Erasmus University Rotterdam
Erasmus School of Economics
Economics and Business: Marketing

Master Thesis

Promotion Effectiveness on the sustainable apparel industry

The efficiency of non-monetary promotions vs. monetary promotions, taking into consideration consumer's perceived values and the moderated mediation role of perceived performance risk.

July 2022

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Academic Year
2021/2022

Abstract

This study examines the effect of monetary and non-monetary promotions on sustainable fashion industry. To this end, hedonic and utilitarian values along with perceived risk are employed to mediate promotion effectiveness, which is expressed via purchase intention. Results reported herein are based on an anonymous online survey, which, after initial data analysis, yielded 130 statistically valid responses. Statistical analysis revealed that hedonic perception of non-monetary promotion is higher as compared to discounts while monetary promotions carry higher utilitarian values as compared to non-monetary promotions. In addition, moderation of perceived performance risk was established as statistically significant in value perception and purchase intention. Finally, analysis also proved that the moderating impact between hedonic values and purchase intention is stronger as compared to the respective impact between utilitarian values and purchase intention. Results are discussed and placed in context with relevant literature along with relevant managerial implications and identification of limitations and areas for further research.

Keywords: Promotions, Promotion's effectiveness, Non-monetary promotions, Monetary Promotions, BOGOFs, Discounts, Purchase Intentions, Perceived Values, Hedonic Values, Utilitarian Values, Perceived risk, Perceived performance risk, Sustainable clothing, Sustainable fashion

Acknowledgments

First, I want to thank my thesis supervisor, Dr. Agapi Fytraki, for the trust and support in these past months. This thesis is a result of informative, yet enjoyable guidance from her part. Her constructive comments helped me to develop critical thinking and to challenge myself to take initiatives.

Additionally, I would like to thank my family for all the support and feedback all this year. Without their continued interest in how I was doing from the beginning of my master studies I would not be so confident to keep up even when times were hard.

Moreover, I am more than grateful to all my friends and colleagues who answered the online survey truthfully and supported me to complete this thesis. Special thanks to my friends from Greece, who were there for me every day of this year even in long distance and made sure that I was doing well and reminded me of what I can succeed.

Katerina Moustaki Athenaki

Rotterdam, 25 July 2022

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Chapter 1: Introduction

The fashion industry has experienced a dramatic change as increasing number of fashion companies incorporate sustainability practices (Henninger et al. 2015; Hendriksz 2016). It is quite impressive that even when the economy experienced a downturn in 2011, the sustainable fashion market continued to grow (Co-operative Bank Ethical Consumerism Report 2012).

This emerging fashion sector has quite distinctive characteristics in comparison to the fast-fashion or luxury brands. First, sustainable clothing is part of Green Marketing and thus it should be approached differently and not with the same strategies of conventional marketing (Dangelico & Vocalelli, 2017). Sustainable fashion can be named organic, slow, eco (Cervellon et al., 2010) which is contradictory to the conventional fashion industries which are characterized by short product life cycles (Ertekin and Atik, 2015). At the beginning of the sustainability movement consumers of that market segment were mostly people who followed an eco-friendly and healthy lifestyle (Morais, 2011). However, the expansion of sustainable industry in general has shown an increased interest from consumers (Dangelico & Vocalelli, 2017).

It is often in marketing studies to observe the relationship of perceived value and purchase intention (Hirschman & Holbrook, 1982; Havlena & Holbrook, 1986; Hoffman & Novak, 1996; Simonson et al.,1994; D'Astous & Jacob, 2002; Diels et al., 2013). Further research has connected price promotions to consumer's perceived value while they are purchasing products (De Oliveira et al., 2015). In this thesis perceived value will be expressed through hedonic and utilitarian perceptions.

1.1. Research Problem and Motivation

As the world moves towards a "green" and sustainable future, eco-fashion companies need a better understanding of their pricing promotions, as price is the major perceived barrier in the sustainable industry (Aschemann-Witzel & Zielke, 2015). In this thesis the two pricing promotions under examination are: discounts and "buy one, get one free" (BOGOFs).

It is quite important, especially for sustainable fashion items, to define which pricing leads to more purchases as they are already positioned in the market as high quality, green, organic products. Hence, a mistake in the promotion may lead to distortion of that positioning and even

worse may lead brands to declare bankruptcy as has happened already in the past (Grewal et al., 1998).

Retailers are using several types of promotions, like tempting the customers with a specific set of products and/or setting competitive prices (Marinescu et al., 2010). Moreover, retailers in order to fight fierce competition use reduced-price strategies in order to increase consumer's perceptions of value (Yoon et al., 2014).

Nevertheless, pricing promotions can have both positive and negative impact on the experience of customers. From the side of customers, pricing strategies could mean saving money, encouraging trial of new products, and feeling smart whereas from the side of retailers it could mean raising the entertainment of their shoppers (Lee and Tsai 2014). Pricing strategies can harm companies by increasing pricing sensitivity and lowering price expectations (Kalwani and Yim 1992; Mela et al., 1997; Papatla and Krishnamurthi 1996).

1.2. Research Objectives

This thesis aims to assemble theory from Marketing and Sales promotion strategies in "green" retail consumerism toward formulating a model addressing the relationship between type of promotion (discounts vs product deal offers) and consumer perception (hedonic vs utilitarian). Accordingly, the main research question is the following:

Do different types of price promotions (discounts vs BOGOFs) lead to higher purchase intentions considering that consumers derive diverse values, i.e., hedonic or utilitarian, when purchasing sustainable clothing? Which type of pricing promotion is more effective for retailers according to the different consumers' perceptions of value?

The second step of this analysis is to test both types of promotions under the condition of perceived performance risk. Thus, in this thesis the moderating effect of perceived performance risk towards consumer's response to discounts and BOGOFs when they receive different perceptions of value will be examined.

1.3. Research Methodology

Research reported herein proceeds by testing the effect of pricing using hypothetical scenarios that do not involve real spending and/or consumption (Naylor et al. 2006; Plassmann et al. 2008; Shen

et al. 2012). Thus, an experiment will be conducted based on unreal conditions in two distinct groups, one with the condition of non-monetary promotions and the second with the condition of monetary promotions. The results of the experiment will provide useful information about sustainable clothing brands and how they can overcome the barrier of premium prices (Koszewska, 2016).

To examine the robustness of the main research question three products will be used: a T-shirt, pair of jeans and jacket. These products are common pieces of clothing that every person owns hence it will be useful to understand how pricing can be an obstacle to sustainable fashion retailers, as many consumers are reluctant to join the sustainable clothing market for financial reasons (Abreu et al, 2021), and how they can attract more customers based on the pricing promotion they will choose.

1.4. Thesis Outline

Chapter 2 provides a comprehensive review of the background theory that this thesis is based upon. This section helps to amplify the importance of the current study in progress. Chapter 3 is focused on methodology. As stated above the results of this study are based on a quantitative method of research and specifically on a between-subject experiment. Hence, in chapter 3 the experiments are demonstrated in detail, i.e., the participants, the design of each experiment among the two groups and the procedure to be followed. Chapter 4 is the actual conduct of the experiment, including the statistical analysis with the descriptive statistics and the testing of hypotheses and the interpretation of the results. Subsequently in chapter 5 is the conclusion about all the research that has been done. In this chapter the limitations of this research are introduced and how eco-fashion retailers can take advantage of the findings to enhance their market share and brand image among customers.

Chapter 2: Background Theory and Conceptual Framework

In this chapter there is a demonstration of the background theory to support the hypotheses developed and the conceptual framework of this thesis.

2.1. Promotions, Discounts and BOGOFs

Price represents a crucial indicator of product cost and is an important parameter in marketing research for the retail industry (Erdil, 2015). Consumers use price as an indicator of the product's monetary value, i.e., they estimate how much money companies have spent for production (Beneke and Carter, 2015). Hence, retailers adopt strategies to emphasize value for money to attract customers to switch to their brands (Erdil, 2015). Fierce competition and price wars have increased the complexity of investigating pricing effects in the retail industry (Erdil, 2015). Additionally, in many cases retailers rely on price reductions practices, like price discounts and regular promotions, to attract consumers and increase store crowds (Grewal et al., 1998). Sales promotions have been found to accelerate shopping experience, reduce the cost of inventory for retailers and attract consumers to purchase (Raghubir, 2004). Although price is an influential factor in consumer's decision-making process, it has been also found that brand familiarity can moderate the effect of price on consumer perceptions (Grewal et al., 1985).

Discounts are identified as promotional practices where the initial price of a product/service is reduced with the objective of moving inventory and boosting traffic and sales (Cambell,2020). "BOGOF" has been determined as a bonus pack promotion that offers to consumers extra products without additional cost (Ong et al., 1997; Yin-Fah et al., 2011). According to Jayaraman et al. (2013), using the word "free" is appealing to customers, hence "BOGOFs" is a common marketing tool for the retail industry. Based on a previous report of UK's Competition Commission, BOGOFs lead to a 3000% sales increase in local supermarkets (Hawkes, 2009). Previous research has shown that price discounts have a different impact on consumer's perceptions of value than BOGOFs (Diamond & Campbell, 1989; Sinha & Smith, 2000). However, there is no previous evidence of which of these types of price promotions are more efficient for sustainable fashion retailers.

Hence, for this research the gap that is identified and aimed to be examined is a knowledge gap type, as there is no previous evidence of the types of price promotions, which are more efficient for sustainable fashion retailers (Jacobs 2011; Muller-Bloch & Kranz, 2014; Miles, 2017).

2.2. Perceptions of value and perceived performance risk

Value plays an important and powerful role in the marketplace to understand consumer behavior (Holbrook, 1996). In this thesis the perception of value is divided into two diverse categories: Utilitarian and Hedonic. Utilitarian perceptions of value lie on cognition, are precise and functional as they hide the rational behavior consumers seek to apply when purchasing products (Hirschman & Holbrook, 1982). On the other hand, hedonic values are more subjective and individualistic. Hedonic shopping is connected to the emotive level of benefits the customers perceive through the shopping experience besides the original purchase intention (MacInnis & Price, 1987). Thus, hedonic values are related to feelings, such as fun, fantasy, excitement of consumers when purchasing products. That is the reason why hedonic values are associated with aesthetic and entertainment features of consumers (Havlena & Holbrook, 1986).

From a researcher point of view, hedonic values are of high importance to examine when study shopping experience (Bloch & Richins, 1983; Hirschman, 1984; Holbrook et al., 1984); however, an integrated examination of purchase intentions should encompass both sides, namely: hedonic and utilitarian (Babin et al., 1994).

Perceived risk is connected to doubt (Mitchell, 1999) and associates with an individual's subjective beliefs about the potentially negative consequences from his/her buying decision or behavior, which cannot be anticipated with certainty (Diallo,2012). This uncertainty lies in the positive or the negative outcomes derived from the use of a product. To eliminate their uncertainty when shopping, consumers tend to prefer stores that have good reputations (Aghekyan-Simonian et al., 2012).

In the past, six dimensions have been identified to describe consumers' decision-making process: financial, social, psychological, physical and time or convenience risk (Erdil, 2015). Later, these dimensions were simplified and grouped as: overall risk, financial risk, and performance risk (Liljander et al., 2009). For this research, perceived performance risk is being examined and it is defined as the subjective expectation of a loss (Sweeney et al., 1999). Performance risk in the

sustainable clothing industry is connected to concerns about the quality, durability, safety, and length of the product's life cycle (Gifford & Bernard, 2006). Thus, in this thesis, perceived performance risk will be associated with the loss that consumers experience when the product they purchased did not meet their expectations, e.g., sustainable clothing may not meet the expectation of a consumer in terms of the value it represents or the value it should represent.

2.3. Purchase Intention

Purchase intention has been defined as the desire of a consumer to buy a product or a service (Diallo, 2012). In other words, purchase intention corresponds to the possibility of planning to purchase a particular product or service in the future (Wu et al., 2011). Hence, purchase intention can be used as a marketing tool to predict consumers' behavior (Wu et al., 2011; Hsu et al., 2017). One of the most common methods used to increase purchase intention is promotions (Büyükdağ et al., 2020). Promotion programs are divided into two segments: non-monetary promotions (usually increasing product value, in this thesis are defined as BOGOFs) and monetary promotions (in this thesis are price discounts) (Campbell and Diamond 1990).

2.4. Background theory

Price influences significantly clothing purchase. Previous research revealed that even environmentally sensitive consumers drive their clothing purchase behavior using economic and personal considerations (Goworek et al., 2012).

Price promotions are quite often used by retailers to stimulate sales in an effort to improve customers' profitability. Three-fourths of the shoppers visiting a store having promotions purchase one or more price-promoted items (Chandon, 1995). However, repeated promotions may potentially harm future regular price sales as they could detract consumer interest from the quality and the services provided by the retailers. Hence, especially for the environmental (or sustainable) clothing industry, where price represents the higher quality and ethical part of production, promotions should be carefully adopted.

Nevertheless, retailers cannot depend on discounts on a regular basis to generate more in-store traffic, as they are found to have negative effects on brand's quality and internal reference prices (Grewal et al., 1998). Hence, the extended use of discounts may end up hurting the store's image

overall. The negative effect of price discounts is counter-balanced by the positive effect of brand and brand's perceived quality, thus the "harm" of discounts on consumers evaluations may not hold for high quality products, at least in the short term (Grewal et al., 1998). If consumers associate price promotions with inferior brand quality, and the product quality is important for this market segment, then sales might not be increased (Raghubir and Corfman, 1999). Additionally, a single promotion can harm the brand's evaluations for consumers with positive implications towards the brand, in other words for customers that infer superior quality for a brand (Raghubir and Corfman, 1999).

Table 1 summarizes all the background theory the hypotheses are based upon. First column represents the name of the author with the title of the study. Second column includes the variables that were used to conduct the study, for example "IV" stands for Independent Variable and "DV" for Dependent Variable. The last column has all findings based upon the hypotheses of this thesis are developed.

Table 1. Overview of background theory. Publications are listed the first column while the remaining two columns highlight the variables and key research findings (copied from the article).

Publications	**Variables**	**Findings**
Chandon, P., Wansink, B., & Laurent, G. (2000). A benefit congruency framework of sales promotion effectiveness.	IV: Consumer Benefits DV: Sales promotions	"Monetary promotions provide an array of hedonic and utilitarian benefits to consumers beyond monetary savings, whilst nonmonetary promotions provide more hedonic benefits than utilitarian benefits."
Corbett, K. (2007). How appealing is" Free"?	IV: Consumers' preferences DV: Sales promotions	"Consumers respond more strongly to products that are being offered for free because they are influenced by the value of the item offered along with the free option."
Munger, J. L., & Grewal, D. (2001). The effects of alternative price promotional methods on consumers' product evaluations and purchase intentions.	IV: Promotional Frames DV: Purchase Intentions	"Current consumers are more attracted to free option promotions than price discounts."
Santini, F. D. O., Ladeira, W. J., Sampaio, C. H., & Falcão, C. A. (2015). Perception of value, attractiveness and purchase intention: revisiting sales promotion techniques	IV: Sales promotion (Monetary and Non-Monetary promotions) DV: Purchase intentions	"Purchase intention under the effect of monetary promotion was stronger than drawing non-monetary promotion in the utilitarian perception of the product. In hedonic perception, monetary promotion discount had less force than the non-monetary promotion prize draw."
Lowe, B., & Barnes, B. R. (2012). Consumer perceptions of monetary and non-monetary introductory promotions for new products.	IV: Sales promotions for new products DV: Consumer perceptions/ Purchase Intention	"Extra free product promotions are most preferred for existing products, whilst low price promotions are preferred for new, innovative products."
Raghubir, P., & Corfman, K. (1999). When do price promotions affect pretrial brand evaluations?	IV: Price promotions DV: Brand evaluations	"New customers are more likely to be affected by a promotion's distinctiveness than current customers."
Babin, B. J., Darden, W. R., & Griffin, M. (1994). Work and/or	IV: Consumers' experiences (utilitarian, hedonic) DV: Shopping Scale Values	"Discounts can create utilitarian value by facilitating an efficient end to the product acquisition task."

fun: measuring hedonic and utilitarian shopping value.		
Kwok, S., & Uncles, M. (2005). Sales promotion effectiveness: the impact of consumer differences at an ethnic-group level.	IV: Sales Promotions (Monetary and Non-monetary Promotions) DV: Consumers' differences	"Monetary promotions provide more utilitarian benefits whilst non-monetary promotions provide more hedonic benefits."
Ailawadi, K. L., Beauchamp, J. P., Donthu, N., Gauri, D. K., & Shankar, V. (2009). Communication and promotion decisions in retailing: a review and directions for future research.	IV: Retailers' decisions (price promotions) DV: Retailers' performance (Growth, profit)	"BOGOFs are more motivating for existing customers that are not sensitive to the price."
Sweeney, J. C., Soutar, G. N., & Johnson, L. W. (1999). The role of perceived risk in the quality-value relationship: A study in a retail environment.	IV: Perceived performance risk DV: Perceived Value	"Perceived performance risk has a significant effect on perceived value."
Tuu, H. H., Olsen, S. O., & Linh, P. T. T. (2011). The moderator effects of perceived risk, objective knowledge and certainty in the satisfaction-loyalty relationship.	IV: Customer satisfaction DV: Loyalty Moderator: Perceived risk	"When consumers perceive a high level of performance risk then their expectations and feelings towards a brand are formed with less stability, hence the negative moderating effect of perceived risk to loyalty and satisfaction of consumers towards a brand."
Casidy, R., & Wymer, W. (2016). A risk worth taking: Perceived risk as moderator of satisfaction, loyalty, and willingness-to-pay premium price.	IV: Satisfaction DV: WTP premium price Moderator: Perceived risk	"Perceived performance risk has a significant negative effect on the relationship between satisfaction and WTP premium price."
Tam, J. L. M. (2012). The moderating role of perceived risk in loyalty intentions: an investigation in a service context.	IV: Perceived value DV: Loyalty intentions Moderator: Perceived risk	"Perceived risk has a moderating effect on perceived value, as when the risk is high consumers are more concerned about the performance and the expected loss, whereas when it is low, they tend to switch to other brands with lower prices."
Paulssen, M., Roulet, R., & Wilke, S. (2014). Risk as moderator of the trust-loyalty relationship.	IV: Perceived product value DV: Brand satisfaction Moderator: Perceived risk	"When consumers are involved in low-risk conditions satisfaction is sufficient to determine loyalty, whilst in high-risk conditions trust exclusively determines loyalty."
Montaner, T., & Pina, J. M. (2008). The effect of promotion type and benefit congruency on brand image.	IV: Sales promotions (Price promotions vs. non-monetary promotions) DV: Brand image/Product price	"Non-monetary promotion is beneficial for both utilitarian and hedonic products but has a more positive influence on hedonic products."
Bauer, R. A. (2001). Consumer behavior as risk.	IV: Consumer behavior DV: Perceptions of value Moderator: Risk	"Consumers consider the consequences of risk when developing perceptions of value."
Park, H. H., Jeon, J. O., & Sullivan, P. (2015). How does visual merchandising in fashion retail stores affect consumers' brand attitude and purchase intention?	IV: Consumer's perceptions DV: Purchase Intention	"Hedonic and utilitarian associations in the retail industry have a positive effect on brand attitude and purchase intention."
Chang, S. H., Chih, W. H., Liou, D. K., & Yang, Y. T. (2016). The mediation of cognitive attitude for online shopping.	IV: Perceived satisfaction DV: Purchase intention Mediator: Cognitive trust/Perceived Risk	"Perceived Risk is negatively associated with purchase intention."
Arruda Filho, E. J. M., Simões, J. D. S., & De Muylder, C. F. (2020). The low effect of perceived risk in the relation between hedonic values and purchase intention.	IV: Perceived Value DV: Purchase Intention Moderator: Perceived Risk	"Perceived performance risk moderates hedonic values less in comparison to utilitarian values regarding purchase intention."

2.5. Development of hypotheses

Consumers experience different benefits from monetary and nonmonetary promotions besides the monetary savings (Chandon et al., 2000). These benefits are identified as hedonic benefits, for example, opportunities for value expression, entertainment and exploration and utilitarian benefits, such as savings, higher product quality and improved shopping experience. When consumers are exposed to free options, they are influenced by the value of the item offered along with the free option (Corbett, 2007). It has been found that consumers will discount the value of a free option, because they think that the profit margins are high enough so that the retailer will not suffer a loss (Munger and Grewall, 2001).

Additionally, the frame of "free options" works more favorably for companies as consumers are more attractive when they are exposed to messages, like "buy one, get one free", than discounts (Munger and Grewall, 2001).

Consumers that are exposed to non-monetary promotions receive more hedonic benefits of a product, in comparison to utilitarian benefits (Santini, 2015). Non-monetary promotion is beneficial for both utilitarian and hedonic products but has a more positive influence on hedonic products (Montaner and Pina, 2008). In other words, non-monetary promotions have a positive effect on hedonic values (Lowe and Barnes, 2012). These observations lead to the formulation of the first hypothesis, namely:

H1: Hedonic Values are perceived to be having higher hedonic values than discounts.

New customers entering a market segment are more likely to be affected by a promotion's consistency and distinctiveness than current customers (Raghubir and Corfman, 1999). Discounts can create utilitarian value by facilitating an efficient end to the product acquisition task (Babin et al., 1994). Additionally, monetary promotions stimulate the economic benefit perception (Chandon et al., 2000; Kwok and Uncles, 2005) and that is related to the utilitarian value perception (Chandon et al., 2000). Furthermore, monetary promotions, like price discounts, are not associated with hedonic value perceptions (Chandon et al., 2000). Sustainable clothing falls in the category of new/innovative products. BOGOFs are more motivating for existing customers that are not sensitive to the price and hence derive hedonic value when purchasing these kind of

products (Ailawadi et al., 2009). Monetary promotions have a positive effect on utilitarian value for new, exciting, innovative products (Lowe and Barnes, 2012). The aforementioned observations lead to the formulation of the second research hypothesis, namely:

H2: Utilitarian Values are perceived to be having higher utilitarian values than discounts.

Previous studies have also supported the influence of both utilitarian and hedonic benefits to consumer's purchase intentions. According to Park et al. (2014), both hedonic and utilitarian associations in the retail industry have a positive effect on brand attitude, which in sequence is positively associated with purchase intentions. Accordingly, the following two hypotheses are investigated, namely:

H3: Hedonic values have a positive effect on consumer's purchase intentions.

H4: Utilitarian values have a positive effect on consumer's purchase intentions.

Perfect information of future performance is never known; thus, consumers take into consideration the potential of long-term losses when evaluating value relative to the purchase price (Sweeney et al., 1999). Thus, perceived performance risk has been found to have a significant effect on perceived value (Sweeney et al., 1999). Additionally, perceived risk has been found to have a negative effect on purchase intention (Chang et al., 2016). For the sustainable apparel industry perceived performance risk plays a key role in holding consumers back from adopting new and innovative products (Rogers, 1995).

When perceived risk is high then consumers are more concerned about the performance they expect and the loss it may incur (Tam, 2012). However, when perceived risk is low consumers tend to switch brands to find lower prices (Tam, 2012). So, perceived risk has a moderating impact on the relationship between perceived value and purchase intention (Tam, 2012). Moreover, it has been supported that when consumers perceive high level of risk performance then their expectations and feelings towards a brand are formed with less stability, hence perceived performance risk has been found to have a negative moderating effect on the satisfaction and loyalty relationship of customers and the brands they choose (Tuu et al., 2011). That occurs because when consumers are involved in low-risk conditions satisfaction is sufficient to determine loyalty, whilst in high-risk conditions trust exclusively determines loyalty (Paulseen et al., 2014). In addition, perceived risk positively moderates the relationship between hedonic value and

purchase intention, and negatively moderates the relationship between utilitarian value and purchase intention (Chiu et al., 2014). Hence, perceived performance risk has a moderating effect of consumers' willingness to pay via loyalty (Casidy and Wymer, 2016). Thus, based on the background theory and the preceding discussion the following hypotheses are formulated, namely:

H5: Perceived performance risk works as a moderator between the relationship of hedonic values and purchase intention. Higher performance risk strengthens the relationship of hedonic values and purchase intention.

H6: Perceived performance risk works as a moderator between the relationship of utilitarian values and purchase intentions. Higher performance risk dampens the relationship between hedonic values and purchase intention.

Since the moderating effect will be studied between the relationship of two distinct values (hedonic and utilitarian values) and purchase intention, in this research we examine which moderation impact on purchase intention is most statistically significant. In this way, "green" retailers can derive information about when perceived performance risk causes more damage to their profitability as it will influence the relationship of perceptions of value and purchase intention of consumers. Previous study has found that perceived performance risk moderates hedonic values less in comparison to utilitarian values regarding purchase intention (Filho et al., 2019). Based on this the following hypothesis will be studied:

H7: Perceived performance risk has a stronger moderating impact on the relationship between hedonic values and purchase intention in comparison to utilitarian values and purchase intention.

2.6. Conceptual Framework

Based on the background theory the conceptual framework to support this thesis is represented in Figure1.

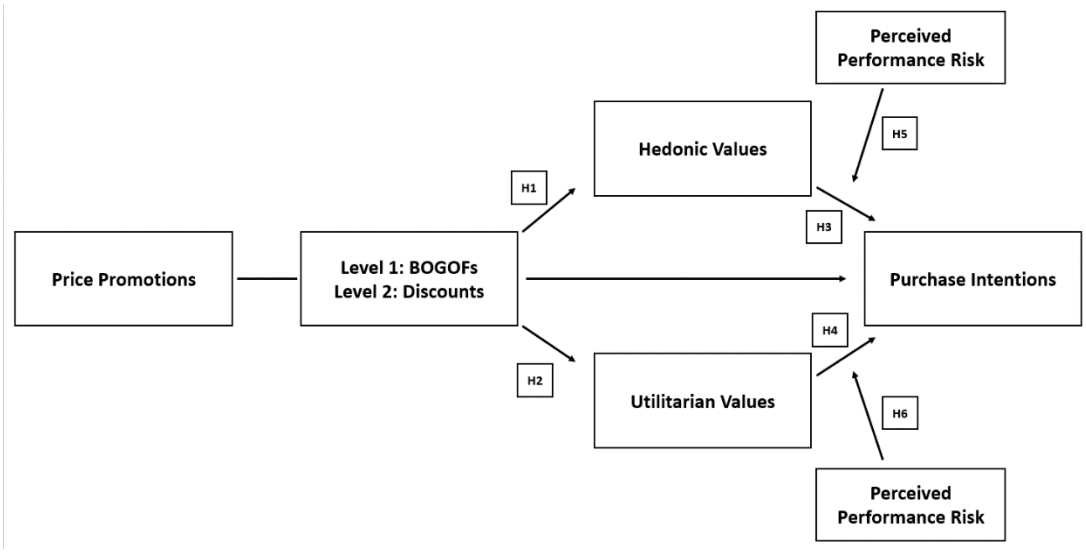

Figure 1- Conceptual Research Framework

Chapter 3: Research Methodology

3.1 Research Design

In this chapter, the methodological procedure followed for this research is discussed. First, the main research design is explained and subsequently the measurements of the variables along with the experimental procedures and the statistical models. For this research, a quantitative method for the data to be collected is used. In addition, the specific variables from the framework are analyzed and presented and why the author chose this method to analyze them.

The quantitative method is used to test all the hypotheses for this research. Primarily, via the use of quantitative method the research aims to conclude whether monetary or non-monetary promotions lead to higher purchase intentions.

The sustainable apparel industry is niche, but constantly growing in popularity. The online survey was not only administered to the consumers who buy eco-friendly clothing, as it is difficult to distinguish these customers and thus it could hurt the validity of the experiment. Hence, the participants of this experiment are a mix of female and male respondents older than 18 years old, who do not shop sustainable clothing exclusively sustainable clothing, but they are general shoppers. The reason behind the age selection is that the author wants to test the effectiveness of price promotions to purchase intentions, hence the participants should be mature enough to make their own choices when it comes to shopping for clothing.

The experiment is conducted for the sustainable fashion industry and uses a hypothetical, non-real product as a source of the data collection. The reason behind choosing an unreal product is to prevent externalities and brand familiarity to already existing brands. Previous research has already shown that both brand awareness and brand image influence consumer's final purchase intentions (Wang and Yang, 2010). Hence, to avoid consumer's familiarity and its influence, the products under choice should be of a hypothetical, unreal sustainable fashion brand. To ensure that this risk will not distort the validity of the experiment a hypothetical scenario in the beginning of the experiment is provided to the respondents, so that they are aware that the following statements that they will answer are not related to any existing fashion brand.

To test the hypotheses the between-subject experimental design is applied for this research. According to this type of design, subjects are assigned to different conditions and each subject is experiencing only one condition (Allen, 2017). Additionally, between groups experiments minimize the transfer of knowledge and learning across conditions between the subjects. For this research, the respondents will be divided into two diverse groups and each group experiences two different conditions:

1st condition: BOGOFs (non-monetary promotions)

2nd condition: Discounts (monetary promotions)

The primary purpose of this study is to find out which type of price promotion is more effective for green fashion retailers, i.e., leads to higher purchase intentions given the fact that there are two diverse values that consumers perceive when they are shopping. Thus, the manipulation variable is identified as the price promotions (independent variable) and the researcher aims to find out how the dependent variable changes/varies according to the manipulation. The results of this experiment will determine whether the author supports the hypotheses or not and furthermore will give a better understanding of the product's promotional effectiveness in the sustainable retail apparel market.

Using an online survey to conduct this experiment has several advantages, but also disadvantages. Based on previous academic paper of Malhotra et al. (2017) a self-administrative, online survey does not include the interview bias, the data obtained are consistent and the use of fixed choice questions limits the variability of results. In the contrary, response errors such as *inability error* and *unwillingness error* might occur. The first type of response error happens when respondents cannot provide answers due to external/internal factor. In this thesis, some respondents might not have any familiarity with sustainable clothing brands. The unwillingness error occurs when participants provide non-truthful answers just to be in alliance with social norms. Hence, as will be mentioned in the following paragraphs at the beginning of the survey there will be a clear statement that there is not a wrong answer.

3.1.1 Measures

For this research all the variables that are demonstrated in the conceptual framework need to be measured. The author used previous research as an example to set up the measurements of the variables. After thorough research, the following measurements are presented:

A) Independent Variables

Price Promotions: Price promotion is the independent or manipulation variable for this study, and it has two different levels. The first level is non-monetary promotions/BOGOFs and the second is monetary promotions/ Discounts. Hence, price promotion is a categorical variable, and a dummy variable since it takes only two values:

Level 1: 0 if BOGOFs

Level 2: 1 if Discounts

B) Mediator Variables

Hedonic Value: This variable is a continuous variable, and the author will use a 7-point Likert to measure it.

Utilitarian Value: Like hedonic value, this variable is a continuous variable, and the author will use a 7-point Likert to measure it.

Like previous research (Tanner, 2021), these benefits derived from purchasing clothing will be measured using a 7-point Likert scale with 1= “Extremely unlikely” and 7= “Extremely likely”.

C) Dependent Variable

Purchase Intention: The dependent variable of this study is purchase intention. The questionnaire that will be administered to the participants will have questions related to the types of price promotions and the consumer’s purchase intentions for the green apparel industry. According to previous related research of Putrevu and Lord (1994), purchase intention will be measured by a 7-point Likert scale, with 1= “Extremely unlikely” and 7= “Extremely likely”.

D) Moderator Variable

Perceived performance risk: Jacoby and Kaplan (1974) have identified 5 different dimensions of Perceived risk (financial, performance, physical, psychological, and social). In this research the focus is directly on one dimension, which is the perceived performance risk. The measurement for this variable was taken from the research of Sun J. (2014) about hospitality services. Hence, perceived performance risk is a continuous variable, and it will be measured using a 5-point Likert Scale, with 1= "Extremely unlikely" and 5= "Extremely likely".

3.2 Experimental Procedure

3.2.1 Product Choice

The author wants this research to be valid and its results to be applied across other situations or brand categories, e.g., sustainable shoes, sustainable cosmetics etc. Therefore, there are three different products for this research, namely a pair of jeans, a T-shirt and a jacket. There are multiple advantages behind this choice. The three shopping items are common both for women and for men. Hence, the research can be applied to both female and male respondents without further limitations. Additionally, the three selected products have a significant difference in quality in comparison to mass production. That results in a considerable difference in the end price of mass vs. eco-friendly production. Some shoppers find it difficult to shop for a pair of jeans or a jacket that fits well, hence when they purchase one, they want it to last, whilst others want to purchase a unique pair of jeans, a jacket or a T-shirt with special cuts and design. Both these categories would seek to buy sustainable clothing, for different motives, but experience the price barrier.

In general, the author is trying to select products that are appealing to both male and female respondents, but also have a considerable higher price when are characterized as "sustainable" than mass production clothing.

Setting the pricing for these hypothetical products should be consistent with market prices. Following thorough research for the best rated sustainable fashion brands in Europe (Rauturier, 2022) the author concluded the following average prices for the products of the research. Therefore, regular prices are listed in Table 2.

Table 2- Initial Prices

Sustainable Product	Regular Price (€)
Pair of Jeans	90
T-shirt	40
Jacket	200

Past research exploring the effectiveness of pricing promotions on consumer's perceived values and purchase intentions has come up with information overload (Kalwani et al., 1992). That problem occurs when trying to define multiple levels of monetary and non-monetary promotions along with different frequencies. Hence, to avoid this possibility for this research the author set a general level of discount at 50% for all products, which is characterized by previous research as a high discount level and it has already been used for similar research (DelVecchio et al., 2007; Gupta and Cooper, 1992). For non-monetary promotion, the author set the promotion "Buy one, get one for free".

For the researcher to be able to compare these two conditions between the groups the value of the promotion must be the same across the products. Hence, the author sets the discount promotion to 50% and in order to compare it with BOGOFs the value of non-monetary promotion is "Buy 1, get 1 for free".

3.2.2. Questionnaire design

The structure of the questionnaire is divided into an introduction, questions related to the conceptual framework and general/demographic questions. To avoid external validity product evaluation images based on existing websites of sustainable fashion brands were randomly assigned to participants along with written questions. The default language used to the questionnaire is English.

Firstly, the participants were briefly informed about the main topic of the issue and how much time it takes to fill in the online survey (approximately 4-5 minutes). All respondents were reminded that answers are treated with strict confidentiality and that wrong answers do not exist.

The first set of questions (Q1:Q4 & Q13:Q16) was about the direct relationships of the manipulation variable with the dependent variable. Hence, the first group was asked to answer

questions about BOGOFs and their final purchase decisions. The results of these questions about non-monetary promotions were measured using a 7-point Likert Scale.

The second group of participants were assigned related questions but this time the relationship between discounts and purchase intention was examined.

The second set of questions (Q5:Q12 & Q24) measured the effect of the mediators, i.e., hedonic, and utilitarian values. Like previous research, for the mediators the author specified which kind of hedonic benefit he/she is going to test (Gaston-Breton and Duque, 2015). Thus, in this research for hedonic values the author tested the exploration benefit which refers to the intrinsic needs of consumers to try out new things, products, or brands (Chandon et al., 2000; Raghubir, et al., 2004). Furthermore, the author tested one type of utilitarian value, I.e., saving benefits (Gaston-Breton and Duque, 2015). Saving benefits are identified as price reductions or purchasing a higher quantity of products for the same prices (Chandon et al., 2000; Raghubir, et al., 2004).

Overall, both groups were asked to rate statements for these types of perceived values, using a 7-point Likert scale. In that way the author was able to extract information about which type of promotion is more positively associated to each type of values.

The third set of questions (Q25:Q26) related to the conceptual framework are about the moderator.

For the moderation analysis the author investigated whether perceived performance risk strengthens or dampens the relationship of perceived values and consumer's purchase intentions. The factor of unknown was very crucial for the moderation analysis of risk as the author wanted to avoid any familiarity towards the brand to measure the realistic impact of performance risk between perceived values and final purchase intentions. All answers were measured using a 5-point Likert scale.

Likewise, to ensure validity, the statements for each perceived value were assigned randomly to participants of each group.

The last hypothesis (H7) is a subcategory of these and to test it the author used the significance of the statistical results of the moderated mediation analysis.

Following these questions, the participants were asked to answer questions considering demographic characteristics. These questions **(Q27:Q30)** were about age, gender, education level

and net income. These were personal questions that are sensitive for some respondents, especially the net income, hence they were placed at the end of the survey as the participant had already developed trust in the process of answering the questionnaire (Malhotra et al., 2017). Moreover, for the sensitive questions there was a fixed choice to select "I prefer not to say", otherwise respondents might fil in false answers.

In Appendix 1: Online Survey the whole questionnaire is being displayed.

3.3 Data Collection

The experiment via the online survey was being conducted in June 2022 and 431 participants agreed to answer the questionnaire. The online survey was the most effective tool to reach out a wide number of online connections. Overall, more than 200 participants were informed about the online survey via social media, email, and word-of-mouth communication. As mentioned above, all the participants were between 18 to 50 years old. The online survey was filled out anonymously and to ensure validity of the experiment the respondents were not aware of the existence of the two conditions. After data collection, the descriptive statistics and the hypotheses were tested using the statistical software package SPSS.

First part of the analysis focuses on descriptive statistics and outlier analysis to omit unreliable or unfinished answers. Additionally, before the test hypothesis the analysis a principal component-Factor Analysis and Reliability analysis are implemented based on Cronbach's alpha to examine thoroughly the internal validity and reliability of all items being measured.

The second part of the analysis is the hypothesis testing. For this part the PROCESS tool was implemented in SPSS. This tool is an add-on for statistical mediation, moderation and conditional process analysis. According to Hayes (2017) who initially implemented the tool "uses an ordinary least squares or logistic regression-based path analytic framework for estimating direct and indirect effects in single and multiple mediator models (parallel and serial) two and three way interactions in moderation models along with simple slopes and regions of significance for probing interactions, conditional indirect effects in moderated mediation models with a single or multiple mediators and moderators, and indirect effects of interactions in mediated moderation models also

with a single or multiple mediators. Bootstrap and Monte Carlo confidence intervals are implemented for inference about indirect effects, including various measures of effect size".

Therefore, PROCESS statistical tool was implemented as an extension for the hypotheses testing according to the conceptual framework, with the ordinary least square's regression-based path as an analytic framework. PROCESS was implemented using one independent variable with two levels (Price promotions-> Level 1: BOGOFs, Level 2: Discounts), two mediators (hedonic and utilitarian values), one moderator (perceived performance risk) and one dependent variable (purchase intentions). The author used 5.000 samples bootstrap and set the mediating effect of 95% confidence interval. To draw better conclusions about the moderation effect, the author examined the indirect effects at one standard deviation above the mean, at the mean, and at one standard deviation below the mean. This analysis enabled the author to investigate the impact of the moderator interpreting the slopes of the regression.

Chapter 4: Data Analysis and Results

In this chapter the results of the experimental design are presented based on the analysis of the data collected.

4.1. Descriptive Statistics, Outlier Analysis, Factor and Reliability Analysis

Overall, the survey reached out to 431 individuals and of these 319 filled out the survey completely.

Before proceeding to cleaning of data the author conducted an outlier analysis to investigate how many answers are considered unreliable in terms of duration in seconds. Out of 319 participants the outlier analysis indicated 6 outliers (see Appendix 2: SPSS Analysis).

The online survey included 2 attention checks, so the author excluded all the answers of participants who failed to answer the attention checks correctly to secure the validation of the answers. From 313 participants the sample was eliminated to 132 responses that complete the attention checks correctly. Therefore, 132 responses were considered trusted and reliable to proceed with the analysis.

Overall, the age range who answered the questionnaire was respondents older than 18 years old. Based on the age frequencies conducted on SPSS only 2 participants were above 50, hence the author decided to exclude them from the research.

All participants were assigned randomly and equally to two different conditions.

Table 3. Valid responses after completing data cleaning.

Condition	Responses
Non-monetary promotion and Purchase Intention	65 (50%)
Monetary promotion and Purchase Intention	65 (50%)

Table 4 summarizes the age descriptive after the completion of data cleaning.

Table 4. Age descriptive statistics

	N	Minimum	Maximum	Mean	St. Deviation
Age	130	1*	4*	2.49	0.925

**Where 1 = 18-24 years old and 4 = 40-50 years old*

Table 5 summarizes gender frequencies. The majority of the responses were collected from respondents identifying themselves as females, with the minority of responses to be collected from "non-binary/ third gender", (see Appendix 2: SPSS Analysis).

Table 5. Gender descriptive statistics.

Gender	Frequency
Female	69 (53.1%)
Male	53 (40.8%)
Non-binary/ third gender	1 (0.8%)
Prefer not to say	7 (5.4%)

Table 6 indicates that over half of the participants fell into the first income category, i.e., between 500 and 1.500 euros per month, (see Appendix 2: SPSS Analysis).

Table 6. Income descriptive statistics.

Monthly Net Income	Frequency
500 – 1.500	72 (55.4%)
1.500 – 2.500	26 (20%)
More than 2.500	19 (14.6%)
Prefer not to say	13 (10%)

Finally, in table 7 it can be observed that out of 130 participants 64 indicated that they have completed their bachelor's degree, whereas on the contrary only 1 participant had obtained a PhD (see Appendix 2: SPSS Analysis).

Table 7. Education descriptive statistics.

Education	Frequency
High School Diploma	12 (9.2%)
Bachelor	64 (49.2%)
Master	49 (37.7%)
PhD	1 (0.8%)
Other	4 (3.1%)

Since there were three items to measure the consumer's purchase intentions the author wanted to examine additionally the descriptive of the consumer's purchase intentions assigned to each condition.

Bar chart 1 indicates that overall, 40% of the respondents who were assigned to the first condition were moderately likely to purchase the displayed products, whilst there were more respondents who answered, "Extremely unlikely", with a percentage of approximately 11%, in comparison to the positive responses "Extremely Likely", with a percentage approximately 4%.

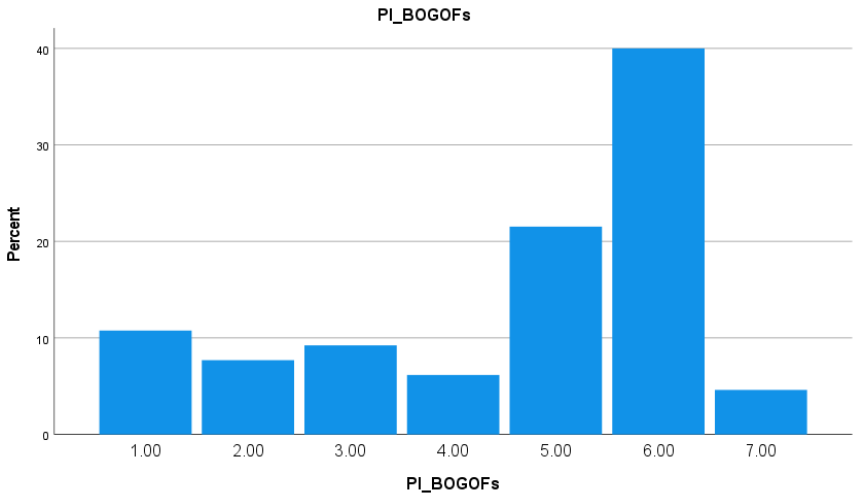

Figure 2. Bar Chart: Frequencies of Purchase Intentions assigned to condition "BOGOFs" (PI_BOGOFs)

On the contrary, most of the respondents assigned to the condition of Discounts answered positively towards the purchase intention of the displayed products. Approximately 33% of the participants answered, “Extremely Likely” to purchase the products, which was three times bigger than the respondents who indicated “Extremely Unlikely”.

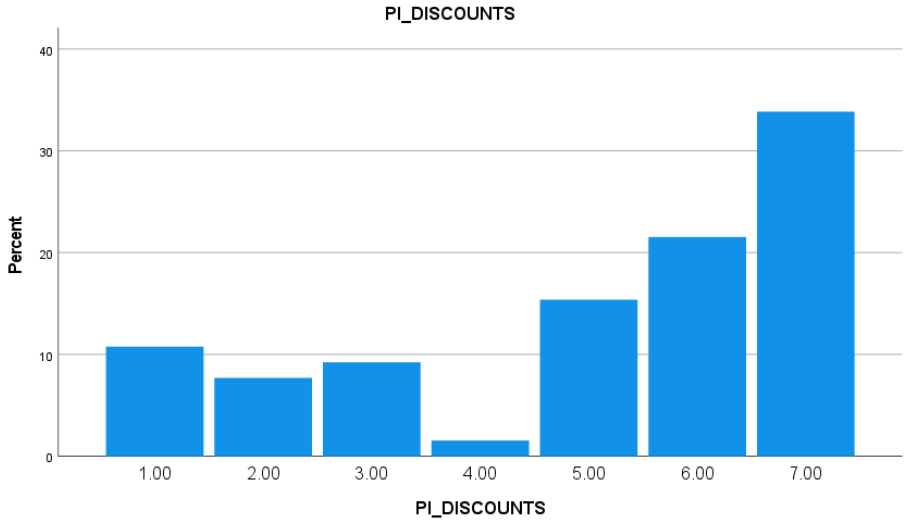

Figure 3. Bar Chart: Frequencies of Purchase Intentions assigned to condition “Discounts”, (PI_DISCOUNTS)

Before proceeding with Hypothesis testing the author conducted a factor analysis and a reliability analysis-Cronbach alpha (see Appendix 2: SPSS Analysis).

In this research there were 3 different items measuring the variables purchase intention, hedonic values, utilitarian values and perceived performance risk for each condition. However, all these items were measured using the same question “How likely is it to purchase this product?”, hence the author used the Factor Analysis to investigate the adequacy of the sampling using the outcomes of the Kaiser Meyer Olkin (KMO). According to the theory introduced by Kaiser (1974) for the sample to be adequate the KMO needs to be close to 0.5, while values between 0.7-0.8 are acceptable. By testing all questions per variable (see Appendix 2: SPSS Analysis) the author observed that all KMO’s were higher than 0.5, hence it can be concluded that all responses given were adequate to measure the variables.

The reliability analysis was conducted to investigate the internal consistency of the variables assigned to each condition. Generally, Cronbach’s alpha is acceptable when it is higher than 0.7 and the higher it is the more reliable the internal consistency of the variables. In this study the

reliability analysis was used to test the internal consistency between items in a scale. Table 7 summarizes the reliability statistics of all items being tested.

Table 8. Reliability Analysis

Variable	Cronbach's alpha
Purchase Intention_BOGOFs	0.785
Purchase Intention_Discounts	0.863
Hedonic Values_BOGOFs	0.868
Hedonic Values_Discounts	0.759
Utilitarian Values_BOGOFs	0.796
Utilitarian Values_Discounts	0.894
Perceived Performance Risk_Hedonic Values	0.743
Perceived Performance Risk_Utilitarian Values	0.680

After these tests it is concluded that all items measuring the variables are reliable as they are higher than 0.7 which is the benchmark to accept reliability based on Cronbach's alpha (see Appendix 2: SPSS Analysis).

4.2. Hypotheses Testing

In this part of the research all the hypotheses being tested in SPSS are demonstrated in detail. To test the hypotheses the author used the Hayes approach and to be more precise Model 14. Thus, during the analysis process two moderated mediation analysis were produced as this is the way that SPSS PROCESS operates for Model 14 (Hayes, 2017).

H1: BOGOFs are perceived to be having higher hedonic values than discounts.

The hypothesis is being analyzed by testing a moderated mediation Process model in SPSS. The independent variable price promotion is a nominal variable where "1" is being coded as BOGOFs and "2" is being coded as discounts. The outcome variable of hypothesis 1 is hedonic values. The analysis shows a significant but an indirect relationship between price promotion and hedonic values (β= -1.626, *p-value = 0.000*). This means with one unit increase in price promotion there will be a decrease of one unit in hedonic values. On the contrary, if there is a decrease of one unit in price promotion there will be an increase of one unit in hedonic values.

Table 9. Outcome Variable: Hedonic Values, PP_BOGOFs: Price Promotions through level 1: BOGOFs (see Appendix 2: SPSS Analysis)

	Coefficient	p-value
Constant	2.4835	0.000
PP_BOGOFs	-1.6526	0.000

As price promotion is a nominal variable with 2 categories (1= BOGOFs, 2= discounts). Thus, an indirect relationship in this scenario highlights that with an increase in price promotion-in this case it will be when the company starts offering discounts rather than BOGOFs (as discounts are coded higher value (2) than BOGOFs (1) in the datasheet) – there will be a decrease in hedonic values. Moreover, if the company starts decreasing price promotions- in this case if the company opt for BOGOFs rather than discounts, as BOGOFs are coded 1so a switch from 2 to 1 indicates a decrease in price promotion or the usage of BOGOFs in promotional campaigns. there will be a significant increase in hedonic values.

Figure 3 displays the mean of hedonic values in relation to the two types of promotions which are tested. Observing this line plot one can say that BOGOFs are having higher hedonic values than discounts, thus, hypothesis 1 is accepted.

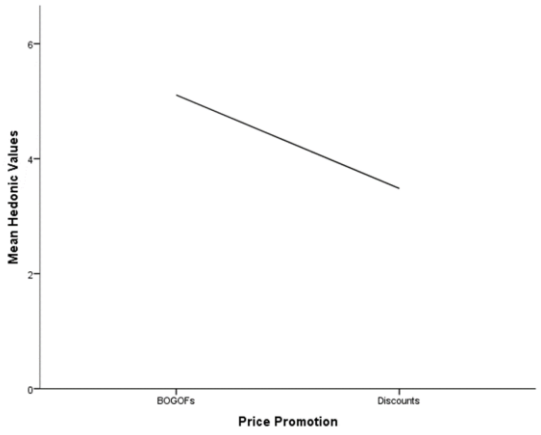

Figure 3, Line plot, Mean Hedonic Values.

H2: Discounts are perceived to be having higher utilitarian values than BOGOFs.

The independent variable price promotion is a nominal variable where "1" is being coded as BOGOFs and "2" is being coded as discounts. The outcome variable is utilitarian values. The analysis shows a significant but a direct or a positive relationship between price promotion and hedonic values (β= 2.518, *p-value = 0.000*). This means with one unit increase in price promotion there will be an increase of one unit in utilitarian values. On the contrary, if there is a decrease of one unit in price promotion there will also be a decrease of one unit in utilitarian values.

As price promotion is a nominal variable with 2 categories (1= BOGOFs, 2= discounts). Thus, a direct relationship in this scenario highlights that if the company starts decreasing price promotions- in this case if the company opt for BOGOFs rather than discounts- (as BOGOFs are coded 1so a category being coded as 1 indicates a decrease in price promotion OR the usage of BOGOFs in promotional campaigns) there will be a significant decrease in utilitarian benefits. Moreover, with an increase in price promotion-in this case it will be when the company starts offering discounts rather than BOGOFs (as discounts are coded higher value (2) than BOGOFs (1) in the datasheet)- there will be significant increase in utilitarian values.

Figure 4 displays the mean of Utilitarian values in relation to BOGOFs and discounts. Likewise, observing this line plot one can say that discounts are having higher utilitarian benefits than BOGOFs, thus, hypothesis 2 is accepted.

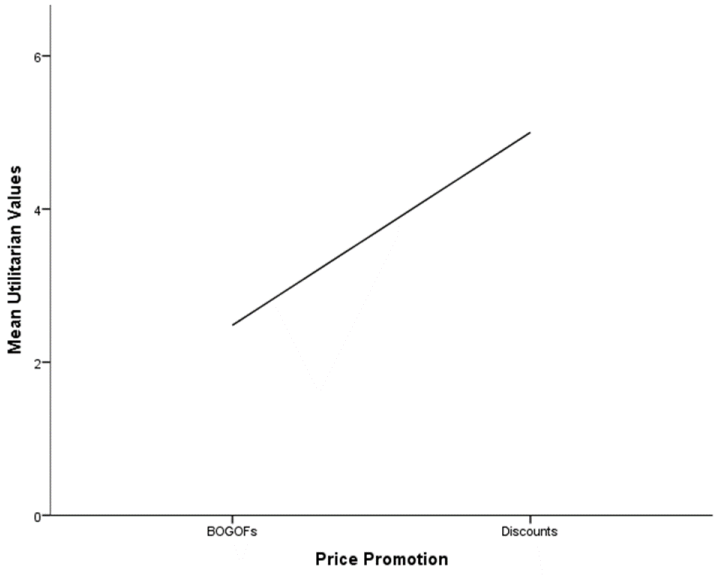

Figure 4, Line plot, Mean Utilitarian Values.

Table 10. Outcome Variable: Utilitarian Values, PP_Discounts: Price Promotions through Level 2- Discounts (see Appendix 2: SPSS Analysis)

	Coefficient	p-value
Constant	-3.7769	0.000
PP_Discounts	2.5179	0.000

H3: Hedonic benefits have a positive effect on consumer's purchase intentions.

Hedonic values is a continuous variable, measured using a 7-point Likert scale. The analysis shows that Hedonic values have a positive and statistically significant relationship with consumer's purchase intention (*β= 0.3783, p= 0.000*). That means that with 1 unit increase in hedonic values there will be 1 unit increase in purchase intentions. Therefore, the third hypothesis can be supported.

Table 11. Outcome Variable: Purchase Intention, Indirect effect of Hedonic values (HV) to Outcome variable. Interaction effect for moderation analysis (Perceived Performance Risk*Hedonic Values), where "Perceived Performance Risk" is the moderator, (see Appendix 2: SPSS Analysis)

	Model 1		Model 2	
	beta	s.e.	beta	s.e.
Constant	2.4835	0.4877	3.4005	0.3832
Price Promotions (BOGOFs)	-1.6526*	0.3085	1.2013*	0.238
Hedonic Values			0.3783*	0.0658
Perceived Performance Risk			0.8727	0.1325
Perceived Performance Risk * Hedonic Values			-0.2022*	0.1008

**p< 0.05*

H4: Utilitarian benefits have a positive effect on consumer's purchase intentions.

Likewise, utilitarian values is a continuous variable, measured using a 7-point Likert scale. The analysis indicates that utilitarian values are positively associated with purchase intentions, as *β=*

0.3638, and this effect is statistically significant as *p= 0.000*. Hence, the fourth hypothesis can be supported as 1 unit increase of utilitarian values leads to 1 unit increase of purchase intentions.

Table 12. Outcome Variable: Purchase Intention, Indirect effect of Utilitarian values (UV) to Outcome variable. Interaction effect for moderation analysis (Perceived Performance Risk*Utilitarian Values), where Perceived Performance Risk is the moderator, (see Appendix 2: SPSS Analysis).

	Model 3		Model 4	
	beta	s.e.	beta	s.e.
Constant	-3.7769	0.4694	5.7827	0.5434
Price Promotions (Discounts)	2.5179*	0.2969	-0.5617*	0.3518
Utilitarian Values			0.3638*	0.0920
Perceived Performance Risk			0.0008	0.1887
Perceived Performance Risk * Utilitarian Values			-0.2571*	0.1008

**p< 0.05*

H5: Perceived performance risk works as a moderator between the relationship of hedonic values and purchase intention. Higher performance risk strengthens the relationship of hedonic values and purchase intention.

By observing the outcomes of Table 11 the interaction effect (Hedonic Values * Perceived Performance Risk) is statistically significant and negatively associated with the outcome variable (*β= -0.2022, p= 0.0051*). This analysis indicates that there is evidence of moderation effect of perceived performance risk between the relationship of hedonic values and purchase intentions. To examine how higher levels of the moderator affect this relationship.

Figure 5 examines how higher levels of the moderator affect the relationship between Hedonic Values and Purchase Intentions. It can be concluded that while moderation increases the

relationship between hedonic values and purchase intentions strengthen. However, as the hedonic values increase the strength of that moderator starts to lose.

To conclude it can be claimed that Perceived performance risk is a moderator between these variables and that higher levels of the moderator strengthen this relationship.

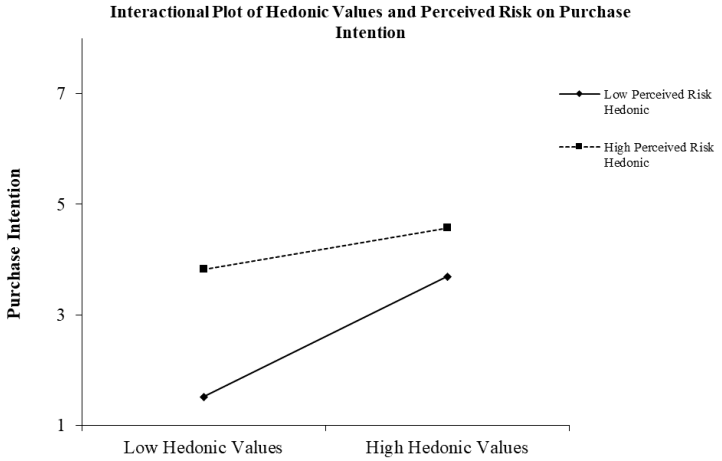

Figure 5. Interactional line plots. IV (Hedonic Values), Moderator (Perceived Performance Risk), DV (Purchase Intention).

H6: Perceived performance risk works as a moderator between the relationship of utilitarian values and purchase intention. Higher performance risk dampens the relationship of utilitarian values and purchase intention.

Likewise, the outcomes of Table 12 show that the interaction effect (Utilitarian Values * Perceived Performance Risk) is statistically significant and negatively associated with the outcome variable (β= -0.2571, p= 0.0120). Therefore, there is a moderation effect of perceived performance risk to the relationship of utilitarian values and consumer's purchase intentions. In this case, figure 6 indicates that perceived risk dampens the relationship between utilitarian values and purchase intentions. Therefore, the sixth hypothesis is also supported, and one can say that perceived performance risk has a moderation effect to utilitarian values and purchase intentions, and while we move from lower to higher levels of perceived performance risk the relationship between these variables dampens.

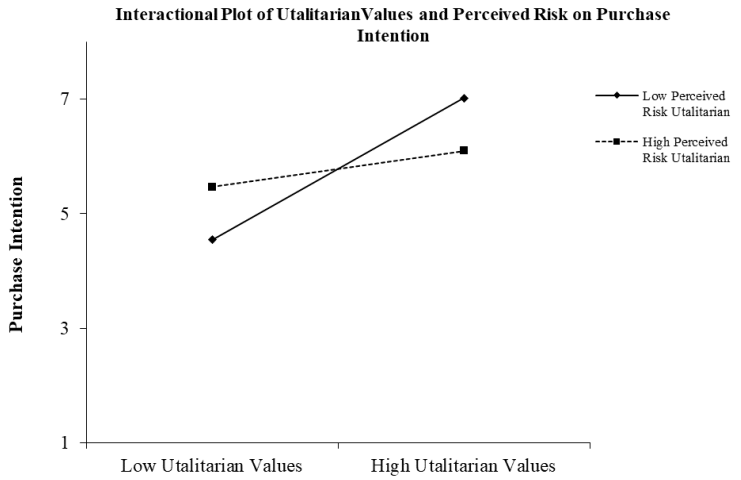

Figure 6. Interactional line plots. IV (Utilitarian Values), Moderator (Perceived Performance Risk), DV (Purchase Intention).

H7: Perceived performance risk has a stronger moderating impact on the relationship between hedonic values and purchase intention in comparison to utilitarian values and purchase intention.

Perceived performance risk was tested as a moderator for two different relationships. In both cases the analysis indicated that there is a moderation effect, and that the interaction effect is negative and statistically significant. However, higher perceived performance risk strengthens the relationship between hedonic values, whereas dampens the relationship between utilitarian values and purchase intentions. From these findings it can be claimed that the moderator has a stronger moderating impact in the first relationship to be referred to. This can also be supported by observing the coefficients of each interaction and the p-values. In the relationship between hedonic values and purchase intention, $\beta = -0.2022$ and $p = 0.0051$, whilst between utilitarian values and purchase intention, $\beta = -0.2571$ and $p = 0.0120$. These results confirm the above mentioned as the first interaction effect has a biggest negative impact on the relationship between hedonic values and purchase intentions and it is more statistically significant as the p-value is lower than the second case. Thus, H7 can be supported.

Finally, table 13 represents the summary of all hypotheses tested along with their status.

Table 13. Summary of hypothesis tested and their status.

Hypothesis	Status
H1: BOGOFs are perceived to be having higher hedonic values than discounts.	Supported
H2: Discounts are perceived to be having higher utilitarian values than BOGOFs.	Supported
H3: Hedonic benefits have a positive effect on consumer's purchase intentions.	Supported
H4: Utilitarian benefits have a positive effect on consumer's purchase intentions.	Supported
H5: Perceived performance risk works as a moderator between the relationship of hedonic values and purchase intention. Higher performance risk strengthens the relationship of hedonic values and purchase intention.	Supported
H6: Perceived performance risk works as a moderator between the relationship of utilitarian values and purchase intention. Higher performance risk dampens the relationship of utilitarian values and purchase intention.	Supported
H7: Perceived performance risk has a stronger moderating impact on the relationship between hedonic values and purchase intention in comparison to utilitarian values and purchase intention.	Supported

Chapter 5: Discussion

In this chapter both theoretical and managerial implications are discussed. Along with the limitations of the research are presented as useful content for future research.

5.1. Theoretical Implications

From a theoretical point of view, there is a big debate on which promotion is more effective on consumers purchase intentions, as some previous papers support that non-monetary are better than monetary promotions (Kwok and Uncles, 2005). Additionally, previous research has focused on the utilitarian or hedonic values of promotions, but there was no previous evidence about which type of perceived value leads to higher purchase intentions according to which promotion is being established. Moreover, the "green" market of clothing has distinct characteristics than the other type of fashion market and it is among the biggest trends of our time. Therefore, there is room for improvement and research in that area.

Overall, this study tried to shed light on promotions effectiveness in the sustainable apparel market. All hypotheses to be tested were based on previous studies that have proven that non-monetary and monetary promotions are positively associated with different types of perceived values. Indeed, the results of the study confirmed that non-monetary promotions are more effective towards purchase intentions when consumers perceive hedonic benefits from their shopping, whilst monetary promotions have a stronger relationship with purchase intentions when consumers perceive utilitarian benefits. That means that different promotions generate different levels of purchase intentions according to consumer's perceived benefits while shopping. Both types of perceived values are positively associated with the consumer's purchase intentions.

These findings are not only consistent with previous results but also generate new questions to be answered. According to previous studies there are other parameters that can affect final purchase intentions like the value of promotion (Chatterjee and McGinnis, 2010) or the loyalty towards a brand (Almohaimmeed, 2019). In this research, the value of the promotion was the same both for non-monetary and monetary promotions to avoid confusion for the respondents. However, the parameters of the number of products to be purchased and brand loyalty will be mentioned in the study's limitations.

Besides the effect of promotions and the relationship with perceived values, the moderating role of perceived performance risk was also examined in this study. Previous papers have already confirmed that perceived risk can lead to higher or lower purchase intentions according to consumers perceived values (Lai-Ming Tam, J. -2012).

Perceived performance risk was found to have a moderating impact between hedonic benefits and purchase intentions, whilst also between utilitarian benefits and purchase intentions. However, perceived risk was found to be a stronger moderator between hedonic benefits and final purchase intentions than utilitarian benefits and final purchase intentions.

5.2. Managerial Implications

Clothing can either be perceived as utilitarian or hedonic goods and retailers should be able to understand their target audience and their needs before they implement a new promotion. Especially for sustainable retailers the findings of this research are valuable as they follow a different business model than well-established fashion sub-markets, like the fast-fashion sector. "Green" retailers are trying to establish their position in the market, but the biggest question is how they can maintain this. Overall, non-monetary and monetary promotions are being implemented in the sustainable fashion industry, but because of the high initial cost of productions retailers are more skeptical towards which strategy they should adopt to maintain their profitability.

In this research based on the responses collected the author concluded that respondents were more prone to purchase the products displayed when given monetary promotions, I.e., 50% discounts. However, more thorough analysis indicated that each type of promotion is more effective according to the consumer's perceived values. These findings are of high importance when retailers set and aim to their target audiences, and it should be useful on how to communicate and set up efficient pricing strategies.

However, this study was only a first step on promotional effectiveness and there is room for managers and green retailers to investigate how they can improve their price related strategies based on other factors, too. In addition, the involvement of perceived performance risk and the proof that works as a moderator effect when consumers perceived either hedonic or utilitarian benefits shows that even though sustainable fashion market has already established its eco-friendly materials in the market, that is not sufficient for consumers to feel secure that they will maintain their first performance. Therefore, considering the risk there is also room for managers to decide

whether they need to promote their materials as high-quality materials or if they should emphasize that because of the nature of the materials consumers need to be more careful while using, providing clear instructions and by training their personnel to inform customers when brick and mortar shopping. Hence, more research should be done to bring conclusions on that matter.

5.3. Limitations and Future Research Opportunities

Like in any other research this study has some limitations that can be used as a basis for further analysis and investigation.

The limitations can be divided into the following categories:

a) sample size;

b) value of promotion, promotion type and product types;

c) perceived values and perceived risk; and,

e) methodology.

First, the participants were reached via social media, email and WhatsApp, hence they represent a limited sample. Hence, there is a possibility of improvement if more responses were to be collected. Additionally, this research is based on a wide age range. Respondents participating in this survey were older than 18 years old. There is a possibility of improvement in future research if the sample is more narrowed as perceptions towards clothing change to different ages. Finally, it was not possible to investigate only participants who shop exclusively sustainable clothing, hence future research could focus only on “green” shoppers.

The second limitation is about the value of promotion and the product types. For this study the author selected two specific kinds of promotions. Non-monetary promotions were investigated through product deals or "BOGOFs” and monetary promotions through "discounts". There are many more non-monetary promotions, like free gifts, gift cards, but also monetary promotions, like coupons and rebates. Therefore, it would be wise to investigate also these kinds of promotions and their effectiveness towards sustainable clothing. Moreover, the value of promotion was the same across the two different groups. However, there are many different levels of promotions, low, medium and high. For this research, for non-monetary promotions the author used “buy 1 get 1 for free” value of promotion, whereas for discounts it was “50% off”. Hence, there is also a

chance to investigate the effectiveness of the promotions and how the perceived benefits will influence the final purchase intentions in different levels of promotions. Regarding product types for this research three products were selected, a T-shirt, jeans and a jacket. These products were selected so that both males and females could project themselves in the content of the online survey. However, shopping for clothing is very subjective and people have different opinions, taste, and sense of style. Thus, participants might not be interested in buying the selected products even if they were promoted or not. Additionally, the number of the products was limited so providing more options to the respondents might lead to different conclusions.

The third limitation is about perceived values and perceived risk. Likewise, the types of promotions selected for this research, the author defined as hedonic values when people are shopping for leisure purposes, for utilitarian values the saving benefits that consumers seek from their purchases and for the factor of perceived risk the focus was only about performance risk. However, there are multiple types of hedonic values, like the exploration benefits, and for utilitarian values, like the convenience benefits. Hence, there is room to investigate more perceived values. Furthermore, in this research the moderator was perceived performance risk, however based on the literature review there were more dimensions of perceived risk that future researchers can take into consideration. Among these are social risk and financial risk, which are both crucial factors when it comes to final purchase intentions and clothing.

Finally, the methodology itself was a limitation. The online survey included screenshots with hypothetical, non-real product evaluations to help the participants visualize the product and the promotions to be displayed. However, the product evaluations could lead to biased answers as for some people the color the author selected might be more appealing than to other participants. Moreover, the survey was distributed online and even though attention checks were included in the survey to limit the irrelevant answers there are extraneous stimuli that can affect the respondents, and this cannot be controlled. Thus, one possible chance for future research is to conduct the experiment in a more realistic setting.

These improvements could lead to different conclusions about which types of promotions lead to higher purchase intentions given that consumers perceived different values when shopping for sustainable clothing.

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7. Appendix

7.1. Appendix 1: Online Survey

Promotion product effectiveness

Q0: The following questionnaire aims to collect data based on your final purchase intentions. All the statements are directly associated to the sustainable fashion industry. You are kindly asked to answer the questions connected to three different clothing items:
a) T-shirt
b) Pair of jeans
c) Jacket
All these types of clothing are sustainable and eco-friendly. The chosen products are not related to any existing brands of the market; hence all the questions and images are hypothetical. However, you are asked to answer the questions truthfully and choose the answer that represents better your personal decisions when it comes to purchasing sustainable clothing.

Q0: The questionnaire takes approximately 4-5 minutes to be answered. All your answers will be treated with confidentiality. Remember there are no wrong answers, so feel free to identify yourselves through the statements.

GROUP 1- CONDITION: NON-MONETARY PROMOTIONS

Q1: Imagine that you view the following **product deals**:

Q2:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely nor unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
t-shirt	o	o	o	o	o	o	o

Q3:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely nor unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
Jeans	o	o	o	o	o	o	o

Q4:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely nor unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
Jacket	o	o	o	o	o	o	o

Q5: Imagine that **<u>you shop exclusively for leisure purposes</u>**. You see the following **<u>product deals</u>**:

Q6:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely nor unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
t-shirt	o	o	o	o	o	o	o

Q7:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely nor unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
Jeans	o	o	o	o	o	o	o

Q8:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely nor unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
Jacket	o	o	o	o	o	o	o

Q9: Now, imagine that **<u>you seek to save up money from your purchases</u>**. You see the following **<u>product deals</u>**:

Q10:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely or unlikely (4)	Slightly Likely (5)	Moderately likely (6)	Extremely likely (7)
t-shirt	o	o	o	o	o	o	o

Q11:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely or unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
Jeans	o	o	o	o	o	o	o
Attention check: Please Indicate "Extremely likely".	o	o	o	o	o	o	o

Q12:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely or unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
Jacket	o	o	o	o	o	o	o

GROUP 2- CONDITION: MONETARY PROMOTIONS

Q13: Imagine that you view the following **discount promotions**:

Q14:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely nor unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
T-shirt	o	o	o	o	o	o	o

Q15:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely nor unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
Jeans	o	o	o	o	o	o	o

Q16:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely nor unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
Jacket	o	o	o	o	o	o	o
Attention check: Please Indicate "Extremely Likely".	o	o	o	o	o	o	o

Q17 Imagine that **<u>you shop exclusively for leisure purposes</u>**. You see the following **<u>discount promotions:</u>**

Q18:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely or unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
T-shirt	o	o	o	o	o	o	o

Q19:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely or unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
Jeans	o	o	o	o	o	o	o

Q20:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely or unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
Jacket	o	o	o	o	o	o	o

Q21 Now, imagine that **you seek to save up money from your purchases**. You see the following **discount promotions:**

Q22:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely or unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
T-shirt	o	o	o	o	o	o	o

Q23:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely or unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
Jeans	o	o	o	o	o	o	o

Q24:

How likely is it to purchase this product?

	Extremely unlikely (1)	Moderately unlikely (2)	Slightly unlikely (3)	Neither likely or unlikely (4)	Slightly likely (5)	Moderately likely (6)	Extremely likely (7)
Jacket	o	o	o	o	o	o	o

BOTH GROUPS- MODERATOR:

Q25:

Given that you shop exclusively for leisure purposes.

However, you are not sure whether the products you viewed will maintain their quality after you wash them.

How likely is it to purchase the following products?

	Extremely unlikely (1)	Somewhat unlikely (2)	Neither likely nor unlikely (3)	Somewhat likely (4)	Extremely likely (5)
T-shirt	o	o	o	o	o
Jeans	o	o	o	o	o
Jacket	o	o	o	o	o
Attention check: Please indicate "Extremely Unlikely".	o	o	o	o	o

Q26:

Given that you seek to save up money from your purchases.

However, you are not sure whether the products you viewed will maintain their quality after

you wash them.

How likely is it to purchase the following products?

	Extremely unlikely (1)	Somewhat unlikely (2)	Neither likely nor unlikely (3)	Somewhat likely (4)	Extremely likely (5)
T-shirt	o	o	o	o	o
Jeans	o	o	o	o	o
Jacket	o	o	o	o	o

DEMOGRAPHICS:

Q27 How old are you?

- o 18-24
- o 24-30
- o 30-40
- o 40-50
- o 50+

Q28 What is your gender?

- o Male
- o Female
- o Non-binary / third gender
- o Prefer not to say

Q29 What is your net income per month?

- o 500-1500 euros
- o 1500-2500 euros
- o more than 2500 euros
- o I prefer not to say

Q30 What is your complete level of education?

- o High school diploma
- o Bachelor
- o Master
- o PhD
- o Other

7.2. Appendix 2: SPSS ANALYSIS

7.2.1. Outlier Analysis- SPSS OUTPUT

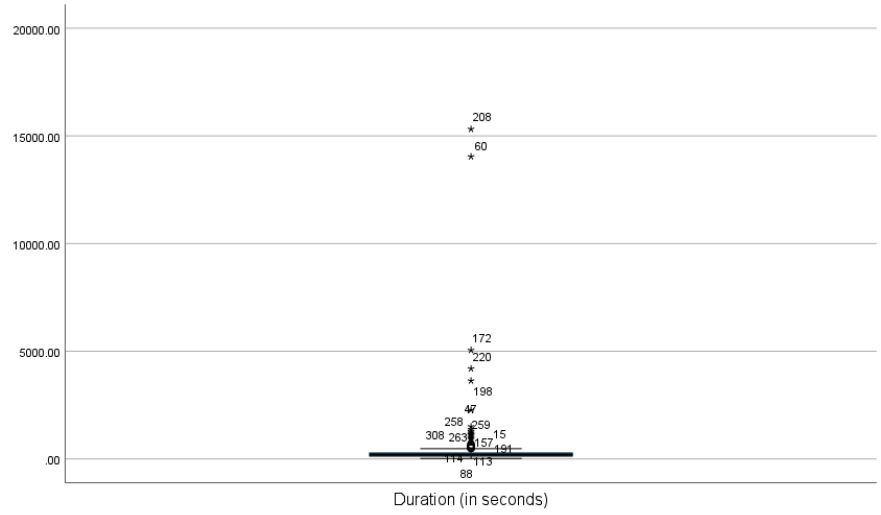

Figure 9: Analysis of outliers depending on the completion time of the survey.

7.2.2. Descriptive Statistics for Demographic Questions- SPSS OUTPUT

Age Frequencies- SPSS OUTPUT

Q27.How old are you?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-24	16	12.3	12.3	12.3
	24-30	57	43.8	43.8	56.2
	30-40	34	26.2	26.2	82.3
	40-50	23	17.7	17.7	100.0
	Total	130	100.0	100.0	

Figure 10: Age Descriptive Statistics

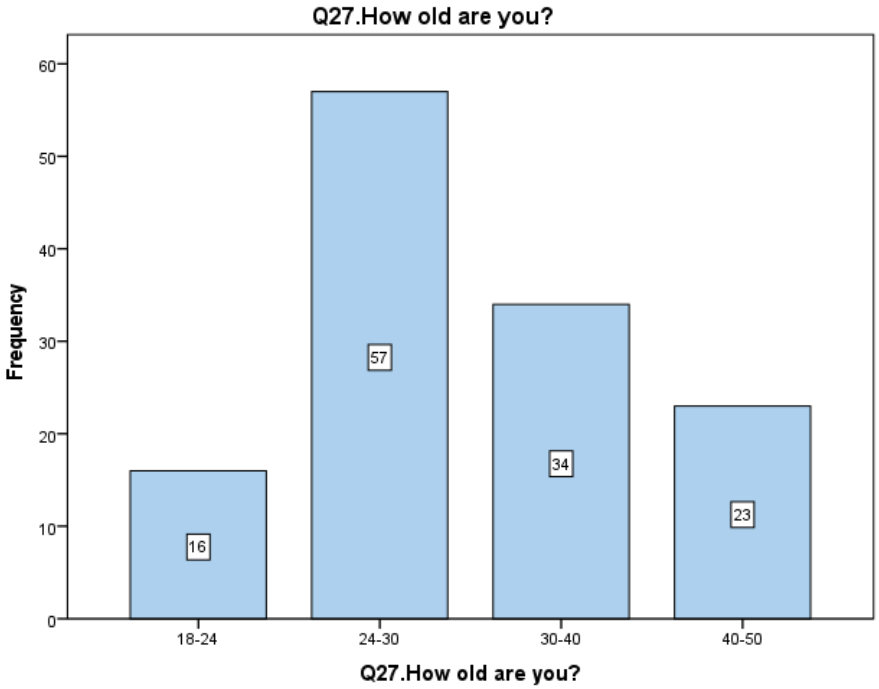

Figure 11: Age Descriptive Statistics. Bar Chart.

Gender Frequencies- SPSS OUTPUT

Q28.What is your gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	53	40.8	40.8	40.8
	Female	69	53.1	53.1	93.8
	Non-binary / third gender	1	.8	.8	94.6
	Prefer not to say	7	5.4	5.4	100.0
	Total	130	100.0	100.0	

Figure 12: Gender Descriptive Statistics.

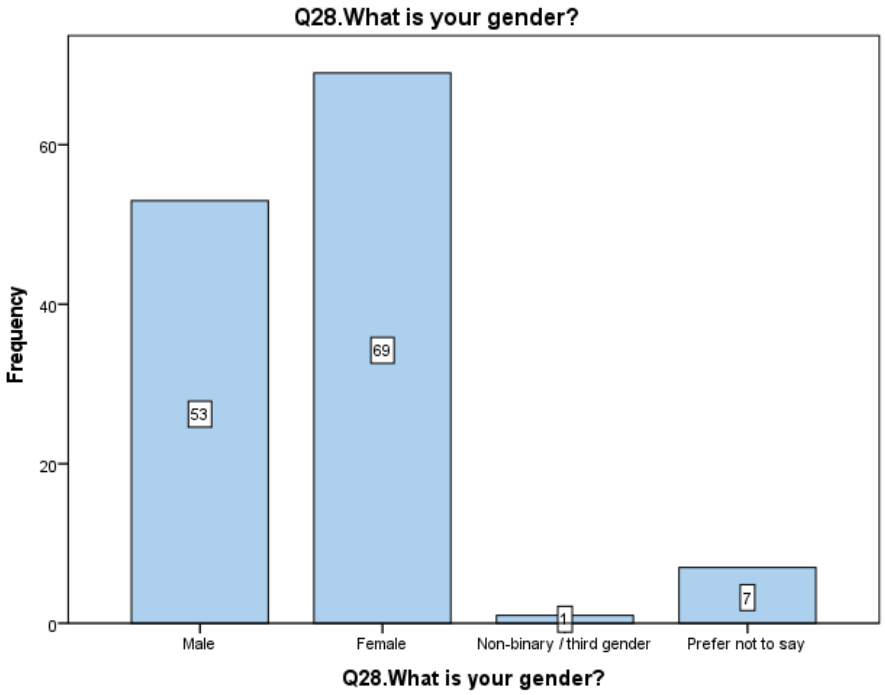

Figure 13: Gender Descriptive Statistics. Bar Chart.

Income Frequencies- SPSS OUTPUT

Q29.What is your net income per month?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	500-1500 euros	72	55.4	55.4	55.4
	1500-2500 euros	26	20.0	20.0	75.4
	more than 2500 euros	19	14.6	14.6	90.0
	I prefer not to say	13	10.0	10.0	100.0
	Total	130	100.0	100.0	

Figure 14: Income Descriptive Statistics.

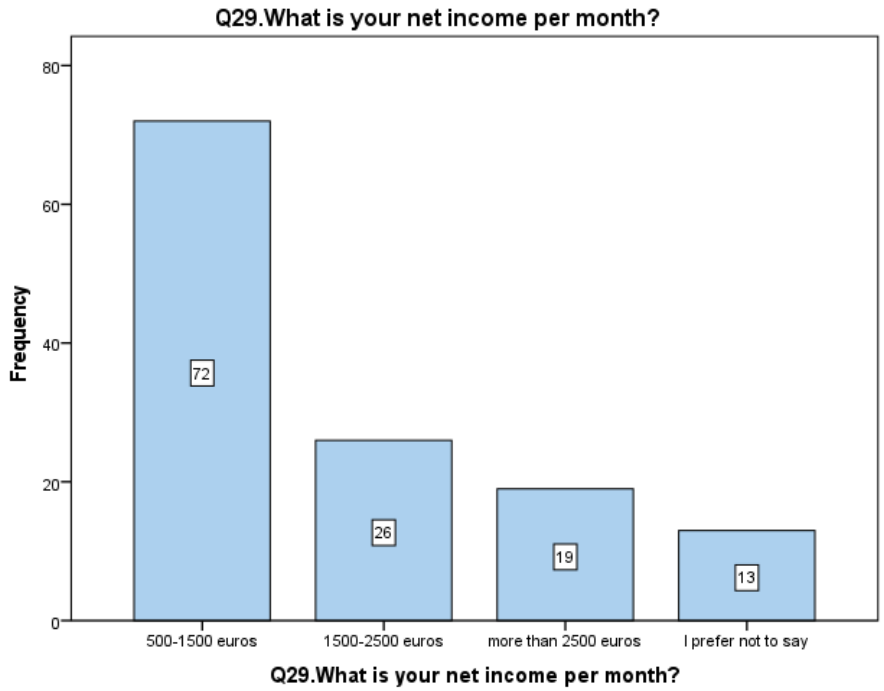

Figure 15: Income Descriptive Statistics. Bar Chart.

Education Frequencies- SPSS OUTPUT

Q30.What is your complete level of education?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High school diploma	12	9.2	9.2	9.2
	Bachelor	64	49.2	49.2	58.5
	Master	49	37.7	37.7	96.2
	PhD	1	.8	.8	96.9
	Other	4	3.1	3.1	100.0
	Total	130	100.0	100.0	

Figure 16: Education Descriptive Statistics.

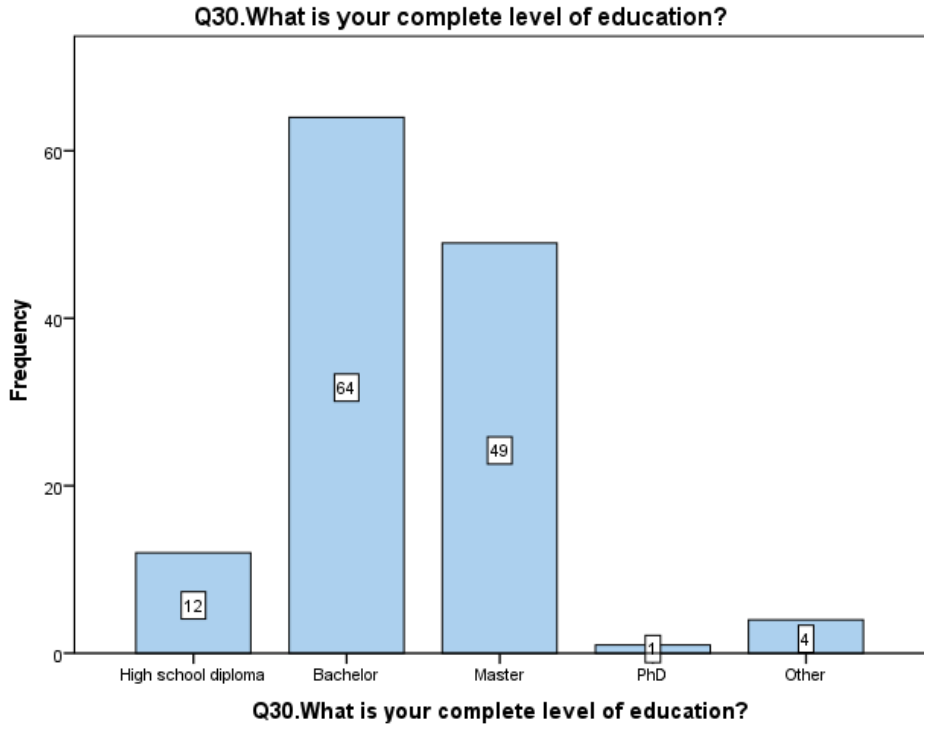

Figure 17: Education Descriptive Statistics. Bar Chart.

7.2.3. Factor Analysis: KMO MEASUREMENT- SPSS OUTPUT

1. **Purchase Intentions- BOGOFs**

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.699
Bartlett's Test of Sphericity	Approx. Chi-Square	54.058
	df	3
	Sig.	<.001

Figure 18: KMO for Purchase Intentions of BOGOFs

2. Purchase Intentions- Discounts

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.723
Bartlett's Test of Sphericity	Approx. Chi-Square	92.511
	df	3
	Sig.	<.001

Figure 19: KMO for Purchase Intentions of Discounts

3. Hedonic Values- BOGOFs

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.708
Bartlett's Test of Sphericity	Approx. Chi-Square	97.742
	df	3
	Sig.	<.001

Figure 20: KMO for Hedonic Values when Price Promotions was coded as Level 1= BOGOFs.

4. Hedonic Values- Discounts

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.560
Bartlett's Test of Sphericity	Approx. Chi-Square	75.614
	df	3
	Sig.	<.001

Figure 21: KMO for Hedonic Values when Price Promotions was coded as Level 2= Discounts.

5. Utilitarian Values- BOGOFs

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.633
Bartlett's Test of Sphericity	Approx. Chi-Square	67.088
	df	3
	Sig.	<.001

Figure 22: KMO for Utilitarian Values when Price Promotions was coded as Level 1= BOGOFs.

6. Utilitarian Values- Discounts

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.739
Bartlett's Test of Sphericity	Approx. Chi-Square	114.976
	df	3
	Sig.	<.001

Figure 23: KMO for Utilitarian Values when Price Promotions was coded as Level 2= Discounts.

7. Perceived Performance Risk- Hedonic Values

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.647
Bartlett's Test of Sphericity	Approx. Chi-Square	95.215
	df	3
	Sig.	<.001

Figure 24: KMO for Perceived Performance Risk for moderated mediation with Hedonic Values.

8. Perceived Performance Risk- Utilitarian Values

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.588
Bartlett's Test of Sphericity	Approx. Chi-Square	77.484
	df	3
	Sig.	<.001

Figure 25: KMO for Perceived Performance Risk for moderated mediation with Utilitarian Values.

7.2.4. Reliability Analysis- Cronbach's Alpha- SPSS OUTPUT

1. **Purchase Intention_BOGOFs**

Reliability Statistics

Cronbac h's Alpha	N of Items
.785	3

Figure 26: Reliability Analysis for Variable: Purchase Intention being measured from Level 1= BOGOFs.

2. **Purchase Intention_Discounts**

Reliability Statistics

Cronbac h's Alpha	N of Items
.863	3

Figure 27: Reliability Analysis for Variable: Purchase Intention being measured from Level 2= Discounts.

3. **Hedonic Values_BOGOFs**

Reliability Statistics

Cronbac h's Alpha	N of Items
.868	3

Figure 28: Reliability Analysis for Variable: Hedonic Values being measured from Level 1=BOGOFs.

4. **Hedonic Values_ Discounts**

Reliability Statistics

Cronbac h's Alpha	N of Items
.759	3

Figure 29: Reliability Analysis for Variable: Hedonic Values being measured from Level 2=Discounts.

5. **Utilitarian Values_ BOGOFs**

Reliability Statistics

Cronbac h's Alpha	N of Items
.796	3

Figure 30: Reliability Analysis for Variable: Utilitarian Values being measured from Level 1=BOGOFs.

6. **Utilitarian Values_ Discounts**

Reliability Statistics

Cronbac h's Alpha	N of Items
.894	3

Figure 31: Reliability Analysis for Variable: Utilitarian Values being measured from Level 2=Discounts.

7. **Perceived Performance Risk_ Hedonic Values**

Reliability Statistics

Cronbac h's Alpha	N of Items
.743	3

Figure 32: Reliability Analysis for Variable: Perceived Performance Risk for moderated mediation analysis with Hedonic Values.

8. **Perceived Performance Risk_ Utilitarian Values**

Reliability Statistics

Cronbac h's Alpha	N of Items
.680	3

Figure 33: Reliability Analysis for Variable: Perceived Performance Risk for moderated mediation analysis with Utilitarian Values.

7.2.5. Process Tool, Moderated Mediation Analysis-SPSS OUTPUT

Hedonic & Utilitarian Values Descriptive- SPSS OUTPUT

Descriptives

Descriptive Statistics

	N	Mean	Std. Deviation
Hedonic Values	130	4.2949	1.93238
Utilitarian Values	130	3.7410	2.10707
Perceived Risk_Hedonic	130	2.7590	.91501
Perceived Risk_Utilitarian	130	2.0538	.85141
Valid N (listwise)	130		

Figure 34: Descriptive Statistics for Hedonic & Utilitarian Values to support H1 & H2.

Model summary 1:

```
OUTCOME VARIABLE:
 HV

Model Summary
          R       R-sq        MSE          F        df1        df2          p
      .4223      .1783     3.0923    27.7752     1.0000   128.0000      .0000

Model
              coeff         se          t          p       LLCI       ULCI
constant     2.4385      .4877     4.9998      .0000     1.4734     3.4035
PP          -1.6256      .3085    -5.2702      .0000    -2.2360    -1.0153

************************************************************************
OUTCOME VARIABLE:
 PI

Model Summary
          R       R-sq        MSE          F        df1        df2          p
      .7430      .5521     1.4467    38.5188     4.0000   125.0000      .0000

Model
              coeff         se          t          p       LLCI       ULCI
constant     3.4005      .3832     8.8751      .0000     2.6422     4.1588
PP           1.0213      .2380     4.2917      .0000      .5503     1.4923
HV            .3783      .0658     5.7490      .0000      .2481      .5085
PR_Hed        .8727      .1325     6.5881      .0000      .6105     1.1349
Int_1        -.2022      .0709    -2.8519      .0051     -.3426     -.0619

Product terms key:
 Int_1    :        HV       x        PR_Hed
```

Figure 35: First Outcome Variable: Hedonic Values, to show the impact of the Independent Variable. Second Outcome Variable: Purchase Intentions, to show the indirect effect of Mediator to Dependent Variable and investigate the moderation effect.

Conditional effect of Hedonic values at the values of Moderator-Perceived performance risk:

PR_Hed	Effect
-.9150	.5633
.0000	.3783
.9150	.1933

Figure 36: Conditional Effects of Hedonic Values to Purchase Intention according to three different levels of the moderator. The first value is one unit above mean, second value is at the mean and last value is one unit below the mean.

Moderated Mediation Analysis 1: Pairwise contrasts between conditional indirect effects

Index of moderated mediation:

	Index	BootSE	BootLLCI	BootULCI
PR_Hed	.3287	.1407	.0962	.6508

Pairwise contrasts between conditional indirect effects (Effect1 minus Effect2)

Effect1	Effect2	Contrast	BootSE	BootLLCI	BootULCI
-.6150	-.9158	.3008	.1287	.0881	.5955
-.3142	-.9158	.6016	.2574	.1761	1.1910
-.3142	-.6150	.3008	.1287	.0881	.5955

Figure 37: Index of moderated mediation analysis between Hedonic Values and Purchase Intention using as a moderator Perceived Performance Risk. Pairwise contrasts table indicates the significance of the moderated mediation analysis using the Bootstrap interval levels. The value 0 is not between BootLLCI and BootULCI hence there is moderated mediation effect, and it is significant.

Model Summary 2:

```
OUTCOME VARIABLE:
 UV

Model Summary
          R       R-sq        MSE          F        df1        df2          p
      .5998      .3598     2.8646    71.9296     1.0000   128.0000      .0000

Model
              coeff         se          t          p       LLCI       ULCI
constant    -3.7769      .4694    -8.0459      .0000    -4.7058    -2.8481
PP           2.5179      .2969     8.4811      .0000     1.9305     3.1054

**************************************************************************
OUTCOME VARIABLE:
 PI

Model Summary
          R       R-sq        MSE          F        df1        df2          p
      .4671      .2182     2.5250     8.7227     4.0000   125.0000      .0000

Model
              coeff         se          t          p       LLCI       ULCI
constant     5.7827      .5434    10.6418      .0000     4.7073     6.8582
PP           -.5617      .3518    -1.5968      .1128    -1.2580      .1345
UV            .3638      .0920     3.9527      .0001      .1816      .5460
PR_Ut         .0008      .1887      .0045      .9964     -.3726      .3743
Int_1        -.2571      .1008    -2.5503      .0120     -.4566     -.0576

Product terms key:
 Int_1    :        UV       x        PR_Ut
```

Figure 38: First Outcome Variable: Utilitarian Values, to show the impact of the Independent Variable. Second Outcome Variable: Purchase Intentions, to show the indirect effect of Mediator to Dependent Variable and investigate the moderation effect.

Conditional effect of Utilitarian values at the values of Moderator-Perceived performance risk:

PR_Ut	Effect
-.8514	.5827
.0000	.3638
.8514	.1449

Figure 39: Conditional Effects of Utilitarian Values to Purchase Intention according to three different levels of the moderator. The first value is one unit above mean, second value is at the mean and last value is one unit below the mean.

Moderated Mediation Analysis 2: Pairwise contrasts between conditional indirect effects

```
      Index of moderated mediation:
           Index     BootSE   BootLLCI   BootULCI
PR_Ut     -.6473      .2727    -1.2371     -.1636

 Pairwise contrasts between conditional indirect effects (Effect1 minus Effect2)
    Effect1    Effect2   Contrast     BootSE   BootLLCI   BootULCI
      .9160     1.4672     -.5512      .2322    -1.0533     -.1393
      .3649     1.4672    -1.1023      .4643    -2.1065     -.2787
      .3649      .9160     -.5512      .2322    -1.0533     -.1393
---
```

Figure 40: Index of moderated mediation analysis between Utilitarian Values and Purchase Intention using as a moderator Perceived Performance Risk. Pairwise contrasts table indicates the significance of the moderated mediation analysis using the Bootstrap interval levels. The value 0 is not between BootLLCI and BootULCI hence there is moderated mediation effect, and it is significant.