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The effects of price-comparison advertising on buyers' perceptions of offer value and intention to buy

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CONTENT

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

INTRODUCTION

Traditionally in marketing, there have always been 4 main aspects (or 4P's) that the companies tried to compete on – Price, Place, Product, Promotion. (Davies, 2009) As of today, when the technologies make the improvement of product happen really fast, there are a lot of sales done via internet, the distribution is nearly perfect, the main aspect companies compete on is price. (Davies, 2009) Price-comparison advertising is one of the main tools used by the companies in order to stress the value of the offer to their potential customers (Chandrashekaran, 2004). Consequentially, marketing is becoming one of the most important functions of the organization and the budget allocation is increasing accordingly. (Palazon, Delgado, 2009). The main point of price-comparison advertising is to increase the customer satisfaction by appealing to their desire of "getting a good deal". (Compeau, Grewal, 1998) This is often made by comparing two variables – reference price (e.g., regular price) versus advertised selling price (e.g., offer price). (Grewal, 1998; Devlin et al., 2013) Researchers have categorized two types of advertised reference price – plausible and exaggerated (or implausible). (Urbany et al., 1988; Wolk and Spann, 2008; Krishnan et al., 2013) Exaggerated ARP is widely used by advertisers, as despite the consumers being skeptical about it, it still enhances the offer value. (Wolk and Spann, 2008; Krishnan et al., 2013) Furthermore, another key indicator needs to be considered – the internal reference price or the maximum price the customer is willing to pay for the offered product. This is important to understand in order to avoid the customer seeing the offer as a scam, as today's customers are becoming more and more cautious about the promotions that companies create. (Woodford, 2009) However, if an offer is created fairly and in an ethical manner, price-comparison advertising is good for both sides – the seller and the buyer. (Woodford, 2009) For the company, it increases sales by encouraging the customer to switch to their product and may even reinforce the loyalty of this new customer, taking into account that the quality is not lower as expected. (Woodford, 2009) From the customer point of view, these offers may help to save a lot, thus satisfy the emotional need by taking an advantage to save money while remaining the quality.

Past researchers have discovered that the advertised reference prices may influence the internal reference price of the customer and that they are linked to their perception of offer value and intention to buy. (Grewal et al, 1998; Varki, Colgate, 2001) For this reason, focusing on the selling price or adapting the low-pricing strategy is a common mistake as it affects the brand image by questioning their products' quality. (Grewal et al, 1998; Brolls, 2009) Furthermore, they take away

the emotional aspect, which is one of the main aspects that drives sales for price-comparison offers. Varki and Colgate (2001) suggests that customer price perceptions could be controlled by integrated marketing communication. This may done by listing the actual savings that the customer acquires while shopping, creating only specific periods for the offers (e.g. happy hour, off-season price). (Varki and Colgate, 2001)

Past researches also suggest that price-comparison advertisements may be more effective for hedonic products rather than for utilitarian products. The main reason why price promotions might work better on hedonic products, is that it doubles the pleasure of buying – you feel joy, excitement when buying hedonic products, and the joy is doubled if that product comes with a discount. (Grewal et. al, 1998, Lee, Chen-Yu, 2018; Kaul, 2007) However, there is still a lack of evidence whether price-comparison advertising is really more effective for hedonic rather than for utilitarian, as most of past researches (Lee, Chen-Yu, 2018; Alford, Engelland, 2000; Krishnan et al., 2013; Jeng, Lo, 2019) have been done on hedonic products, thus, there is a clear need for empirical evidence.

In this research, as proposed by Lee and Chen-Yu (2018), effect of the price-comparison advertising on buyer's perception of offer value and intention to buy will be analyzed by taking into account the product type aspect.

Problem formulation – how does the price-comparison advertising influence buyer's perception of offer value and intention to buy?

The aim of this paper is to identify the effects of price-comparison advertising on buyer's perception of offer value and intention to buy.

These **objectives** have been identified to reach the aim:

1. To analyze the concept of price-comparison advertising;
2. To find out how the type of advertised reference price may influence customers' perception of savings, quality and offer value;
3. To identify the role of believability on buyers' perception of offer value;
4. To identify the effects of the utilitarian versus hedonic product;
5. To critically evaluate the effects of acquisition and transaction value on intentions to buy;
6. To create recommendations to the marketers and business community on the usage of price-comparison advertising.

This research paper consists of three major parts. First part is the review of the existing literature on the topic – will help to stress the key points that have to be taken into account when choosing this type of advertising technique. Second part, methodology, proposes an advanced research model for this type of studies as well as explains and justifies the research methods used in the study. Third part of the paper will complement the prior researches done on this topic as it is dedicated for data analysis as well as discussion of the findings and comparison to the previous researches' findings. Additionally, there is a chapter of an overview of all the findings from this study, both from literature and from data analysis. This last chapter also includes limitations of a study and recommendations for future research, as well as the proposed recommendations that may be actual to marketers, business community and policymakers that ensure that consumers would have an ability to form accurate perceptions of the offer value and its validity.

1. REVIEW OF THE LITERATURE ON THE EFFECTS OF PRICE-COMPARISON ADVERTISING ON BUYERS' PERCEPTIONS OF QUALITY, SAVINGS AND BELIEVABILITY

1.1. The Effectiveness of Price-Comparison Advertising Technique

Price-comparison advertising is a common technique used to create a more attractive offer for consumers. (Chandrashekaran, 2004). According to Grewal (1998), in price-comparison advertising, a higher price, also called advertised reference price (ARP) is compared with a lower offer price, or an advertised selling price (ASP). There are several ways to use reference prices – take previous prices, or list prices, such as Recommended Retail Price (RRP) and Manufacturer's Suggested List Price (MSLP). (Grewal, 1998; Devlin et al., 2013) Another type of reference price could be chosen as competitive product's price. However, this type of advertising may be seen as unethical and may be harmful for the brand, so, to stay on the safe side, it is recommended to compare selling price with either previous price, list price, or compare to „product X" price. (Miniard et al, 2013)

Researchers have categorized two types of advertised reference price – plausible and exaggerated (or implausible). (Urbany et al., 1988; Wolk and Spann, 2008; Krishnan et al., 2013) Krishnan et al. (2013) defines an exaggerated ARP as „one that is higher than the normal price range expected by consumers for a product and is also substantially higher than a sale price", whereas plausible ARP, vice versa, is the one that would be in the normal and expected price range by customers, and not much higher than a sale price. Exaggerated ARP is widely used by advertisers, as despite the consumers being skeptical about it, it still enhances the offer value. (Wolk and Spann, 2008; Krishnan et al., 2013)

Youjaee and Jaemee (2011) have examined the long-term effects of price-comparison advertising for the brand. Their research shows that if the brand makes sales promotions repeatedly, these promotions become less and less effective as it negatively affects customer's internal reference price, thus decrease their perception of offer value and takes away one of the most important emotional aspects that drive sales for price-comparative advertising – feeling of getting a good deal. The only exception is deal-prone consumers, or those who are actively seeking and expecting to buy special offers. Often price promotions may also lead in increased number of deal-prone consumers

and decreased brand loyalty as customers start to think about getting the deal more than a brand itself. (Mendez et al., 2015)

Looking from a different point of view, Devlin, Ennew, McKechnie and Smith (2013) stress another important variable in price-comparison advertising concept – the believability of the offer value. They discovered quite different results than past researchers (Grewal et al, 1998) claiming that the presence of ARP does not enhance buyer's believability of the offer value. However, Devlin and others (2013) claim that the presence of time limit in the offer may be perceived as more credible and useful source of information for the buyers. Furthermore, time limit also pushes customers to make faster buying decisions and may be a cause of impulsive buying. On the other hand, these researchers do not deny the importance of ARP presence in the offer. They see it as a hygiene factor, or as a source of information that must be provided to the customer to see the broader view and be more confident about their buying decision. All in all, their research results might be limited due to relatively low-involvement manner and mostly quite experienced and highly price-conscious purchasers. (Devlin et al, 2013) Actually, Alford & Biswas (2002) discovered that highly price-conscious consumers tend to constantly look for better offers regardless of the price discount or the difference between ARP and ASP, so that makes Devlin, Ennew, McKechnie and Smith (2013) research results even more questionable.

Compeau and Grewal (1998) suggested that consumers, when evaluating the offer value, react not only to the level of advertised reference price – they might perceive offer differently when advertised selling price is changed, even if the reference price is constant. The proposed algorithm is as follows – when the sales price is decreasing and the gap between ARP and ASP becomes larger, the consumer perceives the value of the offer higher, their believability of the offer is lowered but their intentions to buy gets higher. (Compeau and Grewal, 1998) All in all, both, advertised reference price and selling price have a positive direct effect on perceived savings, thus, the perceived offer value overall.

To conclude, price-comparison advertising is a useful technique that helps to stress the offer value. Furthermore, the presence of an advertised reference price influences the customer's perceived savings, so the manipulation of ARP may be used to increase them. However, this technique should be used with caution, as it may have some harmful long-term effects – from attracting only deal-prone customers, to harming brand image and losing customer's trust by using an exaggerated reference price.

1.2. The Influence of Advertised Reference Price on Perceived Quality

Perceived quality is defined as a consumers' perception of a product's or services ability to meet their expectations. (Jiang and Wang, 2006) The extended definition explains that perceived quality does not define the actual quality of the product but rather is a mix of brand's public image, personal experience with the firm and third-party opinions. Zeithaml (1987) agrees that "perceived quality is not equivalent to objective quality; it cannot be measured in terms of technical superiority or adherence to physical standards. Perceived quality is an abstract evaluation or judgment of a product that is formed from intrinsic attributes of the product (e.g., physical characteristics) and extrinsic attributes that are not part of the actual physical product (e.g., price, brand name, packaging)." Aaker (2009) defines perceived quality as "the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives". In this research, perceived quality of a product is defined as a potential buyer's perception of product's quality relying on its appearance and its reference and sales prices.

Perceived quality is, first, a perception by customers. It thus differs from several related concepts, such as: Actual or objective quality: the extent to which the product or service delivers superior service; Product-based quality: the nature and quantity of ingredients, features, or services included; Manufacturing quality: conformance to specification, the "zero defect" goal". Castleberry and McIntyre (2011) understand perceived quality as: "…a belief about the degree of excellence of a good or service that is derived by examining consciously and/or unconsciously, relevant cues that are appropriate and available, and made within the context of prior experience, relative alternatives, evaluative criteria and/or expectations" Sanchez et al. (2005) adds that this variable is very dynamic, as perceived quality changes at different stages of purchasing.

Prevos (2012) claims that one part of perceived quality is expected quality, which is influenced by traditional marketing activities, such as public relations, advertising, field selling and pricing, brand/corporate image, word-of-mouth or third party opinions and actual customer needs. All these forces can be described as external factors. Another part of the perceived quality is the actually experienced quality. There are two main indicators that form the experienced quality – technical quality or outcome and functional quality or process. The public image plays a moderating role on both sides of the model, as it tends to impact expected quality as well.

For clarification purposes, in scientific literature, perceived quality is explained by using attributes or dimensions, in a product or service context:

Table 1. **Perceived Quality Dimensions**

Product context	Service context
Performance	Tangibles
Features	Reliability
Conformance with specifications	Competence
Reliability	Responsiveness
Durability	Empathy
Serviceability	Assurance
Fit and finish	Personalization/customization

(source: compiled by the author; based on Zeithaml et al., 2002; Aaker, 2009)

As seen from the table above (see: Table 1) the perception of product's quality may be analysed according to 7 dimensions: performance, features, conformance with specifications, reliability, durability, serviceability, fit and finish. According to these dimensions, consumers are able to more constructively evaluate the product they are about to buy. Similar dimensions are used when perceiving the quality of service: tangibles (or the products used in the service), reliability, competence (of the service provider), responsiveness, empathy, assurance and personalization/customization (or adaptability level for a consumer).

Due to many researchers arguing on the influence of advertised reference price on perceived quality, Grewal et al. (1998) conducted a research to check the relationship between the perception of quality and offer value and intentions to buy. Their conclusion is that the perception of quality "enhance acquisition value and willingness to buy". Furthermore, they found out that the higher perceived quality the company has in the consumer eyes, the bigger the market share and profitability, so it is good for "short-term adaptation and long-term development". Similar effects are found in more recent studies, as by Huang and Cheng (2013). In fact, the research conducted by Huang and Cheng (2013) proposes that there is a strong influence of perceived quality on purchase intentions, especially, in price-comparative advertising. They found out, that "when consumers are facing price discount,

their purchase intention were significantly different by whether they are told the quality information of target product." Their findings are that the consumers show greater purchase intention when they are told the positive quality information.

According to Rungtrakulchai (2013), implementation of price comparative advertisements will have a positive effect on perceived quality. Researcher's explanation is that when consumers are satisfied with the offer, they perceive the advertised product's quality as better. However, it is a question, whether the perceived quality would be higher, lower, or the same when consumers see the offer as untruthful. From another perspective, price can also be used as a cue about product's quality. According to Kirchler et al. (2010) "The correlation between price and product quality is usually found to be low, but still, consumers use a rule of thumb that higher prices indicate higher quality." They also explain that there consumers tend to evaluate product's quality objectively and search for measurable characteristics as an indicators of some kind of quality. However, price is still often used by consumers to judge the products quality, and its correlation is for durable, more expensive goods. (Boyle, Lathrop, 2009; Lichtenstein, Burton, 1989) Kirchler et al. (2010) also suggests, that using price as a judgement for quality is good and helps to save time when choosing high complexity products, such as cosmetics or pharmacy products.

To conclude, enhancing the perceptions of quality is suitable to most of the companies, if they are seen by consumers as the ones offering above average-quality products and services at reasonable prices, or, offering high-quality products and services at high prices. Furthermore, price-comparison advertising may also be used to enhance the perceived quality, as price is used as a cue of product's quality, so the higher the price, the higher the perceived quality.

1.3. The Effects of Price-Comaparison Advertising on Perceived Savings

Perceived savings is a useful measure for evaluating consumers' perceptions of offer value in price-comparison advertising. (Lee and Chen-Yu, 2018) According to Krishna et al. (2002), consumers' perceptions of savings depend on the presentation of the deal and the actual discount offered. One of the most useful ways for enhancing buyers' perceptions of savings is the presented comparison between advertised reference price and advertised selling price. (Krishna et al., 2002) Della Bitta and Norberg (2013) research agrees that sales price only raises the lower perception of savings than with presented reference price. Lee and Chen-Yu (2018) adds that there is a positive

direct relationship between price discount and perceived savings – the higher the discount, the larger perceived monetary savings and the perceived offer value. (Lee and Chen-Yu, 2018; Grewal et al., 1998) However, when the difference between ARP and ASP is too high, the believability moderates the effect and perceived savings decrease as the offer is rejected as untruthful. (Urbany et al., 1988; Krishna et al., 2002)

Krishna, Briesch, Lehmann, & Yuan (2002) have made a meta-analysis of the impact of price presentation on the perceived savings. After analysing hundreds of studies made on price perceptions and deal evaluations, they have created some guidelines to understand the effects of deal characteristics, situational, price presentation and interaction of several effect combinations on perceived savings. Their main findings, that are relevant to this study, are presented in the table below (see: Table 2).

Table 2. **Deal Characteristics, Price Presentation and Interactions Effects on Perceived Savings**

Variables	Effect on Perceived Savings
Deal Characteristics	
Amount of Deal	Positive – the higher the amount of deal, the higher the perceived savings
Percent of Deal	Positive – the higher the discount, the higher the perceived savings
Variance of Deals	Negative – the more deals are present at the time of purchase, the lower the perceived savings
Price Presentation Effects	
External Reference Price (Advertised Reference Price)	Positive – the presence of advertised reference price increase the perceived savings
Plausibility (Believability)	Small and believable deals lead to a higher perceived savings;
Interactions	
Reference Price and Deal Percentage	Advertised reference price may decrease perceived savings when the deal percentage is very high
Reference Price and Believability	Advertised reference price enhances perceived savings of large believable (and unbelievable) deals but does not enhance the perceived savings of small and believable deals.

(source: Krishna et al., 2002)

The table above (see: Table 2) explains the relationship between reference price, deal percentage and believability, and the effect of reference price presentation. From here it can be expected that perceived savings are strongly dependent on ARP, perception of the deal and believability. Analysis suggest that the presence of advertised reference price should increase the perceived savings; the more believable deal, the higher the perceived savings; perceived savings

decrease when the difference between ARP and ASP is too large; ARP only enhances perceived savings for large deals.

To conclude, perceived savings derive from the difference between reference price and sales price and is a useful variable in analysis of the effects of price comparison advertising on perceived value. More often than not, the higher the discount, the higher the perceived savings and perceived offer value. However, when the difference between reference price and sales price is unbelievably high, or the reference price is too far from consumer's internal price, the perceived savings may be lowered, thus, lowering the offer value. So in order to measure the actual effect of comparative advertising on perceived savings, believability aspect needs to be taken into account.

1.4. Believability, Internal Reference Price and the Selling Price-Value Relationship

According to Devlin, Ennew, McKechnie and Smith (2013) "the construct of believability has been shown to be a key variable in consumers' evaluations of comparative price offers." This statement in the scientific literature is not new – it is based on previous researches, like, Compeau and Grewal (1998), Compeau et al. (2002), Urbany et al. (1988). To form a proper understanding of believability concept, several aspects may be taken from these previous researchers. For example, Compeau et al. (2002) states that in advertising, the presented reference price (instead of sales price only) helps the consumer to judge the offer value more constructively but in order for the offer to be truly valuable and trustworthy, the reference price has to have some validity. Urbany et al. (1988) adds that consumers tend to judge the reference price according to their internal standards, or so called internal reference price. Furthermore, these researchers add that using the theories of adaptation and assimilation-contrast, it is possible to say that consumers "judge the believability of an advertised reference price against the highest price they expect to observe in the market." So concluding these definitions, we can say that believability is the degree to which buyers, using their internal reference price and highest expected market price scales, perceive the offer as truthful.

Internal reference price (IRP) is one of the main concepts when investigating buyers' perception of offer value. (Grewal et al., 1998) Thomas and Menon (2007) add that consumers tend to evaluate the price by using their own judgement - memory-based internal scale. "By definition, all offer prices above this reference point are perceived as high, and all offer prices below this standard are perceived as low." (Thomas, Menon, 2007) Urbany et al. (1988) defines the similar phenomena

by calling it *acceptable price range.* "The acceptable price range is bound at the upper end by the highest price the consumer is willing to pay for a product, and the expected price range is bound by the highest price the consumer reasonably expects to observe in the marketplace (which may or may not be acceptable)." (Urbany et al., 1988). This leads to an assumption that in order to create a successful sales promotion campaign, one needs to understand what kind of price one's consumers have indicated for the particular product.

Although internal reference prices are very subjective and influenced by several factors, like past experience with buying this product or perceived quality (Thomas, Menon, 2007), according to Grewal, Monroe, Krishnan (1998) they might be manipulated as buyers' IRP changes according to the prices presented in advertisement. These researchers explain that consumers either change their perception of the appropriate pricing for the particular product or adapt their IRP to the ARP, however, Thomas and Menon (2007) experiment showed that these adjustments are more likely to happen for less price confident customers.

In practice, there are several ways to identify the internal reference price. By analysing past researches and conducting their own experiment, Thomas and Menon (2007) discovered that IRP can be measured by asking consumers what they would call a "fair price" for the product, identifying usual prices charged by the retailer, calculating the average of previously experienced pricings. Furthermore, they claim that internal price judgements and articulated expectations do not always match, as price judgements are often influenced by feelings or even external (ambient) factors.

As mentioned above, using their internal reference price and highest expected market price scales, consumers tend to evaluate price-comparison advertisements with scepticism. On the other hand, Devlin et al. (2013) research has shown that the impact of IRP is not significant in believability assessment, as "consumers do not centrally process the information but instead rely on simplistic peripheral processing" but taking into account the audience of their research, it is still questionable whether IRP plays an important role in believability of the offer or not.

Although Grewal et al. (1998) in their analysis of price-comparison advertising has discovered that the bigger the difference between the ARP and ASP, the higher perceived offer value, in practice, buyers tend to notice when the advertised reference price is exaggerated and discounting is not fair. (Urbany et al., 1988) However it is undeniable that consumers' perceptions of the offer value are still influenced by comparative advertising even if reference price is implausibly high. (Urbany et al., 1988) Compeau and Grewal (1998) and Compeau et al. (2002) explains that even the appearance of

the advertised reference price in the offer should make the offer look more credible in the eyes of consumer, thus, enhance its value.

To conclude, believability of the offer is an important variable in price-comparison advertising. When the offer and prices are perceived as fair, and believable, it enhances the brand image and credibility. Researches also show, that ARP level is negatively related with the believability of the discount and the offer overall – exaggerated ARP results in lower believability. However, even if the buyer's do not find an offer believable, it may lower their trust and satisfaction but it still does not affect their perceived savings. Therefore using exaggerated reference prices may still be beneficial for the advertisers, at least for short-term results.

2. LITERATURE REVIEW ON THE PERCEIVED OFFER VALUE AND FACTORS THAT IMPACT IT

2.1. The Formation of Perceived Offer Value: Acquisition and Transaction Value

Perceived offer value is a critical point in price-comparison advertising as it is the stage where the consumers decide whether to buy your product or not, so it is important to define how value perception is created. Yang et al (2016) helps to define perceived value of a product as a buyer's overall perception of a specific product based on the benefits gained and sacrifices encountered. Audrain-Pontevia et al (2013) have explained the concept of overall utility using the prospect theory. They say that perceived value consists of two cognitive processes – acquisition value and transaction value. The same multi-dimensional approach has been used in other studies as well (Grewal et al,., 1998; Chandrashekaran, 2004; Chen et al., 2010; Lee et al, 2019), so in this study perceived offer value is also comprised of two dimensions – perceived acquisition value and perceived transaction value.

Audrain-Pontevia et al (2013) explains that "acquisition utility refers to the value of the product or service per se, so it depends on the value of the good received compared with the outlay, measured as the difference between acquisition utility and the purchase price." In other words, perception of the acquisition value is positively influenced by the benefits of purchasing a product, and negatively – by the money spent to buy that product, sales price.

In contrast, "transaction value refers to the internal reference price minus the actual price paid." (Audrain-Pontevia et al, 2013) This is one the most important parts of value perception as this is the point where the consumer decides whether they are getting a good deal or not. (Grewal et al, 1998) As it is known from the literature, the main point of price-comparison advertising is to increase the customer satisfaction by appealing to their desire of "getting a good deal". (Compeau, Grewal, 1998) So the ability to satisfy the consumer need to feel confident, smart and happy about their buying decision is one of the main points in understanding and adapting price-comparison advertising strategy.

Two equations, one general and one more detailed, can be drawn from the literature:

1) Perceived Offer Value = Acquisition Value + Transaction Value
2) Perceived Offer Value = (Perceived Benefits of Purchased Good - Purchase Price) + (Internal Reference Price - Purchase Price)

In more recent studies, there has been found slightly different dimensions and angles for perceived value. De Medeiros et al., (2016) claims that from a consumer's point of view, two particularly important perspectives of perceived value can be drawn. The first one is called as "an economic perspective, which considers perceived value as strongly related to the price a consumer is willing to pay for what he perceives is the offering." In other words, economic perspective suggests that perceived value could be described as the offer's value in monetary expression. Second perspective is psychological, and it has been adapted from previous research done by Gallarza et al. (2011). Psychological perspective is described as an interpretation of "value in relation to cognitive and affective issues that impact purchasing decisions and brand selection." So it can be said, that psychological perspective is perceiving value from the emotions the buying decision gives us.

De Madeiros et al. (2016) also summarize previous researches done on the topic, and claim that perceived value can also be three-dimensional, and be evaluated as: "extrinsic versus intrinsic value, self-oriented versus oriented to the others; and active versus reactive". The researchers also suggest that even though there are large number of study models that explain perceived value as a multidimensional concept, there might be not enough validity of the nature of the dimensions used in these models, and they might not be the best choice in measuring perceived value. (Martin-Ruiz et al., 2008; Gallarza et al., 2011)

Varki and Colgate (2001) discovered that customer perception of offer value is strongly influenced by price perception. Furthermore, they claim that managers have the ability to not only influence how their customers perceive their comparative price but also the overall consumer satisfaction and even their buying intentions as price-comparison advertising have a direct effect on these variables.

To conclude, it is reasonable to say that perceived value is a complex variable, consisting of acquisition value and transaction value. Although in literature analysis there are found multiple other dimensions to measure the perceived value, including extrinsic and intrinsic; self-oriented and others-oriented; active and reactive; psychological and economical; measuring perceived value through the acquisition and transaction value has the widest use and has been accepted in the price-comparison advertising, thus, will be used in this research as well.

2.2. Consumer Price Perceptions and Price-Comparison Advertising Effect on Perceived Value

Price perception is one of the vital attributes when studying consumers shopping behaviour, alongside perceptions of quality and value. (Varki and Colgate, 2001, Boyle and Lathrop, 2009). Consumer perception of prices may be influenced by many factors (see: Figure 1) and Mendoza (2016) classify them as price consciousness, value consciousness, and price-quality perceptions. Palazón and Delgado (2009) characterize price consciousness as a proportion of how mindful buyers are of costs and Lichtenstein et al. (1993) define it as "the degree to which the consumer focuses exclusively on paying a low price". From here we can claim that price conscious consumer is the one, that either is really aware of prices or focuses on low-price products/services. Additionally, in the same research, Licthenstein et al. (1993) define value consciousness, as "a concern for lower prices subject to some quality constraints."

When analyzing the influence of price-comparison advertising on buyers perceptions of offer value and intention to buy, price perception is one of the key attributes to take into account. Mendoza (2016), reffering on Monroe (1973), Chandon et. al. (2015), Suk et al. (2012), Adaval et al. (2011) and their own prior researches, Mendoza and Baines (2012), summarize that there is great evidence that a relationship exists between price perceptions and purchase behaviour and that price perception influence buying intentions (or willingness to pay, as they define). Researcher adds, that the formation of price perception is cyclical, and it starts with antecedents, or the beliefs and experiences we have prior seeing advertising, then it is influenced by many internal and external factors, and the modified price perception moves to willingness to pay and purchase behaviours, which are also ifluenced by a complex of various factors. The detailed framework of the formation of consumer price perception (Mendoza and Baines, 2012) is presented below (see: Figure 1).

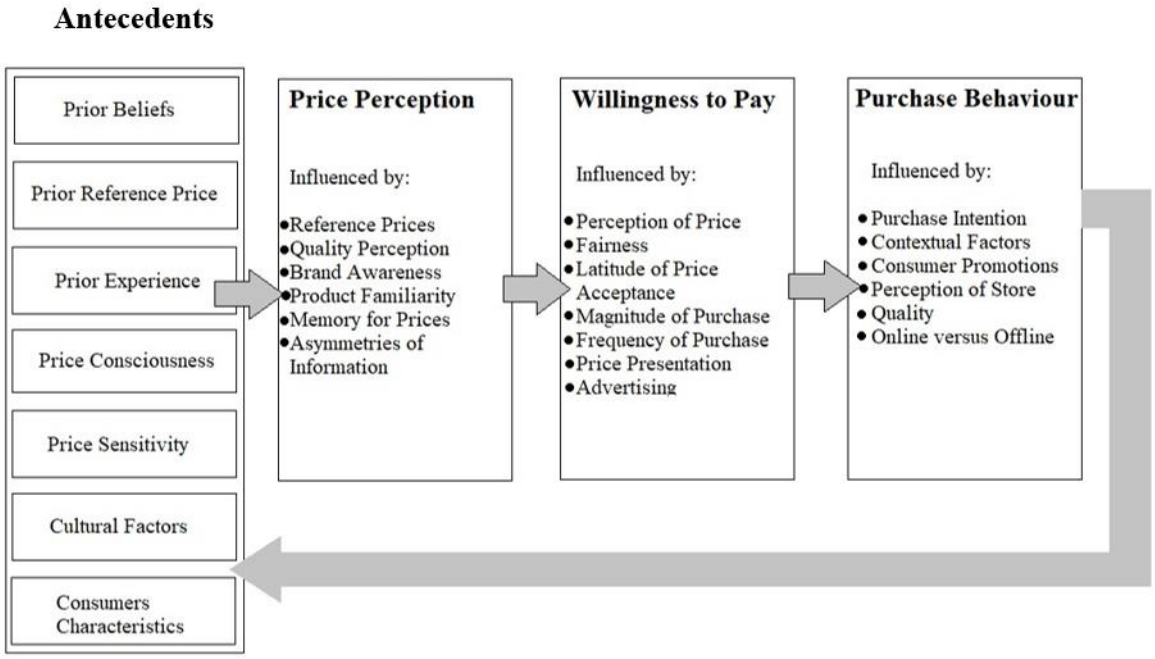

Fig. 1. **Framework of the Formation of Consumer Price Perception**

(source: Mendoza and Balnes, 2012)

There are several ways to influence the perceived price and offer value. Varki, Colgate (2001) as well as Grewal, Monroe, Krishnan (1998) indicate that the most common way to manage price perceptions is by using price-comparison advertising via media or in stores. They indicate that this way it is possible to create not only the comparative price advertisement but also the context so that the comparison would be more appropriate and attractive to the consumer. Another way, proposed by Varki and Colgate (2001) is to use integrated marketing communication, for example in form of weekly discounts' and sales promotions' newspapers or daily price comparison ads on social media platforms. This way, company can continuously remind their customers about the sales promotions and the savings they could acquire.

Table 3. **Framing Price-Comparison Advertising to Enhance Perceived Offer Value**

	Small decrease	Large decrease
Relatively low price	Reference price and selling price; Reference price and savings in percentage; Reference price, selling price and savings in percentage.	Reference price and savings in percentage.
Relatively high price	Reference price and selling price.	Reference price, selling price and savings in percentage.

(Source: compiled by the author, based on Chen et al., 1998; Grewal et al, 1998; Varki and Colgate, 2001; Palazón and Delgado, 2009; Chandrashekaran, 2004)

Chen, Monroe and Lou (1998) have discovered that in order to make sales promotion as efficient as possible, thus to enhance the offer value, it is needed to differentiate two more variables: whether the product is high-price or low price, and how large the price deduction is. (see: Table 3) Three types of price-comparison advertising falls under their theory:

1) Reference price + selling price (Grewal et al, 1998);
2) Reference price + savings in percentage; (Chandrashekaran, 2004)
3) Reference price + selling price + savings in percentage. (Chandrashekaran, 2004)

Concluding from the table above (see: Table 3), in order to choose the best price comparative advertising strategy and to influence the consumers' price perception and enhance offer value, it is needed to identify the relative price of the product and whether the difference between advertised reference price and advertised selling price is going to be big or small.

In conclusion, the formation of price perception is a cyclical process that is influenced by many factors through all buying cycle, from triggers, to offer evaluation, to buying intentions and actual purchase, to post-purchase experience. Researches show that price-comparison advertising is one of the most useful ways to influence consumer price perception, especially in early buying stages, along with a value and quality perception, as reference price helps to not only raise the perceptions of savings but also provides informational context for a potential buyer.

2.3. Product Type and its Effect on Perceived Value

Literature review reveals that products are differentiated from different angles. For example, Xu et al. (2015) categorize products as search and experience, and it depends on how relevantly easy it is for consumers to get quality information of a product. According to the researchers (Xu et al., 2015) search products are the ones that have easily accessible information on their characteristics, for example microwaves, and experience products are those that does not have sufficient information in open sources and need to be bought or tested for evaluation, for example, videogames.

There is another type of categorization for products that is quite often used in studies – low involvement and high involvement. Whether the product is categorized as low involvement or high involvement depends on how extensive search is done before deciding to buy the product or not. (Eslami, Ghasemaghaei, 2018) In this context, grocery products could be categorized as low involvement goods, and a car or a laptop – as high involvement.

In the researches done on price-comparison advertising, one of the most common categorizing technique for products is differentiating them as utilitarian and hedonic. (Huettl, Gierl, 2012) According to To et al. (2007) hedonic products are purchased for pleasure, and utilitarian products are bought for its functional benefits. Choi et al., (2020) adds that designer labelled clothes, expensive watches, flowers, chocolate could be described as hedonic products, while microwaves, paper towels, detergent and personal computers are utilitarian products. However, the products might contain both, hedonic and utilitarian aspects and can be perceived differently depending on buying intentions, for example, a computer bought for work would be considered utilitarian, while one bought for movie watching and games – hedonic (Choi et al., 2020).

Prior researches suggest, that comparative advertisement effect's impact on perceived value might be moderated by the type of product. Lee and Chen-Yu (2018), referring to Chandon et al. (2000), Clore et al. (2001), suggests that price-comparison advertisements are more effective for hedonic products, in comparison to utilitarian products. This might be true, as a lot of past researches have been done using apparel and other hedonic products as their product stimulus. The main reason why price promotions might work better on hedonic products, is that it doubles the pleasure of buying – you feel joy, excitement when buying hedonic products, and the joy is doubled if that product comes with a discount. (Grewal et. al, 1998, Lee, Chen-Yu, 2018; Kaul, 2007) As acquisition value is related to the benefits of having and using a product, it is expected that perceived quality, as this variable also measures the benefits of a product, impact on acquisition value will be moderated by the product type.

Similarly, perceived savings, as another effect of price-comparison advertising, is expected to have an impact on transaction value, which is about getting a good deal, as lower price perception and higher perceived savings diminishes the guilt of buying a hedonic product. (Choi et al., 2020)

To conclude, there are several ways to categorize the products. One of the most commonly used is to refer to them as either hedonic or utilitarian. Literature suggests, that price-comparison advertising is more effective for hedonic products, than for utilitarian. However, as there is a lack of researches done on whether price-comparison advertising is equally effective for both product types, further investigation on the topic is needed.

3. EFFECTS OF PERCEIVED OFFER VALUE ON INTENTIONS TO BUY

The effects of perceived value have been widely analysed in the previous researches. Below (see: Figure 2) is the proposed model by Grewal et al., (1998) of the effects of price comparison advertising on perceptions of value and behavioral intentions. The model proposes that advertised reference price, and perceived quality, have a direct impact on internal reference price; perceived quality influences perceived acquisition value; advertised selling price have impact on perceived transaction directly and with a mediating effect of internal reference price; perceived transaction value impacts perceived acquisition value; and the perceived acquisition value is the final variable, which influences whether consumer will be willing to buy or will search further.

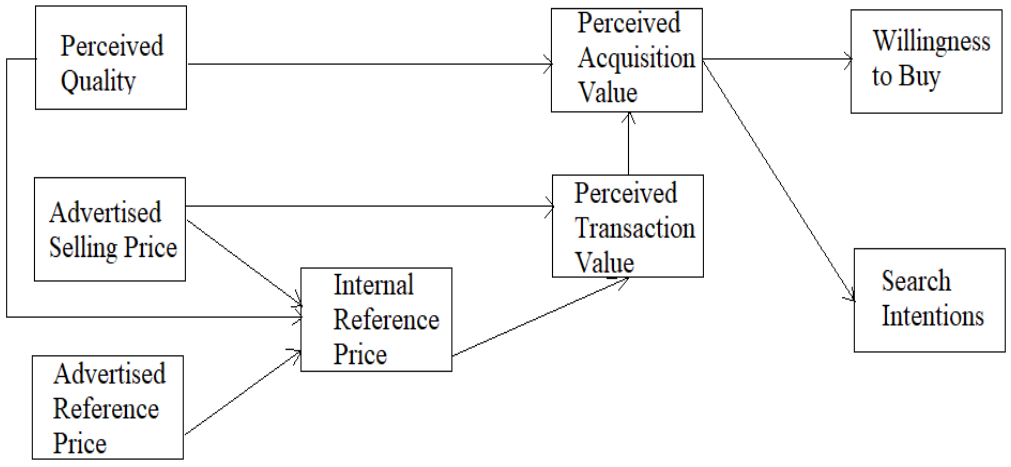

Fig. 2. **Model of the Effects of Price Comparison Advertising on Perceptions of Value**

(source: Grewal et al, 1998)

Grewal, Monroe & Krishnan (1998) in that research have discovered that in price-comparison advertising, both, perceived transaction and acquisition value have strong effects on consumer buying intentions but these two components are not independent constructs so they cannot be separated from each other. The main price-comparison advertising effect, found out by Grewal et al. (1998) suggest that acquisition value is positively related with intention to buy, that is the higher the difference between the perceived value of the purchased good (or benefits) and costs (both financial and non-

financial), the higher the chance that consumer will buy the good. According to their theory, the perceived transaction value can only enhance buyers' perceptions of acquisition value. Shmitz (2009) found out similar results but according to him "direct influence of perceived transaction value on perceived acquisition value is relatively weak." Grewal, Monroe & Krishnan (1998) were also unsure about the validity of their results, as they mentioned that the results may vary between different subject groups and individuals, and that some consumers may rely more on transaction value than acquisition and vice versa. This lowers the reliability of this theory, thus, raises a need for further research.

Contradictions in the literature arise also based on Audrain-Pontevia et al. (2013) research on the impacts of acquisition and transaction value on E-satisfaction and E-loyalty. During their study, researchers found out contrary results to previous studies by Grewal et. al (1998). They claim that "higher acquisition value is associated with a lower transaction value to the consumer", while previous studies showed a positive direct influence of perceived transaction value on acquisition value. They explain these results arising from price serving as a cue of product quality in pre-purchase stage but in after-purchase stage the perception can change dramatically, due to actual received quality. Even more – perceived quality can be lowered in relation to feeling pressured to make buying decision by promotions, especially for high involvement products. Another important insight from Audrain-Pontevia et al. (2013) research is about reference prices – they are based on market prices, while people are unwilling to pay a market price and this creates a problem, where even discounted selling price is too high in a consumers eyes (researchers call it as an endowment effect). Also, the e-commerce development had also played its role as price comparisons online are way easier than in-stores and buyers now tend to expect lower prices and higher discounts and sellers are not always able to afford them – and this creates a so called asymmetry in consumers and sellers perspectives.

Looking from another angle, Della Bitta, Monroe and McGinnis (1981) in their research have found out different tendencies of comparative price advertising impact on buying intentions. They claim that intentions to buy may not necessarily be a consequence of perceived offer value. However, they agree that "a perception of value may be necessary to foster a willingness to buy but it is insufficient to produce this effect." Chen & Chen (2010) complements Grewal, Monroe & Krishnan research results (1998), as their analysis showed that perception of offer value has not only direct but even strong positive effect on buyer's buying intentions.

Lee and Chen-Yu (2018), in their study of the mediating impact of price discount, proposed an extended version of widely used price-quality-value model by Monroe and Krishnan (1985) and

Zeithaml's (1988) means-end model. Their model was created to explain relationships between price discounts and perceived savings, quality and value (see: Figure 3).

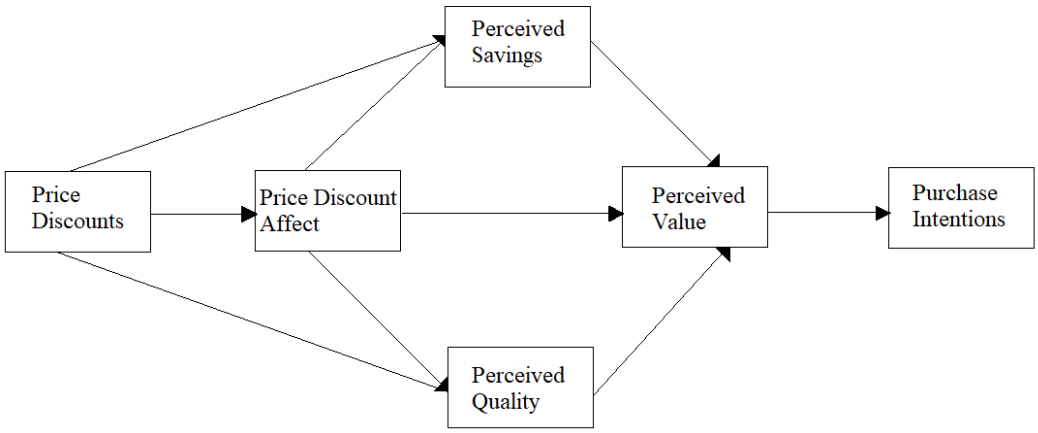

Fig. 3. **Model of the Effects of Price Discounts on Perceived Savings, Perceived Quality, Perceived Value and Purchase Intentions**

(source: Lee and Chen-Yu, 2018)

The model above (see: Figure 3) proposes that price discounts has influence on perceived savings, perceived quality and price discount affect; price discount affect has influence on perceived savings and perceived quality; the price discount affect has a mediating effect of price discounts on perceived saving, perceived quality and perceived value; perceived savings and perceived quality have influence on perceived value; perceived value has influence on purchase intentions.

The results of Lee and Chen-Yu (2018) suggests that the higher the discount, the higher the perceived savings and the lower perceived quality. Furthermore, they found out that price discount affect increases with price discount, and that its effect is less strong on perceived quality than it is on perceived savings. As the study was designed to examine online shopping behaviour, some conclusions have been drawn specifically for online shoppers' behaviour. One of them – is that the psychological/emotional, or in their research called affective effect of price discount is the strongest to online buyers, in comparison to economic effect (perceived savings) or informational effect (perceived quality). Also, the research, consistently with previous researches done by Kim and

Forsythe (2007), and Kim and Hong (2011), explains that the perceived value comes not only from the products but also from the discount received. From here we can expect that price-comparison advertising would positively influence online shopper's perceived value in other researches as well. Another interesting foundation from the research is that the consumers' emotions (price discount affect) can play as a mediator between discounts and perceived quality, by creating a positive relationship instead of the negative direct influence it has. Finally, Lee and Chen-Yu (2018) study concluded that high perceived savings and high perceived quality leads to a high perceived value and the "perceived value alone explained 85% of the variance in purchase intentions, indicating that perceived value is a strong predictor of purchase intentions."

Literature analysis have revealed that price-comparison advertising has both short-term and long-term advantages and disadvantages. Advantages include higher perception of savings, value and intention to buy, disadvantages – attraction of deal-prone customers, harm for brand image, lower believability. Studies show, that buyer's perceptions may be influenced by the type of reference price is included in the advertisement, so they distinguish two types of reference prices, that have the biggest effect – plausible and exaggerated. Researchers have named the most important variables that are affected by the price-comparison advertising and these include perceived quality, perceived savings, believability, perceived acquisition value, perceived transaction value and product type.

4. METHODOLOGY OF THE EFFECTS OF PRICE-COMPARISON ADVERTISING ON BUYER'S PERCEPTION OF OFFER VALUE AND INTENTION TO BUY

4.1 Research Problem, Goal, Model and Hypotheses

Research problem – how does the type of reference price, plausible and exaggerated, affect the believability, perceived savings, perceived quality, perceived value and intention to buy and is this effect is moderated by type of product?

Research aim - to identify the effects of price-comparison advertising on perception of offer value, through perceived savings and perceived quality, and the impact perceived acquisition and transaction values have on intention to buy, taking into account type of reference price, the believability of the offer and type of product.

Research model

Based on the TAM model, literature analysis and the objectives of the paper, research model have been created (see: Figure 4). Advertised reference price and type of product are used as external variables, believability, perceived savings, perceived quality, perceived acquisition value and perceived transaction value – as cognitive response, and intention to buy is used as a variable to measure intention.

The model proposes that ARP (plausible versus exaggerated) will affect believability, perceived savings and perceived quality; believability will have impact on perceived savings; the impact of perceived quality on acquisition value, and the impact of perceived savings on transaction value will be moderated by type of product (hedonic versus utilitarian); perceived savings will have impact on both, acquisition and transaction value; perceived quality will have impact on acquisition and transaction value; perceived savings' will have impact on intention to buy; both, acquisition and transaction value will have impact on intention to buy.

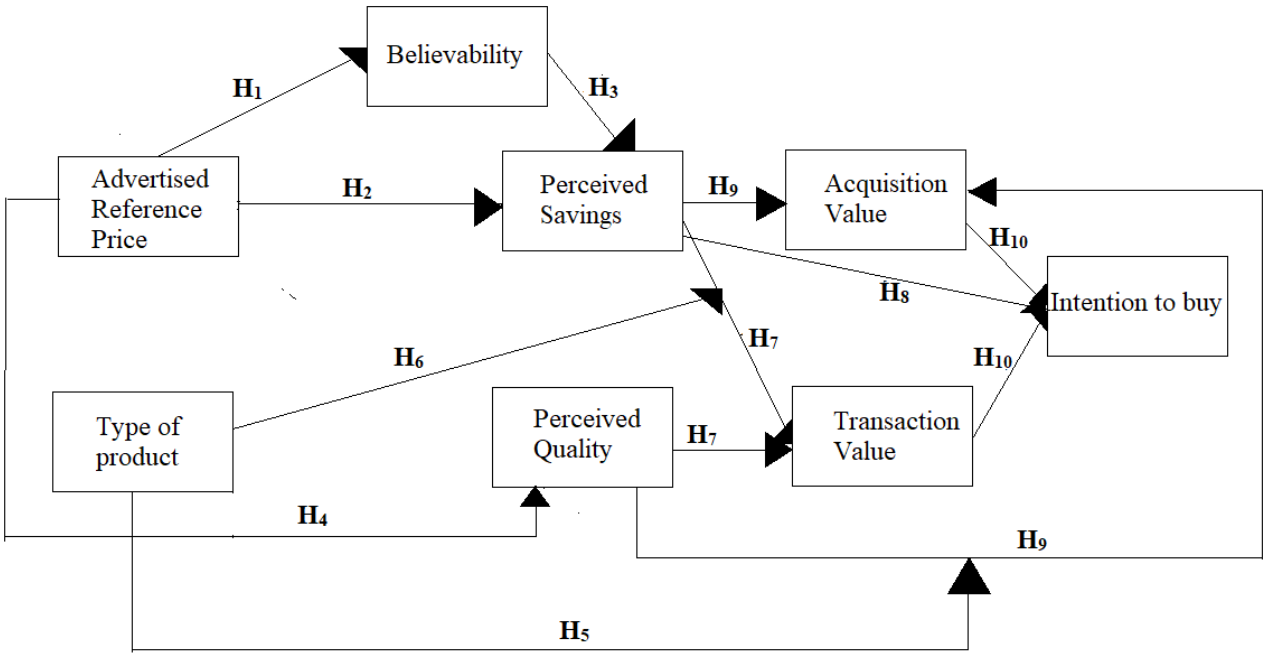

Fig. 4. **Research model**

(source: compiled by the author, based on literature analysis)

From the literature analysis, when the reference price is exaggerated, the consumer perceives the savings as higher, their believability of the offer is lowered but their intentions to buy gets higher. (Della Bitta, Norberg, 2013; Lee, Chen-Yu, 2018) Therefore it is expected, that believability does not impact perceived savings.

H_1: The advertisements with an exaggerated ARP will be evaluated as less believable than advertisements with a plausible ARP.

H_2: The advertisements with an exaggerated ARP will be evaluated as representing higher perceived savings than advertisements with a plausible ARP.

H_3: The believability will have no impact on perceived savings.

According to Rungtrakulchai (2013), implementation of price comparative advertisements will have a positive effect on perceived quality. Researcher's explanation is that when consumers are satisfied with the offer, they perceive the advertised product's quality as better. From another perspective, price can also be used as a cue about product's quality. According to Kirchler et al. (2010), although product

quality and price has a low correlation, consumers still associate high prices with high quality. They also explain that there consumers tend to evaluate product's quality objectively and search for measurable characteristics as an indicators of some kind of quality. However, price is still often used by consumers to judge the products quality, and its correlation is for durable, more expensive goods. (Boyle, Lathrop, 2009; Lichtenstein, Burton, 1989) Kirchler et al. (2010) also suggests, that using price as a judgement for quality is good and helps to save time when choosing high complexity products, such as cosmetics or pharmacy products. Being said, that price is a cue of product's quality, it can be expected that the higher the reference price, the higher the perceived quality.

H_4: The advertisements with an exaggerated ARP will be evaluated as having a higher perceived quality than the ones with plausible ARP.

Researchers (Lee and Chen-Yu, 2018) suggests that price-comparison advertisements are more effective for hedonic products, in comparison to utilitarian products. The main reason why price promotions might work better on hedonic products, is that it doubles the pleasure of buying – you feel joy, excitement when buying hedonic products, and the joy is doubled if that product comes with a discount. (Grewal et. al, 1998, Lee, Chen-Yu, 2018; Kaul, 2007) As acquisition value is related to the benefits of having and using a product, it is expected that perceived quality, as this variable also measures the benefits of a product, impact on acquisition value will be moderated by the product type. Similarly, perceived savings, as another effect of price-comparison advertising, is expected to have an impact on transaction value, which is about getting a good deal, as lower price perception and higher perceived savings diminishes the guilt of buying a hedonic product. (Choi et al., 2020)

H_5. The impact of perceived quality on acquisition value is moderated by type of product.

H_6. The impact of perceived savings on transaction value is moderated by type of product.

Perceived savings is a useful measure for evaluating consumers' perceptions of offer value in price-comparison advertising. (Lee and Chen-Yu, 2018) According to Krishna et al. (2002), consumers' perceptions of savings depend on the presentation of the deal and the actual discount offered. The study conducted by Lee and Chen-Yu (2018), consistently with previous researches done by Kim and Forsythe (2007), and Kim and Hong (2011), explains that the perceived value comes not only from the products but also from the discount received. From here we can expect that price-comparison advertising would positively influence online shopper's perceived value, as perceived savings will have a positive impact on perceived value. Lee and Chen-Yu (2018) study concluded that high

perceived savings and high perceived quality leads to a high perceived value. However, as these researches have been done on perceived value overall, there is a need to check, whether perceived savings would have bigger effect (or any effect) on acquisition value or on transaction value. As the transaction value refers to the internal reference price minus the actual price paid, (Grewal et al, 1998) and it is one the most important parts of value perception as this is the point where the consumer decides whether they are getting a good deal or not, it is expected that perceived savings will have higher impact on transaction value than perceived quality. Also, perceived savings might also correlate with intentions to buy, so it is expected that the higher the perceived savings, the higher the intention to buy. Furthermore, as both, perceived savings and perceived quality are important for value perception, it is necessary to understand whether it has higher impact on acquisition value, or on transaction value. In contrary to perceived savings and transaction value, the acquisition value is more about the benefits of a product, than price perception, so it is expected that perceived quality will have a higher impact on acquisition value than perceived savings.

H_7. Perceived savings has a higher impact on transaction value than perceived quality.

H_8. The higher the perceived savings, the higher the intention to buy.

H_9. Perceived quality has a higher impact on acquisition value than perceived savings.

Grewal et al. (1998) suggest that acquisition value is positively related with intention to buy, that is the higher the difference between the perceived value of the purchased good (or benefits) and costs (both financial and non-financial), the higher the chance that consumer will buy the good. According to their theory, the perceived transaction value can only enhance buyers' perceptions of acquisition value. Shmitz (2009) found out similar results but according to him "direct influence of perceived transaction value on perceived acquisition value is relatively weak." Grewal, Monroe & Krishnan (1998) were also unsure about the validity of their results, as they mentioned that the results may vary between different subject groups and individuals, and that some consumers may rely more on transaction value than acquisition and vice versa. ." Chen & Chen (2010) complements Grewal, Monroe & Krishnan research results (1998), as their analysis showed that perception of offer value has not only direct but even strong positive effect on buyer's behavioural intentions. However, Della Bitta, Monroe and McGinnis (1981) in their research have found out different tendencies of comparative price advertising impact on behavioural intentions. They claim that intentions to buy may not necessarily be a consequence of perceived offer value. Although Grewal et al., (1998) proposed that perceived transaction value has an effect on behavioral intensions only through

acquisition value, as some limitations and disagreements in literature arise (Netemeyer and Burton, 1990; Yadav and Monroe, 1993), these values will be tested as separate constructs.

H_{10}. Perceived acquisition value has a stronger impact on intention to buy than perceived transaction value.

4.2. The Method of the Research

To evaluate the effects of price-comparison advertising on buyer's perception of offer value and behavioural intentions, a 2 (plausible and exaggerated reference price) x 2 (hedonic product vs utilitarian product) between-subjects factorial design experiment will be conducted. This type of method has been chosen as it is the most appropriate for measuring two or more independent variables at various levels. Also, it was used previously in the similar studies (Grewal et al., 1998; Devlin et al., 2013; Lii, Lee, 2005; Alford, Engelland, 2000; Urbany, 1998; Biswas et al., 1999; Compeau et al., 2002). The figure (see: Figure 5) below is a visual representation of experimental design used in this study.

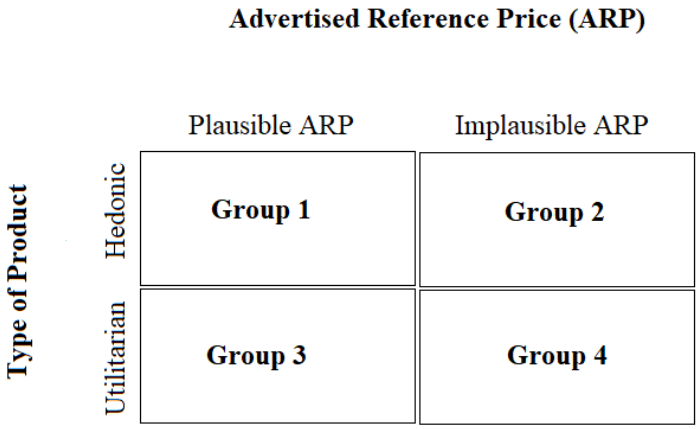

Fig. 5. **Experimental design**

(source: compiled by the author)

As seen from the figure above (see: Figure 5), four groups of participants is needed in order to conduct a study. First group of participants will get an advertisement with a hedonic product and

plausible ARP; second group – hedonic product with an exaggerated ARP; third group will receive an advertisement with a utilitarian product and plausible ARP; fourth group – utilitarian product and exaggerated ARP. With this study method, two independent variables – ARP and product type will be tested. In this research, a microwave oven will be used as a utilitarian product, and a smartwatch – as hedonic.

There are four main methods to conduct a survey – survey done by mail (sending a questionnaire by mail and receiving it filled afterwards), face-to-face, via telephone, and electronic or online survey (Veal, 2017). Online survey is the most often used method due to the shortest time it takes to collect the data; it is the cheapest or even no-cost option; it allows to reach participants more conveniently, as there is no need to agree the specific timing for filling the survey (as in telephone survey), no need to go to mail office (as for mail survey), no need to meet in person (as in face-to-face survey). (Veal, 2017) Also, it fits well with this research objectives, as our target audience is the internet users and potential online shoppers.

Establishing plausible ARP, exaggerated ARP and sales price:

The method for setting a reference price for both products was taken from the recent research done by Lee and Chen-Yu. Firstly, the most popular brands have been chosen for each product. According to Statista (2020), the most popular smartwatch brands are Apple, Samsung, Fitbit and Garmin. Then, only the newest models with similar specifications has been chosen. To set a reference price, their retail prices have been averaged. As all the smartwatches were with similar price and design, it is possible to state that the internal reference price by consumers will be similar for the advertised smartwatch. The plausible reference price for a smartwatch was set to 299 EUR. For the microwave, the most popular microwave oven brands have been identified by Statista (2020) – Candy (Haier Electronics Group), Whirlpool, Bosch (BSH Home Appliances Group), Electrolux and LG Electronics. The plausible reference price for the modern-type microwave oven was set to an average price of these brands – 289.

In order to set the exaggerated ARP and selling price for the advertisements, the rule from Lii and Lee (2005) research on consumers evaluations of online reference price advertisements was used – plausible ARP should be around 26% higher than its selling price and exaggerated – around 107% higher than its selling price. So, for a smartwatch, the selling price was set to 219EUR, exaggerated

ARP – 459EUR. For a microwave oven, the selling price was set to 209EUR, exaggerated ARP – 449EUR.

In all the advertisements (see: Appendix 1, Appendix 2, Appendix 3, Appendix 4), only a picture of a product (microwave oven or smartwatch), a reference price and a sales price are presented. This way other variables, which were not included in this study, like brand or quality information, will not impact the study results.

4.3. Structure of the Questionnaire and Scales

The questionnaire (see: Appendix 5) consists of 7 groups of questions. First group of questions are measuring the believability of the offer – four statements have to be evaluated by using 7-points Likert scale, from "strongly disagree" to "strongly agree". The next group of questions contains four items to measure perceive quality, and they are also evaluated by using 7-points Likert scale, from "strongly disagree" to "strongly agree". Then, three items that are measuring perceived savings, acquired by using the offer, and are also evaluated by 7-points scale, from "strongly disagree" to "strongly agree". Another group is 9 statements question, measuring the acquisition value, and the scale is the same as in the previous question. Next group of statements is measuring transaction value, using the same scale, and consists of three statements. The last measurement group is intention to buy questions that consist of 3 statements, evaluated by 7-points Likert scale, anchored from "very high" to "very low". Lastly, there are 3 demographic questions, identifying respondent's gender, age and income.

Scale to measure believability. According to Devlin, Ennew, McKechnie and Smith (2013), believability is one of a key variables in price-comparative advertising. The constructs for believability in the scientific literature is not new – it is based on previous researches, like, Compeau and Grewal (1998), Compeau et al. (2002), Urbany et al. (1988). However, as these constructs lacked some validity (for example in the research done by Compeau et al., (2002) only two statements were valid), in this research will be used a combination of two believability scales (see: Table 5) and its reliability will be tested after the data collection.

Table 4. **Items to Measure Believability**

ITEMS
I believe that the amount of this advertised reduction is a truthful claim
Consumer purchasing the (item) at the advertiser's store will save as much as the add claims
I believe that this product will be regularly sold at the original price
I believe that the original price advertised is the regular price for this product

(source: Compeau et al., 2002; Devlin et al., 2013)

Scale to measure perceived quality. The studies, conducted by Huang and Cheng (2013), Sanchez et al. (2005), Grewal et al. (1998) proposes that there is a strong influence of perceived quality on purchase intentions, especially, in price-comparative advertising. The following construct was taken from Lee and Chen-Yu (2018) in order to measure the perceived quality of the product.

Table 5. **Items to Measure Perceived Quality**

ITEMS
This product would be reliable.
This product would be dependable.
This product would be durable.
The workmanship on this product would be good.

(source: Lee and Chen Yu, 2018)

Scale to measure perceived savings. Perceived savings is a useful measure for evaluating consumers' perceptions of offer value in price-comparison advertising. (Lee and Chen-Yu, 2018) According to Krishna et al. (2002), consumers' perceptions of savings depend on the presentation of

the deal and the actual discount offered. The following construct was taken from Lee and Chen-Yu (2018) in order to measure the perceived savings.

Table 6. **Items to Measure Perceived Savings**

ITEMS
The amount of discount offered on this product represents large savings
The amount of money that customers would save on this product is very large
The amount of discount stated for this product is very high

(source: Lee and Chen Yu, 2018)

Scale to measure acquisition value. According to the scientific literature, acquisition value can be described as a total perceived value of purchased good minus the purchase price. In other words, this scale measures whether the consumer is getting more than he pays for. The measurement scale has been taken from the previous research made by Grewal et al. (1998) and adopted to this research.

Table 7. **Items to Measure Acquisition Value**

ITEMS
If I bought this product at (selling price), I feel I would be getting my money's worth.
I feel that I am getting a good quality product for a reasonable price
After evaluating the advertised product features, I am confident that I am getting quality features for (selling price)
If I acquired this product, I think I would be getting good value for the money I spend
I think that given this product's features, it is good value for the money
I feel that acquiring this product meets both my high quality and low price requirements
Compared to the maximum price I would be willing to pay for this product, the sale price conveys good value
I would value this product as it would meet my needs for a reasonable price
This product would be a worthwhile acquisition because I would have a mobile device at a reasonable price

(source: Grewal et al., 1998)

Scale to measure transaction value. Transaction value refers to the internal reference price minus the actual price paid. (Grewal et al, 1998) This is one the most important parts of value perception this is the point where the consumer decides whether they are getting a good deal or not. (Grewal et al, 1998) The same as in previous constructs, 7-point scale from "strongly disagree" to "strongly agree" have been used to measure the transaction value.

Table 8. **Items to Measure Transaction Value**

ITEMS
Taking advantage of a price-deal like this makes me feel good
I would get a lot of pleasure knowing that I would save money at this reduced sale price
Beyond the money I save, taking advantage of this price deal will give me a sense of joy

(source: Grewal et al., 1998)

Scale to measure intention to buy. Consumer intention to buy is one of the main goals of price-comparison advertising. Grewal et al. (1998) suggest that acquisition value is positively related with intention to buy, that is the higher the difference between the perceived value of the purchased good (or benefits) and costs (both financial and non-financial), the higher the chance that consumer will buy the good. On the other hand, Della Bitta, Monroe and McGinnis (1981) in their research have found that intentions to buy may not necessarily be a consequence of perceived offer value. However, they agree that "a perception of value may be necessary to foster a willingness to buy but it is insufficient to produce this effect." Chen & Chen (2010) complements Grewal, Monroe & Krishnan research results (1998), as their analysis showed that perception of offer value has not only direct but even strong positive effect on buyer's buying intentions. The construct to measure intention (willingness) to buy has been taken and adapted from Grewal et al (1998).

Table 9. **Items to Measure Intention to Buy**

ITEMS
If I were going to buy this type of product, the probability of buying this product is …
The probability that I would consider buying this product is …
The likelihood that I would purchase this product is …

(source: Grewal et al., 1998)

As all of these constructs have been successfully used in the prior studies, it is expected that they will be reliable in this study as well. However, as these constructs will be translated into Lithuanian language, in order to be used in the study, the factor analysis and reliability tests will be run additionally after the survey results are received.

4.4. Sample Size, Sampling Technique and the Target Audience

The sample size for the survey has been calculated by taking into account similar between-subject experimental design studies that have been made to identify the effects of price-comparison advertising on behavioural intentions. The average sample size used in the previous studies is the minimum respondents' number needed for study to be valid. This method of sample size calculation is often used in experimental design studies.

Table 10. **Sample Size of the Printed Studies**

Authors	Sample size	Year of publication	Publication	Location of the study
Grewal, D., et al.	328	1998	Journal of Marketing	United States of America
Devlin, F. J., et al.	339	2013	Journal of Marketing Management	United Kingdom
Lii, D., Lee, M.	151	2005	International Journal of Commerce and Management	Taiwan
Alford, B. L., Engelland, B. T.	213	2000	Journal of Business Research	USA
Urbany, J. E.	188	1988	Journal of Consumer Research	New Zeland
Biswas, A., et al.	215	1999	Journal of Public Policy & Marketing	USA
Compeau, L. D., et al.	144	2002	The Journal of Consumer Affairs	USA
Average	228			

(Source: compiled by the author)

As seen from the table above (see: Table 10) the sample size in the previous studies vary from 144 to 339. With all of these studies taken into account, the average number of the participants in the study should be around 228 to consider this research a reflection of population under consideration.

In order to confirm that 228 respondents are enough to represent the target population under consideration, the following sample size calculation formula is used:

$$n = z^2 p(1-p)/e^2$$

- n – sample size;
- p – population proportion;
- e – margin of error;
- z – confidence level.

As the target audience is Lithuanians, aged between 16 and 44, the size of population in 2019 was 1,008,700.

So, at the confidence level of 95%, 50% of population and 7% of margin error, the calculated number of minimum respondents is 196.

For this research, the average number of previously conducted surveys on this topic will be used – 228.

The target audience for the study is people, who live in Lithuania, aged between 16 and 44 years old. The purpose of this particular age group selection is that this reserach is related to online shopping behaviour, so only the categories with highest shopping online rates are selected for the study. According to Statistics Lithuania (2020), 72.2% of people, aged 16-24 have used online shopping in the past year, along with 86.2% of people in 25-34 age category and 77% in age category of 35-44. All other age groups have less than 50% of people using online shopping, thus, were excluded from the study.

For the study, non-probability convenience sampling has been chosen. This method has been chosen because it is the least expensive, least time consuming and most convenient type of sampling, so it is the most common used sampling strategy. (Bornstein, 2013)

To conduct the research, four groups of participants will be created – each consisting of around 60 participants. As mentioned above, participants for data survey are the internet users and potential online shoppers. There will be 4 versions of questionnaire created using Google Forms that will be distributed in social media, using allocate.monster randomizer. All 4 versions (survey A, survey B,

survey C and survey D) aim to measure respondents' believability of the offer, quality perception, acquisition and transaction value perceptions and purchase intentions.

5. THE EVIDENCE OF THE EFFECTS OF PRICE-COMPARISON ADVERTISING ON BUYERS' PERCEPTIONS OF OFFER VALUE AND INTENTION TO BUY

5.1. Demographic Characteristics of the Respondents of the Survey

Gender. 25% of respondents participated in survey A, which contained a utilitarian product (microwave oven) with exaggerated ARP. Another 25% of respondents participated in survey B, which contained the same utilitarian product (microwave oven) but with plausible ARP. The same amount of respondents participated in survey C, which contained a hedonic product, smartwatch, with exaggerated ARP. As in previous surveys, survey D had the same amount of respondents and it contained the same hedonic product – smartwatch – but with a plausible ARP. The table below (see: Table 11) presents the distribution of women and men participated in the study, in all surveys together and separately.

Table 11. **The Distribution of the Respondents by Gender**

Questionnaire / Gender	A	B	C	D	A&B&C&D
Women	49.9%	54.4%	49.1%	52.6%	51.3%
Men	50.1%	45.6%	50.9%	47.4%	48.7%

(Source: compiled by the author, based on survey results)

Chi square test showed no difference between the gender distributions amongst surveys. X^2 (3) = 0.477, p=0.925

Age. The target audience, as it was presented in methodology, sample description part, was Lithuanians, aged between 16 and 44. The distribution of the respondents among surveys by age groups is presented in table below (see: Table 12).

Table 12. **The Distribution of the Respondents by Age Groups**

Questionnaire / Age	A	B	C	D	A&B&C&D
16-30	68.4%	66.7%	89.5%	71.4%	74%
31-44	31.6%	33.3%	10.5%	28.6%	26%

(Source: compiled by the author, based on survey results)

Chi square test showed that there is difference between the age groups amongst surveys. X^2 (3) = 9.803, p=0.02

Income. In the questionnaire, all participants were asked to choose the average income per family member per month after taxes, from 6 options: Up to €400; €401 to €600; €601 to €800; €801 to €1000; €1001 to €1200; and more than €1200. Based on the answers provided by the participants, 23.7% of respondents belong to the income group of up to €400; 18% of respondents belong to the income group of €401 to €600; 14% of respondents belong to the income group of €601 to €800; 12.7% of respondents belong to income group of €801 to €1000; 11% to income group of €1001 to €1200 and 20.6% of respondents has income higher than €1200. The more detailed distribution of participants by income is presented in the table below (see: Table 13).

Table 13. **The Distribution of the Respondents by Income**

Questionnaire / Income	A	B	C	D	A&B&C&D
Up to €400	33.3%	19.3%	15.8%	26.3%	23.7%
€401 - €600	19.3%	19.3%	21.1%	12.3%	18%
€601 - €800	5.3%	17.5%	17.5%	15.8%	14%
€801 - €1000	5.3%	12.3%	14%	19.3%	12.7%
€1001 - €1200	12.3%	10.5%	12.3%	8.8%	11%
More than €1200	24.6%	21.1%	19.3%	17.5%	20.6%

(Source: compiled by the author, based on survey results)

Chi square test showed that there no difference between the income groups amongst surveys. X^2 (15) = 15.761, p=0.398

5.2. Reliability of the Scales

Items to measure believability have been taken and combined from two researches done in the past, one of them by Compeau et al. (2002) and another one – from Devlin et al. (2013). There were 4 items to measure believability in total. In order to verify, that the items that have been taken from the previous researches and used in this research to measure the believability will represent the scale, factorial analysis have been run. Factorial analysis showed KMO=0.690, Bartlett ‘s test of sphericity x (6) = 554.490, p<0.001 (see: Appendix 7). The table containing total variance explained (see: Appendix 7) revealed that all these items belong to one factor and the single scale represents 71.151% of total variables, so it is assumed that the items represent the scale.

In order to measure perceived quality, scale from Lee and Chen Yu (2018) has been adopted and it consisted of 4 items. Factorial analysis have been run to verify that items of perceived quality represent a scale. The analysis revealed that KMO=0.848, Bartlett ‘s test of sphericity x (6) =

1237.796, p<0.001 (see: Appendix 8). The table containing total variance explained (see: Appendix 8) revealed that all these items belong to one factor and the single scale represents 91.513% of total variables, so it is assumed that the items represent the scale.

Perceived savings has been measured by 3-items scale that was taken form Lee and Chen-Yu (2018). For verification purposes, factorial analysis have also been run for perceived savings scale. The analysis revealed KMO=0.733, Barlett‘s test of sphericity x (3) = 429.283, p<0.001 (see: Appendix 9). The table containing total variance explained (see: Appendix 9) revealed that all these items belong to one factor and the single scale represents 82.956% of total variables, so it is assumed that the items represent the scale.

Perceived acquisition value have been measured by 9 items, which derived from a research done by Grewal et al. (1998). Factorial analysis, that have been run for perceived acquisition value, showed KMO=0.950, Barlett‘s test of sphericity x (36) = 2414.938, p<0.001 (see: Appendix 10). The table containing total variance explained (see: Appendix 10) revealed that all these items belong to one factor and the single scale represents 79.432% of total variables, so it is assumed that the items represent the scale.

Three items scale have been used to measure perceived transaction value, and it was taken from Grewal et. Al (1998). Factorial analysis, that have been run for perceived transaction value, showed KMO=0.727, Barlett‘s test of sphericity x (3) = 453.248, p<0.001 (see: Appendix 11). The table containing total variance explained (see: Appendix 11) revealed that all these items belong to one factor and the single scale represents 83.522% of total variables, so it is assumed that the items represent the scale.

Finally, three items have been used to measure purchase intentions, and they were taken from a research done by Grewal et al. (1998). Factorial analysis have been run to verify that the items represent a scale. The analysis showed KMO=0.749, Barlett‘s test of sphericity x (3) = 478.967, p<0.001 (see: Appendix 12). The table containing total variance explained (see: Appendix 12) revealed that all these items belong to one factor and the single scale represents 85.335% of total variables, so it is assumed that the items represent the scale.

In order to verify, that all the scales, that have been used in this research are reliable and can be used in data analysis, reliability of the constructs have been measured. More detailed reliability analysis of each construct are presented in appendices (see: Appendix 13-18).

Table 14. **Reliability Analysis of Scales**

Name	Sample size	No. of items per scale	Chronbach alpha
Believability	228	4	0,864
Perceived quality	228	4	0,968
Perceived savings	228	3	0,897
Perceived acquisition value	228	9	0,967
Perceived transaction value	228	3	0,898
Purchase intentions	228	3	0,913

(source: made by author based on statistical analysis)

As seen in the table above (see: Table 14), all of the scales are reliable as Cronbach alpha is more than 0.8.

5.3. The Effects of Price-Comparison Advertising on Believability and Perceived Savings

From the literature analysis, price-comparison advertising can be used to manipulate the perception of savings, so the higher level of ARP results in higher perceived savings. (Della Bitta, Norberg, 2013; Lee, Chen-Yu, 2018; Krishna et al., 2002) However, the higher level of ARP may also result in lower believability of the offer (Lee and Chen-Yu, 2018; Grewal et al., 1998). To evaluate the effects of the level of advertised reference price on believability and perceived savings, and the impact of believability on perceived savings, three hypothesis have been raised. H_1 suggests that higher level of ARP will result in lower believability; H_2 suggests that higher level of ARP will result in higher perceived savings; and H_3 suggests that believability will not impact perceived savings.

The data analysis (see: Table 15) showed that **H_1 is confirmed** – advertisements with exaggerated ARP result in lower believability (M=3.1974) than advertisements with regular ARP (M=4.2171), $t(226) = 5.538$ $p<0.001$. More detailed calculations is presented in the appendices (see: Appendix 19).

Table 15. **The Effects of Reference Price Type on Believability**

Logistic parameter	Plausible		Exaggerated		*t*(226)	*p*
	M	*SD*	*M*	*SD*		
Believability	4.2171	1.36425	3.1974	1.41557	5.538	.000

(source: made by author based on statistical analysis)

Based on the data analysis (see: Table 16), **H_2 is confirmed** - advertisements with exaggerated ARP results in higher perceived savings (M=4.8772) than the ones with regular ARP (M=3.3596), t (226) = -6.758 p<0.001. More detailed calculations is presented in the appendices (see: Appendix 20).

Table 16. **The Effects of Reference Price Type on Perceived Savings**

Logistic parameter	Plausible		Exaggerated		*t*(226)	*p*
	M	*SD*	*M*	*SD*		
Perceived Savings	3.3596	1.59655	4.87772	1.78889	-6.758	.000

(source: made by author based on statistical analysis)

The analysis of third hypothesis (see: Appendix 21) showed that believability has no impact on perceived savings, therefore, **H_3 is accepted.** $R^2 = 0.005$, F (1) = 2.161 p=0.143.

To conclude, customers exposed to an advertisement with an exaggerated ARP report a lower level of believability, than when exposed to an advertisement with a regular ARP, however, believability does not impact the perceived savings, and a higher level of perceived savings was reported when participant were exposed to an advertisement with an exaggerated ARP than with a

regular ARP. These results complement the previous researches (Compeau et al., 2002; Urbany et al., 1988; Devlin et al., 2013; Wolk and Spann, 2008; Krishan et al., 2013; Della Bitta, Norberg, 2013; Lee, Chen-Yu, 2018). The results of this research could be implemented in the offer creation processes. This study confirms that the usage of exaggerated reference prices in price-comparison advertising can be a useful tool for manipulation of the perceived savings, as even if the consumers perceive the offer as unbelievable, their perception of savings is higher than with plausible reference prices. Therefore this recommendation should be used with caution and according to the law and regulations, as continuous usage of exaggerated prices may not only be harmful for the brand image, consumer trust and satisfaction, but also result in fines and lawsuits.

5.4. The Effects of Price-Comparison Advertising on Perceived Quality

Literature says that consumers use price to judge the product's quality. (Lichtenstein, Burton, 1989; Boyle, Lathrop, 2009; Kirchler et al., 2010). From here, fourth hypothesis (H_4) suggests that higher level of ARP will result in higher perceived quality.

Based on the data analysis (see: Table 17), **H_4 is rejected** – perceived quality does not differ between normal ARP (M=4.8640) and exaggerated ARP (M=4.6601), t (201.342) = 1.136 p=0.257. More detailed calculations is presented in the appendices (see: Appendix 22).

Table 17. **The Effects of Reference Price Type on Perceived Quality**

Logistic parameter	Plausible		Exaggerated		*t*(201.342)	*p*
	M	*SD*	*M*	*SD*		
Perceived Quality	4.8640	1.09309	4.6601	1.57523	1.136	.257

(source: made by author based on statistical analysis)

The research results do not go along with previous researches (Lichtenstein, Burton, 1989; Boyle, Lathrop, 2009; Kirchler et al., 2010), and reveals that buyer's perception of quality of an advertised product does not depend on the advertised reference price. Some reasons, why in this study the higher ARP did not signal of a higher quality, includes that this research used different types of

products (hedonic and utilitarian) than previous ones (durable and non-durable, Boyle and Lathrop, 2009); another reason could be that the target audience was different, and none of these previous researches were done in Lithuania; also the errors of the translation of the questionnaire in Lithuanian may also have had impact on the results; another potential problem could have been that the sales price was constant, and the participants of the study judged the quality relying on sales price rather than reference price; also, another reason why this study revealed different results could be different methods used for price estimation (Alford, Engelland, 2000). However, this study suggests, that quality perception does not depend on the reference price, therefore, it is not advised to exaggerate the price for higher quality perceptions. On the other hand, the manipulation of sales price should be tested – it might be that the quality perception depends more on the sales price, than on the reference price.

5.5. The Moderating Effect of Hedonic and Utilitarian Types of Product

Prior researches suggests that price-comparison advertisements are more effective for hedonic products, in comparison to utilitarian products. (Grewal et. al, 1998, Lee, Chen-Yu, 2018; Kaul, 2007) As acquisition value is related to the benefits of having and using a product, it is expected that perceived quality, as this variable also measures the benefits of a product, H_5 suggests that impact of perceived quality on acquisition value will be moderated by the product type. Similarly, H_6 suggests that the impact of perceived savings on transaction value is moderated by type of product, as lower price perception and higher perceived savings diminishes the guilt of buying a hedonic product thus increase the transaction value. (Choi et al., 2020)

Data analysis (see: Appendix 23) revealed that the moderating effect of type of product is insignificant, therefore **H_5 is rejected**. R^2 change 0.0059, p=0.1283

Moderation analysis ran to test H_6 (see: Appendix 24) showed that type of product does not significantly moderate the impact of perceived savings on transaction value, therefore **H_6 is rejected.** R^2 change 0.0005, p=0.7108

To conclude, research showed that, both, impact of perceived quality on acquisition value and perceived savings impact on transaction value, are not moderated by type of product. As, according to Lee and Chen-Yu (2018) there was a lack of evidence, whether different types of products bring different results, and there were suggestions (Grewal et. al, 1998, Lee, Chen-Yu, 2018; Kaul, 2007)

that price-comparison advertising should work better for hedonic products rather than for utilitarian products, this research fills in the gap by stating that no significant impact of product type has been found. However, in the future research, it might be worthwhile to investigate different types of products (low involvement vs high involvement; search vs experience) and check whether these type of products bring different results. Also, it would be interesting to check whether product type moderates other relationships, like perceived quality and perceived transaction value or perceived savings and perceived acquisition value. For business companies and advertisers, this study result means that price-comparison advertisements can be used for any type of product, and it should bring similar results – enhanced savings, offer value and intentions to buy.

5.6. The Impact of Perceived Quality and Perceived Savings on Acquisition and Transaction Value and Perceived Savings Correlation With Intention To Buy

According to the theory, both, perceived savings and perceived quality are important for value perception (Grewal et al, 1998), it is necessary to understand whether it has higher impact on acquisition value, or on transaction value. As transaction value is more related to monetary value, and acquisition value – to benefits of acquiring product, H_7 suggests that perceived savings has a higher impact on transaction value than perceived quality and H_9 suggests that perceived quality has a higher impact on acquisition value than perceived savings. Also, perceived savings might also correlate with intentions to buy, so it is expected that the higher the perceived savings, the higher the intention to buy, and this expectation is marked as H_8.

Multiple regression analysis (see: Appendix 25) showed that both, perceived savings and perceived quality have impact on transaction value. $R^2 = 0.360$, $F(2) = 63.204$ $p<0.001$. **H_7 accepted**, as perceived savings ($t=6.110$ $p<0.001$) has higher impact on transaction value than perceived quality ($t=5.934$ $p<0.001$). The table below (see: Table 18) represents the coefficients.

Table 18. **The Impact of Perceived Quality and Perceived Savings on Perceived Transaction Value**

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.771	.298		5.947	.000		
	PerSav	.290	.048	.360	6.110	.000	.818	1.222
	PerQual	.385	.065	.350	5.934	.000	.818	1.222
a. Dependent Variable: TranVal								

(source: made by author based on statistical analysis)

Correlation analysis (see: Appendix 26) confirmed that there is significant positive relationship between perceived savings and purchase intentions, therefore **H_8 is accepted**. R=0.312 p<0.001. Table below (see: Table 19) represents the correlation between variables.

Table 19. **Relationship between Perceived Savings and Purchase Intentions**

Correlations			
		PerSav	Purch
PerSav	Pearson Correlation	1	-.312**
	Sig. (2-tailed)		.000
	N	228	228
Purch	Pearson Correlation	-.312**	1
	Sig. (2-tailed)	.000	
	N	228	228
**. Correlation is significant at the 0.01 level (2-tailed).			

(source: made by author based on statistical analysis)

Multiple regression analysis (see: Appendix 27) showed that both predictors, perceived savings and perceived quality, have impact on acquisition value. R2 = 0.420, F (2) = 81.589 p<0.001.

H_9 accepted, as perceived quality (t=9.833 p<0.001) has higher impact on acquisition value than perceived savings (t=3.186 p=0.002). Table below (see: Table 20) represents the coefficients.

Table 20. **The Impact of Perceived Savings and Perceived Quality on Acquisition Value**

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.016	.276		3.684	.000		
	PerSav	.140	.044	.179	3.186	.002	.818	1.222
	PerQual	.591	.060	.552	9.833	.000	.818	1.222
a. Dependent Variable: AcqVal								

(source: made by author based on statistical analysis)

Research results complemented the previous researches (Compeau and Grewal, 1998; Grewal et al., 1998) by confirming that both, perceived savings and perceived quality have impact on transaction and acquisition values, and that as perceived savings increase, intention to buy also increases. This research also revealed and filled in the gap in the literature, by stating that perceived savings has a higher impact on transaction value than perceived quality, and vice versa, perceived quality has a higher impact on acquisition value than perceived savings. Furthermore, it was confirmed that when the perceived savings increase, the intention to buy also increases. These results are important for business community and marketers, as they might be helpful when creating the context for comparative advertisements. For example, as it was previously found out that exaggerated reference price result in higher perceived savings, and that perceived savings have a higher impact on transaction value than perceived quality, it is advised for advertisers, when using exaggerated reference prices to concentrate on the emphasising the monetary value of the offer rather than on the benefits of acquiring that product. Also, it shows that even the usage of exaggerated reference price can lead to the higher intention to buy, regardless of the believability, perceived quality and perceived values.

5.7. The Impact of Acquisition and Transaction Value on Intention to Buy

According to the theory, the perceived transaction value is weakly related to intentions to buy, while acquisition value has a strong impact on intentions to buy (Grewal et al., 1998; Shmitz, 2009). So to test whether the impact of transaction value on intentions to buy is significant and if it's impact is really lower than acquisition value's, the tenth hypothesis has been raised - H_{10} suggests that perceived acquisition value has a stronger impact on intention to buy than perceived transaction value.

H_{10} is rejected as results (see: Appendix 28) showed that only one predictor – acquisition value has impact on intentions to buy. R2 = 0.529, F (2) = 126.535 p<0.001. Table below (see: Table 21) represents the coefficients.

Table 21. **The Impact of Acquisition and Transaction Value on Intention to Buy**

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.536	.253		2.115	.036		
	AcqVal	.682	.073	.629	9.405	.000	.468	2.135
	TranVal	.136	.071	.129	1.923	.056	.468	2.135
a. Dependent Variable: Purch								

(source: made by author based on statistical analysis)

To conclude, the research results showed that the impact of transaction value on intention to buy is insignificant, therefore this construct should not be used to measure the buying intentions. This conclusion complements the previous researches (Grewal et al., 1998; Shmitz, 2009) in a way that acquisition value is a strong indicator of intention to buy. However, contrary to the previous studies, in this study no significant impact of transaction value on intention to buy has been found (p=0.056). However, the reason of this inconsistency might have appeared due to the error, as significance level is very close to the acceptable. For the marketers and business community, the implication of this result might be that in order to enhance the intentions to buy, it would be worthwhile to stress the benefits of the product rather than concentrate on the monetary value.

Conclusions:

1. From the theory, there are multiple options to choose from when developing a reference price for comparative advertisements – it might be the previous price, list price or competitive product's price. Furthermore, two types of reference prices are commonly investigated in the studies – plausible and exaggerated. Both of these reference price adoption techniques are widely used by advertisers, as they both have their own advantages and disadvantages. Advantages of using exaggerated reference price in comparative advertising include higher interest in the advertised product, higher perception of value and higher intentions to buy, while usage of plausible reference price can help to build trust and increase consumer satisfaction, especially in e-commerce, where search for alternatives is easily accessible and low-cost.
2. From the literature review on perceived savings, it was found out that the higher the difference between reference price and sales price, the higher the perceived savings. From here, it was expected that the experiment's results will be that advertisements with an exaggerated reference price are evaluated as representing higher perceived savings than the advertisements with a plausible reference price. The expectations proved to be right so it is stated that manipulation of reference price (presenting an exaggerated reference price in an offer instead of plausible price) results in higher perception of savings by potential buyers. Furthermore, research also revealed that perceived savings correlates with intention to buy, so it can also be stated that the higher the perceived savings, the higher the intention to buy.
3. Literature suggests that perception of quality is highly influenced by price, as buyers tend to use price as a cue of quality. In this research, perceived quality of a product is defined as a potential buyer's perception of product's quality relying on its appearance and its reference and sales prices. Research results revealed different findings than previous researcher's and stated that buyer's perception of quality of an advertised product does not depend on the advertised reference price. One of the main reasons why this research may have found different results could be that sales price is more often used as an indicator of quality than a reference price. In this research the only manipulation stimulus

of price was using exaggerated reference price and plausible reference price, thus, it would be interesting to analyse the effects of different sales prices in the future research.

4. Researches on believability show that it is important variable in price-comparison advertising, as high degree of believability enhances the brand image and builds trust. Even in early researches on the topic, it was noticed that buyers understand when the ARP is exaggerated and do not believe in the discount. However, researches show that despite exaggerated ARP lowering the believability, it does not affect their perceptions of savings. This research complements the past researches and state that usage of exaggerated reference prices in price-comparison advertising can be a useful tool for manipulation of the perceived savings, as even if the consumers perceive the offer as unbelievable, their perception of savings is higher than with plausible reference prices.
5. Based on the similar studies, two dimensions of perceived value has been acknowledged – acquisition value and transaction value. Furthermore, studies suggest that perceived savings and perceived quality are both indicators of perceived value. As transaction value is more related to monetary value, and acquisition value – to benefits of acquiring product, it was expected that perceived savings will have a higher impact on transaction value than perceived quality, and vice versa, that perceived quality will have a higher impact on acquisition value than perceived savings. The expectations proved to be true, so not only this study complemented the previous researches by identifying that both, perceived savings and perceived quality have impact on transaction and acquisition values, but also filled in the gap in the literature, by stating that perceived savings has a higher impact on transaction value than perceived quality, and, perceived quality has a higher impact on acquisition value than perceived savings.
6. Literature suggested, that price-comparison advertising is more effective for hedonic products, than for utilitarian. However, the research results revealed that product type has no effect on perceived value, therefore it can be concluded that price-comparison advertising is equally beneficial for all types of products.
7. Perceived value is claimed to be the strong indicator of purchase intentions. However, according to the literature, perceived transaction value is weakly related to intentions to buy, while acquisition value has a strong impact on intentions to buy. The results of data analysis complemented the past researches by proving that acquisition value is a strong indicator of intention to buy. However, the research results showed that the impact of

transaction value on intention to buy is insignificant, therefore this construct should not be used to measure the buying intentions.

Limitations and recommendations for future studies:

1. In this study, two types of reference prices were used as manipulation stimulus – plausible and exaggerated. Even though these type of reference prices are often used in studies on price-comparison advertising, it might be worthwhile to investigate other types of reference prices or include several levels of it, to check whether the results that were found in this study are consistent.
2. Furthermore, this study was focused on the effects of reference price, and sales price was constant in all 4 advertisements. Prior researches show that different levels of sales price may also result in different perception of savings, quality and value, even if the reference price is constant, so in the future research it would be interesting to manipulate with sales price, or with both – sales price and reference price.
3. Another possible limitation of the study could be the choice of the products. In this study, microwave oven was used as a utilitarian product, and smartwatch as a hedonic. Furthermore, both of these products are of a higher price, and more research is usually done before acquiring them, therefore they would be considered as high involvement products. In the future research it would be worthwhile to investigate whether manipulation of different products/products from different categories/low involvement products would generate different results.
4. In this survey, most of the respondents were aged between 16 and 30. Although most of the researches are done by surveying students, it is important to note that some of them may be dependent on their parents funding and this might impact their attitudes and perceptions, therefore inclusion of more group categories in the future study would help to generalize results. Furthermore, as the study was conducted in Lithuania, so all of the respondents were Lithuanians, it would be worthwhile to conduct the same survey in different countries to identify whether the results differ depending on nationality.
5. Lastly, this study did not take into account all the possible variables that are used in the studies on price-comparison advertising, as well as all the factors that might have influence on its effects on perceived value and intentions to buy. In the future studies, it would be recommended to identify other factors and variables to complement this study.

Recommendations for business and marketing community:

Generally, businesses and retail strategists use price-comparison advertising to enhance the offer value and increase buying intentions. The following chapter will provide marketers and business community with strategic considerations that should be taken into account before adopting various comparative advertising techniques.

Firstly, literature analysis revealed that consumers tend to get used to promotions, so if the company or brand constantly promotes offers and discounts, companies might start to see the decline of items bought on full price. Furthermore, these companies might attract only deal-prone customers, and while they still raise the sales, they do not tend to be loyal, so their overall lifetime value might be too low to keep them. Also, studies show that consumers tend to continuously adapt their internal reference price, so price promotions in a long term might lead to a change of price positioning of a product. With that being said, if the product is offered at a low price as a promotion, it might lead to consumers' expectations of similar pricing in the future, and dissatisfaction, if those expectations are not met.

Second, even being said that price-comparison advertising is a commonly used technique to enhance offer value and buying intentions, different types of reference prices may significantly change how the offer is perceived. Research results showed that advertisements with an exaggerated reference price are perceived as less believable, thus, they lower the trust in the offer and the advertiser. However, the perception of savings is not impacted by the believability, and exaggerated reference prices still raise perception of savings, so the manipulation of the reference price might be beneficial, at least for short-term results. Even though it seems to be profitable to use exaggerated prices, this recommendation should be used with caution and according to the law and regulations, as continuous usage of exaggerated prices may not only be harmful for the brand image, consumer trust and satisfaction, but also result in fines and lawsuits. The best way to get the benefits of using exaggerated reference price without facing most of the unwanted side effects is to set the reference price at the highest plausible price.

On the other hand, it is not recommended to use exaggerated reference prices to influence the perception of quality of a product. This study denied the common thought, that price is a cue of quality. In this research it was found out that buyer's perception of quality of an advertised product does not depend on the advertised reference price.

Moreover, research showed that acquisition value is a strong predictor of intention to buy, while transaction value have no effect. The implication of this result for general usage of price-comparison advertising, might be that in order to enhance the intentions to buy, it would be worthwhile to stress the benefits of the product rather than concentrate on the monetary value.

However, as it was previously found out that exaggerated reference price result in higher perceived savings, and further analysis showed that perceived savings have a higher impact on transaction value than perceived quality, it is advised for advertisers, when using exaggerated reference prices to concentrate on the emphasising the monetary value of the offer rather than on the benefits of acquiring that product.

To conclude, it is highly recommended for businesses and advertisers to use price-comparison advertising, as even the appearance of reference price have positive effects for the campaign results – as higher trust, better perception of savings and offer value lead to higher intentions to buy rather than search for alternatives. However, the estimation of reference price should be done considering all the recommendations that were provided above, as different types of reference prices may lead to significantly different results.

THE EFFECTS OF PRICE-COMPARISON ADVERTISING ON BUYERS' PERCEPTIONS OF OFFER VALUE AND INTENTION TO BUY

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SUMMARY

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The aim of this research – to identify the effects of price-comparison advertising on buyer's perception of offer value and intention to buy.

This research contains three main parts – review of the existing literature on this topic, methodology of the research and statistical analysis of the survey results.

The literature analysis gives an overview of a concept of price-comparison advertising. Also, it identifies the types of reference prices as exaggerated and plausible, and effects that they have on believability, perceptions of savings, quality. Also it explores the formation of perceived value and effect of product type – hedonic versus utilitarian.

Based on literature analysis, TAM model, and objectives of this paper, research model and methodology was developed. To create a study 2 (plausible and exaggerated reference price) x 2 (hedonic product and utilitarian product) between-subjects factorial design experiment was chosen. Type of reference price and product type were used as manipulation stimulus. The research was conducted using electronic survey, and it was answered by 228 responds, with 57 respondents filling in the questionnaires, either A, B, C or D. Research aim was to identify the effects of price-comparison advertising on perception of offer value, through perceived savings and perceived quality, and the impact perceived acquisition and transaction values have on intention to buy, taking into account the believability of the offer and type of product.

Survey results were analysed using statistical data analysis software SPSS. The analysis revealed that usage of exaggerated reference price positively influences buyer's perception of savings, negatively – believability, and has no influence on perception of quality. Also, study shows that perceived quality has a higher impact on perceived acquisition value than perceived savings, and perceived savings have higher impact on perceived transaction value than perceived quality. Moreover, product type does not moderate these relationships. Furthermore, study revealed that perceived savings positively correlates with intention to buy, and that perceived acquisition value is a strong predictor of intention to buy. However, perceived transaction value has no significant impact on intention to buy.

KAINŲ PALYGINIMO REKLAMOS POVEIKIS PIRKĖJŲ SUVOKIMUI APIE PASIŪLYMO VERTĘ BEI KETINIMUI PIRKTI

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SANTRAUKA

110 puslapių, 21 lentelė, 5 figūros, 61 nuoroda.

Tyrimo tikslas - nustatyti kainų palyginimo reklamos poveikį pirkėjo pasiūlymo vertės suvokimui ir ketinimui pirkti.

Šį tyrimą sudaro trys pagrindinės dalys - esamos literatūros šia tema apžvalga, tyrimo metodika ir statistinė tyrimo rezultatų analizė.

Literatūros analizėje apžvelgiama kainų palyginimo reklamos samprata. Taip pat, joje nurodomos dvi referencinių kainų rūšys – „išpūsta“ ir įprasta, ir jų poveikis vartotojo tikėjimui pasiūlymu, sutaupymo suvokimui, kokybės suvokimui. Taip pat literatūra atskleidžia, kaip formuojamas suvokimas apie pasiūlymo vertę ir kokią įtaką vertės suvokimui turi produkto tipas - hedoninis ir utilitarinis.

Remiantis literatūros analize, TAM modeliu ir šio straipsnio uždaviniais, buvo sukurtas tyrimo modelis ir metodika. Siekiant atlikti tyrimą, buvo pasirinkta naudoti 2 (įprasta ir išpūsta referencinė kaina) x 2 (hedoninis produktas ir utilitarinis produktas) eksperimentinį dizainą. Kaip manipuliavimo stimulai buvo naudojami referencinės kainos rūšis ir produkto tipas. Tyrimas buvo atliktas naudojant elektroninę apklausą, į kurią iš viso atsakė 228 respondentai, po 57 respondentus užpildė A, B, C arba D anketas. Tyrimo tikslas buvo nustatyti kainų palyginimo reklamos poveikį pasiūlymo vertės suvokimui, per suvokiamą sutaupymą ir suvokiamą kokybę, taip pat suvokiamos įsigijimo ir sandorio vertės poveikį ketinimams pirkti, atsižvelgiant į pasiūlymo patikimumą ir produkto tipą.

Apklausos rezultatai buvo analizuojami naudojant statistinių duomenų analizės programinę įrangą SPSS. Analizė atskleidė, kad išpūstos referencinės kainos naudojimas teigiamai veikia pirkėjo sutaupymo suvokimą, neigiamai – tikėjimą pasiūlymu ir neturi jokios įtakos kokybės suvokimui. Be to, tyrimas rodo, kad suvokiama kokybė turi didesnę įtaką suvokiamai įsigijimo vertei nei suvokiamas sutaupymas, o suvokiamas sutaupymas turi didesnę įtaką suvokiamai sandorio vertei nei suvokiama kokybė. Taip pat, produkto tipas neturi įtakos šiems ryšiams. Tyrimas atskleidė, kad suvokiamos santaupos teigiamai koreliuoja su ketinimu pirkti, o suvokiama įsigijimo vertė stipriai veikia ketinimą pirkti. Tačiau suvokiama sandorio vertė neturi reikšmingos įtakos ketinimui pirkti.

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Appendix 1. **Questionnaire A Experimental Group Advertisement**

MIKROBANGŲ KROSNELĖ

Appendix 2. **Questionnaire B Experimental Group Advertisement**

MIKROBANGŲ KROSNELĖ

Appendix 3. **Questionnaire C Experimental Group Advertisement**

IŠMANUSIS LAIKRODIS

~~459~~

219

Appendix 4. **Questionnaire D Experimental Group Advertisement**

IŠMANUSIS LAIKRODIS

~~299~~

219

Appendix 5. **Questionnaire**

Assume that you are shopping on the internet and are interested in buying a microwave oven/smartwatch and the advertisement (Appendix 1, Appendix 2, Appendix 3 or Appendix 4) below came to your attention. After carefully reading the advertisement, please turn to the next page to provide some information regarding your reaction to it.

1. Please answer the following questions relying on your own feelings and experiences, and use the scale for evaluation, where: 1-strongly disagree, 2- disagree, 3 – more or less disagree 4- neither agree, nor disagree, 5- more or less agree, 6- agree, 7-strongly agree.

I. I believe that the amount of this advertised reduction is a truthful claim
II. Consumer purchasing this product at the advertiser's store will save as much as the add claims
III. I believe that this product will be regularly sold at the original price
IV. I believe that the original price advertised is the regular price for this product

2. Please answer the following questions relying on your own feelings and experiences, and use the scale for evaluation, where: 1-strongly disagree, 2- disagree, 3 – more or less disagree 4- neither agree, nor disagree, 5- more or less agree, 6- agree, 7-strongly agree.

I. This product would be reliable.
II. This product would be dependable.
III. This product would be durable.
IV. The workmanship on this product would be good.

3. Please answer the following questions relying on your own feelings and experiences, and use the scale for evaluation, where: 1-strongly disagree, 2- disagree, 3 – more or less disagree 4- neither agree, nor disagree, 5- more or less agree, 6- agree, 7-strongly agree.

I. The amount of discount offered on this product represents large savings

II. The amount of money that customers would save on this product is very large
III. The amount of discount stated for this product is very high

4. Please answer the following questions relying on your own feelings and experiences, and use the scale for evaluation, where: 1-strongly disagree, 2- disagree, 3 – more or less disagree 4- neither agree, nor disagree, 5- more or less agree, 6- agree, 7-strongly agree.

I. If I bought this product at (selling price), I feel I would be getting my money's worth.
II. I feel that I am getting a good quality product for a reasonable price
III. After evaluating the advertised product features, I am confident that I am getting quality features for (selling price)
IV. If I acquired this product, I think I would be getting good value for the money I spend
V. I think that given this product's features, it is good value for the money
VI. I feel that acquiring this product meets both my high quality and low price requirements
VII. Compared to the maximum price I would be willing to pay for this product, the sale price conveys good value
VIII. I would value this product as it would meet my needs for a reasonable price
IX. This product would be a worthwhile acquisition because I would have this product at a reasonable price

5. Please answer the following questions relying on your own feelings and experiences, and use the scale for evaluation, where: 1-strongly disagree, 2- disagree, 3 – more or less disagree, 4- neither agree, nor disagree, 5- more or less agree, 6- agree, 7-strongly agree.

I. Taking advantage of a price-deal like this makes me feel good
II. I would get a lot of pleasure knowing that I would save money at this reduced sale price
III. Beyond the money I save, taking advantage of this price deal will give me a sense of joy

6. Please answer the following questions relying on your own feelings and experiences, and use the scale for evaluation, where: 1-very low, 2- low, 3 – more or less low, 4-neither low, nor high, 5- more or less high, 6- high, 7-very high.

I. If I were going to buy this type of product, the probability of buying this product is …
II. The probability that I would consider buying this product is …
III. The likelihood that I would purchase this product is …

7. Please indicate your gender:

I. Male
II. Female
III. Other

8. Your age: (please write your age here)

9. Your average income per family member per month after taxes:

I. Up to €400
II. €401 - €600
III. €601 - €800
IV. €801 - €1000
V. €1001 - €1200
VI. More than €1200

Appendix 6. **Questionnaire (translated into Lithuanian language)**

Įsivaizduokite, kad jūs perkate internete ir norite įsigyti mikrobangų krosnelę / išmanųjį laikrodį. Jūsų dėmesį atkreipė žemiau pateikta reklama (1 priedas, 2 priedas, 3 priedas arba 4 priedas). Atidžiai peržiūrėję reklamą, apsilankykite kitame puslapyje ir pateikite informacijos apie jūsų reakciją į ją.

1. Atsakykite į šiuos klausimus, remdamiesi savo jausmais ir patirtimi, vertinimui naudodami skalę: 1 - visiškai nesutinku, 2 - nesutinku, 3 - daugiau ar mažiau nesutinku 4 - nei sutinku, nei nesutinku, 5 - daugiau ar mažiau sutinku, 6- sutinku, 7-visiškai sutinku.

   I. Tikiu, kad suteikiama nuolaida yra tikra.
   II. Vartotojas, įsigijęs šį produktą reklamuotoje parduotuvėje, sutaupys tiek, kiek teigia ši reklama.
   III. Tikiu, kad šis produktas įprastai yra parduodamas už pradinę kainą.
   IV. Manau, kad pradinė reklamuojama kaina yra įprasta šio produkto kaina.

2. Atsakykite į šiuos klausimus, remdamiesi savo jausmais ir patirtimi, vertinimui naudodami skalę: 1 - visiškai nesutinku, 2 - nesutinku, 3 - daugiau ar mažiau nesutinku 4 - nei sutinku, nei nesutinku, 5 - daugiau ar mažiau sutinku, 6- sutinku, 7-visiškai sutinku.

   I. Šis produktas butų patikimas.
   II. Šiuo produktu būtų galima pasikliauti.
   III. Šis produktas būtų patvarus.
   IV. Šis produktas būtų gerai pagamintas.

3. Atsakykite į šiuos klausimus, remdamiesi savo jausmais ir patirtimi, vertinimui naudodami skalę: 1 - visiškai nesutinku, 2 - nesutinku, 3 - daugiau ar mažiau nesutinku 4 - nei sutinku, nei nesutinku, 5 - daugiau ar mažiau sutinku, 6- sutinku, 7-visiškai sutinku.

   I. Nuolaida, siūloma šiam produktai reprezentuoja didelį sutaupymą.
   II. Pinigų suma, kurią klientai sutaupytų pirkdami šį produktą, yra labai didelė.

III. Šiam produktui nurodyta labai didelė nuolaida.

4. Atsakykite į šiuos klausimus, remdamiesi savo jausmais ir patirtimi, vertinimui naudodami skalę: 1 - visiškai nesutinku, 2 - nesutinku, 3 - daugiau ar mažiau nesutinku 4 - nei sutinku, nei nesutinku, 5 - daugiau ar mažiau sutinku, 6- sutinku, 7-visiškai sutinku.

I. Jei įsigyčiau šį produktą už pardavimo kainą, jausčiau, kad įsigytas produktas yra vertas išleistų pinigų
II. Jaučiu, kad gaunu geros kokybės produktą už priimtiną kainą
III. Įvertinęs reklamuojamą produktą, esu įsitikinęs, kad gaunu kokybišką produktą už mokamą kainą
IV. Jei įsigyčiau šį produktą, manau, kad gaučiau gerą vertę už išleistus pinigus
V. Manau, kad atsižvelgiant į šio produkto savybes, tai yra geras kainos ir kokybės santykis
VI. Manau, kad šio produkto įsigyjimas atitiktų mano aukštos kokybės ir žemos kainos reikalavimus
VII. Lyginant su didžiausia kaina, kurią būčiau pasirengęs mokėti už šį produktą, pardavimo kaina rodo gerą vertę
VIII. Vertinčiau šį produktą, nes jis patenkintų mano poreikius už priimtiną kainą
IX. Šį produktą būtų verta įsigyti, nes turėčiau gerą įrenginį už priimtiną kainą

5. Atsakykite į šiuos klausimus, remdamiesi savo jausmais ir patirtimi, vertinimui naudodami skalę: 1 - visiškai nesutinku, 2 - nesutinku, 3 - daugiau ar mažiau nesutinku 4 - nei sutinku, nei nesutinku, 5 - daugiau ar mažiau sutinku, 6- sutinku, 7-visiškai sutinku.

I. Pasinaudodamas tokiu pasiūlymu, jausčiausi gerai
II. Man būtų malonu žinoti, kad sutaupysiu pinigų pirkdamas šį produktą sumažinta kaina
III. Be sutaupytų pinigų, pasinaudojimas šiuo kainos pasiūlymu man suteiktų džiaugsmo.

6. Atsakykite į šiuos klausimus, remdamiesi savo jausmais ir patirtimi, vertinimui naudodami skalę: 1- labai maža, 2 - maža, 3 - daugiau ar mažiau maža, 4 - nei maža, nei didelė, 5 - daugiau ar mažiau didelė, 6 - didelė, 7 - labai didelė.

I. Jei ketinčiau pirkti tokio tipo produktą, tikimybė, kad įsigysiu šį produktą yra…
II. Tikimybė, kad svarstyčiau galimybę įsigyti šį produktą, yra…
III. Tikimybė, kad įsigysiu šį produktą, yra…

7. Jūsų lytis:
   I. Vyras
   II. Moteris
   III. Kita

8. Jūsų amžius (įrašykite)

9. Jūsų vidutinės pajamos vienam šeimos nariui per mėnesį atskaičius mokesčius:
   I. Iki €400
   II. €401 - €600
   III. €601 - €800
   IV. €801 - €1000
   V. €1001 - €1200
   VI. Daugiau nei €1200

Appendix 7. **Factorial Analysis of Believability**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.690
Bartlett's Test of Sphericity	Approx. Chi-Square	554.490
	df	6
	Sig.	.000

Communalities		
	Initial	Extraction
Tikiu, kad suteikiama nuolaida yra tikra.	1.000	.702
Vartotojas, įsigijęs šį produktą reklamuotoje parduotuvėje, sutaupys tiek, kiek teigia ši reklama.	1.000	.731
Tikiu, kad šis produktas įprastai yra parduodamas už pradinę kainą.	1.000	.701
Manau, kad pradinė reklamuojama kaina yra įprasta šio produkto kaina.	1.000	.712
Extraction Method: Principal Component Analysis		

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.846	71.151	71.151	2.846	71.151	71.151
2	.755	18.870	90.020			
3	.217	5.432	95.452			
4	.182	4.548	100.000			
Extraction Method: Principal Component Analysis.						

Component Matrix[a]	
	Component
	1
Vartotojas, įsigijęs šį produktą reklamuotoje parduotuvėje, sutaupys tiek, kiek teigia ši reklama.	.855
Manau, kad pradinė reklamuojama kaina yra įprasta šio produkto kaina.	.844
Tikiu, kad suteikiama nuolaida yra tikra.	.838
Tikiu, kad šis produktas įprastai yra parduodamas už pradinę kainą.	.837
Extraction Method: Principal Component Analysis.	
a. 1 components extracted.	

Appendix 8. **Factorial Analysis of Perceived Quality**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.848
Bartlett's Test of Sphericity	Approx. Chi-Square	1237.796
	df	6
	Sig.	.000

Communalities		
	Initial	Extraction
Šis produktas butų patikimas.	1.000	.947
Šiuo produktu būtų galima pasikliauti.	1.000	.925
Šis produktas būtų patvarus.	1.000	.889
Šis produktas būtų gerai pagamintas.	1.000	.900
Extraction Method: Principal Component Analysis		

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.661	91.513	91.513	3.661	91.513	91.513
2	.166	4.141	95.654			
3	.116	2.902	98.556			
4	.058	1.444	100.000			
Extraction Method: Principal Component Analysis.						

Component Matrix[a]	
	Component
	1
Šis produktas butų patikimas.	.973
Šiuo produktu būtų galima pasikliauti.	.962
Šis produktas būtų gerai pagamintas.	.949
Šis produktas būtų patvarus.	.943
Extraction Method: Principal Component Analysis.	
a. 1 components extracted.	

Appendix 9. **Factorial Analysis of Perceived Savings**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.733
Bartlett's Test of Sphericity	Approx. Chi-Square	429.283
	df	3
	Sig.	.000

Communalities		
	Initial	Extraction
Nuolaida, siūloma šiam produktai reprezentuoja didelį sutaupymą.	1.000	.851
Pinigų suma, kurią klientai sutaupytų pirkdami šį produktą, yra labai didelė.	1.000	.865
Šiam produktui nurodyta labai didelė nuolaida.	1.000	.773
Extraction Method: Principal Component Analysis		

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.489	82.956	82.956	2.489	82.956	82.956
2	.331	11.027	93.984			
3	.180	6.016	100.000			
Extraction Method: Principal Component Analysis.						

Component Matrix[a]	
	Component
	1
Pinigų suma, kurią klientai sutaupytų pirkdami šį produktą, yra labai didelė.	.930
Nuolaida, siūloma šiam produktai reprezentuoja didelį sutaupymą.	.923
Šiam produktui nurodyta labai didelė nuolaida.	.879
Extraction Method: Principal Component Analysis.	
a. 1 components extracted.	

Appendix 10. **Factorial Analysis of Perceived Acquisition Value**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.950
Bartlett's Test of Sphericity	Approx. Chi-Square	2414.938
	df	36
	Sig.	.000

Communalities		
	Initial	Extraction
Jei įsigyčiau šį produktą už pardavimo kainą, jausčiau, kad įsigytas produktas yra vertas išleistų pinigų	1.000	.650
Jaučiu, kad gaunu geros kokybės produktą už priimtiną kainą	1.000	.862
Įvertinęs reklamuojamą produktą, esu įsitikinęs, kad gaunu kokybišką produktą už mokamą kainą	1.000	.750
Jei įsigyčiau šį produktą, manau, kad gaučiau gerą vertę už išleistus pinigus	1.000	.860
Manau, kad atsižvelgiant į šio produkto savybes, tai yra geras kainos ir kokybės santykis	1.000	.793
Manau, kad šio produkto įsigyjimas atitiktų mano aukštos kokybės ir žemos kainos reikalavimus	1.000	.807
Lyginant su didžiausia kaina, kurią būčiau pasirengęs mokėti už šį produktą, pardavimo kaina rodo gerą vertę	1.000	.759
Vertinčiau šį produktą, nes jis patenkintų mano poreikius už priimtiną kainą	1.000	.808
Šį produktą būtų verta įsigyti, nes turėčiau gerą įrenginį už priimtiną kainą	1.000	860
Extraction Method: Principal Component Analysis		

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.149	79.432	79.432	7.149	79.432	79.432
2	.488	5.427	84.859			
3	.371	4.123	88.982			
4	.226	2.506	91.488			
5	.221	2.454	93.942			
6	.185	2.058	96.000			
7	.140	1.560	97.559			
8	.122	1.361	98.920			
9	.097	1.080	100.000			
Extraction Method: Principal Component Analysis.						

Component Matrix[a]	
	Component
	1
Jaučiu, kad gaunu geros kokybės produktą už priimtiną kainą	.928
Jei įsigyčiau šį produktą, manau, kad gaučiau gerą vertę už išleistus pinigu	.927
Šį produktą būtų verta įsigyti, nes turėčiau gerą įrenginį už priimtiną kainą	.927
Vertinčiau šį produktą, nes jis patenkintų mano poreikius už priimtiną kainą	.899
Manau, kad šio produkto įsigyjimas atitiktų mano aukštos kokybės ir žemos kainos reikalavimus	.898
Manau, kad atsižvelgiant į šio produkto savybes, tai yra geras kainos ir kokybės santykis	.890
Lyginant su didžiausia kaina, kurią būčiau pasirengęs mokėti už šį produktą, pardavimo kaina rodo gerą vertę	.871
Įvertinęs reklamuojamą produktą, esu įsitikinęs, kad gaunu kokybišką produktą už mokamą kainą	.866
Jei įsigyčiau šį produktą už pardavimo kainą, jausčiau, kad įsigytas produktas yra vertas išleistų pinigų	.806
Extraction Method: Principal Component Analysis.	
a. 1 components extracted.	

Appendix 11. **Factorial Analysis of Transaction Value**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.727
Bartlett's Test of Sphericity	Approx. Chi-Square	453.248
	df	3
	Sig.	.000

Communalities		
	Initial	Extraction
Pasinaudodamas tokiu pasiūlymu, jausčiausi gerai	1.000	.862
Man būtų malonu žinoti, kad sutaupysiu pinigų pirkdamas šį produktą sumažinta kaina	1.000	.876
Be sutaupytų pinigų, pasinaudojimas šiuo kainos pasiūlymu man suteiktų džiaugsmo	1.000	.768
Extraction Method: Principal Component Analysis.		

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.506	83.522	83.522	2.506	83.522	83.522
2	.335	11.178	94.700			
3	.159	5.300	100.000			
Extraction Method: Principal Component Analysis.						

Component Matrix[a]	
	Component
	1
Man būtų malonu žinoti, kad sutaupysiu pinigų pirkdamas šį produktą sumažinta kaina	.936
Pasinaudodamas tokiu pasiūlymu, jausčiausi gerai	.928
Be sutaupytų pinigų, pasinaudojimas šiuo kainos pasiūlymu man suteiktų džiaugsmo	.876
Extraction Method: Principal Component Analysis.	
a. 1 components extracted.	

Appendix 12. **Factorial Analysis of Purchase Intentions**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.749
Bartlett's Test of Sphericity	Approx. Chi-Square	478.967
	df	3
	Sig.	.000

Communalities		
	Initial	Extraction
Jei ketinčiau pirkti tokio tipo produktą, tikimybė, kad įsigysiu šį produktą yra	1.000	.830
Tikimybė, kad svarstyčiau galimybę įsigyti šį produktą yra	1.000	.847
Tikimybė, kad isigysių šį produktą, yra	1.000	.883
Extraction Method: Principal Component Analysis.		

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.560	85.335	85.335	2.560	85.335	85.335
2	.263	8.763	94.097			
3	.177	5.903	100.000			
Extraction Method: Principal Component Analysis.						

Component Matrix[a]	
	Component
	1
Tikimybė, kad įsigysiu šį produktą, yra	.940
Tikimybė, kad svarstyčiau galimybę įsigyti šį produktą yra	.920
Jei ketinčiau pirkti tokio tipo produktą, tikimybė, kad įsigysiu šį produktą yra	.911
Extraction Method: Principal Component Analysis.	
a. 1 components extracted.	

Appendix 13. **Reliability of Scale of Believability**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.864	.865	4

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Tikiu, kad suteikiama nuolaida yra tikra	10.86	20.662	.707	.664	.829
Vartotojas, įsigijęs šį produktą reklamuotojo parduotuvėje, sutaupys tiek, kiek teigia ši reklama	11.20	20.065	.731	.678	.819
Tikiu, kad šis produktas įprastai yra parduodamas už pradinę kainą	11.16	21.502	.708	.647	.830
Manau, kad pradinė reklamuojama kaina yra įprasta šio produkto kaina	11.27	19.994	.709	.651	.829

Appendix 14. **Reliability of Scale of Perceived Quality**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.968	.969	4

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Šis produktas būtų patikimas	14.32	16.846	.951	.913	.950
Šiuo produktu būtų galima pasikliauti	14.16	16.991	.929	.887	.956
Šis produktas būtų patvarus	14.31	16.231	.899	.831	.966
Šis produktas būtų gerai pagamintas	14.35	16.890	.908	.832	.962

Appendix 15. **Reliability of Scale of Perceived Savings**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.897	.897	3

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Nuolaida, siūloma šiam produktui reprezentuoja didelį sutaupymą	8.26	14.307	.820	.695	.833
Pinigų suma, kurią klientai sutaupytų pirkdami šį produktą, yra labai didelė	8.42	13.522	.834	.711	.821
Šiam produktui nurodyta labai didelė nuolaida	8.04	15.576	.741	.550	.900

Appendix 16. **Reliability of Scale of Perceived Acquisition Value**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.967	.967	9

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Jei įsigyčiau šį produktą už pardavimo kainą, jausčiau, kad įsigytas produktas yra vertas išleistų pinigų	35.48	139.969	.760	.621	.968
Jaučiu, kad gaunu geros kokybės produktą už priimtiną kainą	35.29	135.447	.905	.861	.961
Įvertinęs reklamuojamą produktą, esu įsitikinęs, kad gaunu kokybišką produktą už mokamą kainą	35.18	139.846	.828	.777	.965
Jei įsigyčiau šį produktą, manau, kad gaučiau gerą vertę už išleistus pinigus	35.14	133.830	.904	.842	.961
Manau, kad atsižvelgiant į šio produkto savybes, tai yra geras kainos ir kokybės santykis	35.33	136.981	.859	.756	.963
Manau, kad šio produkto įsigyjimas atitiktų mano aukštos kokybės žemos kainos reikalavimus	35.37	134.094	.869	.782	.963
Lyginant su didžiausia kaina, kurią būčiau pasirengęs mokėti už šį produktą, pardavimo kaina rodo gerą vertę	35.28	134.652	.837	.739	.964
Vertinčiau šį produktą, nes jis patenkintų mano poreikius už priimtiną kainą	35.21	135.059	.871	.803	.963
Šį produktą būtų verta įsigyti, nes turėčiau gerą įrenginį už priimtiną kainą	35.19	133.187	.906	.848	.961

Appendix 17. **Reliability of Scale of Perceived Transaction Value**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.898	.901	3

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Pasinaudodamas tokiu pasiūlimu, jausčiausi gerai	9.79	9.524	.825	.724	.833
Man būtų malonu žinoti, kad sutaupysiu pinigų pirkdamas šį produktą sumažinta kaina	9.27	9.474	.842	.740	.819
Be sutaupytų pinigų, pasinaudojimas šiuo kainos pasiūlymu man suteiktų džiaugsmo	9.76	9.171	.738	.546	.913

Appendix 18. **Reliability of Scale of Purchase Intentions**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.913	.914	3

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Jei ketinčiau pirkti tokio tipo produktą, tikimybė, kad įsigysiu šį produktą yra	8.21	10.288	.802	.651	.896
Tikimybė, kad svarstyčiau galimybę įsigyti šį produktą, yra	8.04	10.382	.819	.685	.881
Tikimybė, kad įsigysiu šį produktą, yra	8.92	10.496	.858	.737	.850

Appendix 19. **The Effect of Type of ARP on Believability**

Group Statistics					
	Reference Price	N	Mean	Std. Deviation	Std. Error Mean
Believe	Plausible	114	4.2171	1.36425	.12777
	Exaggerated	114	3.1974	1.41557	.13258

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Believe	Equal variances assumed	.063	.803	5.538	226	.000	1.01974	.18413	.65691	1.38257
	Equal variances not assumed			5.538	225.693	.000	1.01974	.18413	.65690	1.38257

Appendix 20. **The Effect of Type of ARP on Perceived Savings**

Group Statistics					
	Reference Price	N	Mean	Std. Deviation	Std. Error Mean
PerSav	Plausible	114	3.3596	1.59655	.14953
	Exaggerated	114	4.8772	1.78889	.16754

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
PerSav	Equal variances assumed	3.683	.056	-6.758	226	.000	-1.51754	.22457	-1.96006	-1.07503
	Equal variances not assumed			-6.758	223.137	.000	-1.51754	.22457	-1.96009	-1.07500

Appendix 21. **The Impact of Believability on Perceived Savings**

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.097[a]	.009	.005	1.85004	1.098

a. Predictors: (Constant), Believ
b. Dependent Variable: PerSav

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.397	1	7.397	2.161	.143[b]
	Residual	773.517	226	3.423		
	Total	780.914	227			

a. Dependent Variable: PerSav

b. Predictors: (Constant), Believ

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.666	.331		11.060	.000		
	Believ	.122	.083	.097	1.470	.143	1.000	1.000

a. Dependent Variable: PerSav

Appendix 22. **The Effect of Type of ARP on Perceived Quality**

Group Statistics					
	Reference Price	N	Mean	Std. Deviation	Std. Error Mean
PerQual	Plausible	114	4.8640	1.09309	.10238
	Exaggerated	114	4.6601	1.57523	.14753

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
PerQual	Equal variances assumed	23.843	.000	1.136	226	.257	.20395	.17958	-14991	.55780
	Equal variances not assumed			1.136	201.342	.257	.20395	.17958	-.15014	.55804

Appendix 23. **The Impact of Perceived Quality on Perceived Acquisition Value Moderated by Type of Product**

```
OUTCOME VARIABLE:
 AcqVal

Model Summary
          R       R-sq        MSE          F        df1        df2          p
      ,6586      ,4338     1,2134    57,2034     3,0000   224,0000      ,0000

Model
              coeff         se          t          p       LLCI       ULCI
constant      ,8368      ,8744      ,9570      ,3396     -,8862     2,5599
PerQual       ,9166      ,1753     5,2290      ,0000      ,5712     1,2620
Product       ,2549      ,5367      ,4749      ,6353     -,8027     1,3124
Int_1        -,1653      ,1083    -1,5264      ,1283     -,3787      ,0481

Product terms key:
 Int_1    :        PerQual  x        Product

Test(s) of highest order unconditional interaction(s):
       R2-chng          F        df1        df2          p
X*W      ,0059     2,3299     1,0000   224,0000      ,1283
----------
    Focal predict: PerQual   (X)
          Mod var: Product   (W)

Data for visualizing the conditional effect of the focal predictor:
Paste text below into a SPSS syntax window and execute to produce plot.

DATA LIST FREE/
   PerQual    Product    AcqVal     .
BEGIN DATA.
     3,2500     1,0000     3,5333
     5,0000     1,0000     4,8480
     6,0000     1,0000     5,5993
     3,2500     2,0000     3,2509
     5,0000     2,0000     4,2763
     6,0000     2,0000     4,8623
END DATA.
```

Appendix 24. **The Impact of Perceived Savings on Perceived Transaction Value Moderated by Type of Product**

```
*************************************************************************
Model  : 1
    Y  : TranVal
    X  : PerSav
    W  : Product

Sample
Size:  228

*************************************************************************
OUTCOME VARIABLE:
 TranVal

Model Summary
          R       R-sq        MSE          F        df1        df2          p
      ,5175      ,2679     1,6572    27,3171     3,0000   224,0000      ,0000

Model
              coeff         se          t          p       LLCI       ULCI
constant     3,3561      ,6959     4,8223      ,0000     1,9847     4,7275
PerSav        ,4481      ,1478     3,0330      ,0027      ,1570      ,7393
Product      -,1266      ,4237     -,2987      ,7654     -,9616      ,7085
Int_1        -,0349      ,0940     -,3713      ,7108     -,2201      ,1503

Product terms key:
 Int_1    :        PerSav   x        Product

Test(s) of highest order unconditional interaction(s):
       R2-chng          F        df1        df2          p
X*W      ,0005      ,1379     1,0000   224,0000      ,7108
----------
    Focal predict: PerSav   (X)
          Mod var: Product  (W)
```

Appendix 25. **The Impact of Perceived Quality and Perceived Savings on Perceived Transaction Value**

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.600[a]	.360	.354	1.20116	1.575

a. Predictors: (Constant), PerQual, PerSav
b. Dependent Variable: TranVal

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	182.379	2	91.190	63.204	.000[b]
	Residual	324.628	225	1.443		
	Total	507.007	227			

a. Dependent Variable: TranVal

b. Predictors: (Constant), PerQual, PerSav

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.771	.298		5.947	.000		
	PerSav	.290	.048	.360	6.110	.000	.818	1.222
	PerQual	.385	.065	.350	5.934	.000	.818	1.222

a. Dependent Variable: TranVal

Appendix 26. **The Correlation between Perceived Savings and Intention to Buy**

Correlations			
		PerSav	Purch
PerSav	Pearson Correlation	1	-.312**
	Sig. (2-tailed)		.000
	N	228	228
Purch	Pearson Correlation	-.312**	1
	Sig. (2-tailed)	.000	
	N	228	228
**. Correlation is significant at the 0.01 level (2-tailed).			

Appendix 27. **The Impact of Perceived Quality and Perceived Savings on Perceived Acquisition Value**

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.648[a]	.420	.415	1.11205	1.642

a. Predictors: (Constant), PerQual, PerSav
b. Dependent Variable: AcqVal

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	201.794	2	100.897	81.589	.000[b]
	Residual	278.246	225	1.237		
	Total	480.040	227			

a. Dependent Variable: AcqVal

b. Predictors: (Constant), PerQual, PerSav

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.016	.276		3.684	.000		
	PerSav	.140	.044	.179	3.186	.002	.818	1.222
	PerQual	.591	.060	.552	9.833	.000	.818	1.222

a. Dependent Variable: AcqVal

Appendix 28. **The Impact of Perceived Transaction Value and Perceived Acquisition Value on Intention to Buy**

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.728[a]	.529	.525	1.08717	1.764

a. Predictors: (Constant), TranVal, AcqVal
b. Dependent Variable: Purch

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	299.112	2	149.556	126.535	.000[b]
	Residual	265.934	225	1.182		
	Total	565.046	227			

a. Dependent Variable: Purch

b. Predictors: (Constant), TranVal, AcqVal

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.536	.253		2.115	.036		
	AcqVal	.682	.073	.629	9.405	.000	.468	2.135
	TranVal	.136	.071	.129	1.923	.056	.468	2.135

a. Dependent Variable: Purch