<td>84</td>
<td>32.9%</td>
</tr>
</tbody>
</table>

One fact that emerged from the data on online shopping preference is that the rapid propagation of online shopping does not necessarily mean complete replacement of the offline market. As shown in Table 1, a total of 30.2% of respondents indicated that they would like to use online stores (24.7% prefer online...
and 5.5% use almost only online stores), but still the higher percentage of 43.5% said they would like to use offline stores as well (31.0% prefer offline and 12.5% use almost only offline). Although these data have no direct connection to this study, they imply that the importance of the O2O (online to offline, or offline to online) market is receiving much more attention recently as an effective link between offline and online markets.

4. RESULTS

We used the partial least squares method for structural equation modeling (PLS-SEM) to analyze the data collected and to test our research model. PLS-SEM is a statistical technique that incorporates factor analysis (using a measurement model) and path analysis (using a structural model) (Qureshi & Compeau, 2009; Wetzels, Odekerken-Schroder, & Oppean, 2009). The advantages of PLS-SEM compared with other statistical techniques include more flexible assumptions (e.g., partial allowance of multicollinearity) and less measurement error with confirmatory factor analysis (CFA) enabled by multiple indicators per construct. The number of samples used in PLS-SEM analysis must be at least 10 times the maximum number of measurement variables (Gefen, Straub, & Boudreau, 2000). In this study, we have a maximum of three variables for measurement; therefore, the sample size of 255 (> 30) is sufficient. To test the model, we have used R with the PLS-PM package (Sanchez, 2013), which is particularly powerful for comparing groups. In this study, we compared one group that has had previous experience using curated shopping with another group that has had no experience.

4.1. Measurement Model Assessment

The internal consistency (reliability) statistics in this study were assessed by Cronbach’s alpha and composite reliability (Dillon Goldstein’s rho). The results are presented in Table 2. All Cronbach’s alpha and composite reliability values exceeded the recommended reliability threshold of 0.7 (Fornell & Larcker, 1981). Therefore, all of the questionnaire items were deemed reliable. In addition, we tested the convergent validity by examining the average variance extracted (AVE), which measures the percentage of variance of the measurement items that can be accounted for the constructs relative to the measurement error. As indicated in Table 2, the AVE value for each construct was greater than the cut-off value of 0.5 (Yoo & Alavi, 2001). The mean value was taken considering the weight of the measurement items (latent variable index).
Table 2
Reliability and Convergent Validity Assessment of the Measurement Model

<table>
<thead>
<tr>
<th># of Items</th>
<th>Cronbach’s Alpha</th>
<th>Reliability</th>
<th>AVE</th>
<th>Latent Variable Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial risk</td>
<td>3</td>
<td>0.75</td>
<td>0.86</td>
<td>0.66</td>
</tr>
<tr>
<td>Performance risk</td>
<td>3</td>
<td>0.79</td>
<td>0.88</td>
<td>0.70</td>
</tr>
<tr>
<td>Psychological risk</td>
<td>3</td>
<td>0.84</td>
<td>0.90</td>
<td>0.73</td>
</tr>
<tr>
<td>Selection efficiency</td>
<td>3</td>
<td>0.79</td>
<td>0.88</td>
<td>0.70</td>
</tr>
<tr>
<td>Purchasing convenience</td>
<td>3</td>
<td>0.87</td>
<td>0.92</td>
<td>0.79</td>
</tr>
<tr>
<td>Shopping fatigue</td>
<td>3</td>
<td>0.75</td>
<td>0.86</td>
<td>0.67</td>
</tr>
<tr>
<td>Product involvement</td>
<td>2</td>
<td>0.75</td>
<td>0.89</td>
<td>0.80</td>
</tr>
<tr>
<td>Intention to use curated shopping</td>
<td>3</td>
<td>0.84</td>
<td>0.90</td>
<td>0.75</td>
</tr>
</tbody>
</table>

We also tested the discriminant validity by examining whether a latent variable better explains the variance of its own indicators than the variance of other latent variables. To validate this, we compared the square root of AVE for each construct with its cross-correlation with other constructs. The results supported the discriminant validity of our constructs. In all cases, the diagonal elements in the matrix (i.e., the square root of AVE) were higher than the off-diagonal elements in the corresponding rows and columns, as shown in Table 3.

Table 3
Discriminant Validity Assessment of the Measurement Model

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Financial risk</td>
<td></td>
<td>0.81</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Performance risk</td>
<td>0.19</td>
<td></td>
<td>0.84</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Psychological risk</td>
<td>0.22</td>
<td>0.42</td>
<td></td>
<td>0.86</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Selection efficiency</td>
<td>-0.07</td>
<td>-0.10</td>
<td>-0.19</td>
<td>0.84</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Purchasing convenience</td>
<td>0.00</td>
<td>-0.09</td>
<td>-0.07</td>
<td>0.49</td>
<td>0.89</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Shopping fatigue</td>
<td>0.05</td>
<td>0.07</td>
<td>0.04</td>
<td>0.08</td>
<td>0.11</td>
<td>0.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Product involvement</td>
<td>0.07</td>
<td>0.10</td>
<td>0.11</td>
<td>0.24</td>
<td>0.10</td>
<td>0.11</td>
<td>0.89</td>
<td></td>
</tr>
<tr>
<td>8. Intention to use curated shopping</td>
<td>-0.23</td>
<td>-0.13</td>
<td>-0.15</td>
<td>0.49</td>
<td>0.51</td>
<td>0.24</td>
<td>0.14</td>
<td>0.87</td>
</tr>
</tbody>
</table>

Note: The principal diagonal (in boldface) of the inter-correlation matrix represents the square root of the average variance extracted (AVE) per construct.
4.2. Structural Model Assessment

The assessment of the structural model includes estimation of the path coefficients and $R^2$ values. In this study, the $R^2$ value of intention to use curated shopping is 43.7%, which shows very high explanatory power. The path coefficients are summarized in Table 4.

Table 4
Summary of the Results of the Unmoderated Model

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Effect</th>
<th>Coefficient</th>
<th>S.E.</th>
<th>t-stat</th>
<th>p-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1-1</td>
<td>Financial risk → Use curated shopping</td>
<td>-0.21</td>
<td>0.05</td>
<td>-4.06</td>
<td>0.00</td>
<td>Supported</td>
</tr>
<tr>
<td>H1-2</td>
<td>Performance risk → Use curated shopping</td>
<td>-0.03</td>
<td>0.05</td>
<td>-0.68</td>
<td>0.50</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H1-3</td>
<td>Psychological risk → Use curated shopping</td>
<td>-0.03</td>
<td>0.06</td>
<td>-0.62</td>
<td>0.54</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H2-1</td>
<td>Selection efficiency → Use curated shopping</td>
<td>0.27</td>
<td>0.06</td>
<td>4.71</td>
<td>0.00</td>
<td>Supported</td>
</tr>
<tr>
<td>H2-2</td>
<td>Purchasing convenience → Use curated shopping</td>
<td>0.34</td>
<td>0.06</td>
<td>6.02</td>
<td>0.00</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>Shopping fatigue → Use curated shopping</td>
<td>0.18</td>
<td>0.05</td>
<td>3.81</td>
<td>0.00</td>
<td>Supported</td>
</tr>
<tr>
<td>H4</td>
<td>Product Involvement → Use curated shopping</td>
<td>0.02</td>
<td>0.05</td>
<td>0.43</td>
<td>0.67</td>
<td>Not Supported</td>
</tr>
<tr>
<td>Control</td>
<td>Age</td>
<td>0.03</td>
<td>0.05</td>
<td>0.55</td>
<td>0.58</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gender (female)</td>
<td>0.10</td>
<td>0.05</td>
<td>2.11</td>
<td>0.04</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Product type (watch)</td>
<td>0.01</td>
<td>0.06</td>
<td>0.14</td>
<td>0.89</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Product type (clothing)</td>
<td>-0.02</td>
<td>0.06</td>
<td>-0.46</td>
<td>0.64</td>
<td></td>
</tr>
</tbody>
</table>
The first hypothesis on the negative impacts of perceived risk on consumers’ intention to use curated shopping is partially accepted. Among the three suggested risk factors, performance risk (H1-2) and psychological risk (H1-3) do not show any meaningful influences, but financial risk (H1-1) significantly influences the intention to use curated shopping ($\beta = -0.20$, $t = -4.06$, $p < 0.01$).

On the other hand, the second hypothesis on the influence of the perceived value of curated shopping is fully accepted. Both selection efficiency (H2-1: $\beta = 0.27$, $t = 4.71$, $p < 0.01$) and purchasing convenience (H2-2: $\beta = 0.34$, $t = 6.02$, $p < 0.01$) show significant positive (+) relationships with the intention to use curated shopping.

Furthermore, the third hypothesis that shopping fatigue will increase (+) the intention to use curated shopping is also supported at the 1% significance level ($\beta = 0.19$, $t = 3.81$, $p < 0.01$).

However, the fourth hypothesis, which examined the effect of consumer involvement on purchasing intention is rejected ($\beta = 0.02$, $t = 0.43$, $p = 0.67$).

Our research model also includes a few control variables such as differences in product types, gender, and age. As the product type changes, we assumed that purchase intention would be influenced and controlled, but we could not find significant difference. However, there is a difference in intention to use curated shopping according to gender. At the 5% level of significance, women are more likely to purchase through curated shopping than men ($\beta = 0.10$, $t = 2.11$, $p = 0.04$).

### 4.3. Moderated Model Assessment

To measure the moderating effect of a consumer’s experience to use curated shopping, we conducted an additional moderating effect assessment. There are several different approaches to examining the moderating effect in PLS-SEM, such as the two-stage path modeling approach, the two-stage regression approach, the categorical variable approach, and group comparison (Sanchez, 2013). Among these, we adopted the group comparison approach using a t-test based on permutation resampling. The results are presented in Table 5.

We found that financial risk, selection efficiency, and purchasing convenience are factors that show substantial impacts on the intention to use curated shopping in both groups, but, at the same time, the impact scales are significantly different between two groups. First, financial risk shows a much higher negative impact on purchasing intention in the experienced group ($\beta = -0.36$) than in the inexperienced group ($\beta = -0.14$). On the other hand, in the case of selection efficiency, which is a positive factor, the influence was larger in the
experienced group (β = 0.48) than in the inexperienced group (β = 0.19). In terms of purchasing convenience, the inexperienced group (β = 0.39) is more sensitive than the experienced group (β = 0.20). We found that the control variable, gender, shows that the inexperienced female consumer (β = 0.15) is likely to use curated shopping, but the inexperienced group does not show any gender difference.

5. DISCUSSION

We investigated various factors that influence consumers’ decisions to use curated shopping. The findings supported many of our proposed hypotheses. The first set of hypotheses showed the negative impacts of perceived risk on consumers’ intention to use curated shopping. Although we found that financial risk has a negative influence, two other risk factors (i.e., performance risk and psychological risk) did not show significant influence; thus, H1-2 and H1-3 were rejected. The lack of support for these two hypotheses may be the outcome of recent changes in the curated shopping environment. For instance, with the support of new display technology such as 360-degree dynamic photographs and virtual fitting rooms, consumers’ concern about the discrepancy in product quality or performance could be considerably reduced, which may result in the minimal impact of performance risk. With regard to psychological risk, the reliability of a curator’s selection has been continuously advanced, using new technology such as artificial intelligence and data analytic tools for better understanding of consumer preferences. As a result, today’s consumers may not feel too much anxiety or discomfort in using curated shopping because of the difference in the curator's selection criteria and the consumer's preference.

The second set of hypotheses examined the perceived benefits of curated shopping. As we predicted, selection efficiency (representing the usefulness in TAM) and purchasing convenience (representing the ease of use in TAM) are valid in the case of curated shopping. In other words, customers are willing to use curated shopping because they believe it provides a greater quality shopping experience in a timelier manner.
Table 5
Summary of the Results of the Moderated Model: Two Group Comparison

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Effect</th>
<th>All (p-value)</th>
<th>Inexperienced (p-value)</th>
<th>Experienced (p-value)</th>
<th>Group Difference (p-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1-1</td>
<td>Financial risk → Use curated shopping</td>
<td>-0.21 (0.00)</td>
<td>-0.14 (0.03)</td>
<td>-0.36 (0.00)</td>
<td>Yes (0.04)</td>
</tr>
<tr>
<td>H1-2</td>
<td>Performance risk → Use curated shopping</td>
<td>-0.03 (0.50)</td>
<td>-0.09 (0.18)</td>
<td>0.08 (0.31)</td>
<td>No (0.05)</td>
</tr>
<tr>
<td>H1-3</td>
<td>Psychological risk → Use curated shopping</td>
<td>-0.03 (0.54)</td>
<td>-0.05 (0.45)</td>
<td>0.00 (0.95)</td>
<td>No (0.35)</td>
</tr>
<tr>
<td>H2-1</td>
<td>Selection efficiency → Use curated shopping</td>
<td>0.27 (0.00)</td>
<td>0.19 (0.01)</td>
<td>0.48 (0.00)</td>
<td>Yes (0.01)</td>
</tr>
<tr>
<td>H2-2</td>
<td>Purchasing convenience → Use curated shopping</td>
<td>0.34 (0.00)</td>
<td>0.39 (0.00)</td>
<td>0.20 (0.03)</td>
<td>Yes (0.06)</td>
</tr>
<tr>
<td>H3</td>
<td>Shopping fatigue → Use curated shopping</td>
<td>0.18 (0.00)</td>
<td>0.17 (0.01)</td>
<td>0.26 (0.00)</td>
<td>No (0.14)</td>
</tr>
<tr>
<td>H4</td>
<td>Product Involvement → Use curated shopping</td>
<td>0.02 (0.67)</td>
<td>0.07 (0.31)</td>
<td>-0.04 (0.62)</td>
<td>No (0.21)</td>
</tr>
<tr>
<td>Control</td>
<td>Age</td>
<td>0.03 (0.58)</td>
<td>0.07 (0.30)</td>
<td>-0.14 (0.10)</td>
<td>Yes (0.01)</td>
</tr>
<tr>
<td></td>
<td>Gender (female)</td>
<td>0.10 (0.04)</td>
<td>0.15 (0.02)</td>
<td>0.01 (0.88)</td>
<td>Yes (0.08)</td>
</tr>
<tr>
<td></td>
<td>Product type (watch)</td>
<td>0.01 (0.89)</td>
<td>-0.04 (0.54)</td>
<td>0.03 (0.72)</td>
<td>No (0.26)</td>
</tr>
<tr>
<td></td>
<td>Product type (clothing)</td>
<td>-0.02 (0.64)</td>
<td>-0.03 (0.67)</td>
<td>-0.08 (0.40)</td>
<td>No (0.37)</td>
</tr>
</tbody>
</table>

Note: The subjects are divided into two groups: experienced consumers (84 subjects) and inexperienced consumers (171 subjects). The significant path coefficients are bold-faced and the meaningful group differences are highlighted.
In the third and fourth hypotheses, we tested the positive impact of shopping fatigue and the negative impact of product involvement. In terms of shopping fatigue, we found that consumers who feel easily overwhelmed by too much information have a high intention to use curated shopping. Therefore, it would be critical for managers to select those consumers as the target market. Regarding product involvement, we did not find any significant influence. This result implies that consumers’ intention to use curated shopping is more dependent on the benefits or risk factors of the curated shopping itself than on the product they would like to purchase. It might be true that curated shopping malls so far have been reluctant to sell high-involvement products because consumers may prefer to use traditional shopping malls for thorough product search. However, our finding suggests that curated shopping malls may try to expand their product variety without too much concern about consumers’ product involvement.

The results of testing the moderating effects of previous experience suggest more interesting dynamics of consumer behavior:

1. We found that experienced consumers are more sensitive to the financial risk than inexperienced consumers. Therefore, the customer-retention program for returning consumers should be integrated with pricing strategies such as a loyalty-based dynamic price scheme.

2. We found that selection efficiency is a stronger determinant for experienced consumers than inexperienced consumers. On the other hand, purchasing convenience is a stronger determinant for inexperienced consumers than experienced consumers. This difference implies that inexperienced consumers are more sensitive to the convenience aspect of curated shopping, but, as they get used to it, they come to care more about selection efficiency.

3. We found that the two control variables (age and gender) show significant differences between each group. Inexperienced female consumers are more likely to use curated shopping than experienced female consumers. Also, inexperienced consumers are more likely to use curated shopping as they get older, in contrast to experienced consumers, who are less likely to use curated shopping as they get older. The possible explanation is that older, experienced consumers may know exactly what they want to purchase; hence, do not need to rely on curated shopping.
6. CONCLUSIONS

Ironically, the increasing number of products available online offsets the previous advantage of low-cost online shopping by necessitating that consumers spend excessive time and effort to search for the relevant information. In this study, we have investigated various factors in this stressful shopping environment that affect the online consumer’s decision to use curated shopping. The academic and managerial implications of these findings are summarized below.

6.1. Academic Implications

First, this study extends the scope of research on the purchase intentions of online consumers by considering a new phenomenon called curated shopping. In particular, it re-examines factors influencing purchase intention, such as the perceived risks and benefits of online shopping, from the new perspective of curated shopping. Our findings confirm that the convenience and efficiency of curated shopping are critical factors in increasing purchase intention through curated shopping and that financial risk perceived by the consumer is an important negative factor against the use of curated shopping.

Second, this study provides a basis for further research on the effect of shopping fatigue on consumer behavior. With regard to curated shopping in particular, our experimental study reveals that consumer shopping fatigue caused by the excessive amount of information online could actually increase the intention to use curated shopping.

6.2. Managerial Implications

This study has four major managerial and practical implications.

1. In an age of information overload, this study confirms the importance of customized shopping services that cater to a consumer’s personal preferences and characteristics. Before rushing into curated shopping as a business strategy, however, managers of online stores not only should ensure the selection of products with distinctive features not offered by other online stores, but should also take into consideration factors such as shopping fatigue and the risk and value perceptions of prospective customers. A reckless increase in the number of curated shopping malls would not only increase competition unnecessarily, to no one’s gain, but would also shut the door on traditional customers who prefer to shop for products themselves. As a more successful strategy, an online shopping mall could recommend curated shopping for consumers who are easily
fatigued by too much information while, at the same time, offering traditional shopping services to consumers who prefer to search for products themselves. Indeed, some top online shopping stores such as Amazon.com offer traditional shopping malls, together with a few affiliated curated shopping malls.

2. Our findings indicate that managers should recognize the importance of financial risk perceived by customers with regard to curated shopping and formulate a strategic response. As indicated in Table 2 earlier, the average scale of financial risk is 3.77 (5-point scale), which is higher than both performance risk (3.26) and psychological risk (3.18). These numbers suggest that many consumers are more sensitive to price than to other factors. Because they are not participating in price comparison directly when they use curated shopping, they may feel that there is a high possibility of financial loss. This concern, of course, has a negative effect on a consumer’s intention to use curated shopping. It would be wise, therefore, to create and promote an assurance policy to reduce concern about the possibility of financial loss associated with curated shopping. For example, stores offering curated shopping could present parallel information on prices in other general stores for comparison or could introduce an after-sales price matching system. This kind of assurance policy aimed at resolving the financial risk of curated shopping would enhance consumer trust, strengthen customer relationships, and ultimately increase sales.

3. Managers may differentiate curated shopping from existing online shopping in a few different ways. For example, they can implement a strategy that enhances the efficiency and convenience of curated shopping, which consumers recognize as the key value of using it. In addition, managers need to carefully choose a well-defined target market that consists of consumers who are experiencing particularly high shopping fatigue, as these customers are more likely to use curated shopping. Moreover, considering the fact that women are more likely to use curated shopping, managers should pursue a more aggressive marketing strategy targeting female customers.
4. Given the results of the two-group comparison assessment, managers should develop differentiated strategies for experienced consumers and for inexperienced consumers. For example, the inexperienced consumer group is more sensitive in the effect of financial risk and the value of selection efficiency; whereas, the experienced consumer group shows higher sensitivity to purchasing convenience. Although it is important for managers to find new consumers, they must, at the same time, enhance purchasing convenience for existing curated shopping consumers. Because the inexperienced female consumer is more likely to use curated shopping, managers can also focus more on new female consumers to expand their market size.

7. LIMITATIONS
The current study has three limitations that can serve as a guideline for the direction of future research.

1. The current study was conducted at the adoption and rapid-growth stage of curated shopping. In the future, when curated shopping reaches a more mature stage, it is important that a longitudinal comparative study be conducted. As curated shopping becomes more prevalent, the perceived risks of consumers may be reduced and the expected benefits may be diversified as a result of new shopping techniques. These and other factors will have an impact that changes purchasing decisions over time.

2. The current study focused on a limited number of factors. A follow-up study should consider factors besides those examined in this study. For example, from a consumer’s standpoint, curators and sellers are separate entities; so, trust in curators and trust in sellers could be divided into individual factors. Other seller characteristics that could be considered include price, quality of product information, ease of use, and system stability.

3. Earlier, we pointed out the problem concerning the representativeness of questionnaires using students as subjects. Besides that, only 32.9% of survey respondents in the current study indicated that they had experienced real curated shopping, with the remainder having only hypothetical indirect experience. Future studies should generalize
research results by re-examining research models and hypotheses through empirical studies involving general consumers.

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The Value and Risk of Curated Shopping: 
Online Consumer’s Choice


*International Journal of Business and Information*


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