Risk perception may vary according to differences between buyers'. Demographics, like other variables, are interactive descriptors of the consuming unit. Two or more buyers' may appear to be similar along several demographic variables, nevertheless their buying behaviour may be quite different according to the context.

Thus, the purpose of this research was to investigate empirically the associations between buyer differences and risk perception. Within a cognitive psychology paradigm, two hypotheses were advanced. The total of firms from two industrial sectors (pharmaceuticals and clothing) in the six largest States of the Brazilian Federation were consulted. The results of the empirical study demonstrate that when testing demographic differences, psychosocial risk perception was found to be influenced by the amount of experience the buyer has but the same can not be said about economic risk perception.

1. Introduction

The concept of risky decision-making has been a topic of concern for economists, mathematicians and psychologists for long before Alderson's (1957) remarks about consumers as problem solvers in the face of uncertainty. In the classical approach to choice in risky situations, choice is dependent upon a number of possible outcomes, their likelihood and their values (Greatorex and Mitchell, 1991; Mitchell, 1994; Stone and Grønhaug, 1993). Usually risks and values are preferred in an inverse proportional form. That is: smaller risks and larger expected values (Lindley, 1973). Certain factors are expected to affect the decision-maker's level of perceived risk. As a consequence, his preferred course of action may be to select the option that most successfully reduces his level of perceived risk (Newall, 1977; Pablo et al., 1996).

2. - The concept of perceived risk

Raymond Bauer introduced the concept of perceived risk in consumer behaviour studies in 1960. The concept is based on the idea that any buying activity involves risk. In this sense, any action of the buyer is likely to produce consequences that he or she cannot anticipate with anything approximating certainty, and some of which at least are likely to be unpleasant (Bauer, 1960). The two primary dimensions of risk are - one related to uncertainty or probability of loss notion and the other related to consequence or importance of loss notion. Bauer also argued that the buyer is forced to deal with uncertainty and in this way selects a course of actions to reduce perceived risk.

In many occasions, the buyer is faced with a completely new buying situation that he or she has no experience to rely on. This makes correct assessment of risk almost an impossible task. Even if he or she could calculate with precision the risk involved, it is not the objective risk that motivates behaviour, but the buyer's subjective impressions of it.
Accepting these limitations, this study was mainly concerned with the subjective approach of the risk phenomena in buying decisions.

3. - Uncertainty and subjective probability

Cunningham (1967) has pointed out that either dimensions of perceived risk may involve a (known or unknown) probability. He suggests that it makes no difference whether the buyer knows or thinks that he or she has a chance of making a bad choice. Intuitively, known probabilities are extremely rare in buying behaviour, and even when they are available, the buyer is unlikely to think in terms of them (Kunreuther, 1976). Consequently, when buyers are making decisions, they neither know properly the consequences of alternatives nor their probabilities of materialisation.

Cox (1967) expanded the perceived risk conceptualisation when he viewed every buying decision to be goal oriented. He offered a clarification of his view, as follows:

"In every buying decision, a consumer attempts to identify buying goals and match these goals with product or brand offerings" (p.5).

Concluding Cox's point of view, the uncertainty dimension can be regarded as an identification of buying goals (i.e., nature, acceptance levels, relative importance, and fulfilment) or accompanying matching goals with purchases (i.e., buying the correct brand). Decision evaluations can take place at two levels. First, for individual brands (handled-risk), and second, for the product class (inherent-risk) (Bettman, 1973). Thus, perceived risk orbits uncertainties in setting buying goals as well as in evaluating products or brands.

4. - Consequences

Originally, Cox (1967) divided the consequence/loss dimension into two constituents, performance and psychosocial. The performance constituent relates to how well the purchased brand fulfils its required technical functions (for example, will the product work well?). Psychosocial refers to the psychological and social effects felt by individuals or groups of individuals as result of a purchasing decision, and the ability to anticipate whether such consequences will follow (for example, how will it affect what others think of me?).

Advancing on Cox's proposition, Cunningham (1967) has proposed that risk may involve possible social consequences, financial loss, physical danger, loss of time (inconvenience) or simply a product that "does not work" (p.83). Since then, other investigators (Jacoby and Kaplan, 1972; Kaplan et al., 1974; Perry and Hamm, 1969; Roselius; 1971) have sharpened these ideas to a more popular model of six different types of risks perceived (i.e., performance, financial, physical, social, psychological, and time). Some individual consequences may be associated with more than one type of risk and may even form a hierarchy.

These subdivisions of perceived risk have been growing in number in the last two decades. Due to the difficulty of operationalising so many different types of risk, researchers
(e.g., Rossiter and Percy, 1987; de Mello, 1997) have been proposing and validating Cox's old proposition of two major dimensions of perceived risk and recommending the use of only two major dimensions. According to Rossiter and Percy (1987) and de Mello (1997) these dimensions are: (a) Economic risk which includes consequences of incorrect brand choice such as money loss, performance problems, threats to physical safety, and also time or convenience loss. (b) Psychosocial risk which includes psychological discrepancies between brand benefits and the buyer's own personal self-image, or social discrepancies affecting the buyer's social image caused by reference group disapproval of the brand. For the purpose of this research, we decided to follow this advice.

5. - Determinants of Perceived Risk

According to the literature, there are some factors that may affect the variations of the buyer's perception of risk. These factors include differences between buyers (e.g., demographics, psychological), the buying situation, the decision-making unit, size of the company, product/brand characteristics, country-of-origin, and situational factors. Following the interest of this research, we do recognise that perceived risk may be determined by many different factors, however this study was designed to explore only a few related to buyer experience.

Difference Between Buyers - Risk perception may vary according to differences between buyers'. Demographics, like other variables, are interactive descriptors of the consuming unit (Roscoe et al., 1977). Two or more buyers' may appear to be similar along several demographic variables, nevertheless their buying behaviour may be quite different according to the context. While demographics tend to interact with other variable sets such as psychological (Fry, 1971), they also assume different dimensions as the unit of analysis varies.

Demographics may also serve as an effective moderating variable in examining the relationship between a set of psychological independent variables. For example, Peterson (1975) used sex, age, education, and income as sub-samples. These were moderators in examining the relationship between personality variables and consumer product usage. His results suggested an increase in predictability as a result of using the demographic characteristics as moderating variables in comparison of results for the total sample. Clearly there are many demographic and psychological variables that might be related to risk-taking. However, researchers have been focusing their attention on variables such as age, education, previous experience, and gender, however the first three have provided some interesting results (Cox, 1967; Mitchell, 1991; Newall, 1977; Sheth, 1973a;b;c).

Age - There is a main premise regarding this variable. It is related to the increase in experience, which usually comes with age, and has the effect of reducing perceived risk. Another possible explanation for the inverse relationship between age and perceived risk is the relative unimportance of the psychosocial components of risk in people's life styles while ageing (Mitchell, 1991). Although, Kogan and Wallach (1964) reported findings that older people, when facing risky situations, tend to be more conservative in their actions. This apparent paradox remains unclear in the literature giving rise to questions regarding how can age affect risk perception?
**Education** - Regarding this variable, according to Grønhaug (1972), it is reasonable to assume that an essential aspect of most forms of education seems to be some kind of problem solving ability. Moreover, it can be said that a buyer may generalise his or her acquired insight, over the years, into problem-solving ability including buying problems. It also seems reasonable to assume that this insight involves 'openmindness' and that a buyer with a reasonable amount of this insight will be more inclined to admit perceived risk. Sheth (1973a) in his model of industrial buyer behaviour has been advising that probably the most significant factor that determines differential expectations among buyers is the different educational backgrounds and level (e.g., purchasing, engineering, production, etc.). Studying the purchasing of air-conditioning equipment - Choffray and Johnston (1979) confirmed Sheth's proposition. They found buyers different backgrounds correlating positively with perceived risk.

**Previous experience** - Past experience is a very well known risk reducer (Foxall and Goldsmith, 1994; Mitchell, 1990). Experience in problem solving may serve to increase the buyer's decision-making skills (Topol, 1981). Experience may also facilitate the processing of information since the familiarity with problems may result in the buyer's routinisation of decision making. This assumption is based on the fact that previous purchases have resulted in some form of learning; which again may lead to a decrease in the buyer's perception of risk. This previous experience may have a positive influence on the buyer in terms of knowing what and how to evaluate. This should enable the buyer to make use of information sources with a higher confidence value (Grønhaug, 1972). Some empirical studies (e.g., Peters and Venkatesan, 1973; Sheth and Venkatesan, 1968) have been successful in supporting these assumptions.

The interactive nature of demographics can lead to two major problems. First, regarding which of the descriptors to take into account when describing or segmenting a market. Second, concerning how to define these descriptors in meaningful terms according to the management decision that is to be made. To obtain the type of information needed to avoid these problems, we conducted exploratory research with established academics and practitioners as well as a literature review on the subject.

While demographics tend to interact with other variable sets they also assume differing dimensions as the unit of analysis varies (Roscoe et al., 1977). For example, where ‘years in the job’ and ‘years in a similar position’ may prove to be comparatively weak in explaining certain types of behaviour of group A or group B, they may take on added power when applied to both groups at the same time.

Evidence suggesting the importance of buyer characteristics in organisational buying behaviour has long been reported (Dichter, 1959; Lazo, 1960). A number of dimensions of such individual characteristics have previously been examined (e.g., Crow and Lindquist, 1985; Slama and Taschian, 1985) and no definitive demographic dimensions associated with business purchasing have been empirically established.

Others have found a blending of psychological and demographic characteristics to be most informative (Pernica, 1974; Tigert et al., 1971). There are reports of studies indicating that demographics may serve as an effective moderating variable in examining the relationship between a set of psychological independent variables and buying behaviour (Fry, 1971; Peterson, 1975). Considerable effort has been applied to the study of individual differences among industrial buyers regarding perceived risk (e.g., Festervand, 1980;
GrØnhaug, 1972; 1975; Topol, 1981). However, very limited research attention was given, thus far, to the individual buyer’s level of experience and its impact on perception of risk (Cardozo and Cagley, 1971; Festervand, 1980).

6. - Hypotheses

Some research has been reported on studying the differences between individual organisational buyers (e.g., Hillier, 1975; Thain et al., 1959) and the relationship of these differences to perceived risk (e.g., GrØnhaug, 1975). This area of study is based on the assumption that the unique characteristics of individual decision-makers can help to explain differences in both the content and style of the decision-making process.

The literature which focuses on the individual organisational buyer has mainly sought to identify specific buyer characteristics (i.e., psychological and demographic variables) which then serve as correlates of perceived risk. Once these correlates can be identified, they are then used as a buyer segmentation device. One such individual characteristic is buyer experience. It has received limited research attention, but provides a goldmine of information based on individual age, educational level, number of years in the same job, and number of years working in any position with a similar capacity.

From a review of relevant literature, it became obvious that perceived risk is linked to the experience factor of learning theories (Ring et al., 1980; Sheth, 1973a). The experience factor asserts that knowledge and skill increase with experience. When applied to organisational buying, this concept suggests a prospect that buyers are expected to become more proficient in their task as their experience increases (Howard, 1973). The suggested result of combining the effect of varying amounts of experience with perceived risk theory is that as the organisational buyer’s experience increases, uncertainty should be significantly reduced and perceived risk minimised (Festervand, 1980; Robinson et al., 1967).

Another assumption put forward by Robinson et al. (1967) refers to what they have called “the achievement motive.” This posits that organisational buyers, being human, seek to increase their chances for promotion, status, and recognition, while at the same time minimising personal risk. It is also possible to suggest that the patterns of risk a buyer perceives will vary with experience (Festervand, 1980).

For example, less experienced buyers may focus on assuring an adequate supply of materials and thus the continuity of operations. This group can be characterised as one with career aspirations and might tend to be adverse to performance, finance and time risks as opposed to buyers at later stages in their careers. Conversely, more experienced buyers may be more concerned with image and job security. Thus, the latter group might be expected to be preoccupied with pleasing superiors, and preserving the good impression held by their peers about them. In other words, it is likely that this group will show a higher level of psychosocial risk perception than the less experienced group. To test this proposition the following hypotheses are advanced:

H1 - Less experienced buyers will tend to value economic risk more highly than do the most experienced buyers.
H2 - The most experienced buyers will tend to value psychosocial risk more highly than
do the less experienced buyers.

7. - Methodological Issues

To operationalise and test the above hypotheses, some methodological issues must be
considered. For this survey, we used a structured postal self-completion questionnaire as the
data collection medium. The questions used to build up the questionnaire for this research
were basically attitudinal and classification questions. The information collected revolved
basically around two areas: 1) Risks perceived in a buying situation and 2) classification
variables relating to the respondents. The measurement of these information areas is now
considered.

In the last 35 years, since the conceptualisation of buyer behaviour as a risk-taking
activity, many different researchers have attempted to operationalise the perceived risk
concept. The prevailing view is still the same; that uncertainty and significance of
consequences (importance of losses) should combine interactively to compose perceived risk.
After an extensive review of the literature, we decided to use the perceived risk scale in its
traditional 7-point semantical measure (e.g., Lumpkin and Massey, 1983).

Another part of the questionnaire addressed some demographic, attitudinal and
organisational variables. This data was collected for two main reasons. First, to provide some
insight about the type of individuals that might influence the brand buying decision-making.
Second, it was used to test hypotheses H1 and H2. The demographic variables (age,
education, and previous experience) were collected using dichotomous or multiple-choice
questions usually on ordinal scales. The variable gender was not used for analysis because
95% of respondents happened to be from one gender.

Large and medium size Brazilian firms operating in industrial activities were the basis
of this research. To reduce the overall sample, some criteria were established to cover the
most prominent industrial sectors of the Brazilian economy. After an extensive analysis, two
very different industrial sectors emerged: clothing & accessories and pharmaceutical
products. An analysis of the data published from the latest industrial census available led to
the selection of the geographical areas to be covered and the number of firms in each
geographical area. The total of these firms is 399. To determine the relevant individuals to be
approached an extensive snowballing procedure was used to scan all possible decision-
makers. After identifying the population of individuals, a random selection of one individual
per firm took place. This was done to satisfy statistical strictness regarding the characteristics
of the data required to test the proposed hypotheses couched in terms of co-variances, despite
the bias towards members of smaller decision-making units (DMU). A response rate of
44.8% was achieved and the data showed no significant difference between respondents and
non-respondents. Two different reliability assessments (test-retest and internal consistency)
were performed in this study; both showing the data's reliability. The scale was validated in
two different ways (subjective and construct).

The analysis and interpretation of the quantitative data depended on a range of
statistical techniques. The first information obtained was descriptive in nature. After an
extensive analysis at the descriptive level, other analysis tools were considered. Of these
tools, the simplest and most used is cross-tabulation. To test these hypotheses, such tables were tested by means of inferential tests (e.g. ANOVA).

Since the purpose of hypotheses 1 and 2 was to investigate the relationship between an individual’s level of experience and the level of perceived risk in its different dimensions, it was necessary to ascertain each respondent’s level of experience.

To facilitate analysis and comprehension of tables, the researcher decided to aggregate the responses in low, moderate, and high experience categories. In order to add up the response options to a three-tier solution the SPSS percentile value option for frequencies statistics was specified to aggregate the data in three parts.

The next section of tables focuses on demographics as opposed to risk perception. To test the proposed relationships between a specific demographic variable and perceived risk, nine one-way ANOVA tests were performed to examine the variability of the observations within each group as well as between group means. Three of these calculations were regarding differences amongst the three tier demographic groups for psychosocial risk respondents. Three more calculations concerned the same difference measures, this time for economic risk respondents. The last three tests were destined to measure any difference within each of the demographic groups in regard to their psychosocial and economic risk perception.

However, there are still some interesting questions that could help test the proposed hypotheses to be answered. First, is there an interaction between the effects of a specific demographic variable and the risk dimensions? Second, is there an interaction between the effects of the demographic variables and the risk dimensions? The statistical technique used to evaluate these questions is an extension of the one-way ANOVA called simple factorial ANOVA. To answer the first question a 2-way interaction calculation was performed. To answer the other question the SPSS programme was set to display all interactions that termed up.

8. - Tests of the Hypotheses

This set of hypotheses was developed to obtain a broad demographic picture of differences among buyers and this way provide marketers with information to increase the effectiveness of their decisions in plotting a path of action in the marketplace.

Table 1 shows how age affects risk perception. Researchers have been reporting conflicting findings about the effect of age on perception of risk. Peters and Venkatesan (1973) found no significant effect of age on risk perception. Mitchell (1991) also reported that age had little or no effect on risk perception. He justified his findings citing a known paradox related to the effect of age on risk perception. That is: as age increases, buyers tend to become more conservative and risk averse, increasing risk perception. However, older buyers also tend to have more experience, which acts to reduce the risk perceived.

In this study, regarding psychosocial risk, the third group representing older respondents (i.e., the 40+ group) showed the greatest level of risk perception. This may have happened due to the fear of losing their jobs and the consequences of a damaged professional
image at this point in their careers. Even though a 40+ years old person still has career progressions to make, specifically in Brazil it is likely he or she will face more hurdles when approaching a new job than younger professionals will. Thus, it seems logic that older buyers tend to be more psychosocial risk adverse than younger buyers.

Younger buyers tend to be more economic risk conscious than older buyers are. This may have happened due to the hard nature of economic risk (i.e., performance, financial, and time risks) and the experience effect acting against them. Younger buyers are normally less experienced and need to assure performance in order to maintain their job. Therefore, an adequate supply of materials and the continuity of operations may be a harder task for the less experienced than it is for the most experienced buyers. The complexity of the task can generate anxiety and consequently higher levels of risk perception.

The pattern exhibited in Table 1 supports both H1 and H2. Moreover, age showed a significant overall interaction with perceived risk. Maybe, from the results, the paradox of age and perceived risk is not a paradox as first mentioned by Mitchell (1991). Probably the first assertion that says that buyers tend to become more conservative and risk averse with age should be rephrased to say psychosocial risk adverse. Furthermore, the second assertion that advocates older buyers to be more experienced and this way perceive less risk could also benefit from a rephrasing to mention economic risk perception instead of overall perceived risk.

Table 1 - Differences in Average Ratings Between Age Groups of Respondents and Perceived Risk.

<table>
<thead>
<tr>
<th>age (years)</th>
<th>psychosocial</th>
<th>economic</th>
<th>F-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. 20-29 (n=50)</td>
<td>4.71</td>
<td>5.17</td>
<td>5.68***</td>
</tr>
<tr>
<td>b. 30-39 (n=67)</td>
<td>4.15</td>
<td>4.97</td>
<td>6.64***</td>
</tr>
<tr>
<td>c. 40+ (n=32)</td>
<td>5.08</td>
<td>4.92</td>
<td>3.78**</td>
</tr>
<tr>
<td>a:b</td>
<td>3.12*</td>
<td>1.20</td>
<td></td>
</tr>
<tr>
<td>b:c</td>
<td>6.10***</td>
<td>0.15</td>
<td></td>
</tr>
<tr>
<td>a:c</td>
<td>2.78*</td>
<td>2.37*</td>
<td></td>
</tr>
</tbody>
</table>

Note: * = p<0.10  
** = p<0.05  
***= p<0.01

Table 2 shows how education level affects perceived risk. It is common knowledge that an essential aspect of most forms of education seems to be some kind of problem-solving ability. Thus, it is reasonable to assume that a more educated person should perceive less risk due to his or her ability to generalise the acquired insight. Based on this discussion, Grønhaug (1972) added that this insight should also generate more ‘openmindedness’ to the individual, so that a more educated person is also expected be more inclined to admit his or her fears. This doesn’t mean that highly educated people objectively perceive more risk than lower educated people do. What is here being said is that highly educated people are more
likely to admit their fears and this way show a greater level of perceived risk as compared to less educated people. Once more a paradox seems to justify the effect of education level on perceived risk.

The results regarding psychosocial risk in Table 2 refute H1. Even though there is not a clear pattern of different psychosocial risk perception across the three education levels, a small but still significant (p<0.10) difference was detected when the post-graduation group was compared to the others. Highly educated individuals show a lower level of perceived psychosocial risk than does the less educated group. This finding agrees with the common knowledge that more educated individuals should perceive less risk due to their acquired (via education) problem-solving ability.

In relation to economic risk, the pattern of the differences in average ratings was pretty much the same as for the psychosocial risk. Once more the most educated showed a lower level of risk perception than the less educated. Looking at both results, an inverse relationship between education level and risk perception is evidenced. No evidence was found in support of GrØnhaug’s (1972) assertion about the ‘openmindness effect’. Comparisons concerning economic risk are supportive of H2. However, education level did not show a significant overall interaction with perceived risk.

This may have happened due to the very close proximity of the nature of the three education levels. After looking at the information given by respondents it was possible to see that most of the respondents that claimed their highest education level to be post-graduation (27.2%) were mostly at a specialisation (e.g., certificate) level (22.5%) and only 4.7% of them actually had a higher degree such as a MSc. or a Ph.D. Thus, it is possible to see that the bulk of respondents in this study were not very different in terms of education achievement. This is probably why there was no significant overall interaction between education level and perceived risk.

Table 2 - Differences in Average Ratings Between Groups of Respondents According to their Education Level and Perceived Risk.

<table>
<thead>
<tr>
<th>risk dimensions</th>
<th>education level</th>
<th>F -value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a. attended university</td>
<td>b. graduated from university</td>
</tr>
<tr>
<td></td>
<td>(n=48)</td>
<td>(n=61)</td>
</tr>
<tr>
<td>psychosocial</td>
<td>4.78</td>
<td>4.77</td>
</tr>
<tr>
<td>economic</td>
<td>5.20</td>
<td>5.13</td>
</tr>
<tr>
<td>F-value</td>
<td>3.41*</td>
<td>5.50***</td>
</tr>
</tbody>
</table>

Note: * = p<0.10  ** = p<0.05  *** = p<0.01
Table 3 shows how number of years in the same job affects perceived risk. Some empirical studies (e.g., Mitchell, 1991; Peters and Venkatesan, 1973) have been using number of years in the same job as a measure of past experience. The assumption these researchers have been working with is based on the fact that previous acquisitions should result in some form of learning. Thus, as the buyer’s knowledge of the product/brand or even buying situation increases, their level of risk perception should decline due to their buying experience (Sheth and Venkatesan, 1969).

In this study, the average ratings for psychosocial risk are in the expected direction. A small, nonetheless present, variation shows a significant (p<0.10) difference in psychosocial risk rating between buyers new on the job and buyers with 10+ years on the job. This finding goes against the common assumption previously mentioned, but is in agreement with H1.

Regarding the average ratings for economic risk, they are in the expected direction hypothesised in H2. Nevertheless, no significant variation emerged from this set of comparisons. Buyers with five of less years of experience showed a greater economic risk perception level than more experienced buyers (e.g., 6+ years on the job). This finding agrees with the common assumption that past experience is a powerful risk reducer. Moreover, number of years in the same job did not show a significant overall interaction with perceived risk.

Table 3 - Differences in Average Ratings Between Groups of Respondents According to the Number of Years they Spent in the Same Job and Perceived Risk.

<table>
<thead>
<tr>
<th>risk dimensions</th>
<th>number of years in the same job</th>
<th>F-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a. ≤ 5 (n=67)</td>
<td>b. 6-10 (n=52)</td>
</tr>
<tr>
<td>psychosocial</td>
<td>4.65</td>
<td>4.48</td>
</tr>
<tr>
<td>economic</td>
<td>5.15</td>
<td>4.96</td>
</tr>
<tr>
<td>F-value</td>
<td>7.70***</td>
<td>4.82***</td>
</tr>
</tbody>
</table>

Note: * = p<0.10  
** = p<0.05  
*** = p<0.01

Table 4 shows how number of years in similar job position affects perceived risk. This table is almost a replica of Table 3 and the results can be described in the same way as the previous one. When testing for interaction, number of years in a similar job position did not show statistical significance what means the results in this table show no overall trend or effect on risk perception.

As previously mentioned, a demographic variable may prove to be comparatively weak in explaining certain types of behaviour (or perception) but, when combined with other demographic variable(s), they may take added power and prove to be significantly important in affecting risk perception. Insofar as this analysis is concerned, only the variable age
showed a significant effect on risk perception. However, when testing for maximum interactions involving all four demographic variables chosen to be representative of experience, two sets emerged as statistically significant. They were: 1) age and education and 2) number of years in the same job and number of years in a similar job position.

Table 4 - Differences in Average Ratings Between Groups of Respondents According to the Number of Years they Spent in a Similar Job Position and Perceived Risk.

<table>
<thead>
<tr>
<th>risk dimensions</th>
<th>number of years in a similar position</th>
<th>F-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a. ≤ 5 (n=50)</td>
<td></td>
</tr>
<tr>
<td>psychosocial</td>
<td>4.67</td>
<td></td>
</tr>
<tr>
<td>economic</td>
<td>5.10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. 6-10 (n=55)</td>
<td></td>
</tr>
<tr>
<td>psychosocial</td>
<td>4.57</td>
<td></td>
</tr>
<tr>
<td>economic</td>
<td>5.04</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c. 10+ (n=46)</td>
<td></td>
</tr>
<tr>
<td>psychosocial</td>
<td>4.88</td>
<td></td>
</tr>
<tr>
<td>economic</td>
<td>4.94</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a:b</td>
<td>0.92</td>
</tr>
<tr>
<td></td>
<td>b:c</td>
<td>7.39***</td>
</tr>
<tr>
<td></td>
<td>a:c</td>
<td>3.36*</td>
</tr>
<tr>
<td>F-value</td>
<td>5.41***</td>
<td></td>
</tr>
</tbody>
</table>

Table 5 shows how demographic variables affected perceived risk. First, both sets of variables affected psychosocial risk perception. Age and education seems to have a small effect on psychosocial risk perception. However, number of years in the same job and number of years in a similar job position exhibited a stronger influence on psychosocial risk perception. They also exhibited a significant overall interaction what means that all four variables were important in explaining and/or affecting psychosocial risk perception. Second, only number of years in the same job and number of years in a similar job position exhibited a significant (p<0.05) interaction with economic risk. The relationship of the other variables with economic risk was so weak that it compromised an overall interaction.

Table 5 - F-value for Interaction Between Demographic Variables.

<table>
<thead>
<tr>
<th>risk dimensions</th>
<th>testing for interaction between demographic variables</th>
<th>overall interaction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>age / education</td>
<td>jobyears / posyears</td>
</tr>
<tr>
<td>psychosocial</td>
<td>2.19*</td>
<td>2.96**</td>
</tr>
<tr>
<td>economic</td>
<td>0.74</td>
<td>2.88**</td>
</tr>
</tbody>
</table>

After considering the results reported in Table 5, it seems safer to consider number of years in the same job and number of years in a similar job position as the variables that most likely could affect risk perception. Even though these variables individually did not exert the
same effect on perceived risk, when combined as an integrated variable they were equally important to psychosocial and economic risk perception. The same can not be said about age and education that only showed a small influence to one risk dimension. Probably the better combination of measures representing experience would be the use of age, number of years in the same job and number of years in a similar job position as they all showed some type of influence on risk perception.

Regarding the test of the hypotheses, the variable age was the only one that fully supported H1 and H2. The variable education showed some support in favour of H2 while the variables number of years in the same job and number of years in a similar job position supported only H1. With three out of four variables supporting H1 and two out of four supporting H2, there seems to be evidence in support of H1 but the results show little support for H2.

9. - Conclusions and Implications

Early sections of this paper introduced various studies which explored the differences between individual organisational buyers and the relationship of these differences to perceived risk. Literature focused on the individual organisational buyer has sought mainly to identify specific buyer characteristics (i.e., psychological and demographic variables) which then serve as correlates of perceived risk. Once these correlates can be identified, they can then be used as a buyer segmentation device. One such individual characteristic is buyer experience as represented by age, educational level, number of years in the same job, or number of years working in any position with a similar capacity.

Less experienced buyers may focus on ensuring an adequate supply of materials and continuity of operations. This group is one with career aspirations and might tend to be averse to performance, finance and time risks more than buyers at later stages in their careers. More experienced buyers may be more concerned with image and job security. Thus, this group might be expected to be preoccupied with pleasing their superiors and preserving the good impression their peers hold of them. In other words, it is likely that this group will show a higher level of psychosocial risk perception than the less experienced group.

After extensive analysis, the following conclusions can be drawn. When using the variable age as an indicator of experience, older buyers are more sensitive to psychosocial risk than are younger buyers while the latter tend to be more conscious of economic risk than are older buyers. When using the variable education level as an indicator of experience, highly educated individuals present lower levels of psychosocial and economic risks than do less educated individuals.

The variables number of years in the same job or number of years in a similar position are analogues of experience, which indicate that buyers with ten or more years in a job/profession demonstrate higher levels of psychosocial risk than do buyers new in a job/profession. These latter tend to be more economically risk sensitive than buyers with ten or more years in a job/profession. The variable age was the only one of the four that individually showed a significant overall interaction with perceived risk.
When analysing the results from all variables representing buyer experience, three out of four support the idea that more experienced buyers tend to value psychosocial risk more highly than do less experienced buyers. Only two out of the four support the idea that less experienced buyers tend to value economic risk over the most experienced buyers.

The results reported in the previous section indicate that number of years in the same job and number of years in a similar job position are the variables most likely to affect risk perception. Even though individually these variables did not exert the same effect on perceived risk, in combination they were of equal importance to psychosocial and economic risk perception. The same cannot be said about age and education which showed only a small influence on one risk dimension. Probably a better way of measuring experience would be to combine age, number of years in the same job and number of years in a similar job position, as all influence risk perception in some way. Based on the results of this study, it is safer to say that experience will affect psychosocial risk perception while economic risk perception will probably not.

While this study presents some compelling evidence regarding how buyer difference affects risk perception, more research on this topic is warranted before a practical way to separate those who perceive risk in its different dimensions can be put in practice. This information would give marketers an edge when segmenting customers.

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10. - References


