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Pampers Case:

The Influence of Sales Promotions on Customers' Purchase Intention

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ACADEMIC YEAR
2017/2018

Acknowldgments

First of all I would like to thank Professor Rumen Pozharliev, for accepting to reviewing my thesis. His patience and advices helped me through this journey.

I would like to thank my family for all the support during my university career. They have supported each decision I have made, even the wrong ones. I will be forever grateful for the opportunities they gave to me.

I would like to thank my sister. She is always there for me and always will be.

I wish to dedicate a special thanks to my friend, especially my colleagues, without them this journey wouldn't be so unforgettable.

And finally I would like to thank you. Since that I have met you I didn't know that I was actually missing a part of myself.

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Chapter 1 – Introduction

1.1. Purpose of the Thesis

Diapers market in Italy is living a tough moment according to both Fater but also Istat researches. Economic and demographic changes are influencing this category in a very impacting way.

For what concerns demographic variables we need to consider that society is changing, mothers started work so the age in which they have the first child is increasing, indeed is now about 32. Moreover also the children per family decreased, now it is 1,32 children per family.

Regarding the economic changes, we can say that due to the Italian economic crisis, people started to buy less expensive products and this gave the opportunity to the spread of retailers- private labels.
Currently almost all of Italian distributors have their own successful private label and compete in plenty of different product categories. Considering the category of my thesis, diapers, private labels started to be very successful in diapers market, thanks to their competitive prices.

Considering this scenario both retailers and manufacturers have been starting focusing on marketing activities in order to stimulate consumers purchasing behavior. While advertising is primarily used to build a favorable product visibility over time, sales promotions are a fundamental incentive to make and immediate purchase and may be switch from a competitor product/brand.

Sales promotions become an effective tool in order to increase sales and attract customers. They can have a powerful impact of consumer's purchasing behavior.

Given the premise that Pampers is already well known brand in Italy, with a market share of 60% in diapers market, in order to maintain this position, it's important to focus on promotions and try to allure, but mainly keep, consumers.

In light of what has been said and of what has been detected during the preliminary theoretical research phase, in this thesis the main research question will be:

What is the effect of sales promotion on purchase intention of Pampers customers?

Sub questions:

- *What is the effect of the different types of promotion on purchase Intention?*
- *What is the moderating role of Pampers segmentation (premium line, medium line or low line) in the relationship between sales promotion and purchase intention?*
- *How does Deal Proneness moderate the relationship between sales promotion and purchase intention of Pampers Customers?*
- *How does Perceived Risk moderate the relationship between sales Promotions and Purchase Intention of Pampers Customer?*

1.2 Background

According to Fater and Istat Researches 2017 was a tough year for diapers' market in Italy. The table shows the Istat Data and it is possible to observe how the birth rate is slowly decreasing year by year. The average age of mothers went from 31,4 in 2013 to near 32 in 2017. The number of children per family is 1,32, so almost every household has only one child. Overall the total value of the category decreased from 98 in 2013 to 95 in 2017 (Istat + Nielsen + Gfk 2017) .

Figure 1: Instat Data

Basically diapers category is decreasing in value and this is due to the general and evident demographic changes.

Moreover the spread of Private Labels created more then one problem in this market. Nowadays indeed each major retail store or chain has its own private label (Coop, Conad, Carrefour and others) and produces all kind of products. Today diapers market is living a tough moment because in addition to the demographic changes there is a fierce competition between manufacturer and retailer.

There is a need of an absolute gear of shift in that trend, starting with the basics or as commonly known the four “Ps” – Price, product, placement and promotion.

Both Manufacturer and retailer understood that marketing activities are extremely important and that it is vital to influence consumers shopping decisions inside the stores because their purchase behavior can be manipulated. We can say that shopping experience can be highly influenced by different marketing activities inside the store: the way products are displayed and promoted for example.

All the previous researches have clearly showed that marketing activities and in the specific visual merchandising and promotion influence customers and have a positive effect on purchase intention.
All the studies prove that a good shelf allocation, a presence of extra display and promotion strategy help to increase sales.

The purpose of my thesis is to understand to which extent in-store marketing activities influence purchase intention of diapers category. In this research the focus will be sales promotions, one of the most effective tools to increase sales. I want to underline not only to which extent these activities are efficient but also which kind of customers they are more likely to influence.

1.3 Delimitations

For what concerns the delimitation of my thesis, at first there is need to clarify the questionnaire was submitted only to Pampers diapers customers who have already the knowledge of the brand and product that will be presented. The purpose of my research is to study how promotions affect Pampers customers.

Secondly, in order to present a "realistic" scenario I decided to use in my questionnaire the main Pampers promotions, or in other words the promotions that Pampers customers are used to see in supermarkets (TPR, Bonus Pack and Coupons).

Thirdly, when each scenario is launched, the product presented is not described because presumably each respondent is adequately prepared to answer the survey due to the fact that he/she is a typical diaper shopper.

Furthermore due to presence of plenty private labels I would not take into account their diapers. Even if it would be interesting investigating how customers respond to these products, the large number of retailers, make it complicated to investigate.

1.4 Managerial Relevance

As a matters of fact, even if retail market is widely studied and indeed also the main promotional tools on FMCG, this research aims to fill the gap in the literature with regard to the diapers category.

Many previous studies were conducted on the effect of sales promotion on purchase intention, especially FMCG. But diapers category in Italy is a particular segment, because parents look for the deal but are very concerned about quality. This is why it is important to asses the impact of sales promotion in this category, in order to understand which one is actually the most effective.

Knowing exactly which is the most impactful sales promotion on consumers, may lead to better choices of budgeting. Indeed it is possible to better know where to allocate budget spending.

The implications for targeting promotions to achieve specific goals should be relevant to all the retailer and manufacturers.

Especially the study on the moderation effect of the Fater customer segmentation will be very important for Fater Managers in order to asses if one or another kind of customer is more influenced by promotion strategy in particularly. In this way it will be possible to target specific kind of sales promotions to specific customers.

Chapter 2 – Literature Review and theoretical framework

2.1 FMCG Industry

During the last decade we have been witnessing to a large increase in the number of superstores and hypermarkets therefore all the marketers started to focus on brand visibility inside these huge stores.

In the past the main tool to attract customers was advertising and indeed many researches have shown the impact and efficiency of it on both brand awareness and purchase intention but when we talk about Fast Moving Consumer Good (FMCG) industry like diapers this is not enough. Advertising is just a part of the mix of the success of a product.

There is a huge traffic inside these stores and for this reason it is important to invest on in-store marketing activities like POS materials, coupons and promotion in order to attract customer attention.
What is important for both retailers and manufacturer are actually the sales, this is why businesses are focusing largely on promotions as they want to be the best sellers in the market.

FMCG industry is characterized by low margin and this lead to a fierce competition because each company has to sell the most. The success of these industries is heavily dependent on repeat purchases. This is not just the kind of objective that could be achieved through simple price cuts, which in fact may lead to price wars and poor profitability, but involves extensive market research, ideal marketing mix and a perfect combination of the four P's to ensure optimum brand positioning.

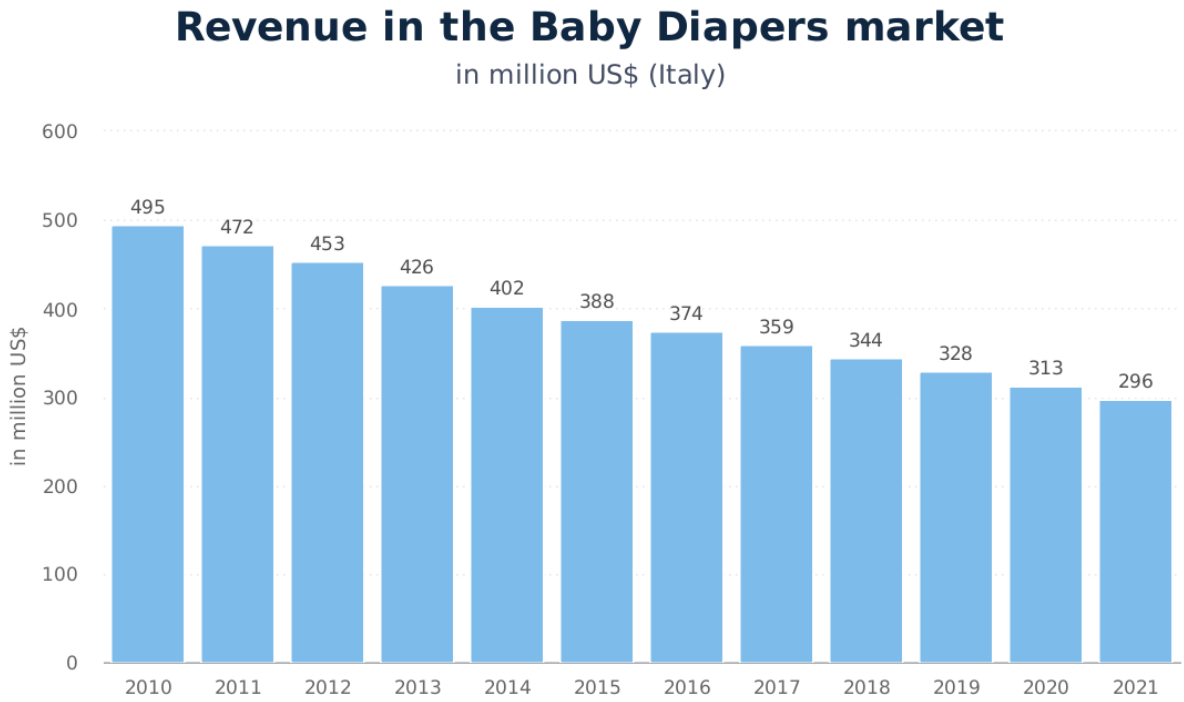
This is way companies in that industry not only are focusing on promotions but are also investing more and more on visual merchandising strategy. This includes: promotional banners, interactive kiosk, free samples, low price trials, pamphlets and others.

2.2 Diapers in Italy

The situation in the Italian Diapers Market is difficult nowadays. As mentioned previously the value is decreasing and consequently the sales too.

The decreasing rate birth and the increasing age of mother contribute to this value and sales decline.

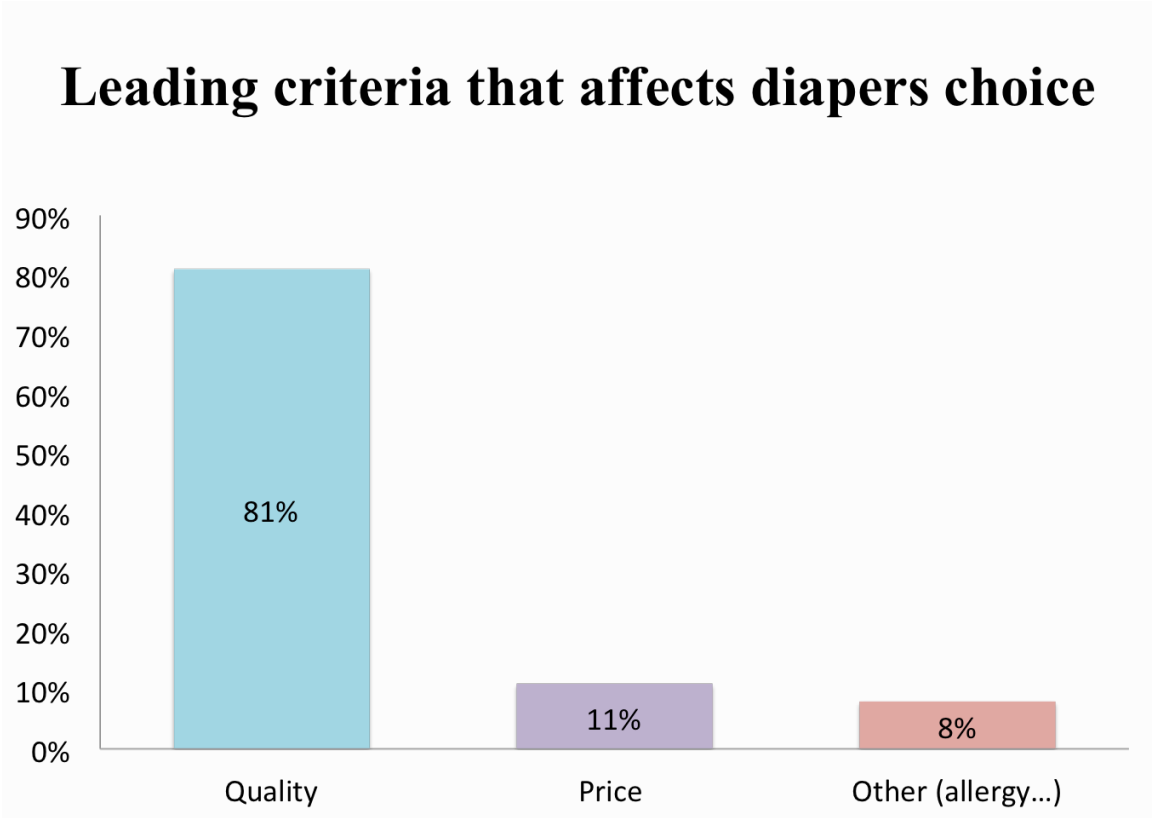
Figure 2: "*Revenue in The Baby Diapers Market*" from Statista.



Even with the economic crisis most of the Italian parents, when buying nappies/diapers/pants, still prioritize quality over price, demanding products which offer good protection from leakages and help prevent nappy rash and allergies. Subsequently, many tend to purchase higher-priced and well-known brands, perceiving these to offer a better performance.

Indeed when 700 hundred mother were asked which was the main factor that lead their purchasing behavior, quality was the most important.

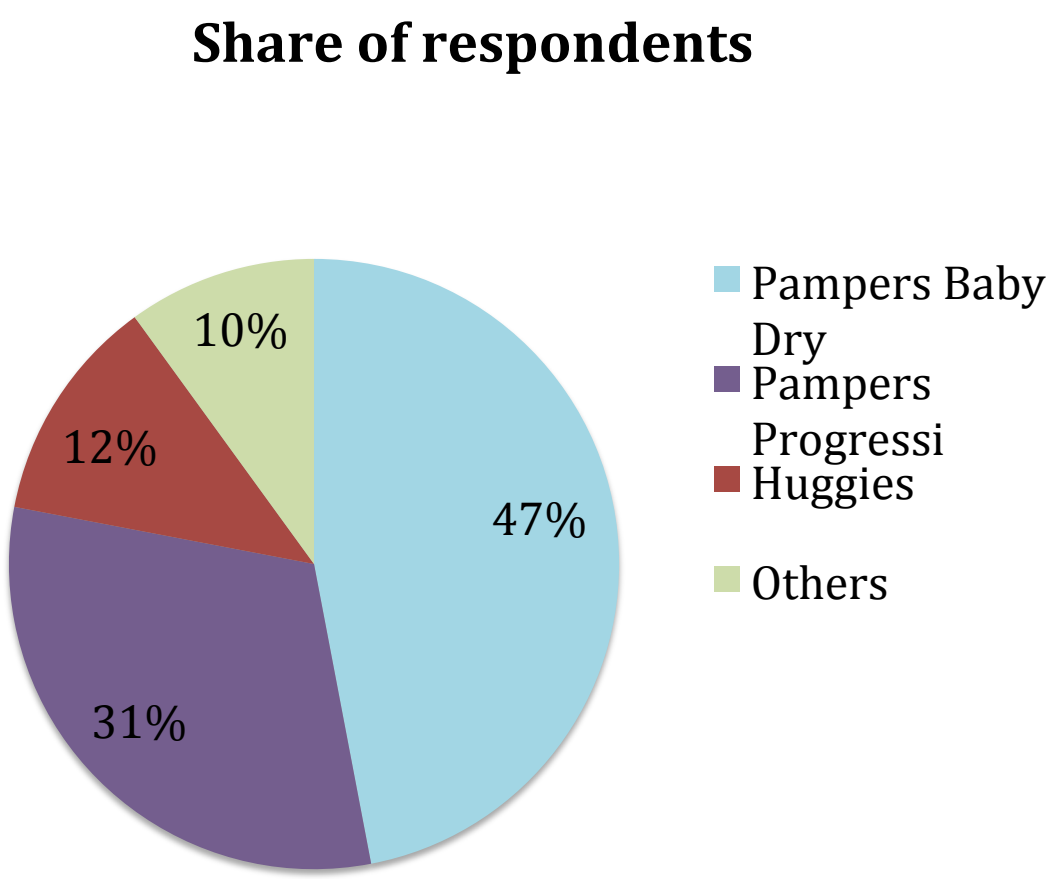
Figure 3: "*Leading criteria that affects diapers choice*" (Statista).



In this conext, Fater's Pampers remained the most recognized and best-selling brand of nappies/diapers in 2017 despite its higher prices. This happens because this brand is known for its good performance, with this being why parents choose to avoid cheaper options.

Indeed 700 mothers were asked to say their preference and 78% answered Pampers. For what concerns market share, actually Pampers has 60% of diapers market in Italy. This is a percentage way higher than in other European countries.

Figure 4: "*Share of respondents*" (Statista).



2.3 Price

As we all know price is a crucial factor and the consumers always consider if the overall value of the good that he is buying is worthwhile. It is fundamental to consider carefully the price of a good basing also on its value especially the one the consumer gives to it (Dhruv Grewal, Ram Krishnan, Michael Levy, and Jeanne Munger, 2005).

Due to the fact that prices are an exclusive leverage of the retailer and that the manufacturer cannot impose a specific price for their products, distributors have *carte blanch* on deciding which is the initial price but this often leads to a price war among them. This happens because all the retailers want to attract customers, knowing well that the price component is the one that mainly guide consumers purchasing behavior. Especially for diapers that are used by retailers as a smokescreen, price is crucial this is true if we consider that mothers or in general people that go shopping for the entire family spend twice the money that a single person would (Fater Research).

In the past, retailers based their initial price and consequently their markdown on an arbitrary rule but this trend has changed they have been developing more sophisticated and effective tools.

The monetary price of an offering is the only strategic lever of retail success that generates revenue. It is also one of the most conspicuous sacrifices that consumers make in the value exchange, although the real retail price should be thought of in terms of the monetary cost as well as the time and energy it takes to acquire a product. Retailers can lower the total cost of acquiring a product by either setting a low monetary price or by reducing the time and effort expended by customers.

Retailers often use on two well known pricing strategies:

1) The one known as HiLo pricing that involves frequent promotional discounts

2) And the one known ad EDLP (everyday low prices).

HiLo stores have higher prices than EDLP but, on the other hand, HiLo stores allow opportunistic shoppers to pay lower price than in EDLP stores, during promotions.

EDLP stores in order to guarantee low prices require scale economies, so they need bigger spaces than HiLo (to both draw customers and accommodate traffic) they also operate in fewer stores in geographic market. Consequently visiting this kind of shops require more travel because they are distant.
The usual EDLP shopper are willing to spend more time shopping and have greater benefits shopping in these places.

A HiLo policy is characterized by steep temporary price discounts with higher "regular" prices for many brands and categories, and is typically perceived to be practiced by most supermarkets (Ruth N. Bolton, Venkatesh Shankar and Detra Y. Montoya, 2005).

I will indeed analyze retailers who use this second strategy even if nowadays the distinction between the two is blurring.

2.4 Promotion

In Italy like in many other countries there is a high level of competition on the market. Most of the stores have similar products so one of the best ways to attract customers is by promotions.

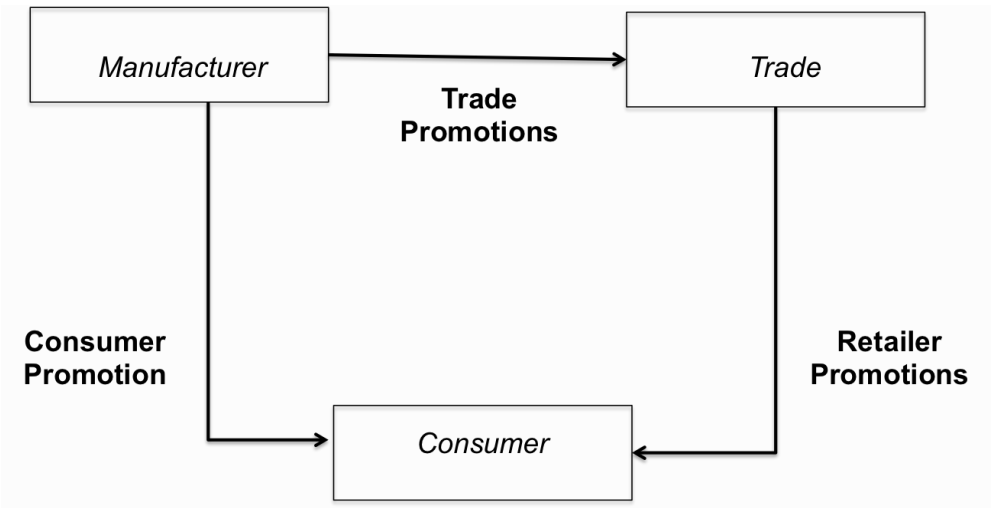
Promotion is a vital but also critical element in both retail and manufacturer management strategy.

The manufacturer and the retailer are the main “actors” in promotion and their decisions are influenced by each other.

The majority of retail stores conduct different promotion campaigns for consumers. They have different objectives: sell some specific types of products, which are defined by the company producer, sell products the expiration date of which is close etc. The effective management of such campaigns is important for profits of these retail stores.

There are three kind of promotion regarding who is doing the promotion but also for who: manufactures promotion, retailers and consumers.
Promotion developed by the manufacturer and targeted at retailers is called “Trade promotion”, while the one developed by the manufacturer and targeted at consumers is called “consumers promotion”.
The last one is the promotion developed by the retailer and that target consumers, this one is called “retailer promotion” (Blattberg RC, Neslin 1990).
In this reaserch the focus will be on consumer and retailer promotion.

Figure 5: Instruments for promotion (Gedenk 2002, Neslin 2002).



Consumer promotions are a really important element in retail environment with all of them using a myriad of different promotion campaigns and techniques in order to attract consumers in stores.

Some of the most common techniques are: in store flyers, in-store displays, "loss leader" promotions (with different strategies). Given the importance of retail promotion and the high budget spent on it is really important to understand at which level they affect customer behavior and sales (Bodapati 1999; Raghubir, Inman and Grande 2004).

In their research Mela, Gupta and Lehnamnn 1997, find out that currently customers are more price sensitive, especially when it comes to promotions, to their brand choice. This happened due to the reduced advertising and increasing promotion.

Moreover Mela, Jedidi and Bowman (1998) stated that this long-term exposure to promotions increased the behavior of "lie in wait", that means waiting for good deals.

Again Mela with Kopalle and Marsh (1991) said that this trend of increasing promotions have three major negative dynamics:

1. Increase price sensitivity;
2. Diminish the possibility of the promoted bran to take share from competitors;
3. Reduce the baseline sales.

At the beginning trade promotion were mostly founded in the form of off-invoice discounts but since then, however, manufacturer are evolving and now they "pay for performance" and make deals with retailers (Cannondale Associates 1996).

While retailers are likely to prefer unconditional discounts (Drèze and Bell, 2003), manufacturers prefer deals linked to performance (e.g., price reductions, non-price support, and sales volume). Gomez, Rao and McLaughlin (2007) in their research find out that the size of the budget and the percentage allocated to off-invoice discounts is directly related to market power of the retailer. For instance, the total budget allocated for trade promotions is higher for high sales retailer and moreover a bigger portion of that money is allocated to off-invoice deals rather than on "pay for performance". On the other hand if the retailer is not a "high seller" the budget decreases but also the percentage allocated on off-invoice discounts.

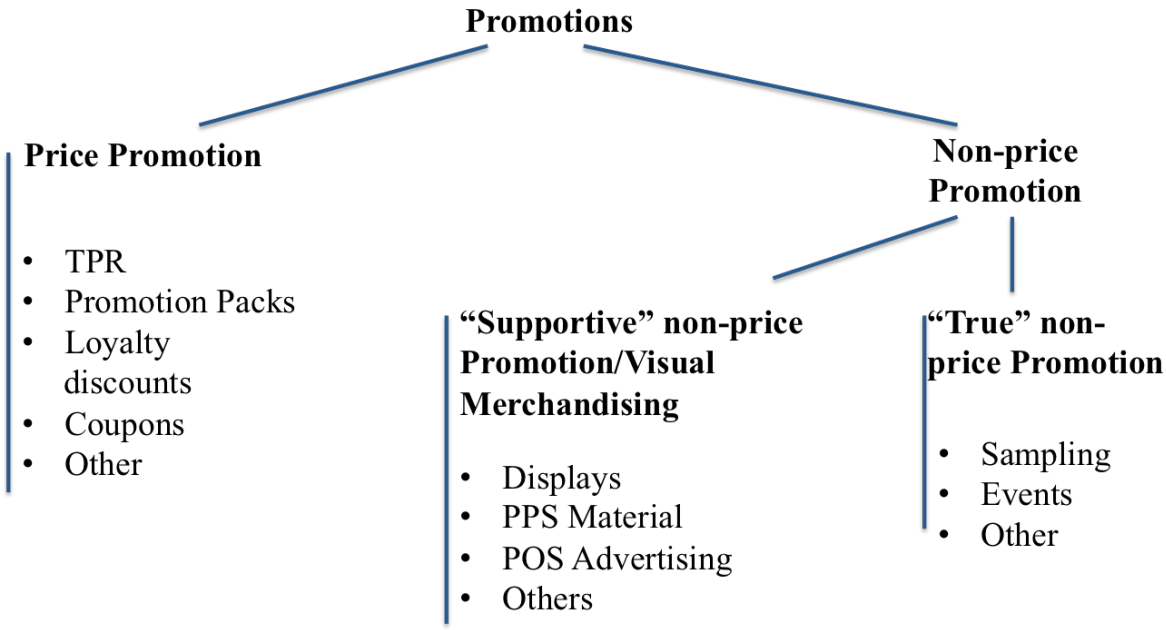
Promotions are fundamental, the increasing trend of purchasing private labels from discounters put a lot of pressure on manufacturer that are striving to improve service for their product but also price flexibility. As shown by Huchzermier and Van der Heyden, since the advent of Euro, consumers have been more price conscious and they are more likely to respond to promotions.

Even if in most of the cases, with promotions in some categories like the diapers one, there are not real pros in revenues for the retailers and manufacturers, but only for consumers, some supermarkets and hypermarkets like Metro abroad but also in Italy all the big chains, have started to use high-low pricing strategy for premium brands (e.g. Pampers of P&G, or Pampers of Fater in Italy). Using this kind of strategy helped them lure customers inside stores and moreover they have noticed that with the purchase of diapers, especially the special boxes, other categories were bought too.

Moreover Fater research showed that attracting a parent inside a store, especially a mother, is convenient for the retailer: this kind of costumer spends double than a single would.

Promotion can actually be categorized in to big groups: price and non price promotion.

Figure 6: Instruments for promotion (Gedenk 2002, Neslin 2002).



A widely used price promotion is called TPR (Temporary price reduction). This is actually a temporary discount o a product. It can be made by the retailers but also by a manufacturer (nowadays this kind of promotion like many other are agreed between the two parties).

But both retailers and manufacturers can use promotions packages with an extra content (e.g., "25% extra"), or multi item promotions (e.g., "buy three for x"). Loyalty discounts also require buying more than one unit, but the purchase can be done in multiple times. Also coupons and rebate are very important. With coupons a customer can buy a product with an immediate discount or have to bring the coupon back to the store in order to get that discount.
With a rebates a consumers pay the full price but can send back their receipt to get a discount.

“Supportive” non-price promotions are instruments used to alert consumers about the promotion. For example products on TPR are often featured or displayed and these instruments are used to draw attention on them. The focus in this case, is not properly the brand, but on the price.

But these features can be present also without a price promotion, for example it can advertise a EDLP policy or a new product. It is really interesting to notice that most of customers interpret this supportive signs as signals of price cuts, because the two are closely linked in their mind.

Finally there are the so called “true” non-price promotions, where the focus is not the price anymore but the brand or the store. Instruments like samplings and premiums are mostly used by manufacturers and not retailers.

2.5 Visual Merchandising

Visual Merchandising is a way to display the goods to promote the sales. It is the way to present products in an attractive manner with the end objective of making the sale. It is another way to call the "non price promotions".

"Visual merchandising display is the presentation at its finest. Display is the glamour and sparkle that surrounds a store and makes the consumers stop, look and buy what has been placed (Mathew, 2008)."

Successful visual merchandising displays used in stores are beneficial for their costumers. They have an effect on consumers emotions and often can make them buy. (Visual Merchandising Display's Effect on Consumers, Yolande Hefer, University of South Africa, 2013).

Visual attraction and communication have been considered vital components of retailing suggested by researchers and practitioners both (McGoldrick, 1990, 2002).

Remaining in the market and contemporary achieve a competitive edge over competitors it is fundamental and for these reasons retailers and manufacturers are incorporating various differentiating strategies and techniques in their operations (Kerfoot, Davies, & Ward, 2003).

Visual merchandising is one of those benefiting strategies that is considered as one of the determinants of success for a retail store. In visual merchandising the management ensures that both that both the exterior and interior of their store is appealing enough to attract the customers. Both the exterior and interior deem to have a major impact on consumers buying behavior and is observed to stimulate interest and desire to purchase among them. This technique also helps in the selling of the right kind of the product to the right kind of customer by developing attraction and displaying products accordingly (Wanninayake & Randiwela, 2007).

Pegler (2011) stated in their paper that visual merchandising influence the psychological behavior of consumers by visually communicating the product to customers. One of the crucial factors in this regard is that the product and the message that merchandiser is trying to communicate through visual merchandising is properly reaching out the customers or not. Some of the primary factors that contribute in this regard are the

selection of right color, lighting effects, shelving of the product and others, that as a whole enhance the impact of visual merchandising. These attributes that are important component of visual merchandising increases the sales in the retail industry by attracting the consumers towards the products displayed.
The primary job of this technique is to highlight all the differentiating elements of all the products in such a way that it not only attracts the customer but also communicate all the attributes of all the products effectively (Pegler, 2011).
Brand name, window display, color and outlook of the store are some of the elements of visual merchandising (Wanninayake & Randiwela, 2007).

Visual merchandising is therefore concerned with both how the product and/ or brand are visually communicated to the customer and also whether this message is decoded "appropriately" (Wanninayake & Randiwela, 2007). Visual merchandising is an important element of a store setting. It enables stores to attract and motivate customers to spend more time in the store, help them finding and selecting products they are looking for, encourage them to purchase items planned or unplanned as well as projecting a good overall image of the store (Bastow, Zetocha, & Passwitz, 1991)1; Gajanayake, Gajanayake, & Surangi, 2011). A positive mood serves as a contextual cue for evaluating the perceived quality, image of a product and store, and purchase intention (Bakamitsos & Park, 2000).
Visual Merchandising won't be part of my research but I will describe briefly some of the elements that Pampers uses.

2.5.1 Shelf Allocation

A good and well structured shelf design increases customer satisfaction and consequently increases sales (Fancher , 1991).
Drèze et al. further state that managing the way products are presented in shelves might have a significant effect on consumers' in-store shopping behaviour. Further studies showed that how the product is displayed actively influences consumer's brand consideration set (Pieters and Warlop 1999). Chandon et al. (2006) emphasizes this concept and stated that elements such as shelf position and the number of facing can

create the so called “visual lift”, which basically means that thanks to these factors products are more likely to be added to a consumer’s consideration set, if well displayed.
It is also important on which shelf the product is placed. Usually exposure levels (number of shelf) are four/five in hypermarkets and superstore and 5 or 6 in supermarkets. Generally the most appealing shelf is the “eye” level, because it is the first one a consumer sees. The other shelf from the lower to the highest are: on the “floor” level, the “height of the hand” level, the “eye” level and “above the eyes” level. Of course different levels of shelves are appropriate for different products (products with different market share and inventory turnover, different logistical characteristics, different volume) and for different target segments of consumers (Segetlija & Dujak, 2013).

2.5.2.1 POS Material

POS (Point Of Sale) Material is also an important advertising technique to promote products and brands inside the store. These kind of materials create an immediate response of the customers and they include: shelf talker, strips, exposition pallets, pamphlets, promotional items. (*Visual Merchandising: Does it Matter for you Brand?* Umar Niazi, 2015).
Especially exposition pallets are crucial in diapers market because half of the revenue of Pampers diapers comes from them. Diapers are more likely to be sold outside the shelves (Fater reaserch).

POSM Display also plays very crucial role when a company launches a new product in the market. Even POSM Display remains short term but it creates quick response of the customer at the POS about the Specific Product. Sometimes, Companies execute the bombastic POSM Display in the Market to advertise their short-term promotional schemes to increase the sales of the products.
This type is cost effective as compare to others methods of Merchandising.
Posters, buntings, banners, wobblers, danglers, pamphlets, shelf talkers and strips are included in the point of Sale Material.

2.5.2.2 Floor Merchandising

Floor Merchandising is in simple words the floor layout of the store. In order to get higher return floor space should be effectively. As previously said most of large retailers has specific areas, these ones depends on the traffic flow inside the store that is path of navigation for shoppers to access all sides of the retail Store. In the largest retailer there are three main areas called A, B and C. The first one is the most appealing, it is the one positions right after the entrance and each firm wants to lock the Prime positions for their assets in that spot. In this way customer will be immediately attract by the brand positioned there. Floor display can be also executed outside the store if the space is available because it will push the customer to enter in the store. This is the case with big shopping centers: otherwise the space is not often sufficient. This kind of "Exterior Floor display" can help also to create the image about the retail store and customer makes decision in seconds to enter in the store.

Dump that is the common name of floor display, is the most effective and efficient tool.

For what concerns diapers and specifically Pampers this is also the most profitable tool: 80% of the total amount of diapers, are sold thanks to Dumps, during promotions. Generally these kinds of displays are fabricated out of cardstock.

As I said typically, merchants reserve the display of dumps for their top brands and fastest selling promotions.

2.6 Purchase Intention

Purchase intention is a kind of decision-making that studies the reason to buy a particular brand by consumer (Shah et al., 2012).

Purchase intention is defined, by Morinez et al. (2007), as a situation where consumer tends to buy a certain product in certain condition. Customers purchase decision is a complex process and it is strictly related to many factors such as perceptions and attitudes toward a specific brand or product. Moreover purchase intention is a an effective tool to predict buying process (Ghosh 1990).

But customers during the buying process are affected by many internal or external motivations (Gogoi, 2013). As the common literature suggests there are six stages before deciding to buy the product, which are: awareness, knowledge, interest, preference, persuasion and purchase (Kotler & Armstrong, 2010) (Kawa et al., 2013). I will focus both on the interest/attention and purchase.

2.7 Price Sensitivity and Deal Proneness

Lichtenstein (1993) defined price sensitivity as "the degree to which consumers focuses exclusively on paying low price". Actually it means that price sensitive consumers are searching for low prices and deals and they derive emotional value from shopping for lower prices (Alford and Biswas, 2002).

Price sensitivity is an attitude that varies in intensity across individuals (Sinha and Batra, 1999). Some individuals are just more conscious of price they pay than others. Therefore it is possible to distinguish different customers segments based on their price consciousness (eg. High vs. low).
Less price conscious consumers are not really involved with the price aspect of the purchase (Lichtenstein et al., 1988) and do not wish to engage in a long price search (Lichtenstein et al., 1993). These kind of customers are likely to perceive a discount as a cue of an important reduction.
High price consciousness consumers, on the other hand, are rally involved with the price aspect of the purchase and are willing to engage in a price search to get the best deal.

A review of the deal literature finds that researchers have three main perspectives:

1. Consumers are deal prone or not on a specific deal (e.g., coupon prone segment, sale prone segment)
2. Consumers are either deal prone or not in general (promotion sensitive or promotion insensitive segment)
3. Consumers are deal prone to just a certain kind of deal (monetary non monetary)

However for what concerns deal proneness recent research concluded that it is a concept that cannot be conceptualized at a general level (Lichtenstein, Netemeyer, and Burton, 1995). In other words a deal prone customers can be prone just to specific kind of deal (e.g. , coupon prone segment , display prone segment).

2.7 Perceived Risk

According to Arrow (1950), Humphreys and Kenderdine (1979), Perceived Risk "represents un uncertain, probabilistic potential future outlay". In simple words it is the ambiguity that consumers have before purchasing any product or service.
In 1960 Bauer introduced the concept of perceived risk in consumer behavior (Dowling, 1994; Mitchell, 1999; Taylor, 1960). What he states was "consumer behavior involves risk in sense that any action of a consumer may lead to an unpleasant consequence" (Ho & Ng, 1994).
This concept was later reinforced by Taylor (1974), saying that the choice is at the basis of consumers behavior and suggest that risk or uncertainty are inherent in any consumers purchase decision because they will only observe the outcome in the future. On this, Cox and Rich (1964) added that the concept of perceived risk is closely related to the buying goals of the consumers.
The term perceived risk is associated with any purchase and occurs a consumers perceives that the purchase decision might cause a potential hazard or chance of loss. Perceived risk is always subjective in nature and differs from people to people. It may vary also in time.

There are several types of perceived risk.

1. **Functional risk** refers to the risks associated with the functioning of the product. This kind of risk may be avoided providing adequate information about the product.
2. **Financial risk** is the one that arises when consumers think about their return on investment. Assessing whether the product they intend to buy is worth the price.

3. **Social risk** is the one connected to the brand itself. An example could be a person wearing a certain brand of clothes. It is know that brand work hard creating an identity and image that customer can identify with.
4. **Time risk** is referring to the one that occur when purchasing a new product. The consumer is worried about how much of his time as well as the effort the new product would imply**.**
5. **Physical risk** doubts about the safe usage of the product. A consumer can be confused about how a product is safe to use or not.

This research will consider just functional and Financial Risk, under the name of Overall Perceived risk. Social risk would not be consider because Pampers is a well know brand with a strong brand equity, the same thing as for physical risk, customers already know Pampers brand. Time risk also will be excluded from the research.

2.8 Hypotheses Development and Conceptual Model

For the purposes of the study that this thesis proposes, according to the main question and the sub-questions, in light of the previous literature analyzed, several interesting aspects have emerged.

Consequently, a conceptual model has been developed that will study the different conditions on the basis several hypotheses emerged from the critical evaluation of the theoretical foundations reported in this thesis (see Figure 7).

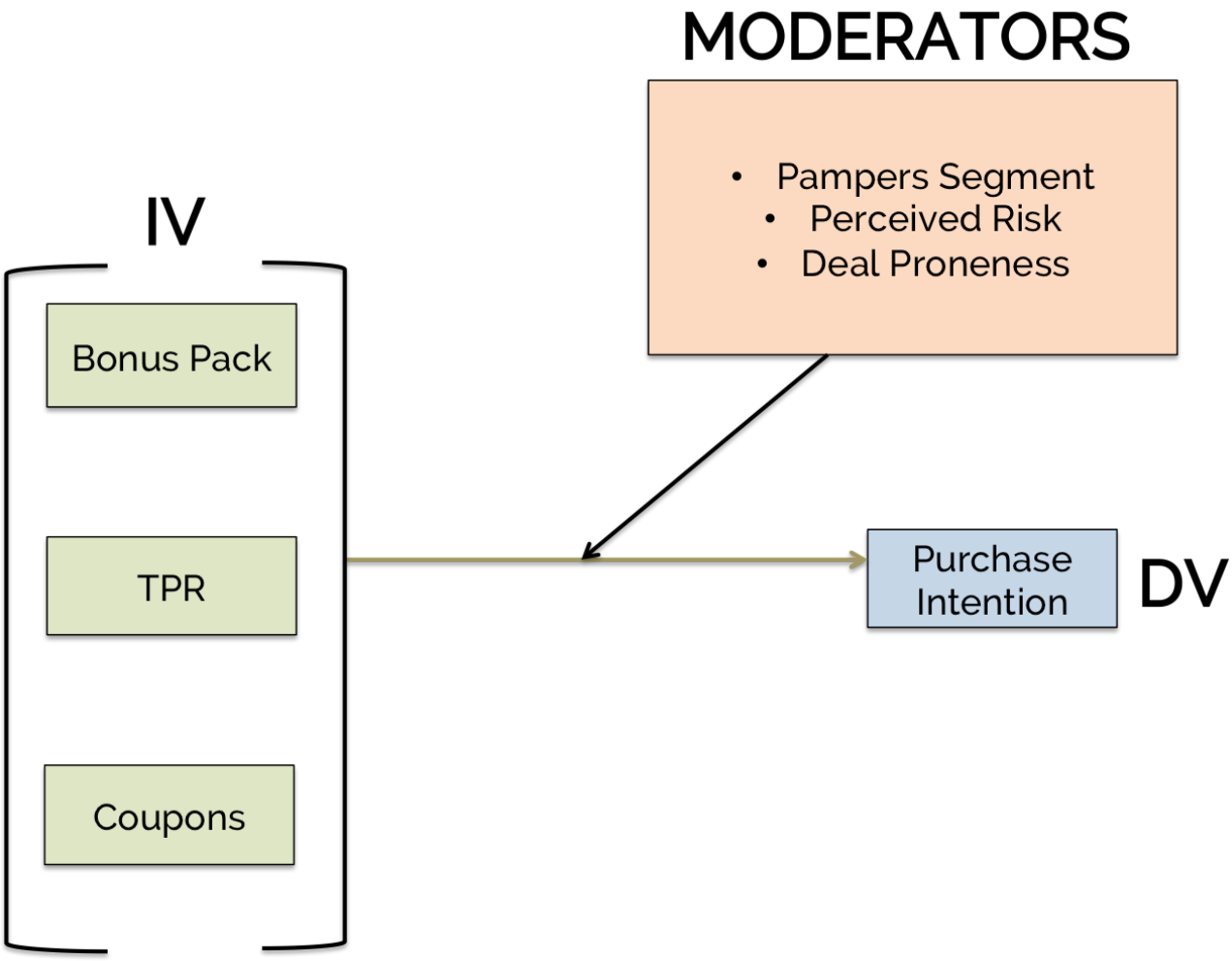


Figure 7– *Global Research Model*

2.9 Dependent Variable

This thesis aims to investigate the effect of the different kind of price promotions on Pampers purchase intention, taking also into account some moderators like price sensitivity and the customer segmentation that may affect consumer purchasing behavior.

Therefore, to better evaluate the effect of sales promotions, was adequate to use one dependent variable:

1. **PURCHASE INTENTION, which actually studies the application in its most pragmatic and tangible explanation, investigating the propensity of the subject to act concretely, with its economic resources;**

2.10 Independent Variable

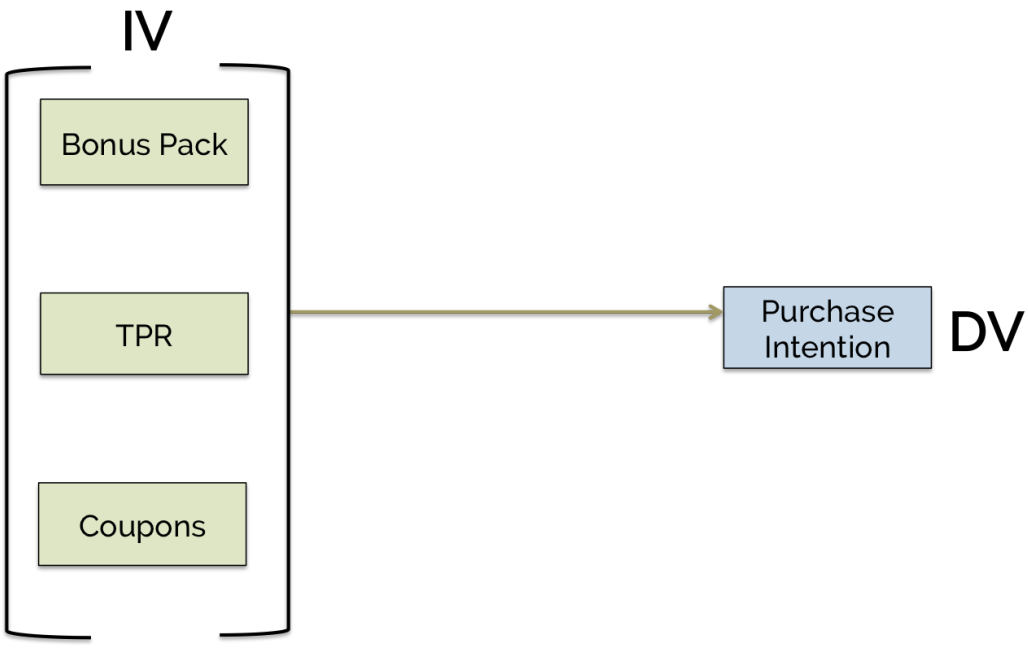


Figure 8 – *Independent variable model*

As already mentioned in the main question, different sales promotion strategy will be studied.

In the light of the literature examined, the most important aspects, the managerial levers of greatest impact that will be taken into consideration for this study can be defined as:

1. **TPR**
2. **Coupons**
3. **Bonus Pack**

In the development phase of the hypotheses to be tested with reference to these selected variables, and as written in the previous literature, these different assumptions can be made:

H1: Sales Promotions have a positive impact on Purchase Intention

H2: The Type of promotion used has a different impact on purchase Intention

H2a: TPR and Bonus pack have a higher impact on Purchase Intention

2.11 Moderating Effect

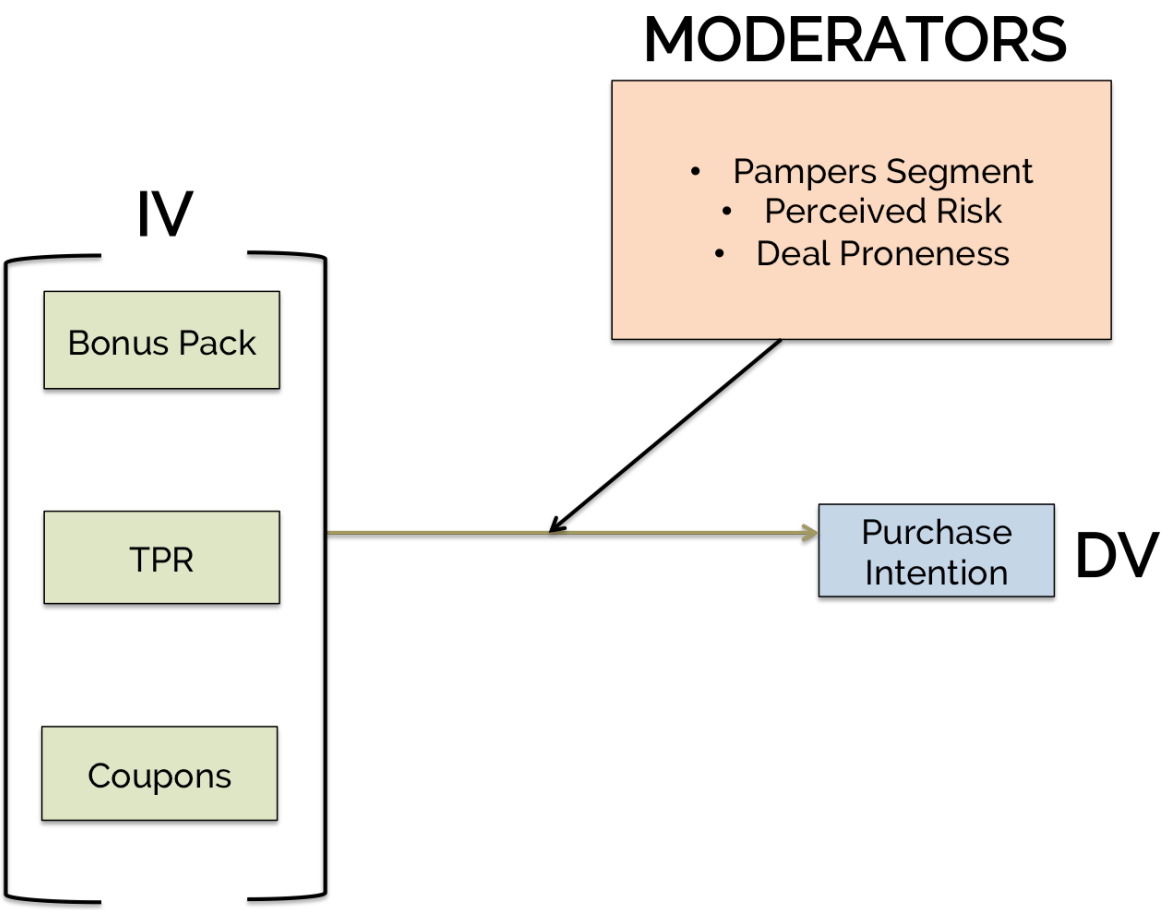


Figure 9: Moderating effects

Overall Perceived Risk

After several exhaustive studies that researchers conducted on perceived risk concept, they all recognized that a good strategy in order to reduce it is by enhancing product quality (Mitra, Reiss, & Capella, 1999; Sweeney et al., 1999). Increasing in some way the uncertainty of the purchase (Dowling & Staelin, 1994) will enable the costumers to take more effective consumer behavior decision. Few researchers agreed that a possible way to decrease overall risk perception is thanks to sales promotion (Ho & Ng, 1994). Indeed Cox (1967), said that promotions is included as one of the strategy of information acquisition that diminish perceived risk. Therefore it is possible to state:

H4a: Sales promotion would decrease perceived risk

For what concern the type of promotion used and its impact on perceived risk, two researchers, Garretson & Clow (1999) stated that monetary promotions such as coupons may have a significant impact on consumer decision that allow to reduce perceived risk of the purchase.

H4b: Monetary promotion (TPR and Coupons) decrease overall perceived Risk

There is no study that proves the direct impact of non-monetary promotions (in this case Bonus pack) on perceive risk. Hence this study proposes the following hypothesis:

H4c: Bonus pack decrease overall perceived risk

What this research aims also to study is the impact of each different promotional sales strategy on perceived risk. So comes this statement:

H5: The Type of promotion used has a different impact on Perceived risk

What this research aims also to study is the impact of each different promotional sales strategy on perceived risk. So comes this statement:

Many researchers have stated that perceived risk has a significant impact on PI (Wood and Scheer 1996).

H6: Perceived risk moderate the relationship between sales promotions and purchase intention.

Deal Proneness

As previously said, a review of literature finds that researchers have different opinions on deal proneness:

- Some consider consumer either deal prone or not in general (deal prone segment and insensitive segment)
- Others argues that a consumer can be deal prone or not to a specific deal (e.g. coupon prone segment, sale prone segment)
- Some consumers align with specific kind of deal but not other (e.g. price promotion oriented segment)

In this research I will consider consumers deal prone on not deal prone in general.
Deal proneness is also predicted to have positive influence on purchase intentions. Deal prone consumers are expected to have an increased propensity to respond purchasing offer because a deal in the form of purchase offer positively influences purchase evaluations (Thaler, 1983).
Deal prone customers may define value in terms of in terms of a presence of a sales promotion thus a sale promotions is already a good indicator of a good deal.

Thus it is possible to state:

H7: Deal proneness affects positively purchase Intention. Higher deal proneness leads to higher purchase intention.

As already mentioned Deal Proneness affects positively consumer evaluation of Sale Promotions (Khare, et al. 2014) but also purchase behavior (Lichtenstein et al., 1997). Consumers with deal proneness showed to respond positively to promotional offers because they obtain advanteges from purchasing on deal.
This Hypothesis will be tested:

H8: Deal proneness moderates the relationship of sales promotion and Purchase Intention. Higher Deal Prone will affect positively Purchase Intention when a Promotional stimulus will be presented.

Pampers Segment

In this research there will be studied if the Pampers lines, customers are usually buying, affect the relationship between Sales promotion and PI.

Due to the fact that all the lines cost differently, it is possible that may affect on their choice regarding their purchasing behavior.
For example the customers that are used to buy Sole e Luna, firstly look on price. This is, why it's possible to suppose that they can be affected positively by monetary

promotions. On the other hand, Customer that buy the top line, are major concerned about the quality, this is way it is possible that they do not care mainly about the price.

Due to these considerations, the hypothesis developed will be:

H8: Fater Customer segmentation moderates the relationship between Sales Promotion and PI.

Chapter 3 – Methodology

3.1 Research Type

As presented in the introduction of the thesis, the main research question will be:

What is the effect of sales promotion on purchase intention of Pampers customers?

Sub questions:

- *What is the effect of the different types of promotion on purchase Intention?*
- *What is the moderating role of Pampers segmentation (premium line, medium line or low line) in the relationship between sales promotion and purchase intention?*
- *How does price sensitivity moderate the relationship between sales promotion and purchase intention of Pampers Customers?*
- *How does Perceived Risk moderate the relationship between sales Promotions and Purchase Intention of Pampers Customer?*

Given this premises, the research be structured following a quantitative approach, built with a web-based experimental survey conducted in the Italian territory.

This research will follow an experimental design with independent measures, known as between groups. Different participants are used in each condition of the dependent variable (in this case sales promotions). This means that each conditions of the experiment include a different group of participants.

Since some elements taken into consideration in the conceptual model refer to previously studied theoretical concepts, the research will then be descriptive, with a deductive approach, given that the effects of essentially proven relationships, but with subjects and conditions of various nature, will be artificially set up and later studied and compared.

The process will then proceed to a statistical analysis of the collected primary data, to investigate the formulated hypotheses.

3.2 Data Collection Method

For this research the submission of a web-based survey will be used. It will be released via email, private messages on cell phone and Facebook.
The survey method lends itself well, to the objective of this research, as it can easily and quickly, collect a large amount of data that refer to the detection of perception measures, which, without a doubt, play an important role in the psychology of the consumer, whose perception has an important impact on his final behavior.

3.2.1 The survey

The survey was developed on Qualtrics, one of the main online platforms, which offers the possibility of using a wide range of tools, in order to obtain the most faithful investigation possible to the researcher's methods and objectives to be achieved.

The survey is divided into three sections, circumscribed by an initial message of introduction and incentive to proceed further (making it clear that the information will be recorded anonymously, that the content is easy to understand, that the response mode does not require particular commitment and that the overall duration of the survey is quite short, in order to avoid the quitting effect as much as possible) and a final message of thanks (where gratitude is acknowledged to respondents for their commitment and attention).

The survey has three main section: in the first one, the respondent is asked to provide information of a purely demographic nature, such as the year of birth, the gender and the income before taxes. This part is common to all the respondents.

In the second section, the respondents were asked about their propensity to buy products in promotion, deal proneness, the goal here, is to analyze the relationship between the respondents and sales promotion. Then they were asked about their relationship with the

brand Pampers, with the purpose of measuring their brand loyalty. The last question of that section was about the Pampers Line (Progressi, Baby Dry and Sole e Luna) that they are used to buy.

In the third section, the respondents will be exposed to one stimulus. The allocation will be randomized, ensuring that each respondent has an equal chance of being assigned to one group or another. The possible groups are 4. The first one is a control group, where the diaper will be displayed without a promotion and in the remaining stimulus, the diaper will be present with three different promotion strategy (Coupons, TPR and bonus pack). The respondents will be allocated randomly just to one of the four scenarios.

After the exposure to the product stimulus, the respondents were asked about their purchase intention and perceived risk.

The survey terminates with a message of thanks and gratitude.

3.3 The chosen scales

As previously mentioned when explaining the global model, this research deals with one dependent variable, named “Purchase Intention” and one Independent variable, called “Sales Promotion” that includes *Bonus Pack, TPR and Coupons and a control group*. It has also three moderators, namely "Sales Proneness", "Fater segmentation” and “Perceived Risk”.
The variables that need specific scales to be measured are: "Purchase Intention", "Sales Proneness" and “Perceived Risk”.

Following the survey’s division, the first section starts by estimating socio-demographics variables: "gender" (male or female), "income" (less than €15.000, from €15.001 to €25.000, from €25.001 to 35.000, from €35.001 to €45.000, from €45.001 to €55.000 or more than €55.000) and age

In the second section was estimated deal Proneness that was measured through five items on 7-point Likert scale by asking customer’s proneness respond to promotions (“: If a product is on sale, that can be a reason for me to buy it”; “Compared to most people, I am more likely to buy brand that are on special”; “When I buy a brand that’s on sale, I feel that I am getting a good deal”; “I have favorite brands, but most of the time I buy the brand that’s on sale”; “I am more likely to buy brands that are on sale”. The scale follows the one adopted by Lichtenstein, Ridgway, and Netemeyer ,1993.
Then the respondent was asked about the Pampers Line that he/she uses/used to buy (“Progressi”; “Baby Dry”; “Sole e Luna”).

In the third section the stimuli was presented to the respondent. The price used in each Scenario was based on the reality that respondents may face every day in grocery stores. The possible scenarios were four (three stimulus and a control group). Each respondent could just see one scenario.

To measure purchase intention, the research follows the construct used by Spears and Sing (2004) using four items at a 7-point semantic differential scale (“Never/definitely”;

"Probably not/ Probably buy it"; "Definitely do not intend to buy/ definitely intend"; Very low/High purchase intention").

To measure Perceived risk, the research follows the construct used by Spears and Sing (2004) using four items at a 7-point semantic differential scale ("Never/definitely"; "Probably not/ Probably buy it"; "Definitely do not intend to buy/ definitely intend"; Very low/High purchase intention").

Construct/variable	Source	Scale	Scale type
Dependent Variables			
Purchase Intention	(Spears, and N. Singh, 2004)	Q1: Never/definitely Q2: Definitely do not intend to buy/ definitely intend Q3: Very low/High purchase intention Q4: Probably not/ Probably buy it	7-point semantic differential scale.
Indipendent Variable			
Sales Promotion		• No sales promotion (control group) • Sales Promotion with TPR • Sales Promotion with Bonus Pack • Sales Promotion with Coupons	Randomized scenario
Moderators			

Pampers Segmentation		Progressi, Baby Dry, Sole&Luna	Nominal
Sale Proneness	(Lichtenstein, Ridgway, and Netemeyer 1993)	Q1: If a product is on sale, that can be a reason for me to buy it. Q2: When I buy a brand that's on sale, I feel that I am getting a good deal. Q3: I have favorite brands, but most of the time I buy the brand that's on sale. Q4: I am more likely to buy brands that are on sale. Q5: Compared to most people, I am more likely to buy brand that are on special.	7-point Likert scale, ranging from extremely disagree (1) to extremely agree (7)
Overall Perceived Risk	Spence, Engel, & Blackwell (1970)	Q1: Extremely risky/not risky at all	7-point semantic differential scale
Performance and Financial Risk	Sweeney, Soutar, & Johnson. (1999)	Q1: There is chance that there will be something wrong with the product. Q2: This product is extremely risky in terms of how it would performs. Q3: There is chance that I will loose money because it cost more than it should. Q4: This product is extremely risky in terms of cost.	7-point Likert scale, ranging from extremely disagree (1) to extremely agree (7)

Demographic Variables			
Age		From 20 to 30 From 31 to 40 From 41 to 50 From 51 to 60 Over 60	Interval
Gender		Male or Female	Nominal
Income Before Taxes		Less than €15.000 From €15.001 to €25.000 From €25.001 to €35.000 From €35.001 to €45.000 From €45.001 to €55.000 More than €55.001	Interval

3.4 Sampling Method and Sample Size

Non-probability samples include elements from the population selected in a non-statistical manner (Schmidt and Hollensen, 2006). Therefore, convenience sampling will be used in this research to get an inexpensive approximation of the truth. As the name implies, the sample is selected because it is convenient. This non-probability method helps to get a gross estimate of the results, without incurring the cost or time required to select a random sample.

Non-probability, purposive sampling will be used and this kind of process won't give to all individuals in the population equal chances of being selected (Tustin et al., 2005). Participants were selected on the basis of their accessibility and by the purposive personal judgment of the researcher (Zikmund & Babin, 2010)
The inclusion criteria for the purposive sampling for this research study are people, in the specific case, that are Pamper usual customers.

Due to the short time available and the chosen data collection method, the survey will be submitted via web, email and on Facebook.

3.5 Reliability and Validity Test

Given the fact that in this research uses multi-item scales for variables will be used, reliability and the validity should be tested.

After the data cleaning process, there will be Factor Analysis to tests the validity of the scales used in the study, even if these were taken from the previous literature and therefore pre-validated.

A preliminary reliability analysis will be performed using the Cronbach's alpha test.

3.6 Hypothesis Testing

This research aims to study the effect of different sales promotion on Pampers customers' purchase intention and then to analyze the mediator effects of Deal Proneness, Pampers Segmentation and Overall Perceived Risk, on the relationship between Sales Promotion and Purchase Intention.

Firstly, there will be a description of the sample, thus descriptive statistics will show the demographics variable named Age, Gender and Income.

Secondly to validate that sales promotions affect positively purchase intention an independent t- test (one tailed) will be conducted. A one-way ANOVA test will be performed to understand the effects of different sales promotion on purchase intention and understand which one is the most effective.

Then, before analyzing the mediator effect of Overall Perceived Risk, a regression analysis will be performed in order to see if PR affects Purchase Intention. An independent t-test will show if there is also a difference in PR means in the different promotional scenarios. A one-way ANOVA will be conducted to see if some sales promotions have a higher impact on PR.

The analysis will proceed with the moderator variable Deal Proneness. First it will be studied if it does affect PI with a linear regression.

Then to test the moderator effect of DP e PR a regression with moderators will be conducted.

At last, a two-way ANOVA will be conducted to show the possible interaction effect of Pampers segmentation on the relationship between sales promotion and purchase intention.

Chapter 4 – Results

4.1 Descriptive Statistics

A total of 168 observations were collected through the survey. After a data cleaning and therefore the elimination of the missing values the sample was 155.

The gender sample had a female predominance, they constituted 82.44% of the total sample, with 127 observations, while male 17.53% with 27 observations.

In terms of age the sample is more diversified: 18.18% aged between 20-30 years, 46,75% aged between 31-40 years, 27.27% aged between 41-50 years, 6,49% aged between 51-60 years and 1.30% aged over 60 years.

The reported income of the respondents is distributed as follows: 15,58% of the sample has an income less than €15000 (24 responses), 29,87% has an income from €15001-€25000 (46 responses), 31,17% with an income €25001-€35000 (48 responses), 13,64% with an income between €35001-€45000 (21 responses), 2,60% with an income between €45001-€55000 (4 responses) and 7,14% with an income more than €55001 (11 responses).

For what concerns Pampers Segmentation that is connected to the Pampers Line the respondents usually buy, the sample is characterized by: 20.78% buying "Sole e Luna" (32 answers), 44.81% buying "Baby Dry" (69 answers) and 34.42% buying "Progressi" line (53 answers).

Finally, through the survey, the different stimuli were presented 154 times. As previously said each respondent would see just one stimulus. More specifically the scenario with "no promotion" was presented 39 times, the one with "TPR" 33 times, the scenario with the "Bonus Pack" 40 times and the one with "Coupons" 42 times.

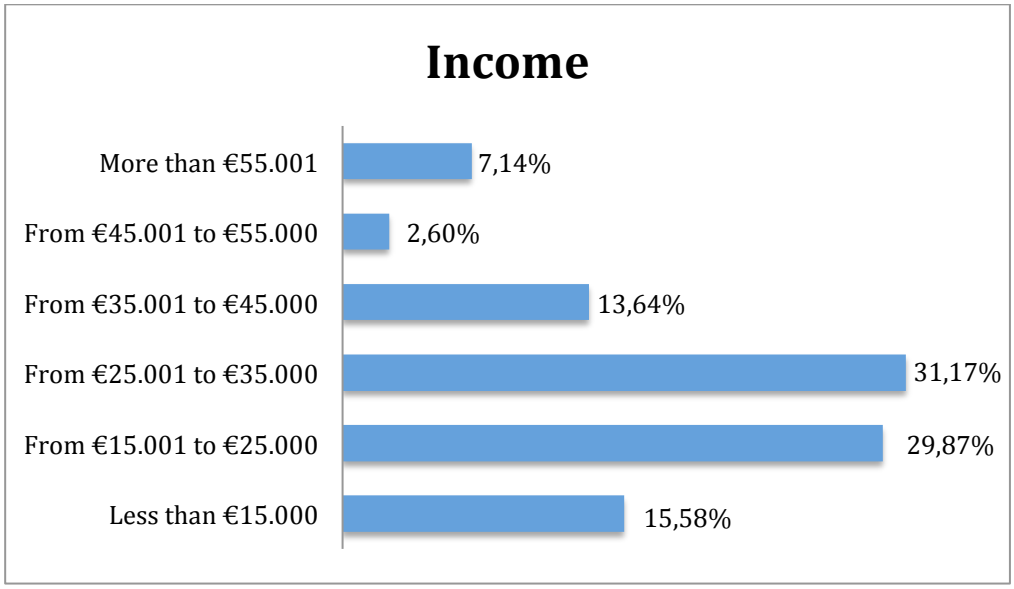


Figure 10: Income Distibution

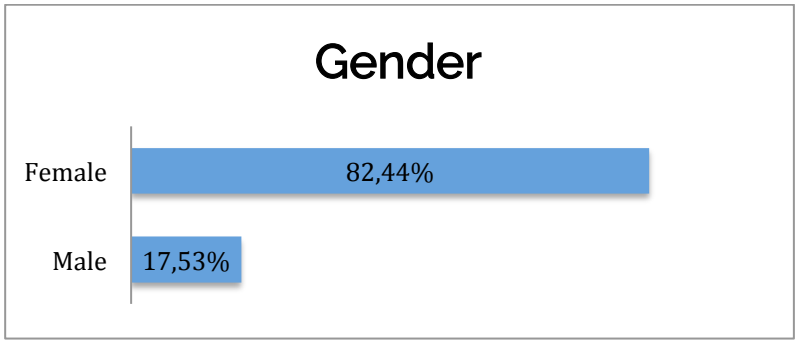


Figure 11: Gender Distribution

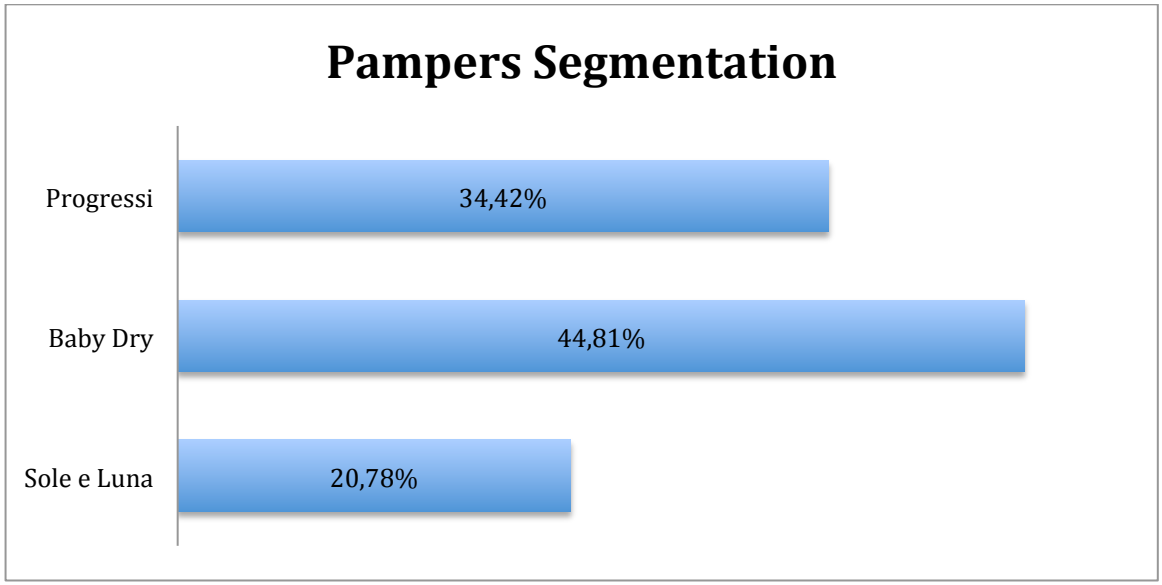


Figure 12: Pampers Segmentation

4.2 Validity and Reliability Test

In order to verify the reliability and the validity of the variables measured through multi-item scale, a factor analysis and a cronbach's alpha were performed.

The model comprehends three constructs measured by multi-item scales. To inspect construct validity, a confirmatory factor analysis was performed, even though, as previously said, all the constructs used for the variables were already pre-validated scales. The scales were factor analysis was performed were "Purchase Intention", "Overall Perceived Risk" and "Deal Proneness", expecting three factors.

After rotating the results, to get a clear pattern, the expectation was met, resulting in the validity of the used multi item scales.

Three factors, which have proper eigenvalues, have been obtained as expected. The first factor is PI because all the items of its used scale loaded on this factor. The second factor is DP (Deal Proneness) because all the items of its used scale loaded on this factor. The third factor is Risk (Perceived risk) because all the items of its used scale loaded on this factor.

These three scales are valid (construct validity is fine) and they are separated (i.e. distinct/measure different concept) as well (discriminant validity is fine).

To verify reliability, a Cronbach's alpha test was performed for each validated construct:

1. Cronbach's alpha of Deal Proneness (DP) scale is equal to 0.85 (very good), which is larger than cutoff 0.60. By looking at the column "alpha", we see that eliminating any of items of DP scale does not increase much, indeed this scale is reliable to use in further analysis by calculating the scale mean.

2. Cronbach's alpha of Purchase Intention (PI) scale is equal to 0.94 (very good), which is larger than cutoff 0.60. By looking at the column "alpha", we see that eliminating any of items of PI scale does not increase much. So, PI scale is reliable to use in further analysis by calculating the scale mean.

3. Cronbach's alpha of Perceived Risk scale is equal to 0.86 (very good), which is larger than cutoff 0.60. By looking at the column "alpha", we see that eliminating any of items of Risk scale does not increase

4.3 Hypothesis Testing Results

To analyze the impact of sales promotion on purchase intention, and compare the means of PI in the "Promotion" and "No promotion (control group)", knowing that sales promotion is a categorical variable, in order to proceed, it was transformed into a dummy variable where "No promotion" is 0 and "Promotion" is 1.

To verify H1, a two sample independent t-test with one tail, was run on the data with a 95% confidence interval (CI), in order to confirm a difference in means of PI between "Promotion" and "No Promotion" stimulus; (H0: Promotion PI is not larger than no promotion PI).

The test has a p-value=0.003<0,05, so reject H0, thus the mean of PI in a "promotion" scenario is higher than in a "No Promotion" one. The mean of PI in a "promotion" scenario is higher (4.81) than the one in " No promotion" scenario (3.92).

The purchase intention, as previously said, was measured with a 7-point Likert scale, where 1 is the lowest level and 7 the maximum one. Knowing this but also the two means, is possible to state that "Promotions" has a positive effect on PI while "No Promotion" has a negative one.

To be sure that independent samples with equal variances should be used, a Leven's test for equal variances was performed, resulting positive (Ho: equal variances (Pr > F = 0.3 > 0.05) not rejected). Thus, variances are constant (homoscedasticity).

Before conducting ANOVA analysis, the research must check for all the assumptions. All the variables (PI, DP and Risk) are normally distributed: Shapiro–Wilk normality test has been performed with positive feedback (p-values > 0.05): the sample comes from a population which has a normal distribution is not rejected for the variables.

Then, was evaluated the assumption of the equality of the variances of the ANOVA analysis, using Levene's test, resulting with positive feedback for all the variables

1. Purchase Intention (Ho: equal variances (Pr > F = 0.65 > 0.05) not rejected)
2. Deal Proneness (Ho: equal variances (Pr > F = 0.5>0.05) not rejected)
3. Risk (Ho: equal variances (Pr > F = 0.5>0.05) not rejected)

To test H2a, The Type of promotion used has a different impact on purchase Intention, a one-way ANOVA was performed. Due to the fact that we already know that there is significant difference in means between PI of "Promotion" and "No Promotion" an ANOVA test was conducted just on the three different promotion scenarios, in order to inspect a significant difference among them.

Firstly to have a better look on our data a graph bar (Figure 13) with the mean of PI of the three scenarios were displayed.

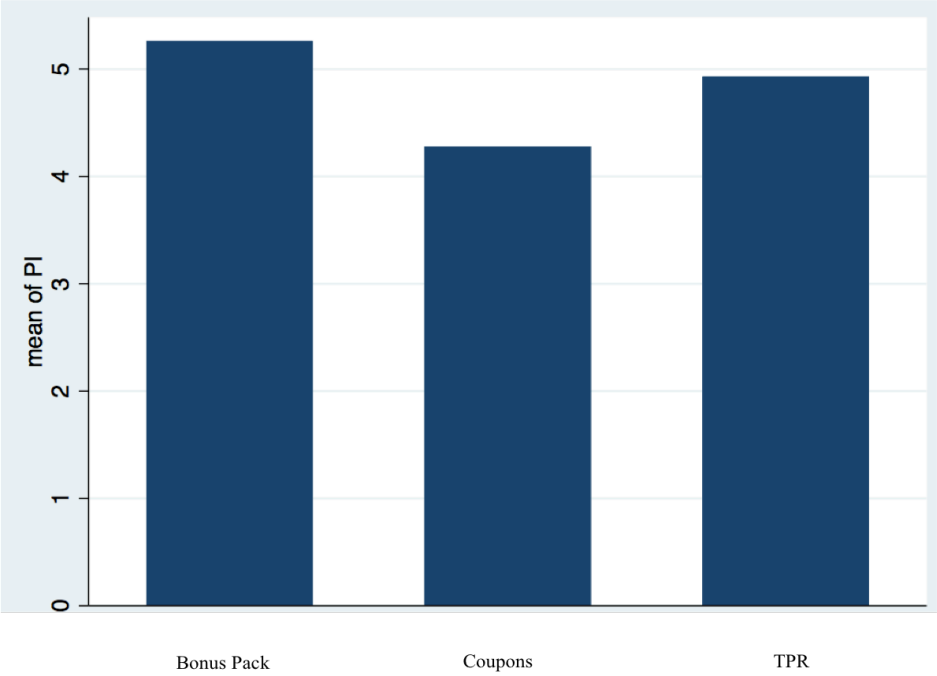


Figure 13: Difference in PI mean between promotions.

A One-way Anova was run on a sample of 115 participants to study the effect of Sales Promotion on Purchase Intention (H2a and H2b). The population is normally distributed and looking at the Bartlett's test of equal variances, Prob>chi2 = 0.334, we do not reject H0. Thus, variances of groups are equal. Independent Variable (Sales Promotion) has a significant impact on PI ($F(2,114) = 3{,}48$, p-value = $0.03<0.05$), thus H0 is rejected. There are mean differences in Purchase Intention due to IVs. Thus, the type of sales promotion has a different impact on PI.

When a post-hoc comparison test with Scheffe was conducted, to check H2b, it is possible to see that there is a significant difference in PI between 1 (Bonus Pack) and 3

(Coupons) (t=-98, p=0.03), but not between 3 and 4 (TPR) (t=.65, p=0.27) and 1 and 4 (t=.-33, p=0.71). There are no differences in terms of effectiveness between " Coupons" and "TPR" and between "TPR" and "Bonus Pack". The most effective strategy is "Bonus pack" with M=5.27, next is "TPR" with M=4.93 and last one is "Coupons" with M=4.28.

To verify H3, that Perceived Riks has an impact on Purchase Intention a linear regression was conducted. The overall model is fit because F-test is significant even if R-square is low (p-value=0.00<0.05; r-square=0.33). Thus it mean that 33% variance in Purchase Intention is explained by PR, it is not the only driver of Purchase Intention. Then we inspect the individual regression coefficient that negative (p-value=0.00<0.05). All the linear regression assumption validated: there is homoscedasticity across all the data (white's test) the p-value=0.28>0.05, do not reject H0. The variance of residuals is homogenous. Durbin Watson test demonstrated that there is interdependence of observations (1.48). The scatterplot showed a normal distribution of the residuals errors. There is not multicollinearity effect. The hypothesis H3 was confirmed.

To verify H4a a two sample independent t-test with (one tailed) was conducted in order to confirm a difference in means of Risk between "Promotion" and "No Promotion" stimulus; (H0: No promotion PR is larger than promotion PR). The test has a p-value=0.007<0,05, so we reject H0, thus the mean of PI in a "promotion" is lower than in a "No Promotion" one. The mean of PR in a " no promotion" scenario is lower (0.91) than the one in " No promotion" scenario (1.53).

To be sure that independent samples with equal variances should be used, a Leven's test for equal variances was performed, resulting positive (Ho: equal variances (Pr > F = 0.9 > 0.05) not rejected). Thus, variances are constant (homoscedasticity).

To test H4b and H5 a one-way ANOVA was performed. Due to the fact that we already know that there is significant difference in means between PI of "Promotion" and "No Promotion" and moreover that "Promotion" PR is lower, an ANOVA test was conducted just on the three different promotion scenarios, in order to inspect a significant difference among them. Firstly to have a better look on our data a graph bar (Figure 14) with the mean of PR of the three scenarios were displayed.

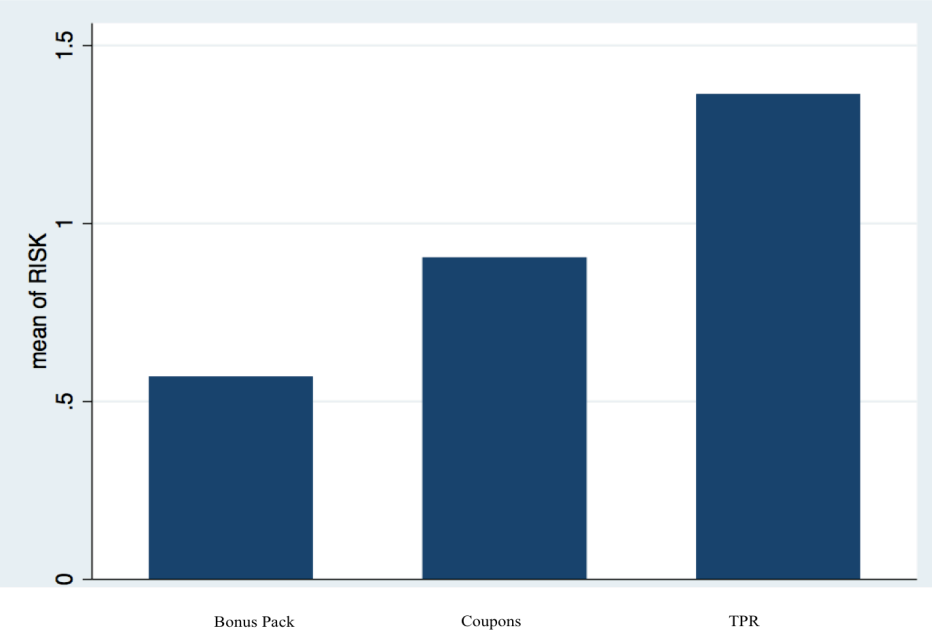


Figure 14: Difference in PR mean between promotions.

A One-way ANOVA was run on a sample of 115 participants to study the effect of Sales Promotion on PR. The population is normally distributed and looking at the Bartlett's test of equal variances, Prob>chi2 = 0.48, we do not reject H0. Thus, variances of groups are equal. Independent Variable (Sales Promotion) has a significant impact on PI (F(2,114) = 3,48, p-value = 0.03<0.05), thus H0 is rejected. There are mean differences in PR due to IVs. Thus, the type of sales promotion has a different impact on PR.

When a post-hoc comparison test with Bonferroni was conducted, it is possible to see that there is a significant difference in PR between 1 (Bonus Pack) and 4 (TPR) (t=92, p=0.02), but not between 1 and 3 (t=.30, p=0.7) and 3 and 4 (t=.62, p=0.05). There are no differences in terms of effectiveness between " Bonus pack" and "Coupons" and between "Coupons" and "TPR". The most effective strategy to lower perceived risk is "Bonus pack" with M=2.19, next is "Coupons" with M=3.11 and last one is "TPR" with M=3.11.

To verify H7, that assumes that Deal Proneness has a positive effect on Purchase Intention, a linear regression was run. The overall model is not significant, the F-test showed a p-value=

To verify H6 and H8, Deal Proneness and Perceived Risk has a moderator effect on the relationship between Sales Promotion and Purchase Intention, a regression with a moderators was conducted. There was a problem of multicollinearity that was solved

thanks by the mean centering. When running the regression again the overall model is fit because F-test is significant even if R-square is low (p-value=0.00<0.05; r-square=0.34). Thus it mean that 34% variance in Purchase Intention is explained. But when looking at the coefficients of the regression and in particular the moderators, both of theme were not significant, indeed Deal Proneness p-value=0.209>0.05, Perceived Risk p-value=0.165>0.05. All the regression assumption validated: there is homoscedasticity across all the data (white's test) the p-value=0.68>0.05, do not reject H0. The variance of residuals is homogenous. Durbin Watson test demonstrated that there is interdependence of observations (1.50). The scatterplot showed a normal distribution of the residuals errors.

For H6 and H8 do not reject H0. Both Deal Proneness and Perceived Risk do not moderate the relationship between Sales Promotion and Purchase Intention.

To verify H9, Fater segmentation has an interaction effect between the relationship of sales promotion and Purchase Intention, a two-way ANOVA was conducted on sample of 154 respondents. First of all it was plotted a bar chart (Figure 15) in order to have a better look on the data.

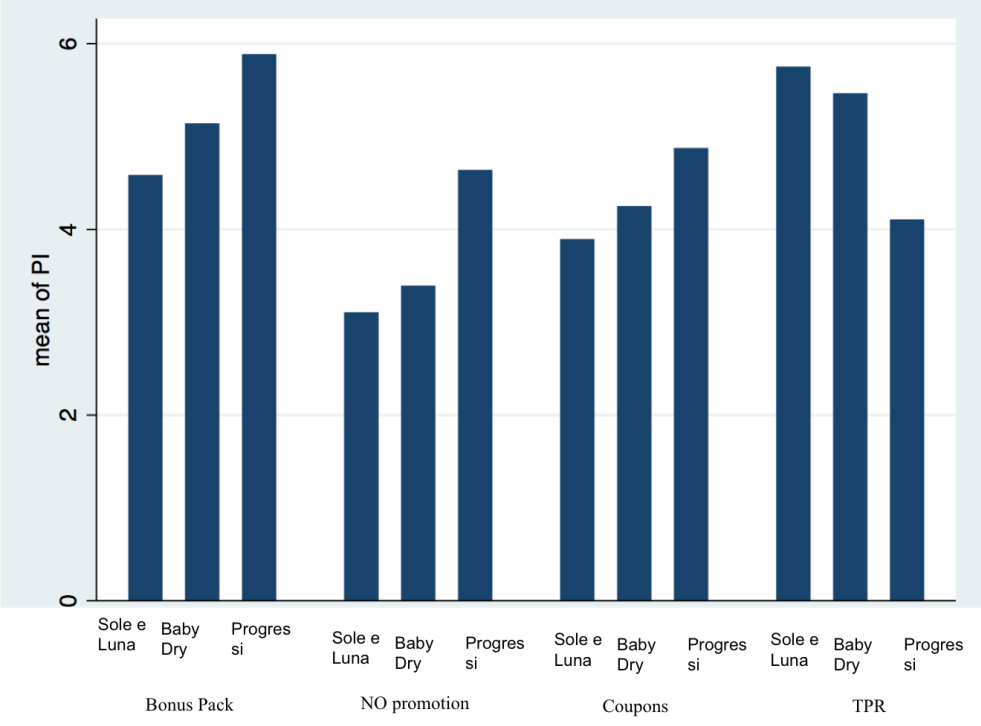


Figure 15: Interaction Promotions, Pampers Segmentation on PI means.

Plotting the patterns of interaction it is possible to see that there is a disordinal interaction with crossover. Thus the main effect would not be interpret but just the interaction effect. In the graph below (figure 16) (1 is bonus pack Scenario, 2 is the control group, 3 is Coupons and 4 TPR).

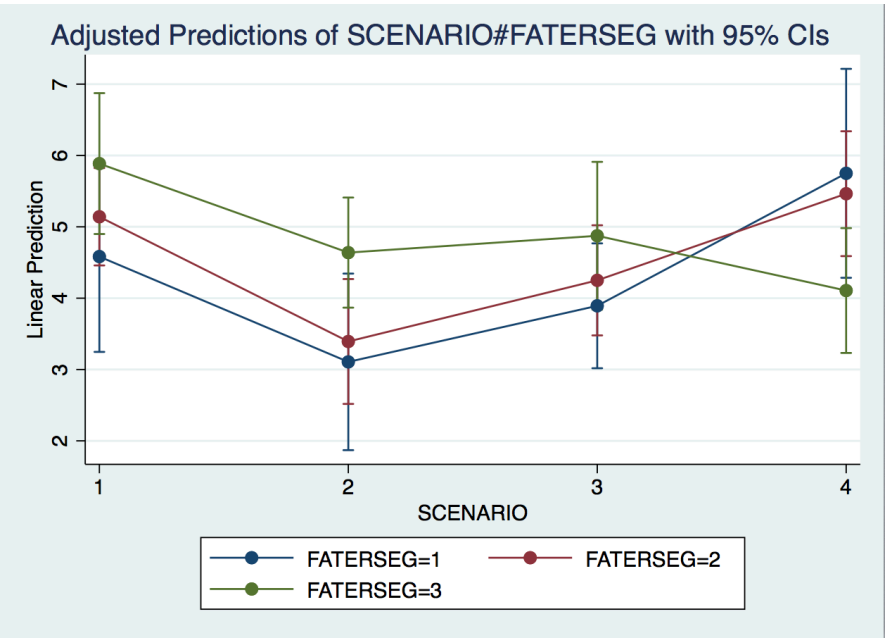


Figure 16: Pattern of interaction

The model is significant with a 95% confidence (F(11, 142)=3.03, p-value=0,0012<0,05). There was a significant interaction between the effect of sales promotion strategy and Fater Segmentation F(2,142) = 2.40, p-value=0.03<0.05. Thus Fater segmentation has an interaction effect between sales Promotion strategy and Purchase Intention.

The purchase Intention for the segment "Progressi" is higher when the promotion is a bonus pack, for baby dry segment the purchase intention is higher when the promotion strategy is a temporary price reduction and finally for the Sole e Luna segment, the PI is higher when the promotion is TPR (just as for the baby dry segment).

1.1 Hypothesis	1.2 Result
H1: Sales Promotions have a positive impact on Purchase Intention.	Reject H0. Sales promotion has a positive effect on Purchase Intention
H2: The Type of promotion used has a different impact on purchase Intention	Reject H0. The type of promotion used has a different impact on Purchase Intention. That depends on the sale promotion used.
H2a: Bonus pack has a higher impact on Purchase Intention	Reject H0. Bonus pack is the most effective promotion tool, to increase PI.
H3: Perceived Risk has an impact on Purchase Intention. Lower perceived risk increases PI.	Reject H0. Perceived Risk has an impact on Purchase Intention. Lower perceived risk increases PI.
H4a: Sales promotion would decrease perceived risk	Reject H0. Sales promotions decrease perceived risk.
H4b: Monetary promotions (TPR and Coupons) decrease overall perceived Risk.	Reject H0. Monetary promotions decrease overall perceived risk.
H5: The Type of promotion used has a different impact on Perceived risk	Reject H0. That is depending of the promotion scenario. In this case Coupons promotions are the most effective compared to other promotions.
H6: Perceived Risk has a moderating effect in the relationship between Sales Promotion and Purchase Intention.	Do not reject Ho. Perceived Risk has not a moderating effect on the relationship between Sales Promotions and PI.
H7: Deal Proneness affects positively Purchase Intention.	Do not reject Ho. Deal Proneness does not affect PI.
H8: Deal proneness has a moderating effect in the relationship between Sales Promotion and Purchase Intention.	Do not reject Ho. Deal Proneness has not a moderating effect on the relationship between Sales Promotions and PI.
H9: Fater segmentation has an interaction effect in the relationship between Sales Promotion and Purchase Intention.	Reject Ho. Fater segmentation has an interaction effect on the relationship between Sales Promotions and PI.

Chapter 5 – Conclusion

This Chapter will present the main conclusion of the research and all the academic, managerial and scientific implications, and lastly will list some delimitations and suggestions for future studies.

5.1 Conclusions and Discussions

Concerning the main topic of this thesis, that was the influence of Sales Promotions on purchase intention of pampers customers, it was validated that they affect positively the purchasing behavior. Thanks to an independent t-test with a significant p-value it was possible to show a difference in means that proved the positive relationship.

Regarding the difference of the various sales promotions, an ANOVA test allowed to validated the assumption. Each promotional scenario has a different impact on Purchase intention. Thus given the sales promotions' element proposed in this research, the type of promotions makes the consumer behave in a different way.

A bonferroni post hoc test showed that the most effective sales promotion is the one with bonus pack. In this case a non-monetary promotion impacts more PI than a monetary one.

Regarding the perceived risk, the research showed a significant impact of it on Purchase Intention, even if just 33% of variance is explained, meaning that is not the only driver of PI.

To inspect the mean difference of Perceived Risk between sales promotion, an ANOVA test was run, and showed that the different scenarios lead to a difference in means of PR. In this case the most effective promotion to overcome PR is coupon.

For what concerns Deal Proneness, a regression analysis was performed in order to assess if there is a positive effect of DP on PI. The overall model wasn't statistically significant, thus DP doesn't have a positive impact on PI. This is probably caused buy the way data were collected. The used scale, was just considering consumers "deal

prone" or "not deal prone". Moreover another limitations was that the sample was a convenience one and due to its small size, is not representative.

To investigate about the mediator effect of DP and PR on purchase intention a multiple regression analysis with moderators was conducted. It showed that none of the two moderators has an impact on the relationship between sales promotions and purchase intention. Again, this result may be caused by the convenience sample used in this research and that may have lead to this result.

Finally to understand if Pampers segmentation has a moderator effect on the relationship between Sales Promotions and purchase intention, a two-way ANOVA was performed. The p-value of the overall model was statistically significant so there is a mediator effect.

The results showed that purchase Intention for the segment "Progressi" is higher when the promotion is a bonus pack, for baby dry segment the purchase intention is higher when the promotion strategy is a temporary price reduction and finally for the Sole e Luna segment, the PI is higher when the promotion is TPR (just as for the baby dry segment)

The resulting output can be resumed in a new model, composed by one dependent variable, Purchase Intention, one independent variable, sales promotion (Bonus pack, Coupons and TPR) and one moderator, Pampers segmentation.

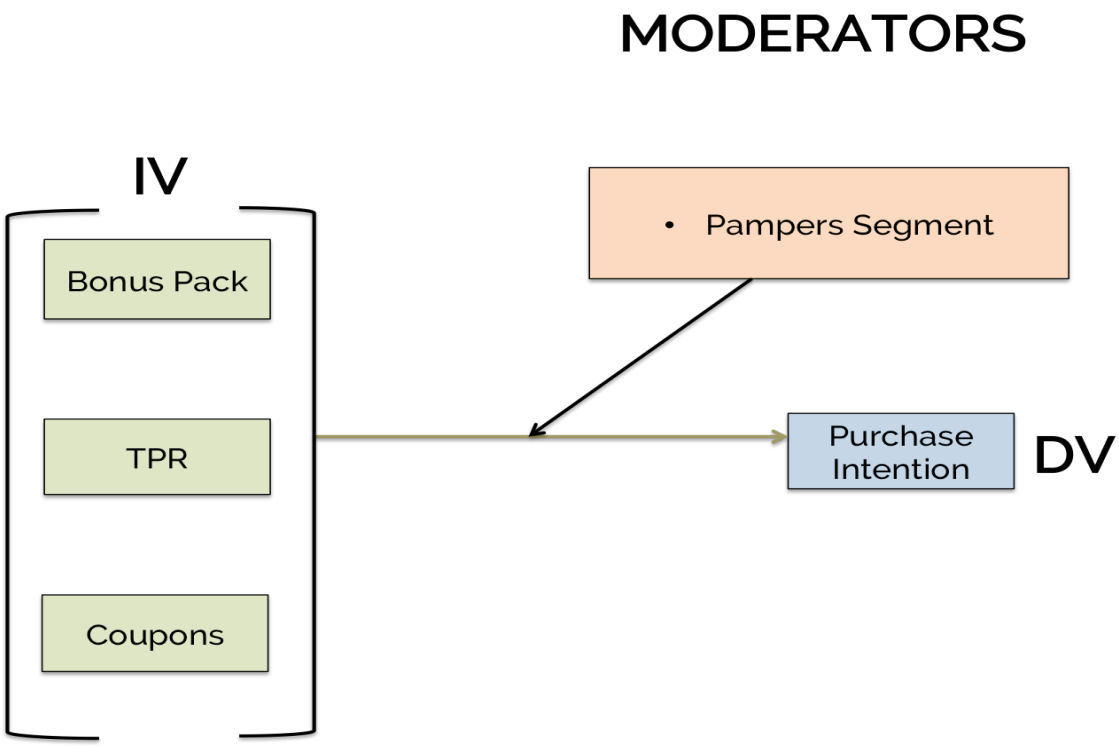


Figure 17: *Final model*

5.2 Managerial Implications

For what concerns managerial implication, this research is trying to highlight some important factors for Fater managers. First of all, understanding which kind of promotion is the most effective one, for Pampers customers, gives an important information, allowing allocating budgeting money in the best and effective way.

Secondly understand which kind of promotion is specific for a certain customers, is a winning strategy. In this way it is possible to target specific promotions to specific customers.

Moreover, even if perceived risk does not moderate the relationship between sales promotion and purchase intention, we know that it impacts purchase intention, so

managers need to understand a way to lower the risk, in order to increase purchase intention.

5.3 Scientific Implications

This thesis is an attempt to fill the gap in the literature regarding the diapers category however it must be said that, it's not possible to generalize the results for the entire category, because it is a specific case, for just one brand "Pampers".

This model was created in respect to previous literature and was adapted for this specific case.

Most of the previous researches focused just on monetary promotions, not paying attention to other kinds (bonus pack). Moreover not many researches included all this promotions together. There were no studies conducted on diapers category and sales promotions. The promotions chosen as the independent variable were the one used mainly by Pampers, in order to make this thesis more realistic

In conclusion this research has the purpose to enrich the literature regrinding FMCG and create the condition in order to investigate further, and expanding the research for the entire category.

5.4 Limitations

The limitations of this study are mainly connected to the representability of the sample. The data collection was done through a non-randomized sampling, using a convenience technique, which makes the sample bias.

As specified in the 3rd Chapter "Methodology" the chosen data collection method, was based on the administration of a web based survey, thus the study resorted in a convenience sampling and snowball sampling, meaning that respondents were asked to spread the questionnaire as much as possible and this didn't allow to collect perfectly consistent data.

Another important limitations is also connected to the sample, indeed is not representative due to its small size (154), moreover, that lead that each scenario was showed about 40 times, which is not a significant number. The future researches should have a higher sample size to become more representative.

Thirdly this study analyzed just the Pampers customers so it is not possible to extend this research to the overall diaper category.

For what concerns the moderator, Deal Proneness, in this research customers were considered "deal prone" or "not", this lead to a not significant moderator effect. Next time to enrich the study several deal prone scales may be used, in order to assess the sensitivity to different kind of promotions.

At last, the overall model showed that even if all the variables affected Purchase Intention they are not the most relevant. It would be interesting including other variables, thus to identify other drivers of purchase intention.

5.5 Future Research

First of all to simplify the analysis, the model has been tested on a restricted numbers of sales promotions, the ones used by Pampers.

For future researches it will be interesting including a larger number of promotional tools and analyze their impact on purchase intention.

Moreover, in order to try to generalize the assumptions on the overall category, all the scenarios must not include the brand. In this way the consumers will not be biased by the brand itself in their choices.

In order to may be have better results for what concerns deal proneness, different scale for each kind sales promotions must be included in future researches. For this category, and Pampers specifically, deal proneness wasn't correlate nor with purchase intention or sales promotion, this is may be the result of the scale used, that tested if a consumer was deal prone or not deal prone.

Another important aspect is the sample, it must be larger in order to be representative and moreover it has to be randomized, in this way it possible to have a more representative sample and generalize the assumptions.

Lastly due to the fact the all the variables, even if they had an impact on purchase intention, weren't the most relevant factor. Therefore it would be interesting to identify other drivers of purchase intention and include them in the analysis, making it more explicative.

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Appendices

Questionnaire

Q16

Salve, sono una studentessa della LUISS Guido Carli e questo sondaggio è parte della mia tesi di laurea magistrale in Marketing Analytics and Metrics.
Ci tengo a precisare che il questionario è assolutamente ANONIMO e che i dati forniti saranno trattati nel pieno rispetto della legge sulla privacy (d.l. 196/203) con l'esclusiva finalità della RICERCA SCIENTIFICA.

GRAZIE in anticipo per la partecipazione!

Q3

Sesso

- Uomo
- Donna

Q2

Età

- 20-30
- 31-40
- 41-50
- 51-60
- Sopra i 60

Q1

Qual'è la tua fascia di reddito?

- Sotto €15000
- €15000 - €25000
- €25000 - €35000
- €35000 - €45000
- €45000 - €55000
- Sopra €55000

Q5

Sei in un punto vendita, qual'è il tuo atteggiamento verso le promozioni/offerte?

	Totalmente in disaccordo	Disaccordo	Leggermente in disaccordo	Né d'accordo né disaccordo	Leggermente d'accordo	D'accordo	Totalmente d'accordo
Se un prodotto è in offerta, sono propenso ad acquistarlo.	○	○	○	○	○	○	○
Ho dei brand preferiti ma spesso compro ciò che è in offerta.	○	○	○	○	○	○	○
Sono più propensa a comprare prodotti in offerta.	○	○	○	○	○	○	○
Rispetto alla maggior parte delle persone, compro i prodotti in offerta.	○	○	○	○	○	○	○
Quando compro prodotti in offerta sento che sto concludendo un buon affare.	○	○	○	○	○	○	○

Q4 Quale linea di Pampers usi o hai usato?

- Pampers Sole e Luna
- Pampers Baby Dry
- Pampers Progressi

Q6 Cosa ne pensi di Pampers?

	Totalmente in disaccordo	Disaccordo	Leggermente in disaccordo	Né d'accordo né disaccordo	Leggermente d'accordo	D'accordo	Totalmente d'accordo
Suggerisco Pampers a chi mi chiede un consiglio sui pannolini.							
Parlo bene di Pampers ad altre persone.							
Sono interessato a comprare anche altri prodotti Pampers.							
Intendo comprare Pampers in futuro, se ne avessi bisogno.							
Pampers mi interessa più di altri brand.							
Mi sento molto più legata a Pampers rispetto ad altri brand.							

Block 3 Block Options

Q9 Trovi il Formato speciale di Pampers Baby Dry al prezzo di 23,90.

Come ti comporti?

	1	2	3	4	5	6	7	
Non intendo comprare Pampers								Intendo comprare Pampers
E' probabile che non acquisti Pampers								E' probabile che acquisti Pampers
Non comprerò Pampers di sicuro								Comprerò sicuramente Pampers
Non sono molto interessato all'acquisto								Sono molto interessato all'acquisto

Q7 Acquistare questo prodotto pensi sia

Estremamente rischioso								Assolutamente senza rischi

Rispondi alle seguenti domande

Q17 Rispondi alle seguenti domande

	Totalmente in disaccordo	Disaccordo	Leggermente in disaccordo	Né d'accordo né disaccordo	Leggermente d'accordo	D'accordo	Totalmente d'accordo
Temo che con questo acquisto possa avere dei problemi.							
Questo acquisto è rischioso.							
Penso che questo acquisto sia una perdita di soldi inutile.							
Temo che questo acquisto non valga la pena.							

Block 5 — Block Options

Q13

Trovi il pacco singolo di Baby Dry al prezzo scontato di euro 5,49 (prezzo pieno 8.90 euro) .

Come ti comporti?

	1	2	3	4	5	6	7	
Non intendo comprare Pampers	○	○	○	○	○	○	○	Intendo comprare Pampers
E' probabile che non acquisti Pampers	○	○	○	○	○	○	○	E' probabile che acquisti Pampers
Non comprerò Pampers di sicuro	○	○	○	○	○	○	○	Comprerò sicuramente Pampers
Non sono molto interessato all'acquisto	○	○	○	○	○	○	○	Sono molto interessato all'acquisto

Q27

Acquistare questo prodotto pensi sia

Estremamente rischioso	○	○	○	○	○	○	○	Assolutamente senza rischi

Q17

Rispondi alle seguenti domande

	Totalmente in disaccordo	Disaccordo	Leggermente in disaccordo	Né d'accordo né disaccordo	Leggermente d'accordo	D'accordo	Totalmente d'accordo
Temo che con questo acquisto possa avere dei problemi.	○	○	○	○	○	○	○
Questo acquisto è rischioso.	○	○	○	○	○	○	○
Penso che questo acquisto sia una perdita di soldi inutile.	○	○	○	○	○	○	○
Temo che questo acquisto non valga la pena.	○	○	○	○	○	○	○

Block 4 — Block Options

Q14

Trovi il pacco singolo di Baby Dry al prezzo di 8,90, ma sulla confezione trovi un buono sconto di 2 euro da usare per il tuo prossimo acquisto.

Come ti comporti?

	1	2	3	4	5	6	7	
Non intendo comprare Pampers	○	○	○	○	○	○	○	Intendo comprare Pampers
E' probabile che non acquisti Pampers	○	○	○	○	○	○	○	E' probabile che acquisti Pampers
Non comprerò Pampers di sicuro	○	○	○	○	○	○	○	Comprerò sicuramente Pampers
Non sono molto interessato all'acquisto	○	○	○	○	○	○	○	Sono molto interessato all'acquisto

Q21

Acquistare questo prodotto pensi sia

Estremamente rischioso	○	○	○	○	○	○	○	Assolutamente senza rischi

Q17 Rispondi alle seguenti domande

Rispondi alle seguenti domande

	Totalmente in disaccordo	Disaccordo	Leggermente in disaccordo	Né d'accordo né disaccordo	Leggermente d'accordo	D'accordo	Totalmente d'accordo
Temo che con questo acquisto possa avere dei problemi.							
Questo acquisto è rischioso.							
Penso che questo acquisto sia una perdita di soldi inutile.							
Temo che questo acquisto non valga la pena.							

Block 1 Block Options

Q24

Trovi il pacco singolo di Baby Dry al prezzo di 8,90.

Come ti comporti?

	1	2	3	4	5	6	7	
Non intendo comprare Pampers								Intendo comprare Pampers
E' probabile che non acquisti Pampers								E' probabile che acquisti Pampers
Non comprerò Pampers di sicuro								Comprerò sicuramente Pampers
Non sono molto interessato all'acquisto								Sono molto interessato all'acquisto

Q19

Acquistare questo prodotto pensi sia

Estremamente rischioso							Assolutamente senza rischi

Q17 Rispondi alle seguenti domande

Rispondi alle seguenti domande

	Totalmente in disaccordo	Disaccordo	Leggermente in disaccordo	Né d'accordo né disaccordo	Leggermente d'accordo	D'accordo	Totalmente d'accordo
Temo che con questo acquisto possa avere dei problemi.							
Questo acquisto è rischioso.							
Penso che questo acquisto sia una perdita di soldi inutile.							
Temo che questo acquisto non valga la pena.							

Q15

Grazie per aver completato il sondaggio!

Statistical Analysis Output (Stata)

```
. import excel "/Users/demo/Desktop/Dataset Tesi Lucherini.xlsx", sheet
> ("Foglio1") firstrow

. drop if mi(PI_1)
(13 observations deleted)
. factor  PI_1 PI_2 PI_3 PI_4 DP_1 DP_2 DP_3 DP_4 DP_5 Risk_1 Risk_2 Risk_3 Risk_4 PR_1, pcf
(obs=154)

Factor analysis/correlation                    Number of obs    =        154
    Method: principal-component factors        Retained factors =          3
    Rotation: (unrotated)                      Number of params =         39
```

Factor	Eigenvalue	Difference	Proportion	Cumulative
Factor1	5.29202	2.11606	0.3780	0.3780
Factor2	3.17596	1.60574	0.2269	0.6049
Factor3	1.57023	0.72799	0.1122	0.7170
Factor4	0.84223	0.13187	0.0602	0.7772
Factor5	0.71036	0.13985	0.0507	0.8279
Factor6	0.57051	0.13726	0.0408	0.8687
Factor7	0.43325	0.10626	0.0309	0.8996
Factor8	0.32699	0.05413	0.0234	0.9230
Factor9	0.27286	0.03623	0.0195	0.9425
Factor10	0.23663	0.02812	0.0169	0.9594
Factor11	0.20851	0.01893	0.0149	0.9743
Factor12	0.18959	0.09046	0.0135	0.9878
Factor13	0.09912	0.02741	0.0071	0.9949
Factor14	0.07172	.	0.0051	1.0000

LR test: independent vs. saturated: chi2(91) = 1584.98 Prob>chi2 = 0.0000

Factor loadings (pattern matrix) and unique variances

Variable	Factor1	Factor2	Factor3	Uniqueness
PI_1	0.8557	0.0216	0.3096	0.1715
PI_2	0.8533	0.0174	0.3560	0.1449
PI_3	0.8167	0.0116	0.4032	0.1703
PI_4	0.7874	0.0290	0.4268	0.1970
DP_1	-0.1182	0.7272	-0.0754	0.4515
DP_2	-0.1222	0.8262	-0.0844	0.2954
DP_3	-0.0388	0.8600	0.0859	0.2516
DP_4	-0.1054	0.8540	0.1029	0.2490
DP_5	-0.0185	0.6728	0.1806	0.5144
Risk_1	-0.6603	-0.0966	0.4194	0.3788
Risk_2	-0.7152	-0.0530	0.4931	0.2426
Risk_3	-0.6857	-0.1386	0.5333	0.2262
Risk_4	-0.7087	-0.0990	0.4704	0.2667
PR_1	0.7636	-0.0129	0.1216	0.4020

. **rotate**

Factor analysis/correlation — Number of obs = **154**
Method: principal-component factors — Retained factors = **3**
Rotation: orthogonal varimax (Kaiser off) — Number of params = **39**

Factor	Variance	Difference	Proportion	Cumulative
Factor1	**3.91629**	**0.73520**	**0.2797**	**0.2797**
Factor2	**3.18109**	**0.24027**	**0.2272**	**0.5070**
Factor3	**2.94083**	.	**0.2101**	**0.7170**

LR test: independent vs. saturated: chi2(**91**) = **1584.98** Prob>chi2 = **0.0000**

Rotated factor loadings (pattern matrix) and unique variances

Variable	Factor1	Factor2	Factor3	Uniqueness
PI_1	**0.8679**	**-0.0246**	**-0.2733**	**0.1715**
PI_2	**0.8941**	**-0.0252**	**-0.2347**	**0.1449**
PI_3	**0.8936**	**-0.0246**	**-0.1747**	**0.1703**
PI_4	**0.8850**	**-0.0033**	**-0.1402**	**0.1970**
DP_1	**-0.1254**	**0.7270**	**-0.0656**	**0.4515**
DP_2	**-0.1321**	**0.8250**	**-0.0809**	**0.2954**
DP_3	**0.0383**	**0.8643**	**-0.0001**	**0.2516**
DP_4	**-0.0044**	**0.8649**	**0.0541**	**0.2490**
DP_5	**0.1083**	**0.6834**	**0.0825**	**0.5144**
Risk_1	**-0.2711**	**-0.0127**	**0.7399**	**0.3788**
Risk_2	**-0.2691**	**0.0404**	**0.8267**	**0.2426**
Risk_3	**-0.2229**	**-0.0442**	**0.8498**	**0.2262**
Risk_4	**-0.2787**	**-0.0075**	**0.8097**	**0.2667**
PR_1	**0.6799**	**-0.0651**	**-0.3628**	**0.4020**

Factor rotation matrix

	Factor1	Factor2	Factor3
Factor1	**0.7938**	**-0.0801**	**-0.6028**
Factor2	**0.0196**	**0.9941**	**-0.1063**
Factor3	**0.6078**	**0.0725**	**0.7908**

```
. alpha DP_1 DP_2 DP_3 DP_4 DP_5, detail generate(DP) item

Test scale = mean(unstandardized items)
```

Item	Obs	Sign	item-test correlation	item-rest correlation	average interitem covariance	alpha
DP_1	154	+	0.7178	0.5908	1.297562	0.8428
DP_2	154	+	0.8262	0.7051	1.060868	0.8127
DP_3	154	+	0.8565	0.7625	1.050208	0.7978
DP_4	154	+	0.8668	0.7627	.9782347	0.7961
DP_5	154	+	0.6992	0.5295	1.259804	0.8579
Test scale					1.129335	0.8535

```
Interitem covariances (obs=154 in all pairs)
```

	DP_1	DP_2	DP_3	DP_4	DP_5
DP_1	1.4313				
DP_2	0.9775	2.3389			
DP_3	0.9295	1.3328	2.0350		
DP_4	0.9057	1.8609	1.5523	2.5723	
DP_5	0.6952	0.7569	1.1775	1.1050	2.1170

```
. alpha PI_1 PI_2 PI_3 PI_4, detail generate(PI) item

Test scale = mean(unstandardized items)
```

Item	Obs	Sign	item-test correlation	item-rest correlation	average interitem covariance	alpha
PI_1	154	+	0.9051	0.8368	3.10756	0.9226
PI_2	154	+	0.9368	0.8815	2.785516	0.9076
PI_3	154	+	0.9203	0.8584	2.975144	0.9153
PI_4	154	+	0.9086	0.8309	2.911171	0.9246
Test scale					2.944848	0.9369

```
Interitem covariances (obs=154 in all pairs)
```

	PI_1	PI_2	PI_3	PI_4
PI_1	3.2822			
PI_2	3.0618	4.0401		
PI_3	2.7802	2.8916	3.5468	
PI_4	2.5045	3.3592	3.0719	4.0810

```
. alpha Risk_1 Risk_2 Risk_3 Risk_4 PR_1, detail generate(risk) item

Test scale = mean(unstandardized items)
```

Item	Obs	Sign	item-test correlation	item-rest correlation	average interitem covariance	alpha
Risk_1	154	+	0.7892	0.6696	1.242283	0.8290
Risk_2	154	+	0.8435	0.7620	1.223057	0.8113
Risk_3	154	+	0.8407	0.7305	1.119373	0.8123
Risk_4	154	+	0.8435	0.7250	1.085604	0.8143
PR_1	154	-	0.6945	0.5160	1.34284	0.8686
Test scale					1.202631	0.8574

```
Interitem covariances (reverse applied) (obs=154 in all pairs)
```

	Risk_1	Risk_2	Risk_3	Risk_4	PR_1
Risk_1	1.9449				
Risk_2	1.3629	1.5693			
Risk_3	0.9933	1.2241	2.3964		
Risk_4	1.0914	1.1653	2.2200	2.7102	
PR_1	1.1250	0.9356	0.8726	1.0360	2.3927

```
. robvar PI, by (SCENARIO)
```

SCENARIO	Summary of mean(unstandardized items) Mean	Std. Dev.	Freq.
1	5.2625	1.898	40
2	3.9166667	1.6842277	39
3	4.2797619	1.7083032	42
4	4.9318182	1.4714373	33
Total	4.5827922	1.7728562	154

```
W0  =  0.55468808   df(3, 150)     Pr > F = 0.64577391

W50 =  0.22609901   df(3, 150)     Pr > F = 0.87812795

W10 =  0.17930226   df(3, 150)     Pr > F = 0.91030407
```

```
. robvar risk, by (SCENARIO)
```

SCENARIO	Summary of mean(unstandardized items) Mean	Std. Dev.	Freq.
1	.57	1.0253705	40
2	1.3230769	1.3429076	39
3	.90476192	1.1537748	42
4	1.3636364	1.0361643	33
Total	1.0220779	1.1843338	154

W0 = 1.2899567 df(3, 150) Pr > F = 0.28001735

W50 = 1.0356705 df(3, 150) Pr > F = 0.37863334

W10 = 1.1645226 df(3, 150) Pr > F = 0.32533482

```
. robvar DP, by (SCENARIO)
```

SCENARIO	Summary of mean(unstandardized items) Mean	Std. Dev.	Freq.
1	4.735	1.2356977	40
2	4.8153846	1.1692414	39
3	5.0380952	1.1036419	42
4	4.8242424	1.1031292	33
Total	4.8571429	1.1503258	154

W0 = 0.82532176 df(3, 150) Pr > F = 0.48184964

W50 = 0.66769317 df(3, 150) Pr > F = 0.573148

W10 = 0.86270892 df(3, 150) Pr > F = 0.46196522

```
. ttest PI, by (PROMOTION)

Two-sample t test with equal variances
```

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
0	39	3.916667	.2696923	1.684228	3.370703	4.46263
1	115	4.808696	.1633732	1.751982	4.485055	5.132337
combined	154	4.582792	.1428608	1.772856	4.300558	4.865027
diff		-.892029	.3215523		-1.527318	-.2567401

```
    diff = mean(0) - mean(1)                                      t =  -2.7741
Ho: diff = 0                                     degrees of freedom =      152

    Ha: diff < 0                 Ha: diff != 0                 Ha: diff > 0
 Pr(T < t) = 0.0031         Pr(|T| > |t|) = 0.0062          Pr(T > t) = 0.9969
```

```
. robvar PI , by( PROMOTION )
```

PROMOTION	Summary of mean(unstandardized items) Mean	Std. Dev.	Freq.
0	3.9166667	1.6842277	39
1	4.8086957	1.7519821	115
Total	4.5827922	1.7728562	154

```
W0  =  1.11915746   df(1, 152)      Pr > F = 0.2917783

W50 =  0.54785750   df(1, 152)      Pr > F = 0.46033618

W10 =  0.32059964   df(1, 152)      Pr > F = 0.57208253
```

```
. ttest RISK, by (PROMOTION)

Two-sample t test with equal variances
```

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
0	39	1.533333	.1844616	1.151962	1.15991	1.906756
1	115	.9147826	.1013731	1.087105	.7139634	1.115602
combined	154	1.071429	.0912741	1.132682	.8911083	1.251749
diff		.6185507	.204513		.2144955	1.022606

```
    diff = mean(0) - mean(1)                                      t =   3.0245
Ho: diff = 0                                     degrees of freedom =      152

    Ha: diff < 0                 Ha: diff != 0                 Ha: diff > 0
 Pr(T < t) = 0.9985         Pr(|T| > |t|) = 0.0029          Pr(T > t) = 0.0015
```

```
. robvar RISK , by( PROMOTION )
```

PROMOTION	Summary of mean(unstandardized items) Mean	Std. Dev.	Freq.
0	1.5333333	1.1519625	39
1	.91478262	1.0871049	115
Total	1.0714286	1.1326823	154

```
W0  =  0.00378547   df(1, 152)     Pr > F = 0.95102099

W50 =  0.00000106   df(1, 152)     Pr > F = 0.9991795

W10 =  0.00041539   df(1, 152)     Pr > F = 0.98376608
```

```
. reg PI RISK
```

Source	SS	df	MS	Number of obs	=	154
				F(1, 152)	=	74.19
Model	157.73344	1	157.73344	Prob > F	=	0.0000
Residual	323.148459	152	2.12597671	R-squared	=	0.3280
				Adj R-squared	=	0.3236
Total	480.881899	153	3.14301895	Root MSE	=	1.4581

PI	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
RISK	-.8964128	.10407	-8.61	0.000	-1.102023	-.6908024
_cons	5.543235	.1619817	34.22	0.000	5.223208	5.863261

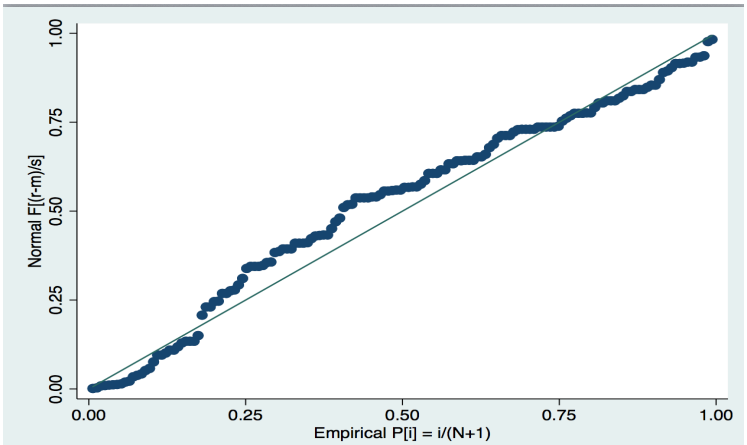
```
. dwstat

Durbin-Watson d-statistic(  2,   154) =  1.483766

. vif
```

Variable	VIF	1/VIF
RISK	1.00	1.000000
Mean VIF	1.00	

```
. estat imtest, white

White's test for Ho: homoskedasticity
         against Ha: unrestricted heteroskedasticity

         chi2(2)      =      2.57
         Prob > chi2  =    0.2760

Cameron & Trivedi's decomposition of IM-test
```

Source	chi2	df	p
Heteroskedasticity	2.57	2	0.2760
Skewness	22.09	1	0.0000
Kurtosis	1.11	1	0.2930
Total	25.77	4	0.0000

```
. predict r, resid

. pnorm r
```




```
. oneway risk SCENARIO, bonferroni tabulate
```

SCENARIO	Summary of mean(unstandardized items) Mean	Std. Dev.	Freq.
1	**2.1875**	**1.0450586**	**40**
3	**2.4880952**	**1.2529871**	**42**
4	**3.1136364**	**1.0880941**	**33**
Total	**2.5630435**	**1.1873989**	**115**

Analysis of Variance

Source	SS	df	MS	F	Prob > F
Between groups	**15.8812735**	**2**	**7.94063676**	**6.14**	**0.0029**
Within groups	**144.849161**	**112**	**1.29329608**		
Total	**160.730435**	**114**	**1.40991609**		

Bartlett's test for equal variances: chi2(**2**) = **1.4537** Prob>chi2 = **0.483**

Comparison of mean(unstandardized items) by SCENARIO
(Bonferroni)

Row Mean-Col Mean	1	3
3	**.300595** **0.702**	
4	**.926136** **0.002**	**.625541** **0.059**

```
. ttest DP, by(PROMOTION)

Two-sample t test with equal variances
```

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
0	39	4.815385	.1872285	1.169241	4.43636	5.194409
1	115	4.871304	.1071136	1.148666	4.659113	5.083496
combined	154	4.857143	.0926959	1.150326	4.674014	5.040272
diff		-.0559197	.2138091		-.4783411	.3665016

```
    diff = mean(0) - mean(1)                                      t =  -0.2615
Ho: diff = 0                     degrees of freedom =      152

    Ha: diff < 0                 Ha: diff != 0                 Ha: diff > 0
 Pr(T < t) = 0.3970         Pr(|T| > |t|) = 0.7940          Pr(T > t) = 0.6030

. oneway PI SCENARIO, scheffe tabulate
```

SCENARIO	Summary of mean(unstandardized items) Mean	Std. Dev.	Freq.
1	5.2625	1.898	40
3	4.2797619	1.7083032	42
4	4.9318182	1.4714373	33
Total	4.8086957	1.7519821	115

Analysis of Variance

Source	SS	df	MS	F	Prob > F
Between groups	20.4881658	2	10.2440829	3.48	0.0341
Within groups	329.428139	112	2.94132267		
Total	349.916304	114	3.06944127		

```
Bartlett's test for equal variances:  chi2(2) =   2.1930  Prob>chi2 = 0.334
```

Comparison of mean(unstandardized items) by SCENARIO (Bonferroni)

Row Mean-Col Mean	1	3
3	-.982738 0.032	
4	-.330682 1.000	.652056 0.315

```
. reg PI PROMOTION RISK DP mod1 mod2
```

Source	SS	df	MS	Number of obs	=	154
				F(5, 148)	=	16.76
Model	173.871077	5	34.7742155	Prob > F	=	0.0000
Residual	307.010822	148	2.07439745	R-squared	=	0.3616
				Adj R-squared	=	0.3400
Total	480.881899	153	3.14301895	Root MSE	=	1.4403

PI	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
PROMOTION	3.105759	1.159272	2.68	0.008	.8148957	5.396622
RISK	-.9112403	.2154738	-4.23	0.000	-1.337043	-.4854376
DP	.3954943	.2122896	1.86	0.064	-.0240159	.8150045
mod1	.0063483	.2487096	0.03	0.980	-.4851324	.497829
mod2	-.575883	.2426625	-2.37	0.019	-1.055414	-.0963523
_cons	3.409445	.989597	3.45	0.001	1.45388	5.365009

```
. vif
```

Variable	VIF	1/VIF
mod2	23.89	0.041863
PROMOTION	18.87	0.053000
mod1	4.74	0.210789
DP	4.40	0.227353
RISK	4.39	0.227612
Mean VIF	11.26	

After mean Centering

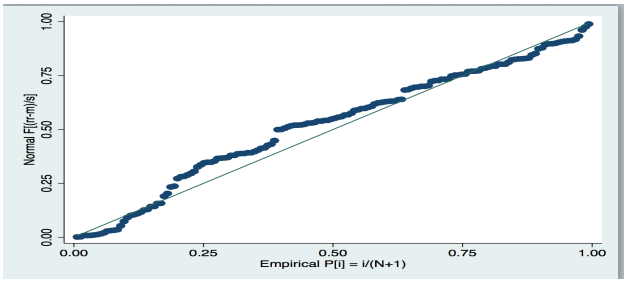
```
. vif
```

Variable	VIF	1/VIF
mod1	5.40	0.185165
RISK	3.89	0.256853
cenmod2	3.07	0.326176
DP	1.03	0.968847
Mean VIF	3.35	

```
. estat imtest, white

White's test for Ho: homoskedasticity
         against Ha: unrestricted heteroskedasticity

         chi2(10)     =      7.50
         Prob > chi2  =    0.6772

Cameron & Trivedi's decomposition of IM-test
```

Source	chi2	df	p
Heteroskedasticity	7.50	10	0.6772
Skewness	22.82	4	0.0001
Kurtosis	2.40	1	0.1214
Total	32.72	15	0.0051

```
. dwstat

Durbin-Watson d-statistic(  5,   154) =  1.500934

. predict rr, resid
```



```
. table SCENARIO FATERSEG, c(mean PI) row col f(%8.2f)
```

SCENARIO	FATERSEG 1	2	3	Total
1	**4.58**	**5.14**	**5.89**	**5.26**
2	**3.11**	**3.39**	**4.64**	**3.92**
3	**3.89**	**4.25**	**4.88**	**4.28**
4	**5.75**	**5.46**	**4.11**	**4.93**
Total	**4.14**	**4.62**	**4.80**	**4.58**

```
. anova PI FATERSEG SCENARIO SCENARIO#FATERSEG
```

Number of obs = **154** R-squared = **0.1900**
Root MSE = **1.65624** Adj R-squared = **0.1272**

Source	Partial SS	df	MS	F	Prob>F
Model	**91.35868**	**11**	**8.3053345**	**3.03**	**0.0012**
FATERSEG	**5.7952845**	**2**	**2.8976423**	**1.06**	**0.3504**
SCENARIO	**46.016008**	**3**	**15.338669**	**5.59**	**0.0012**
SCENARIO#FATERSEG	**39.509421**	**6**	**6.5849036**	**2.40**	**0.0307**
Residual	**389.52322**	**142**	**2.7431213**		
Total	**480.8819**	**153**	**3.143019**		

Table of Contents

Chapter 1 – Introduction

1.1. Purpose of the Thesis

Diapers market in Italy is living a tough moment according to both Fater and Istat researches. Economic and demographic changes are influencing this category in a very impacting way.

For what concerns demographic variables we need to consider that society is changing, mothers started work so the age in which they have the first child is increasing, indeed is now about 32. Moreover also the children per family decreased, now it is 1,32 children per family.

Regarding the economic changes, we can say that due to the Italian economic crisis, people started to buy less expensive products and this gave the opportunity to the spread of retailers- private labels. Currently almost all of Italian distributors have their own successful private label and compete in plenty of different product categories. Considering the category of this thesis, diapers, private labels, started to be very successful, thanks to their competitive prices.

Considering this scenario both retailers and manufacturers have been starting focusing on marketing activities in order to stimulate consumers purchasing behavior. While advertising is primarily used to build a favorable product visibility over time, sales promotions are a fundamental incentive to make and immediate purchase and may be switch from a competitor product/brand.

Sales promotions become an effective tool in order to increase sales and attract customers. They can have a powerful impact of consumer's purchasing behavior.

Given the premise that Pampers is already well known brand in Italy, with a market share of 60% in diapers market, in order to maintain this position, it's important to focus on promotions and try to allure, but mainly keep, consumers.

In light of what has been said and of what has been detected during the preliminary theoretical research phase, in this thesis the main research question will be:

What is the effect of sales promotion on purchase intention of Pampers customers?

Sub questions:

- *What is the effect of the different types of promotion on purchase Intention?*

- *What is the moderating role of Pampers segmentation (premium line, medium line or low line) in the relationship between sales promotion and purchase intention?*
- *How does Deal Proneness moderate the relationship between sales promotion and purchase intention of Pampers Customers?*
- *How does Perceived Risk moderate the relationship between sales Promotions and Purchase Intention of Pampers Customer?*

Chapter 2 – Literature Review and theoretical framework

2.1 FMCG Industry

During the last decade we have been witnessing to a large increase in the number of superstores and hypermarkets.

In the past the main tool to attract customers was advertising and indeed many researches have shown the impact and efficiency of it on both brand awareness and purchase intention but when we talk about Fast Moving Consumer Good (FMCG) industry like diapers this is not enough. Advertising is just a part of the mix of the success of a product.

There is a huge traffic inside these stores and for this reason it is important to invest on in-store marketing activities like POS materials, coupons and promotion in order to attract customer attention.

What is important for both retailers and manufacturer are actually the sales, this is why businesses are focusing largely on promotions as they want to be the best sellers in the market.

FMCG industry is characterized by low margin and this lead to a fierce competition because each company has to sell the most. The success of these industries is heavily dependent on repeat purchases.

2.2 Promotion

In Italy like in many other countries there is a high level of competition on the market. Most of the stores have similar products so one of the best ways to attract customers is by promotions. Promotion is a vital but also critical element in both retail and

manufacturer management strategy. The manufacturer and the retailer are the main "actors" in promotion and their decisions are influenced by each other. The majority of retail stores conduct different promotion campaigns for consumers. They have different objectives: sell some specific types of products, which are defined by the company producer, sell products the expiration date of which is close etc. The effective management of such campaigns is important for profits of these retail stores.

There are three kind of promotion regarding who is doing the promotion but also for who: manufactures promotion, retailers and consumers.

Promotion developed by the manufacturer and targeted at retailers is called "Trade promotion", while the one developed by the manufacturer and targeted at consumers is called "consumers promotion". The last one is the promotion developed by the retailer and that target consumers, this one is called "retailer promotion" (Blattberg RC, Neslin 1990).

Promotions are fundamental, the increasing trend of purchasing private labels from discounters put a lot of pressure on manufacturer that are striving to improve service for their product but also price flexibility.

Even if in most of the cases, with promotions in some categories like the diapers one, there are not real pros in revenues for the retailers and manufacturers, but only for consumers, some supermarkets and hypermarkets like Metro abroad but also in Italy all the big chains, have started to use high-low pricing strategy for premium brands (e.g. Pampers of P&G, or Pampers of Fater in Italy). Using this kind of strategy helped them lure customers inside stores and moreover they have noticed that with the purchase of diapers, especially the special boxes, other categories were bought too.

Moreover Fater research showed that attracting a parent inside a store, especially a mother, is convenient for the retailer: this kind of costumer spends double than a single would.

Promotion can actually be categorized in to big groups: price and non price promotion.

A widely used price promotion is called TPR (Temporary price reduction). This is actually a temporary discount o a product. It can be made by the retailers but also by a manufacturer (nowadays this kind of promotion like many other are agreed between the two parties). But both retailers and manufacturers can use promotions packages with an extra content (e.g., "25% extra"), or multi item promotions (e.g., "buy three for x"). Loyalty discounts also require buying more than one unit, but the purchase can be done in multiple times. Also coupons and rebate are very important. With coupons a

customer can buy a product with an immediate discount or have to bring the coupon back to the store in order to get that discount.
With a rebates a consumers pay the full price but can send back their receipt to get a discount.
"Supportive" non-price promotions are instruments used to alert consumers about the promotion. For example products on TPR are often featured or displayed and these instruments are used to draw attention on them. The focus in this case, is not properly the brand, but on the price.
Finally there are the so called "true" non-price promotions, where the focus is not the price anymore but the brand or the store. Instruments like samplings and premiums are mostly used by manufacturers and not retailers.

2.3 Purchase Intention

Purchase intention is a kind of decision-making that studies the reason to buy a particular brand by consumer (Shah et al., 2012).
Purchase intention, is defined by Morinez et al. (2007), as a situation where consumer tends to buy a certain product in certain condition. Customers purchase decision is a complex process and it is strictly related to many factors such as perceptions and attitudes toward a specific brand or product. Moreover purchase intention is a an effective tool to predict buying process (Ghosh 1990).
But customers during the buying process are affected by many internal or external motivations (Gogoi, 2013). As the common literature suggests there are six stages before deciding to buy the product, which are: awareness, knowledge, interest, preference, persuasion and purchase (Kotler & Armstrong, 2010) (Kawa et al., 2013). I will focus both on the interest/attention and purchase.

2.4 Price Sensitivity and Deal Proneness

Lichtenstein (1993) defined price sensitivity as "the degree to which consumers focuses exclusively on paying low price". Actually it means that price sensitive consumers are searching for low prices and deals and they derive emotional value from shopping for lower prices (Alford and Biswas, 2002).

Price sensitivity is an attitude that varies in intensity across individuals (Sinha and Batra, 1999). Some individuals are just more conscious of price they pay than others. Therefore it is possible to distinguish different customers segments based on their price consciousness (eg. High vs. low).

Less price conscious consumers are not really involved with the price aspect of the purchase (Lichtenstein et al., 1988) and do not wish to engage in a long price search (Lichtenstein et al., 1993). These kind of customers are likely to perceive a discount as a cue of an important reduction. High price consciousness consumers, on the other hand, are rally involved with the price aspect of the purchase and are willing to engage in a price search to get the best deal.

2.5 Perceived Risk

According to Arrow (1950), Humphreys and Kenderdine (1979), Perceived Risk "represents un uncertain, probabilistic potential future outlay". In simple words it is the ambiguity that consumers have before purchasing any product or service.

In 1960 Bauer introduced the concept of perceived risk in consumer behavior (Dowling, 1994; Mitchell, 1999; Taylor, 1960). What he states was "consumer behavior involves risk in sense that any action of a consumer may lead to an unpleasant consequence" (Ho & Ng, 1994).

This concept was later reinforced by Taylor (1974), saying that the choice is at the basis of consumers behavior and suggest that risk or uncertainty are inherent in any consumers purchase decision because they will only observe the outcome in the future.

The term perceived risk is associated with any purchase and occurs a consumers perceives that the purchase decision might cause a potential hazard or chance of loss. Perceived risk is always subjective in nature and differs from people to people. It may vary also in time.

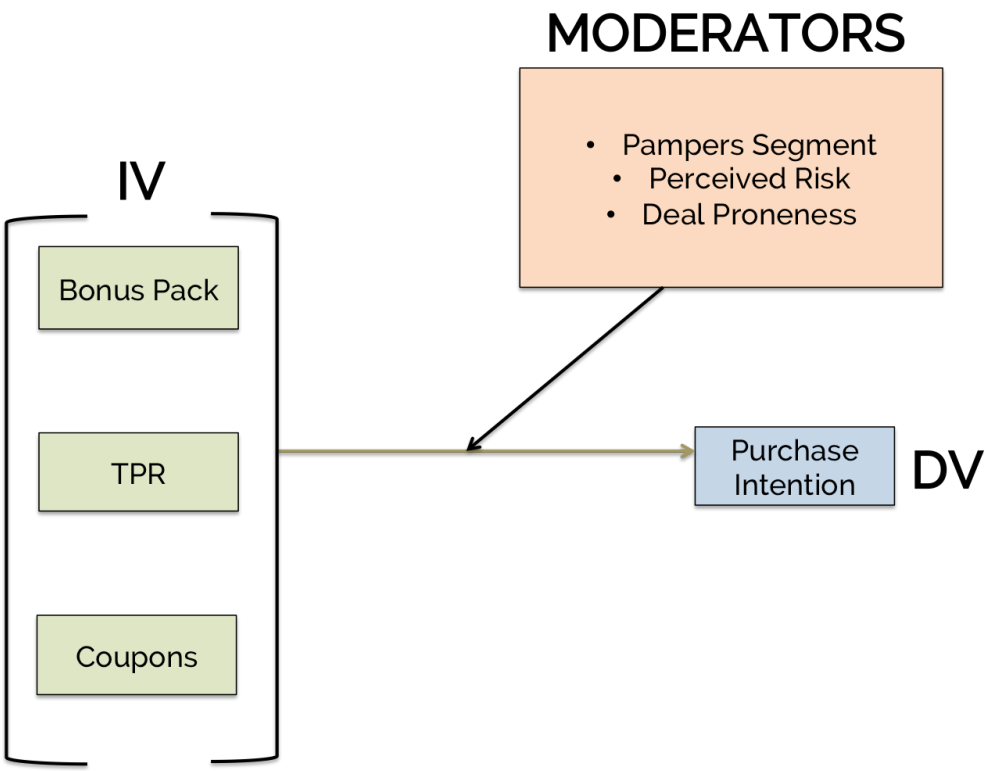
There are several types of perceived risk.

1. Functional risk refers to the risks associated with the functioning of the product. This kind of risk may be avoided providing adequate information about the product.
2. Financial risk is the one that arises when consumers think about their return on investment. Assessing whether the product they intend to buy is worth the price.

3. Social risk is the one connected to the brand itself. An example could be a person wearing a certain brand of clothes. It is know that brand work hard creating an identity and image that customer can identify with.
4. Time risk is referring to the one that occur when purchasing a new product. The consumer is worried about how much of his time as well as the effort the new product would imply.
5. Physical risk doubts about the safe usage of the product. A consumer can be confused about how a product is safe to use or not.

2.6 Hypotheses Development and Conceptual Model

Following the aspects emerged from the previous literature regarding sales promotions and purchase intention, a conceptual model, was developed. It is important to underline that due to the lack of information about diapers category, some of the variable selected, were drawn exclusively for this model.



2.7 Dependent Variable

This thesis aims to investigate the effect of the different kind of price promotions on Pampers purchase intention, taking also into account some moderators like price sensitivity and the customer segmentation that may affect consumer purchasing behavior.

Therefore, to better evaluate the effect of sales promotions, was adequate to use one dependent variable:

1. **PURCHASE INTENTION, which actually studies the application in its most pragmatic and tangible explanation, investigating the propensity of the subject to act concretely, with its economic resources;**

2.8 Independent Variable

As already mentioned in the main question, different sales promotion strategy will be studied.

In the light of the literature examined, the most important aspects, the managerial levers of greatest impact that will be taken into consideration for this study can be defined as:

1. **TPR**
2. **Coupons**
3. **Bonus Pack**

In the development phase of the hypotheses to be tested with reference to these selected variables, and as written in the previous literature, these different assumptions can be made:

H1: Sales Promotions have a positive impact on Purchase Intention

H2: The Type of promotion used has a different impact on purchase Intention

H2a: TPR and Bonus pack have a higher impact on Purchase Intention

2.9 Moderating Effect

After several exhaustive studies that researchers conducted on perceived risk concept, they all recognized that a good strategy in order to reduce it is by enhancing product quality (Mitra, Reiss, & Capella, 1999; Sweeney et al., 1999). Few researchers agreed that a possible way to decrease overall risk perception is thanks to sales promotion (Ho & Ng, 1994). Therefore it is possible to state:

H4a: Sales promotion would decrease perceived risk

For what concern the type of promotion used and its impact on perceived risk, two researchers, Garretson & Clow (1999) stated that monetary promotions such as coupons may have a significant impact on consumer decision that allow to reduce perceived risk of the purchase.

H4b: Monetary promotion (TPR and Coupons) decrease overall perceived Risk

There is no study that proves the direct impact of non-monetary promotions (in this case Bonus pack) on perceive risk. Hence this study proposes the following hypothesis:

H4c: Bonus pack decrease overall perceived risk

What this research aims also to study is the impact of each different promotional sales strategy on perceived risk. So comes this statement:

H5: The Type of promotion used has a different impact on Perceived risk

What this research aims also to study is the impact of each different promotional sales strategy on perceived risk. So comes this statement:

Many researchers have stated that perceived risk has a significant impact on PI (Wood and Scheer 1996).

H6: Perceived risk moderate the relationship between sales promotions and purchase intention.

Deal Proneness

In this research I will consider consumers deal prone on not deal prone in general.

Deal proneness is also predicted to have positive influence on purchase intentions. Deal prone consumers are expected to have an increased propensity to respond purchasing offer because a deal in the form of purchase offer positively influences purchase evaluations (Thaler, 1983).
H7: Deal proneness affects positively purchase Intention. Higher deal proneness leads to higher purchase intention.

As already mentioned Deal Proneness affects positively consumer evaluation of Sale Promotions (Khare, et al. 2014) but also purchase behavior (Lichtenstein et al., 1997). Consumers with deal proneness showed to respond positively to promotional offers because they obtain advanteges from purchasing on deal.
H8: Deal proneness moderates the relationship of sales promotion and Purchase Intention. Higher Deal Prone will affect positively Purchase Intention when a Promotional stimulus will be presented.

Pampers Segment

Due to the fact that all the lines cost differently, it is possible that may affect on their choice regarding their purchasing behavior.
For example the customers that are used to buy Sole e Luna, firstly look on price. This is, why it's possible to suppose that they can be affected positively by monetary promotions. On the other hand, Customer that buy the top line, are major concerned about the quality, this is way it is possible that they do not care mainly about the price.
Due to these considerations, the hypothesis developed will be:
H8: Fater Customer segmentation moderates the relationship between Sales Promotion and PI.

Chapter 3 – Methodology

3.1 Research Type

As presented in the introduction of the thesis, the main research question will be:

What is the effect of sales promotion on purchase intention of Pampers customers?

Sub questions:

- *What is the effect of the different types of promotion on purchase Intention?*
- *What is the moderating role of Pampers segmentation (premium line, medium line or low line) in the relationship between sales promotion and purchase intention?*
- *How does price sensitivity moderate the relationship between sales promotion and purchase intention of Pampers Customers?*
- *How does Perceived Risk moderate the relationship between sales Promotions and Purchase Intention of Pampers Customer?*

Given this premises, the research be structured following a quantitative approach, built with a web-based experimental survey conducted in the Italian territory. This research will follow an experimental design with independent measures, known as between groups. Different participants are used in each condition of the dependent variable (in this case sales promotions). This means that each conditions of the experiment include a different group of participants.

3.2 Data Collection Method

For this research the submission of a web-based survey will be used. It will be released via email, private messages on cell phone and Facebook.
The survey method can easily and quickly, collect a large amount of data that refer to the detection of perception measures.

3.2.1 The survey

The survey was developed on Qualtrics, one of the main online platforms, which offers the possibility of using a wide range of tools, in order to obtain the most faithful investigation possible to the researcher's methods and objectives to be achieved.

The survey has three main section:

1. In the first one, the respondent is asked to provide information of a purely demographic nature, such as the year of birth, the gender and the income before taxes. This part is common to all the respondents.
2. In the second section, the respondents were asked about their propensity to buy products in promotion, deal proneness, the goal here, is to analyze the relationship between the respondents and sales promotion. Then they were asked about their relationship with the brand Pampers, with the purpose of measuring their brand loyalty. The last question of that section was about the Pampers Line (Progressi, Baby Dry and Sole e Luna) that they are used to buy.
3. In the third section, the respondents will be exposed to one stimulus. The allocation will be randomized, ensuring that each respondent has an equal chance of being assigned to one group or another. The possible groups are 4: one is a control group (no promotion) the other 3 are with a promotional scenario. The respondents will be allocated randomly just to one of the four scenarios. After the exposure to the product stimulus, the respondents were asked about their purchase intention and perceived risk. The survey terminates with a message of thanks and gratitude.

Chapter 4 – Results

4.1 Descriptive Statistics

A total of 168 observations were collected through the survey. After a data cleaning and therefore the elimination of the missing values the sample was 155.The gender sample had a female predominance, they constituted 82.44% of the total sample, with 127 observations, while male 17.53% with 27 observations.

In terms of age the sample was more diversified: 18.18% aged between 20-30 years, 46,75% aged between 31-40 years, 27.27% aged between 41-50 years, 6,49% aged between 51-60 years and 1.30% aged over 60 years.

The reported income of the respondents was distributed as follows: 15,58% of the sample has an income less than €15000 (24 responses), 29,87% has an income from €15001-€25000 (46 responses), 31,17% with an income €25001-€35000 (48 responses), 13,64% with an income between €35001-€45000 (21 responses), 2,60% with an income

between €45001-€55000 (4 responses) and 7,14% with an income more than €55001 (11 responses).

For what concerns Pampers Segmentation, the sample was characterized by: 20.78% buying "Sole e Luna" (32 answers), 44.81% buying "Baby Dry" (69 answers) and 34.42% buying "Progressi" line (53 answers).

Finally, through the survey, the different stimuli were presented 154 times. As previously said each respondent would see just one stimulus. More specifically the scenario with "no promotion" was presented 39 times, the one with "TPR" 33 times, the scenario with the "Bonus Pack" 40 times and the one with "Coupons" 42 times.

4.2 Validity and Reliability Test

In order to verify the reliability and the validity of the variables measured through multi-item scale, a factor analysis and a cronbach's alpha were performed.

The model comprehends three constructs measured by multi-item scales. To inspect construct validity, a confirmatory factor analysis was performed. After rotating the results three factors, which have proper eigenvalues, have been obtained as expected. The first factor is PI because all the items of its used scale loaded on this factor. The second factor is DP (Deal Proneness) because all the items of its used scale loaded on this factor. The third factor is Risk (Perceived risk) because all the items of its used scale loaded on this factor.

To verify reliability, a Cronbach's alpha test was performed for each validated construct: Cronbach's alpha of Deal Proneness (DP) scale is equal to 0.85 (very good), which is larger than cutoff 0.60, Cronbach's alpha of Purchase Intention (PI) scale is equal to 0.94 (very good), which is larger than cutoff 0.60, Cronbach's alpha of Perceived Risk scale is equal to 0.86 (very good), which is larger than cutoff 0.60.

4.3 Hypothesis Testing Results

To analyze the impact of sales promotion on purchase intention, and compare the means of PI in the "Promotion" and "No promotion (control group)", knowing that sales promotion is a categorical variable, in order to proceed, it was transformed into a dummy variable where "No promotion" is 0 and "Promotion" is 1.

To verify H1, a two sample independent t-test with one tail, was run on the data with a 95% confidence interval (CI), the test has a p-value=0.003<0,05, so reject H0, thus the mean of PI in a "promotion" scenario is higher than in a "No Promotion" one. The mean of PI in a "promotion" scenario is higher (4.81) than the one in " No promotion" scenario (3.92). To be sure that independent samples with equal variances should be used, a Leven's test for equal variances was performed, resulting positive (Ho: equal variances (Pr > F = 0.3 > 0.05) not rejected). Thus, variances are constant (homoscedasticity).

Before conducting ANOVA analysis, the research must check for all the assumptions. All the variables (PI, DP and Risk) are normally distributed: Shapiro–Wilk normality test has been performed with positive feedback (p-values > 0.05).

Then, was evaluated the assumption of the equality of the variances of the ANOVA analysis, using Levene's test, resulting with positive feedback for all the variables

1. Purchase Intention (Ho: equal variances (Pr > F = 0.65 > 0.05) not rejected)
2. Deal Proneness (Ho: equal variances (Pr > F = 0.5>0.05) not rejected)
3. Risk (Ho: equal variances (Pr > F = 0.5>0.05) not rejected)

To test H2a, The Type of promotion used has a different impact on purchase Intention, a one-way ANOVA was performed.

A One-way Anova was run on a sample to study the effect of Sales Promotion on Purchase Intention (H2a and H2b). Looking at the Bartlett's test of equal variances, Prob>chi2 = 0.334, we do not reject H0. Thus, variances of groups are equal. Independent Variable (Sales Promotion) has a significant impact on PI (F(2,114) = 3,48, p-value = 0.03<0.05), thus H0 is rejected. Thus, the type of sales promotion has a different impact on PI.

When a post-hoc comparison test with Scheffe was conducted, to check H2b, it is possible to see that there is a significant difference in PI between 1 (Bonus Pack) and 3 (Coupons) (t=-98, p=0.03). The most effective strategy is "Bonus pack".

To verify H3, that Perceived Risk has an impact on Purchase Intention a linear regression was conducted. The overall model is fit because F-test is significant even if R-square is low (p-value=0.00<0.05; r-square=0.33). All the linear regression assumption validated: there is homoscedasticity across all the data (white's test) the p-

value=0.28>0.05, do not reject H0. The variance of residuals is homogenous. Durbin Watson test demonstrated that there is interdependence of observations (1.48). The scatterplot showed a normal distribution of the residuals errors. There is not multicollinearity effect. The hypothesis H3 was confirmed.

To verify H4a a two sample independent t-test with (one tailed) was conducted in order to confirm a difference in means of Risk between "Promotion" and "No Promotion" stimulus; (H0: No promotion PR is larger than promotion PR). The test has a p-value=0.007<0,05, so we reject H0, thus the mean of PI in a "promotion" is lower than in a "No Promotion" one. The mean of PR in a " no promotion" scenario is lower (0.91) than the one in " No promotion" scenario (1.53). A Leven's test for equal variances was performed, resulting positive (Ho: equal variances (Pr > F = 0.9 > 0.05) not rejected).

To test H4b and H5 a one-way ANOVA was performed. The population is normally Independent Variable (Sales Promotion) has a significant impact on PI (F(2,114) = 3,48, p-value = 0.03<0.05), the type of sales promotion has a different impact on PR.

When a post-hoc comparison test with Bonferroni was conducted, it is possible to see that there is a significant difference in PR between 1 (Bonus Pack) and 4 (TPR) (t=92, p=0.02). The most effective strategy to lower perceived risk is "Bonus pack".

To verify H7, that assumes that Deal Proneness has a positive effect on Purchase Intention, a linear regression was run. The overall model is not significant.

To verify H6 and H8, Deal Proneness and Perceived Risk has a moderator effect on the relationship between Sales Promotion and Purchase Intention, a regression with a moderators was conducted. The overall model is fit because F-test is significant even if R-square is low (p-value=0.00<0.05; r-square=0.34). But when looking at the coefficients of the regression and in particular the moderators, both of theme were not significant. For H6 and H8 do not reject H0. Both Deal Proneness and Perceived Risk do not moderate the relationship between Sales Promotion and Purchase Intention.

To verify H9, Fater segmentation has an interaction effect between the relationship of sales promotion and Purchase Intention, a two-way ANOVA was conducted on sample of 154 respondents.

The model is significant with a 95% confidence (F(11, 142)=3.03, p-value=0,0012<0,05). There was a significant interaction between the effect of sales promotion strategy and Fater Segmentation F(2,142) = 2.40, p-value=0.03<0.05. Thus

Fater segmentation has an interaction effect between sales Promotion strategy and Purchase Intention.

The purchase Intention for the segment “Progressi” is higher when the promotion is a bonus pack, for baby dry segment the purchase intention is higher when the promotion strategy is a temporary price reduction and finally for the Sole e Luna segment, the PI is higher when the promotion is TPR (just as for the baby dry segment).

Chapter 5 – Conclusion

5.1 Conclusions and Discussions

Concerning the main topic of this thesis, that was the influence of Sales Promotions on purchase intention of pampers customers, it was validated that they affect positively the purchasing behavior. Thanks to an independent t-test with a significant p-value it was possible to show a difference in means that proved the positive relationship.

An ANOVA test allowed to validated the assumption that each promotional scenario has a different impact on Purchase intention. A bonferroni post hoc test showed that the most effective sales promotion is the one with bonus pack.

Regarding the perceived risk, the research showed a significant impact of it on Purchase Intention. To inspect the mean difference of Perceived Risk between sales promotions, an ANOVA test was run, and showed that the different scenarios lead to a difference in means of PR. In this case the most effective promotion to overcome PR is coupon.

For what concerns Deal Proneness, a regression analysis was performed in order to assess if there is a positive effect of DP on PI. The overall model wasn’t statistically significant.

To investigate about the mediator effect of DP and PR on purchase intention a multiple regression analysis with moderators was conducted. It showed that none of the two moderators has a significant effect.

A two-way ANOVA was performed to test the mediator effect of Pampers Segmentation. The p-value of the overall model was statistically significant. The results showed that purchase Intention for the segment “Progressi” is higher when the

promotion is a bonus pack, for baby dry segment the purchase intention is higher when the promotion strategy is a temporary price reduction and finally for the Sole e Luna segment, the PI is higher when the promotion is TPR .

The resulting output can be resumed in a new model, composed by one dependent variable, Purchase Intention, one independent variable, sales promotion (Bonus pack, Coupons and TPR) and one moderator, Pampers segmentation.

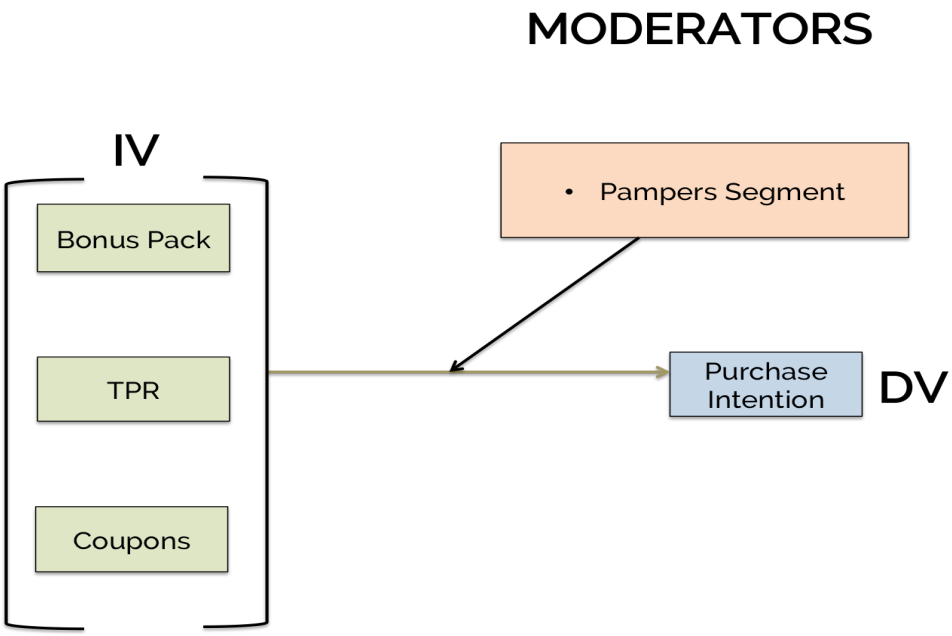


Figure 17: *Final model*

5.2 Managerial Implications

For what concerns managerial implication, this research is trying to highlight some important factors for Fater managers. First of all, understanding which kind of promotion is the most effective, gives an important information, allowing allocating budgeting money in the best and effective way.

Secondly understand which kind of promotion is specific for a certain customers, is a winning strategy. In this way it is possible to target specific promotions to specific customers.

Moreover, even if perceived risk does not moderate the relationship between sales promotion and purchase intention, we know that it impacts purchase intention, so

managers need to understand a way to lower the risk, in order to increase purchase intention.

5.3 Scientific Implications

This thesis is an attempt to fill the gap in the literature regarding the diapers category however it must be said that, it's not possible to generalize the results for the entire category, because it is a specific case, for just one brand "Pampers".

This model was created in respect to previous literature and was adapted for this specific case.

Most of the previous researches focused just on monetary promotions, not paying attention to other kinds (bonus pack). Moreover not many researches included all this promotions together. There were no studies conducted on diapers category and sales promotions. The promotions chosen as the independent variable were the one used mainly by Pampers, in order to make this thesis more realistic

This research has the purpose to enrich the literature regarding diapers category and create the condition in order to investigate further, and expanding the research for the entire category.