# Price Guarantee Advertising in Retail: A Dual-Theory Empirical Model of Consumer Believability, Trust, and Strategic Behavioural Outcomes

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Submitted to the Graduate Research School of
Auckland University of Technology,
Auckland, New Zealand
in fulfilment of the requirements for the degree of
**Doctor of Philosophy (Ph.D.)**

2025

Faculty of Business, Economics and Law

# Abstract

In today's competitive retail landscape, consumers are increasingly price-sensitive, with store price image emerging as a central factor influencing both purchase decisions and store choice. To sustain competitive advantage, pricing strategies are central to retail success, with retailers striving to optimise sales revenue, enhance profitability, and communicate a trustworthy commitment to low prices. One prominent approach is the use of price guarantees (PGs), including price-beating guarantees (PBGs) and automatic price-adjustment promises (APPs), which are frequently promoted in advertising campaigns to reinforce retailers' claims of offering the lowest price and to reassure cost-conscious shoppers. Yet their effectiveness critically depends on how consumers perceive the believability and credibility of such advertising. If consumers trust these promises, PGs can build confidence, satisfaction, and long-term loyalty. Conversely, if they are perceived as marketing gimmicks, they may fuel scepticism, diminish trust, and undermine strategic value. Despite their widespread adoption, empirical evidence remains limited on how the believability of PG advertising translates into consumer trust, satisfaction, and behavioural outcomes in real-world retail environments.

This thesis addresses the gap through a two-stage research design. First, a systematic literature review of 82 studies (1991–2022) synthesises developments across six dimensions: research fields, topics, theoretical foundations, methodologies, respondent groups, and product categories. The review reconceptualises PGs through the Mechanism-Based Dual-Function Model of PGs (MB-DFM-PG), framing them as both strategic tools (signalling price competitiveness) and psychological tools (building consumer trust). It also identifies significant gaps across six dimensions concerning the believability of different PG formats in practice.

Second, the thesis develops and empirically tests the PG-Believability-Trust-Behavioural (PG-BTB) model, integrating Signalling Theory and Expectation-Confirmation Theory (ECT). A quasi-longitudinal field study with 1,219 Supercheap Auto Loyalty Club-Plus members in New Zealand examined consumer responses to PBGs and APPs. Using covariance-based structural equation modelling (SEM: AMOS-28), the study tested causal pathways linking advertising believability, trust, store price image, service quality, satisfaction, and repurchase intention.

The findings provide four significant contributions: (1) Extends Signalling Theory by showing that PGs are interpreted as signals of price competitiveness and also as cues for service reliability and retailer integrity. (2) Advances ECT by applying it in a real-world quasi-longitudinal analysis, demonstrating how the confirmation of expectations with PGs influences satisfaction and repurchase intentions. (3) Offers a dual-theory integration, showing how signals (pre-purchase) and confirmations (post-purchase) interact in shaping consumer trust and loyalty. (4) Presents the first empirical comparison of PBGs and APPs within a single study, showing that APPs' automated process by reducing consumer effort is more effective at fostering trust and satisfaction, while PBGs require clear, transparent communication and simpler procedures to achieve credibility.

Overall, this thesis enriches the academic literature by bridging conceptual models and field-based empirical evidence in PG advertising. It provides actionable insights for retailers in New Zealand, Australia, and globally on designing and implementing PG strategies that are credible, trustworthy, and effective in building enduring customer relationships. Beyond retail, the findings hold implications for broader marketing domains where trust, believability, and expectation-confirmation are critical drivers of consumer behaviour.

**Keywords**:

price guarantee

price-beating

automatic price-adjustment

advertising believability

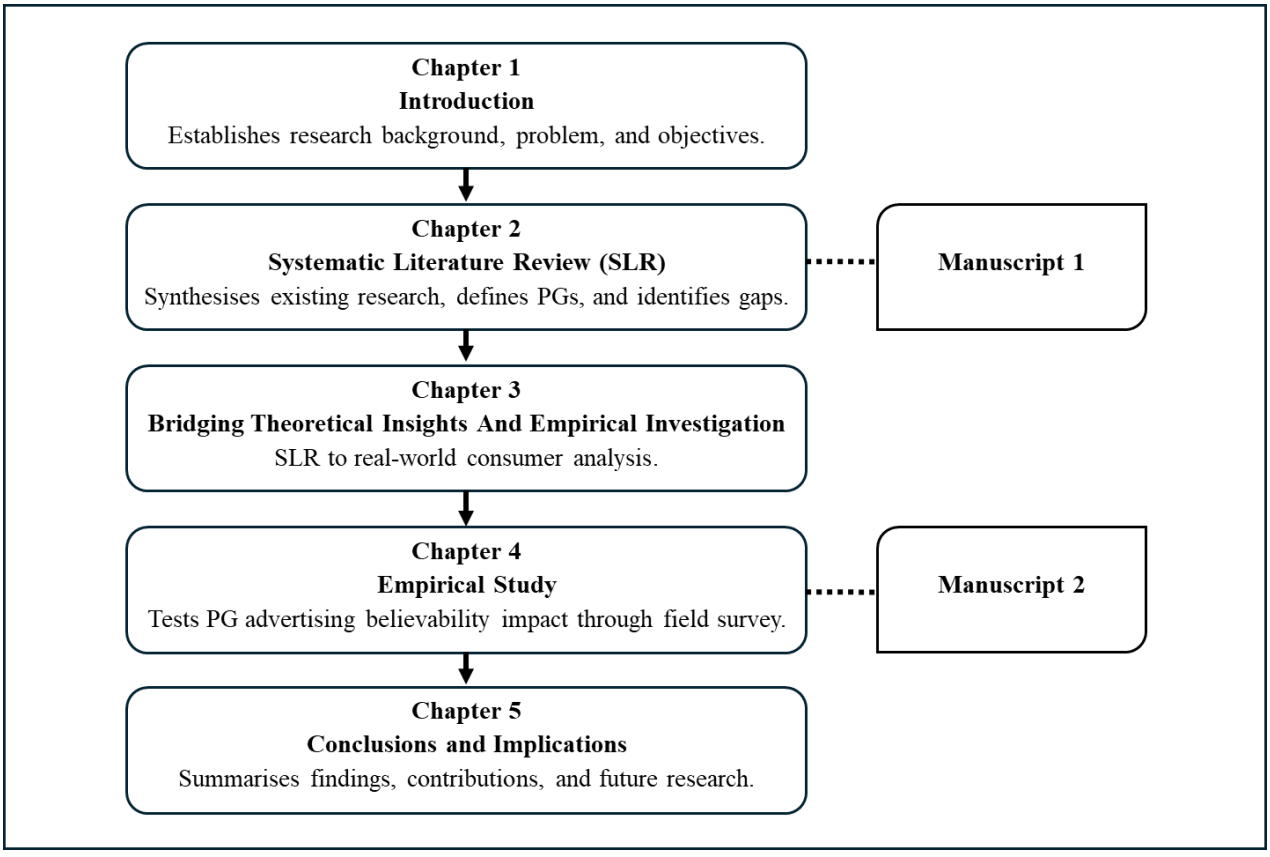
consumer trust

satisfaction

repurchase intention

## PhD Thesis - Format 2: Manuscript-Based

This PhD thesis adopts a manuscript-based format, comprising five integrated chapters, with Chapters Two and Four presenting standalone research manuscripts. The figure below illustrates the overall thesis structure, and the Table summarises the overview and publication status of the embedded manuscripts.




| **Chapter No.:** | **Two (2) – Manuscript 1** | **Four (4) – Manuscript 2** |
|---|---|---|
| **Manuscript Title:** | Unifying Price Guarantee Research: Systematic Review, Mechanism-Based Framework and Future Agenda | A Dual-Theory Examination of Price Guarantee Advertising Believability: Impact on Consumer Trust, Satisfaction, and Repurchase in Retail |
| **Journal Title:** | International Journal of Consumer Studies | Journal of Retailing and Consumer Services |
| **ABDC Ranked:** | A | A |
| **Status:** | Under Review (1st.) | Under Revision |

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# List of Abbreviations

| | | |
|---|---|---|
| PG | = | Price Guarantee |
| LPG | = | Lowest-Price Guarantee |
| PMG | = | Price-Matching Guarantee |
| PBG | = | Price-Beating Guarantee |
| APP | = | Automatic Price-Adjustment Promise |
| ECT | = | Expectation-Confirmation Theory |
| SLR | = | Systematic Literature Review |
| ABDC | = | Australian Business Deans Council |
| SEM | = | Structural Equation Modelling |
| EFA | = | Explanatory Factor Analysis |
| CFA | = | Confirmatory Factor Analysis |
| SPSS | = | Statistical Package for the Social Sciences |
| AMOS | = | Analysis of Moment Structures |
| SCA | = | Supercheap Auto |
| CR | = | Composite Reliability |
| AVE | = | Average Variance Extracted |
| CMIN/df | = | Chi-Square statistic/degrees of freedom |
| TLI | = | Tucker Lewis Index |
| CFI | = | Comparative Fit Index |
| PCFI | = | Parsimony Comparative Fit Index |
| SRMR | = | Standardised Root Mean Residual |
| RMSEA | = | Root Mean Square Error of Approximation |

## Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor used artificial intelligence tools or generative artificial intelligence tools (unless it is clearly stated, and referenced, along with the purpose of use), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

Khim Kheong Hoo

Auckland, New Zealand

Dated: 13-03-2025

# Co-authorship Contribution within this Thesis

## STUDENT AND SUPERVISOR APPROVALS

***By signing you are confirming that the co-author contributions stated in the table(s) below are accurate.***

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|---|---|
| **Chapter Number:** | Two (2) |
| **Manuscript Title:** | Unifying Price Guarantee Research: A Mechanism-Based Systematic Review of Consumer Psychology and Retail Strategy |
| **Publication Status:** | Submitted for Publication |
| **Reference if published:** | |

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| **Hoo** | Conception and design of the project or output;<br>Acquisition of research data where the acquisition has required significant intellectual judgement, planning, design, or input;<br>Contribution of knowledge, where justified, including Indigenous knowledge;<br>Analysis or interpretation of research data; |
| **Wooliscroft** | Drafting significant parts of the research output or critically revising it so as to contribute to its quality and interpretation. |
| **Phillips** | Drafting significant parts of the research output or critically revising it so as to contribute to its quality and interpretation. |

| | |
|---|---|
| **Chapter Number:** | Four (4) |
| **Manuscript Title:** | A Dual-Theory Examination of Price Guarantee Advertising Believability: Impact on Consumer Trust, Satisfaction, and Repurchase in Retail |
| **Publication Status:** | Submitted for Publication |
| **Reference if published:** | |

| **AUTHOR SURNAME:** (order as per manuscript) | **CONTRIBUTION** (May copy from the guidelines above) |
|---|---|
| **Hoo** | Conception and design of the project or output;<br>Acquisition of research data where the acquisition has required significant intellectual judgement, planning, design, or input;<br>Contribution of knowledge, where justified, including Indigenous knowledge;<br>Analysis or interpretation of research data; |
| **Wooliscroft** | Drafting significant parts of the research output or critically revising it so as to contribute to its quality and interpretation. |
| **Phillips** | Drafting significant parts of the research output or critically revising it so as to contribute to its quality and interpretation. |

# Ethics Approvals

The Auckland University of Technology Ethics Committee (AUTEC) granted ethics approval for the data collection on 18 May 2021, under application number 21/95 (Appendix A).

Supercheap Auto's management hosted, facilitated, and conducted the entire data collection process among its loyalty members in New Zealand using the survey questionnaire that was reviewed and approved by AUTEC (Application 21/95). This ensured compliance with all ethical, legal, public health, and jurisdictional requirements applicable to the research.

The researcher/author had no direct interaction with survey participants.

# Acknowledgments

This thesis would not have been possible without the invaluable guidance, support, and encouragement of many individuals who contributed in various ways to making this achievement a reality.

First and foremost, I extend my deepest gratitude to my primary supervisor, Professor Ben Wooliscroft, for his unwavering belief in me, continuous encouragement, and invaluable support throughout this journey, from the early stages to the completion. His mentorship, particularly during my transition from the University of Otago to Auckland University of Technology, has been instrumental in my development and progress. I feel incredibly fortunate to have worked under his guidance.

I am equally grateful to Dr. Megan Phillips, my secondary supervisor, for her consistent patience, insightful advice, and steadfast support throughout my doctoral studies, dating back to our early discussions in 2019. Her expertise and trust have been a pillar of strength during this process.

Professor Ben and Dr. Megan provided invaluable resources, feedback, and guidance at every stage, shaping this thesis into what it is today. Without their assistance, this work would not have been possible.

I would also like to extend a special thanks to Andre Korte, General Manager of eCommerce and Marketing, and Mary Winterscheidt, Customer & Loyalty Marketing Manager of Supercheap Auto, for their commitment and valuable contributions of real-world data crucial to this research.

My deepest gratitude to the AUT Faculty of Business, Economics, and Law for their financial support through scholarships and stipends, and to the Department of Marketing for their unwavering encouragement and guidance, especially Professor Roger Marshall, Professor Ricky Chan, Professor Crystal Yap, Associate Professor Sommer Kapitan, and Associate Professor Ken Hyde. I also thank Dr. Eathar Abdul-Ghani and Yvonne Meachen from the BEL Postgraduate Programmes Office for their invaluable assistance.

A special thank you to my Ph.D. cohort, particularly Dr. Shoiab, Dr. Negin, Dr. Rong Mei Zhang, and Dr. Irene Park, for their support, insightful suggestions, and friendship, which made this journey more fulfilling.

Thank you to everyone who has been part of this journey. Your support has made this experience not only manageable but truly enjoyable!

# Dedication

This thesis is dedicated with heartfelt gratitude to my beloved family and wonderful fellow supporters:

- My wife, Caryna Chan
- My son, Ryan Hoo
- My daughter, Iris Hoo
- My mother, sisters and brother
- Chan Kar Yun
- Dr. Kenneth Yap
- Professor Regan Potangaroa & Florence Leong

A special dedication goes to the cherished memory of my beloved father, who sadly passed away during this journey. His love, guidance, and belief in me have always been a source of strength, and I carry his memory with me in every step of this achievement.

Thank you for your unwavering support and encouragement, making this aspiration a reality. Your belief in me has been the foundation that allowed me to complete this journey.

# 1. Introduction

> "*WE'RE CHEAPER or we'll beat it. If you find a cheaper price online or in another store, for an identical item in New Zealand, we'll beat it! Simply show the lower price, including any freight or other charges, to one of our Team in-store or via Chat whilst in the cart, and we'll beat it."*
> *(Supercheap Auto NZ, n.d.-b)*

> *"Price Promise - If a product you purchase goes on sale within two weeks, we'll automatically credit the difference to your Club Plus account."*
> *(Supercheap Auto NZ, n.d.-a)*

Price guarantees (PGs) are a key component in many retailers' "best" or "lowest" price strategies (Lin, 2015; Moorthy & Winter, 2006; Sivakumar & Weigand, 1997). Designed to assure consumers they are receiving the lowest price, PGs aim to drive purchase intentions and reduce post-purchase dissatisfaction by offering compensation if a lower price is found elsewhere (Desmet & Le Nagard, 2005). Theoretically, PGs should build consumer confidence and appeal to price-sensitive shoppers by promising unbeatable value (Kukar-Kinney & Walters, 2003). When executed well, PGs have the potential to enhance consumer trust, satisfaction, and long-term loyalty (White & Yuan, 2012). PG's practical impact on consumer behaviour, including increased store turnover, larger basket sizes, patronage and repurchase rates, remains unclear. This raises questions about whether PGs deliver on their theoretical promise (Borges & Babin, 2012), highlighting a possible gap between expectations and real-world outcomes for both consumers and retailers.

## 1.1 Background to the Research

Retail expert Chris Wilkinson from First Retail consultancy notes that PGs are a distinctive feature in retail markets, offering consumers a level of confidence (Stock, 2020). Commerce Commission New Zealand Chair Anna Rawlings emphasises that businesses should ensure consumers clearly understand PGs and savings (free of 'false and misleading' advertising) and urge consumers to shop around and utilise PGs when applicable to secure the best deal (Commerce Commission New Zealand, 2021).

In an increasingly competitive retail environment, PGs have emerged as a popular marketing tool to attract price-sensitive consumers and build long-term loyalty. By ensuring customers receive the best possible price, PGs offer retailers a competitive advantage and can potentially improve sales (Borges & Babin, 2012; Ho et al., 2011; Sivakumar & Weigand, 1997). PGs are often advertised as lowest-price guarantees (LPG), price-matching guarantees (PMG) or price-beating guarantees (PBG). These strategies aim to increase consumer confidence by promising a refund or price adjustment if a lower price is found elsewhere (Dutta et al., 2007; Hviid, 2010). In theory, PGs serve as a reassurance mechanism, fostering greater trust, satisfaction, and repurchase intention among consumers (Borges & Babin, 2012; Desmet & Le Nagard, 2005; Kukar-Kinney & Walters, 2003; White & Yuan, 2012).

PGs are designed to appeal to price-sensitive shoppers by signalling price competitiveness and service commitment (Dutta et al., 2007; Kirmani & Rao, 2000). By reducing perceived risk, PGs can alleviate purchase anxiety and encourage higher consumer engagement (Biswas et al., 2006; Goldberg & Hartwick, 1990). Despite PGs' theoretical benefits, the reality of their practical impact

remains uncertain. A key factor influencing their impact is consumer perception of PG believability and trustworthiness - particularly how they are communicated in advertising (Beltramini & Evans, 1985; White & Yuan, 2012). If consumers perceive PGs as mere marketing gimmicks without real value, scepticism could undermine their effectiveness in building trust and influencing purchasing decisions (Kukar-Kinney & Walters, 2003).

Research shows that a PG's success often hinges on its perceived believability and encompasses two primary elements: 'trustworthiness and truthfulness' in the PG advertising messaging and claims (Kukar-Kinney & Grewal, 2006). If a retailer's PG promises are viewed as overstated or difficult to redeem, consumers may become sceptical, eroding consumer trust, satisfaction, and ultimately, repurchase intentions (Estelami et al., 2007). Complex or unclear conditions further contribute to consumer doubts, making it crucial for retailers to balance simplicity with transparency in their PG messaging (Haesevoets et al., 2017; Soh et al., 2007).

Retaining loyal customers is important for business sustainability, as repeat purchases signal long-term revenue and profitability potential (Cheng et al., 2011). Retailers that use PGs effectively can encourage repeat transactions, signalling consumer trust in advertising claims (Dutta et al., 2007; Kirmani & Rao, 2000).

Current literature lacks a comprehensive understanding of how perceived PG advertising believability impacts consumer repurchase intention, particularly in real-world settings. Consumer trust, perceptions of store price image and value, service quality, and satisfaction are regularly among some of the variables that have been frequently identified as predictive variables of

repurchase intention in the current literature (Hellier et al., 2003; Hong & Cho, 2011; Hu et al., 2009). In retail literature, the importance of these variables is well known and researched (Dabholkar & Sheng, 2012; Hellier et al., 2003; Hong & Cho, 2011; Huddleston et al., 2009; Olaru et al., 2008). These researchers illustrate that providing products or services that delight consumers is vital for businesses. Building consumer trust is crucial in increasing customer satisfaction and retention with repurchase intent. Consumer trust and satisfaction are often seen as critical success factors in gaining a competitive advantage in the retailing segment (Hu et al., 2009; Kang et al., 2004).

Existing studies on PGs focus on theoretical benefits or consumer perceptions in controlled settings, leaving a gap in understanding their real-world effectiveness. Expectation-Confirmation Theory (ECT) by Oliver (1980) provides a useful framework for evaluating consumer satisfaction and repurchase intentions based on actual transaction experiences. This theory helps explain how confirmed or disconfirmed expectations influence satisfaction, making it particularly useful for examining how PG promises impact consumer attitudes and behaviours over time (Lankton & McKnight, 2012; Oliver, 1980).

To bridge this gap, this thesis investigates the impact of perceived believability in PG advertising on consumer trust, satisfaction, and repurchase intention in a real-world retail environment. It applies both signalling theory and ECT in a quasi-longitudinal field survey of real-world consumers to investigate whether consumers perceive PGs as believable and meaningful or view them as superficial marketing gimmicks in a real-world retail setting. By examining the real-world impact of two distinct PG strategies, the ‘Price-Beating Guarantees’ (PBG) and ‘Automatic Price-

Adjustment Promises' (APP), this empirical study seeks to clarify the role of PG advertising believability in driving consumer trust, satisfaction, and repurchase intentions. This approach not only contributes to the theoretical literature on PGs and advertising but also offers practical insights for business practitioners seeking to enhance the effectiveness of their PG advertising strategies in building lasting consumer relationships.

### 1.2 Definition of Key Terms

This section provides clear and precise explanations of essential concepts and terminology used throughout the study, ensuring a common understanding and consistency in interpretation.

**Price guarantee (unified)**:

> A price guarantee is a seller's transparent and trustworthy commitment to offer the best or lowest price for a product or service, with a promise to match or beat any lower price found, compensating the customer through refunds, store credit, or price adjustments, while clearly specifying the policy scope, exclusions, and a transparent claims process, fostering consumer trust and ensuring fair competition (Section 2.3.1.1, p. 59).

**Price-matching guarantee (unified)**:

> A price-matching guarantee is a seller's transparent and trustworthy commitment to offer the best or lowest price for a product or service, with a promise to match any lower price found, compensating the customer with the price difference through refunds, store credit, or price adjustments, while clearly specifying the policy scope, exclusions, and a transparent claims process, fostering consumer trust and ensuring fair competition (Section 2.3.1.1, p. 60).

**Lowest-price guarantee / Price-beating guarantee (unified)**:

A lowest-price, best-price, or price-beating guarantee is a seller's transparent and trustworthy commitment to offer the best or lowest price for a product or service, with a promise to beat any lower price found, compensating the customer with more than the price difference through refunds, store credit, or price adjustments, while clearly specifying the policy scope, exclusions, and a transparent claims process, fostering consumer trust and ensuring fair competition (Section 2.3.1.1, p. 60).

**Price-Adjustment Promise**:

A retailer commits to aligning its future prices with its previous pricing rather than a competitor's, customers must actively request a price adjustment to benefit from the lower price (Cohen-Vernik & Pazgal, 2017, pp. 507-508).

**Automatic Price-Adjustment Promise**:

A retailer commits to aligning its future prices with later price reductions rather than matching competitors and ensures that customers receive automatic, unsolicited refunds for price differences (Cohen-Vernik & Pazgal, 2017, pp. 507-508).

**Price guarantees believability**:

A broad indicator of believability that assesses the degree to which consumers perceive the validity and truthfulness of a price guarantee claim offered by a retailer (Kukar-Kinney & Walters, 2003, p. 154).

**Trust**:

A consumer's overall confidence that the salesperson, product, and retailer will meet their commitments and expectations as perceived by the consumer (Comer et al., 1999, p. 62).

**Store price image**:

A continuously evolving perception that reflects a consumer's overall impression of a retailer's pricing strategy across its entire store, rather than being evaluated in a single instance (Hamilton & Chernev, 2013, p. 2).

**Repurchase intention**:

A consumer's evaluation of the likelihood of repurchasing a specific product or service from the same retailer, considering their present conditions and anticipated future circumstances (Hellier et al., 2003, p. 1764).

## 1.3 Research Problem, Research Issues and Contributions

A well-defined research problem serves as the foundation for a meaningful study. This section outlines the central research problem, identifies key issues that arise from it, and highlights the contributions this research aims to make. By establishing these elements, the study provides a clear direction and demonstrates its significance within the broader academic and practical context.

### 1.3.1 Articulating the Research Problem

***Believability and the Credibility Gap in Price Guarantee Advertising*** – PGs are widely regarded as an effective retail marketing promotional tool, theoretically communicating promises to

consumers of the best available price, particularly appealing to price-sensitive shoppers (Desmet & Le Nagard, 2005; Kukar-Kinney & Walters, 2003). PGs are designed to boost consumer confidence, build trust, increase satisfaction, and foster long-term loyalty (White & Yuan, 2012). Despite their theoretical appeal, limited empirical research has explored their real-world effectiveness, especially whether they deliver the benefits promised in academic and industry narratives (Borges & Babin, 2012). In practice, PGs may not always deliver their intended promises through PG advertising.

PG advertising refers to the marketing or promotional messaging retailers use to convey their PG policies and promises, reassuring consumers they are getting the best deal and ideally motivating immediate purchase behaviour (Desmet & Le Nagard, 2005; Kukar-Kinney & Grewal, 2006). Consumers typically view PG advertising as an initial appeal, setting expectations about the value and competitiveness of a retailer's prices without necessarily proving its authenticity or ease of fulfilment (Kukar-Kinney & Walters, 2003). PG claims represent the specific promises made in PG advertising and reflect the actual process consumers engage with when invoking a PG, determining whether the guarantee meets their expectations (Desmet & Le Nagard, 2005; Dutta & Biswas, 2005). PG advertisements serve as a competitive tool that can shape consumer expectations regarding a retailer's price image and service quality, ultimately affecting satisfaction and repurchase intentions.

Retailers shape their image through advertising, word-of-mouth, and consumer experiences (Chatterjee, 2001). They communicate PGs through signage, in-store displays, flyers, and websites, particularly targeting price-sensitive consumers. In competitive retail settings, carefully

crafted PG claims aligned with consumer motivations strongly influence consumer perceptions (Dutta et al., 2007; Moorthy & Winter, 2006). Research shows that variations in PG phrasing, such as ‘lowest-price’, ‘price-matching’ or ‘price-beating’, impact consumer responses, underscoring the importance of clear and strategic messaging (Arbatskaya et al., 2006; Verma et al., 2019).

Central to this dynamic of messaging and claims is the credibility of PG advertising, which evaluates consumers’ perceptions of its believability and trustworthiness. Clear, transparent communication combined with a straightforward, hassle-free claims process can enhance credibility, while hidden conditions or complex redemption procedures can undermine trust (Goldberg & Hartwick, 1990; Kirmani & Rao, 2000). High believability and trustworthiness in PG advertising reduces consumer scepticism (Kukar-Kinney, 2006), strengthening confidence in the retailer. Well-structured PG messaging that is simple, clear, and transparent reinforces a retailer’s reputation for low, competitive pricing (Czinkota et al., 2021).

When consumers view PG advertising as believable and trustworthy, they are more likely to foster positive shopping behaviours and become repeat customers (Estelami & Bergstein, 2006). In contrast, unconvincing PG advertising can lead to increased scepticism, potentially eroding consumer trust and diminishing its intended impact on repurchasing in the future (Dutta et al., 2007; Estelami et al., 2007). While specific academic studies directly linking PG advertisements to consumer expectations, satisfaction, and repurchase intentions are limited, the broader implications of PG in marketing strategies highlight its significance in influencing consumer behaviour and perceptions.

This thesis aims to bridge the gap between the theoretical benefits and practical outcomes of PGs by exploring the influence of consumer perceptions of PG advertising believability and trustworthiness on satisfaction and repurchase intentions. In sum, the problem statement of this thesis is as follows:

> ***Despite their theoretical appeal, PG advertisements may not be perceived as believable or trustworthy by consumers in real-world retail settings. PG advertising messages, including vague language, hidden conditions, or inconsistent fulfilment, may fail to build trust, diminish customer satisfaction, and ultimately weaken repurchase intentions. Although PGs are widely promoted as value-assuring tools, empirical understanding of how consumers interpret and respond to their believability remains limited and underexplored in the literature, highlighting a critical gap in understanding the practical impact of PG advertising in retail.***

Accordingly, this thesis seeks to address the following research question:

> ***How does consumer perception of PG advertising believability impact their trust, expectations-confirmations, satisfaction, and repurchase intentions in retail?***

### 1.3.2 Identifying Core Research Issues

To comprehensively address the research problem, this research employs a structured research approach (see Section 1.8, pg. 38) integrating both a 'Systematic Literature Review (SLR) (Chapter 2)' and an 'Empirical Study (Chapter 4)'. The dual-methodological design ensures a rigorous investigation, with the SLR synthesising existing research to establish a conceptual

foundation, while the empirical study validates theoretical assumptions through real-world consumer data.

Central to effectively structuring the research approach and presenting the research issues within the SLR (conceptual and literature-driven) and empirical study (quantitative hypothesis-driven), this research adopts a structured, two-phased approach. It is essential to clearly define how each phase contributes to addressing the research problem. This can be accomplished by categorising the research issues into two distinct, yet interconnected components. The SLR phase refines theoretical understanding and identifies knowledge gaps, while the empirical phase builds on these insights to test consumers' perceptions and behaviour in real-world settings. This ensures a comprehensive investigation into how PG advertising believability influences trust, expectations-confirmations, satisfaction, and repurchase intentions.

#### 1.3.2.1 Phase 1: Systematic Literature Review – Establishing Theoretical Foundations

The SLR phase establishes the foundation for this research. The research issues for the SLR are structured to systematically examine the evolution of PGs as a marketing strategy across multiple dimensions, aligning with the overarching SLR research question: *"How has PG evolved as a marketing strategy across different research fields, topics, theoretical foundations, methodologies, respondent profiles, and focal product categories?"*

The following research issues are formulated to address this SLR research question:

1. Research field evolution - How has PG research transitioned across disciplines (e.g., economics, marketing, management)?

2. Key research topics and thematic shifts - What core research topics have been explored?
3. Theoretical foundations and conceptual frameworks - What theoretical models have been applied to study PG?
4. Methodological trends and empirical approaches - What research designs (e.g., conceptual vs. empirical) have been used in PG studies?
5. Respondent profiles in PG research - Who are the primary study participants (e.g., students, real consumers, industry practitioners), and how has the respondent profile evolved?
6. Focal product categories and industry applications - What industries have PG strategies been studied in (e.g., electronics, grocery, services)?

These research issues map the evolution of PG research across multiple dimensions, ensuring a structured and systematic review. By identifying research gaps, the findings of the SLR phase directly inform the empirical phase, laying a strong foundation for the empirical study, facilitating a deeper investigation into the real-world impact of PG advertising believability, and ensuring that conceptual and theoretical perspectives are validated through real-world consumer data.

#### 1.3.2.2 Phase 2: Empirical Study – Testing Causal Relationships

Building on the SLR phase, the empirical phase employs a quasi-longitudinal field study to assess how two specific PG advertising strategies: Price-Beating Guarantees (PBG) and Automatic Price-Adjustment Promises (APP) influence consumer behaviour and perceptions. Unlike the SLR, which focuses on conceptual analysis, this phase quantifies and tests causal relationships through hypothesis-driven research.

The research issues of the empirical study are categorised and structured into two levels: two fundamental issues (descriptive evaluation) and eleven causal research issues (hypothesis-driven analysis). The fundamental issues focus on descriptive consumer evaluations of PG advertising believability and trustworthiness without testing causal relationships. Using established research scale-based measurements, these issues assess perceptions of PBG and APP, offering foundational insights into how consumers interpret and engage with PG claims. Since these issues are exploratory, they do not include formal hypotheses.

In contrast, the causal research issues examine cause-and-effect relationships, and test how consumer perceptions of PG advertising believability influence trust, expectations-confirmations, satisfaction, and repurchase intentions through a quasi-longitudinal cross-sectional field study. Each causal research issue is structured with a hypothesis to validate theoretical assumptions and generate empirical insights into the impact of PG advertising on consumer behaviour.

By integrating both descriptive and causal research components, this study ensures a comprehensive examination of PG advertising effectiveness, balancing exploratory insights with empirical validation for stronger theoretical contributions and practical marketing applications. The research issues in the empirical study phase are structured around:

- **Two Fundamental Issues (F-Issue): (Descriptive evaluation – No hypothesis)**

  F-Issue 1: Perceived Believability of PG Advertising

  This issue focuses on the core element of believability, exploring how consumers perceive the validity and truthfulness of PG advertising messages, relative to the 7-point semantic differential believability scale (Beltramini, 1982; Beltramini & Evans, 1985; Kukar-

Kinney & Walters, 2003). It examines whether consumers find the claims or promises in these messages sincere, truthful and convincing, which influences their initial reactions and willingness to engage with the retailer.

F-Issue 2: Perceived Trustworthiness of PG Advertising

This issue explores the concept of trustworthiness in PG advertising messages, probing how consumers interpret the reliability and reputation of the retailer behind the PG claims or promises, relative to the 7-point Likert trust scale (Borges & Babin, 2012; Harris & Goode, 2004). It examines whether consumers view the retailer as reliable and committed to honouring its promises, significantly influencing their engagement and trust.

- **Eleven Causal Research Issues (CR-Issue): (Hypothesis-driven analysis)**

CR-Issue 1: Impact of PG advertising believability on trust

CR-Issue 2: Impact of trust in PG advertising believability on satisfaction

CR-Issue 3: Impact of trust in PG advertising believability on expectations of store price image

CR-Issue 4: Impact of trust in PG advertising believability on expectations of perceived service quality

CR-Issue 5: Impact of store price image expectation on post-purchase value perception

CR-Issue 6: Impact of store price image expectation on satisfaction

CR-Issue 7: Impact of post-purchase value perception on satisfaction

CR-Issue 8: Impact of perceived service quality expectations on confirmation of service quality

CR-Issue 9: Impact of perceived service quality expectations on satisfaction

CR-Issue 10: Impact of confirmation of service quality on satisfaction

CR-Issue 11: Impact of satisfaction on repurchase intention

This structured integration of a dual-methodological design and a structured presentation of research issues approach ensures clarity and logical flow, demonstrating how SLR and empirical analysis work together to address the research problem comprehensively. This structured research approach allows for a more refined analysis, not only contributes to theoretical advancements, but also offers practical, data-driven insights into the effectiveness of PG advertising credibility impacts on consumer decision-making in competitive retail settings.

### 1.3.3 Defining Key Contributions

This thesis contributes to both theory and practice by deepening our understanding of PG advertising believability and its impact on key shopping behaviours such as satisfaction and repurchase intentions. This research aims to make a meaningful contribution to PG literature while providing actionable recommendations to enhance the effectiveness of PG advertising strategies in competitive real-world retail environments.

Despite extensive theoretical discussions on PGs, prior research lacks a comprehensive SLR that consolidates key developments and provides a structured framework for understanding PG strategies. While earlier conceptual studies (Hviid, 2010; Suwelack & Krafft, 2012) have explored various aspects of PGs, they remain fragmented, leaving gaps in theoretical coherence and cross-contextual applicability**.** No prior review has systematically mapped the evolution of PG research across multiple dimensions, limiting the ability to derive overarching insights and identify areas

requiring further exploration. To address this gap, this SLR expands existing work by reviewing 32 years of research (1991–2022), systematically analysing six key dimensions: research field, topic, theoretical foundation, methodology, respondent type, and focal product. This review synthesises current knowledge and examines key developments across the six dimensions, identifies gaps in current research, suggests areas for future exploration and highlights emerging trends to improve understanding of the efficiency of PGs in different retail contexts. It also proposes a unifying definition of PG that aligns with principles of fair competition and social responsibility, ensuring a more structured and consistent framework for academic research and industry application. By providing this foundation, the SLR bridges theoretical discussions with empirical validation, offering a robust platform for further studies on PG advertising believability, consumer trust, and behavioural outcomes.

This PG research is the first to employ a quasi-longitudinal field study (Rindfleisch et al., 2008). While applying a new method does not constitute a contribution, the quasi-longitudinal field study employed in this PG research provides a novel empirical approach that offers insights previously unattainable through traditional cross-sectional or experimental methods. Existing research on PG has primarily relied on theoretical discussions, controlled experiments, or short-term consumer surveys, which fail to capture the dynamic nature of consumer trust, satisfaction, and repurchase behaviours over time. By introducing a quasi-longitudinal design, this research allows for the temporal tracking of consumer perceptions, uncovering how believability and trustworthiness in PG advertising evolve beyond the point of initial exposure. This methodological approach identifies patterns and shifts in consumer attitudes that would not be observable in single-point analyses, thus enhancing the depth of understanding regarding the sustained impact of PG

strategies in real-world retail settings. The findings empirically validate theoretical constructs and offer practical insights for retailers seeking to implement more credible and effective PG strategies. This research extends the application of signalling theory by investigating how PG advertising signals both price competitiveness and service quality, influencing consumers' believability and trust in the retailer (Kirmani & Rao, 2000).

This research builds on ECT, a well-established framework in consumer behaviour studies that examines how pre-purchase expectations, post-purchase experiences, and satisfaction shape future behavioural intentions (Bhattacherjee, 2001; Oliver, 1980). ECT has been applied in various domains, but its use in understanding PG advertising believability and its impact on trust, expectations, satisfaction, and repurchase intentions remains underexplored. This research advances ECT by extending its application to the retail pricing context, specifically in evaluating how real-world consumers interpret and respond to PG advertising claims over time.

Past studies have primarily relied on student samples or controlled, non-real-world settings; this research grounds its analysis in actual consumer interactions within a competitive retail environment. By capturing insights from actual loyalty program members who have experienced PG strategies first-hand, this research provides a more ecologically valid understanding of how PG advertising influences long-term consumer attitudes and behaviours. Through this empirical application, the research bridges the gap between theoretical constructs and real-world consumer decision-making, offering actionable insights into how PG strategies impact trust formation, expectation-confirmation processes, and repurchase behaviours in a dynamic retail environment.

The thesis also offers practical recommendations for retailers, emphasising the importance of transparent and straightforward PG policies. It highlights the potential of well-implemented PGs to foster satisfaction and consumer loyalty, provided they are perceived as believable and trustworthy. This research provides valuable guidance for retailers seeking to refine their PG strategies to improve consumer loyalty and enhance their brand reputation in competitive retail environments.

## 1.4 Justification for the Research

This research is justified by its aim to bridge the gap between the theoretical promise of PGs and their effectiveness as a retail marketing strategy. From a theoretical perspective, it builds on the SLR-identified key knowledge gaps, while on a practical level, the findings provide actionable insights for retailers seeking to optimise PG advertising strategies. Addressing this research problem is highly relevant on both theoretical and practical grounds, offering valuable insights for academia and actionable marketing strategies for retailers (Perry, 1998).

### 1.4.1 Theoretical Justification

> Retail expert Chris Wilkinson from First Retail consultancy noted that PGs are a distinctive feature of the retail landscape in New Zealand and Australia. Despite varying implementations, he emphasised that these guarantees offer consumers a certain level of assurance and confidence in their purchasing decisions (Stock, 2020).

The existing literature presents PGs as a means of enhancing consumer confidence by signalling that retailers offer competitive prices and are committed to consumer satisfaction (Borges & Babin,

2012). Most studies to date on PG believability have focused on the theoretical benefits of PGs, such as compensation refund depth and the scope of the guarantee. These play a pivotal role in shaping consumer purchase decisions in different stages and contexts (Desmet & Le Nagard, 2005; Dutta et al., 2007; Haesevoets et al., 2017; Kukar-Kinney & Walters, 2003; Lin et al., 2020). Past research has not thoroughly examined consumer perceptions of PG advertising believability, where consumers often view PG advertising as an initial appeal that sets pricing expectations without necessarily ensuring authenticity or ease of fulfilment (Kukar-Kinney & Walters, 2003). The relationship between perceived believability of PG advertising and consumer trust and behaviour remains underexplored.

There is limited empirical examination of how PGs perform in practice, particularly when examined through the lens of theories like signalling theory and ECT (Kirmani & Rao, 2000; Oliver, 1980). The concept of signalling theory explains how PG advertising signals consumers about a retailer's price competitiveness and commitment to value (Kirmani & Rao, 2000). Meanwhile, ECT can offer insights into how consumer expectations set by PG advertising can influence post-purchase satisfaction based on whether the retailer's promise meets or exceeds initial expectations (Bhattacherjee, 2001). This research extends signalling theory and advances ECT by applying them to real-world PG advertising, where perceived believability and trustworthiness are crucial. By empirically investigating how PG advertising impacts consumer trust and satisfaction, the research advances theoretical models grounded on two robust theories, signalling and ECT, linking advertising credibility (believability and trustworthiness) to consumer loyalty in consumer behaviour and PG literature.

### 1.4.2 Practical Justification

The Commerce Commission New Zealand (CCNZ) determined several of Bunnings' in-store advertising slogans and marketing campaigns were ‘false and misleading’. These included statements such as "We've got the widest range and the lowest prices," "Everything is at the lowest price guaranteed," "Bunnings has the lowest price on everything you need," and "Lowest prices are just the beginning" (Iles, 2017).

The New Zealand District Court has taken an approach that places the responsibility on consumers to verify whether they are receiving the lowest advertised prices. If a lower price is found elsewhere, it is up to the consumer to actively claim the price difference, rather than the retailer ensuring the lowest price upfront (Goatley & Aymeric, 2021).

From a managerial perspective, understanding how consumers perceive PGs in a retail environment is crucial. While PGs are designed to provide consumer confidence, build trust, and encourage loyalty, past studies revealed that some consumers may view them sceptically based on the refund depth (particularly refund amounts greater than the price difference), perceiving them as marketing gimmicks rather than genuine commitments to competitive pricing (Kukar-Kinney & Grewal, 2006). This scepticism can undermine the effectiveness of PGs and diminish consumer trust, which is particularly damaging in an era where trust is essential for repeat business in competitive markets (Grewal et al., 2018).

> E-commerce entrepreneur Ruslan Kogan emphasises that while establishing consumer trust and brand loyalty can take decades, just a few negative experiences are enough to permanently lose a customer (McCauley, 2017).

Previous research also indicates that the phrasing of PGs such as 'lowest price,' 'price match,' or 'price-beat' guarantee affects how consumers respond to these promises (Arbatskaya et al., 2006; Verma et al., 2019). This research addresses a critical need for retailers to understand better the impact of PG messaging in their advertising on consumer perceptions. By identifying how different approaches to PG advertising impact consumer trust, satisfaction, and loyalty, this research provides actionable insights that can help retailers refine their PG strategies. Clear and believable PG advertising claims that align with consumer expectations can ultimately build trust, increase satisfaction, strengthen brand loyalty and enhance a retailer's competitive positioning.

### 1.4.3 Research Gaps

PGs have been a topic of interest in marketing research. Gaps remain in empirical research examining the real-world effectiveness of PGs on consumer perceptions, satisfaction, and behaviour. Recent studies (Hviid, 2010; Suwelack & Krafft, 2012), including this thesis's own analysis of 82 PG-focused articles from 1991 to 2022, have highlighted the need for research that connects PG believability to consumer trust and satisfaction outcomes, particularly the underexplored area of PG advertising. The non-existence of past studies employing longitudinal methods or examining the influence of PGs across different cultural and economic contexts further compounds this gap.

This research addresses these gaps by conducting a quasi-longitudinal field study that evaluates the credibility of PG advertising, particularly its believability and trustworthiness. It focuses on two specific types of guarantees: the PBG and APP in a real-world auto-accessories retail environment. This research aims to bridge theoretical frameworks with real-world data by examining how consumer perceptions of PG believability influence shopping behaviour over time, contributing to a more nuanced understanding of PG effectiveness. This integration of signalling theory and ECT within a real-world setting (real consumers and business) marks a significant contribution to the literature, enhancing the applicability of these theories in understanding consumer behaviour over time in the context of PGs (Bhattacherjee, 2001; Kirmani & Rao, 2000).

### 1.4.4 Implications for Retail Marketing Strategy

The implications of this research are significant for retailers. Effective PG advertising can enhance consumer trust, but only if the guarantee is perceived as credible and easy to claim (Estelami & Bergstein, 2006). Retailers increasingly rely on PGs to differentiate themselves in an increasingly competitive market, and overly complex or unclear PG policies can deter consumers instead of fostering loyalty (Kukar-Kinney & Grewal, 2006). By investigating the practical challenges consumers encounter when interacting with PG policies, this research identifies critical factors for enhancing the clarity and appeal of PG advertisements.

The insights derived from this research offer guidance on structuring clear PG policies, specifically transparent advertising and a simplified claims process, ensuring that consumers view them as genuine commitments rather than gimmicks. Retailers can leverage these findings to craft

advertising that attracts new consumers and reinforces trust and satisfaction among existing customers, ultimately driving repurchase intentions and enhancing brand loyalty.

## 1.5 Philosophical Foundation: Ontology and Epistemology in This Research

Research philosophy explores the origin, nature, and progression of knowledge – it reflects a research study's philosophical foundation in defining its research approach, methodology, and analytical framework used to address the research problem (Saunders et al., 2009). This research is grounded in ontology and epistemology, and their alignment with the chosen research design shapes the approach to knowledge generation, analysis, and interpretation (Bajpai, 2011). Ontology defines the nature of reality and what can be known, while epistemology examines the foundations of knowledge, whether it is objective, tangible, and universally transferable, or more subjective, shaped by individual experiences and interpretations (Cohen et al., 2002). Establishing a clear philosophical stance ensures coherence in how consumer perceptions of PG advertising believability are explored, analysed, and interpreted.

### 1.5.1 Ontology Perspective: The Nature of Reality in This Research

Ontology concerns the nature of reality and what is considered real or knowable in research (Guba & Lincoln, 1994). It is fundamental to this research to define whether consumer perceptions of PG advertising believability and subsequent behaviours exist as objective truths or are shaped by subjective experiences. This research adopts a pragmatic ontological stance, recognising that consumer trust and behavioural intentions are influenced by both objective market structures (e.g., pricing strategies, PG policy terms) and subjective consumer interpretations (e.g., perceived fairness, advertising credibility) (Saunders et al., 2009). From a realist perspective, PG advertising

is an objective marketing tool designed to signal competitive pricing and reinforce retailer credibility. Retailers implement structured PG strategies, such as PBGs or APPs, to build consumer confidence and shape shopping behaviour. While from a constructivist standpoint, the effectiveness of PG policies is primarily determined by consumer perceptions of believability and trustworthiness. Consumers interpret these policies through past shopping experiences, brand reputation, and external market influences, making their responses context-dependent rather than purely objective. This ontological position acknowledges that while PG advertising operates within structured retail frameworks, its impact is shaped by consumer interpretation, requiring an examination of how objective advertising strategies interact with subjective consumer perceptions of trust-building processes, ensuring a balanced approach in assessing PG advertising effectiveness.

### 1.5.2 Epistemology Perspective: Knowledge Acquisition and Justification

Epistemology concerns how knowledge is generated and validated (Creswell & Creswell, 2017), guiding this research's methodological choices. This research follows a post-positivist epistemology, balancing empirical measurement with understanding contextual variations in consumer behaviour (Bryman, 2016; Dutta et al., 2007). Unlike strict positivism, which assumes that consumer behaviour follows universal laws, post-positivism acknowledges that perceptions of believability and trust in PG advertising are influenced by individual experiences and contextual factors (Ryan, 2018). This epistemological stance justifies the use of structured quantitative methods, with a quasi-longitudinal field survey (Rindfleisch et al., 2008) and Structural Equation Modelling (SEM) (Hair, Babin, et al., 2019), to capture objective patterns in consumer behaviour while recognising that responses may vary based on demographics, shopping history, and

competitive retail conditions. This post-positivist approach ensures that the research maintains systematic data collection and statistical analysis with an understanding of contextual consumer behaviour, allowing for both robust empirical validation and interpretive flexibility in understanding the complexities of PG advertising credibility in real-world retail environments.

### 1.5.3 Ontology and Epistemology: Justification for Methodological Choices

The pragmatic ontological and post-positivist epistemological perspectives of this research directly influence its design, shaping the selection of methodologies that ensure a rigorous yet adaptable approach to understanding consumer perceptions of PG advertising believability. This research employs a two-pronged research strategy that integrates theoretical synthesis through an SLR and empirical validation via a quasi-longitudinal field study, ensuring a balanced approach between conceptual insights and real-world consumer behaviour.

The SLR establishes the theoretical foundation by synthesising previous studies on PG across multiple disciplines, including key development across six analytical dimensions. This process helps construct a conceptual framework for analysing PG believability, ensuring the empirical study is grounded in existing knowledge while contributing novel insights (Snyder, 2019). The review identifies gaps in the literature, particularly regarding the effectiveness of PG advertising, consumer trust, and behavioural responses, which inform the subsequent empirical investigation.

The quasi-longitudinal field study provides empirical validation, examining how real-world consumers interact with PG advertising over time. This study employs cross-sectional surveys to capture consumer perceptions, trust, and repurchase intentions at multiple points, offering insights

into short-term responses and evolving attitudes toward PG strategies. The research applies SEM to test hypothesised relationships between PG advertising believability, trust, satisfaction, and shopping behaviour, ensuring statistical robustness and predictive validity (Hair, Babin, et al., 2019). By incorporating quantitative analysis, the study objectively assesses how variations in PG advertising impact consumer decision-making in competitive retail environments.

This research bridges academic insights with practical retail strategies by integrating the SLR for theoretical synthesis and the quasi-longitudinal field study for empirical validation. It provides theoretical depth and empirical rigour, comprehensively analysing how PG advertising believability influences consumer trust, satisfaction, and shopping behaviour. This dual-method approach ensures a reliable investigation, contributing valuable knowledge to PG advertising discourse while delivering actionable insights for trust-building and marketing effectiveness in retail environments.

### 1.6 Methodology

This section presents the research methodology, which employs a dual-method approach to systematically address the research problem. Grounded in a pragmatic ontological and post-positivist epistemological stance, the study begins with an SLR (Chapter 2) to consolidate existing knowledge and highlight research gaps. These insights inform the design of a quantitative quasi-longitudinal field survey (Chapter 4), which empirically investigates consumer perceptions and behavioural responses to PG advertising in real-world retail settings.

### 1.6.1 Research Design 1: Systematic Literature Review

The SLR offers a structured examination of the historical development and current state of PG research, synthesising trends and identifying key developments and gaps in existing research across six dimensions. It establishes the basis for developing the research framework and hypotheses and identifies the key variable to be investigated empirically.

The SLR extends studies of Hviid (2010) and Suwelack and Krafft (2012) by considering numerous academic studies in the PG field. This review follows established guidelines for the SLR process from marketing research by Littell et al. (2008), which involves six essential phases and their specific aims: (1) topic formulation, (2) review design, (3) sampling, (4) data collection, (5) data analysis, and (6) reporting the results (Palmatier et al., 2018).

The review's scope and a search protocol were established to specify clear criteria for including or excluding publications in the SLR (Gupta et al., 2020). The inclusion criteria encompassed all articles across any research fields but were restricted to English-language, peer-reviewed journals included in the 2019 Australian Business Deans Council Journal Quality List, a repository for high-impact academic publications (Hair, Wood, et al., 2019). The review was comprehensive and current, with no start date for the search, permitting the inclusion of earlier works, and finished on 31 December 2022 (Williams & Plouffe, 2007). PG articles focusing on ongoing contractual purchases (e.g., subscriptions) with binding agreements, as well as future purchases and advance selling, which do not reflect the discretionary nature of PGs, are under the exclusion criteria along with four similar policies of different concepts and purposes as PG, such as ‘Money Back Guarantee’, ‘Always Low Prices’, ‘Price-Protection’, and ‘Price-Adjustment’.

Database search was a key tool in the search strategy process. It involved four academic databases: EBSCOhost Business Source Complete, Scopus, JSTOR, and Science Direct, which provide the most extensive academic coverage coupled with functionality and full access to the article (Christofi et al., 2017). To avoid missing articles, alternative (all common phrases) keywords were substituted for PG phrases in the article's titles, abstracts, and keywords using the broad search strings: "Price Guarantee*", "Price Match*", or "Price Beat*". After considering the review's scope and search protocol, the search produced an initial sample of 602 unique articles with a final sample of 82 key PG-focused articles. The data from the final set of 82 articles were systematically compiled, organised, and categorised for both descriptive and thematic analysis. These articles were classified based on PG design elements or outcomes and grouped according to recurring themes for a comprehensive analysis.

The review synthesises and highlights key developments and opportunities across six dimensions: research field, topic, theoretical foundation, methodology, respondent type, and focal product. It proposes a unified PG definition to enable consistent analysis of PG motives and their impacts on consumers and businesses. This review offers insights into the evolution of PGs research, identifies promising directions for future research within each of these dimensions and reveals research gaps that guide the development of a research framework and propositions or hypotheses for the quasi-longitudinal field survey.

### 1.6.2 Research Design 2: Quasi-Longitudinal Field Survey

The quantitative-based quasi-longitudinal field research collects empirical data on consumer perceptions of PG advertising, specifically focusing on its believability and trustworthiness within

real-world retail environments. The primary objective of this field research is to assess how consumers perceive PG advertising (both PBG and APP) believability, examining its impact on consumer trust and satisfaction, and exploring its influence on shopping behaviours and repurchase intentions in a real-world retail environment. By addressing these objectives, the research goes beyond theoretical assumptions and provides a practical analysis of consumer engagement, specifically focusing on the PG believability of advertising messages and claims.

The research employs a cross-sectional survey within a quasi-longitudinal design grounded in signalling theory and ECT, gathering data from a sample population to capture a snapshot of changes in consumer perceptions and shopping behaviours over time from pre-purchase to post-purchase stage. Cross-sectional surveys efficiently capture timely insights without prolonged observation, making them ideal for immediate, actionable data in marketing research (Rindfleisch et al., 2008). According to Rindfleisch et al. (2008), well-designed quasi-longitudinal cross-sectional studies can yield findings comparable in validity to full longitudinal studies, especially by addressing common method variance (CMV) and enhancing causal inference. This strengthens the reliability of identified correlations and associations between variables.

In consumer behaviour research, a quasi-longitudinal approach using a cross-sectional survey is especially valuable for analysing associations between key variables such as PG believability, consumer trust, satisfaction, and repurchase intentions. This design captures the population's immediate responses, enabling researchers to effectively identify current behaviours and attitudes (Bryman, 2016). This approach aligns with the research's primary objective of assessing how consumer perceptions of PG advertising believability and trustworthiness correlate with consumer

satisfaction and repurchase intentions, establishing a foundation for both theoretical insights and practical applications in retail marketing strategies (Fowler & Floyd, 2013; Hair, Babin, et al., 2019).

The research design is structured to test a series of hypotheses to capture the nuanced impacts of PG advertising believability on consumer trust, satisfaction, and behavioural intentions, particularly for two distinct PG strategies: PBG and APP. The following hypotheses were developed based on insights from the SLR on identifying research gaps, theoretical frameworks, and key concepts that inform the research questions, objectives, and design. These hypotheses address specific research issues associated with the research problem.

- **H1$_{PBG/APP}$:** Perceived believability of PBG/APP advertising positively impacts consumer trust.
- **H2$_{PBG/APP}$:** Trust in PBG/APP advertising believability positively impacts overall satisfaction.
- **H3$_{PBG/APP}$:** Trust in PBG/APP advertising believability positively impacts expectations of store price image.
- **H4$_{PBG/APP}$:** Trust in PBG/APP advertising believability positively impacts expectations of perceived service quality.
- **H5:** Perceived store price image expectation positively impacts the confirmation of post-purchase perception of value.
- **H6:** Perceived store price image expectation positively impacts satisfaction.
- **H7:** Post-purchase perception of value positively impacts satisfaction.

- **H8:** Perceived service quality expectation positively impacts confirmation of service quality.
- **H9:** Perceived service quality expectation positively impacts satisfaction.
- **H10:** Confirmation of service quality positively impacts satisfaction.
- **H11:** Satisfaction positively impacts repurchase intention.

A conceptual framework grounded on signalling theory and ECT that visually represents the research problem, and its variables are developed that link theoretical concepts and the hypotheses, guiding data collection and analysis, as illustrated in the research model, named as PG "Believability-Trust-Behavioural (BTB)" Model (Figure 1.1).

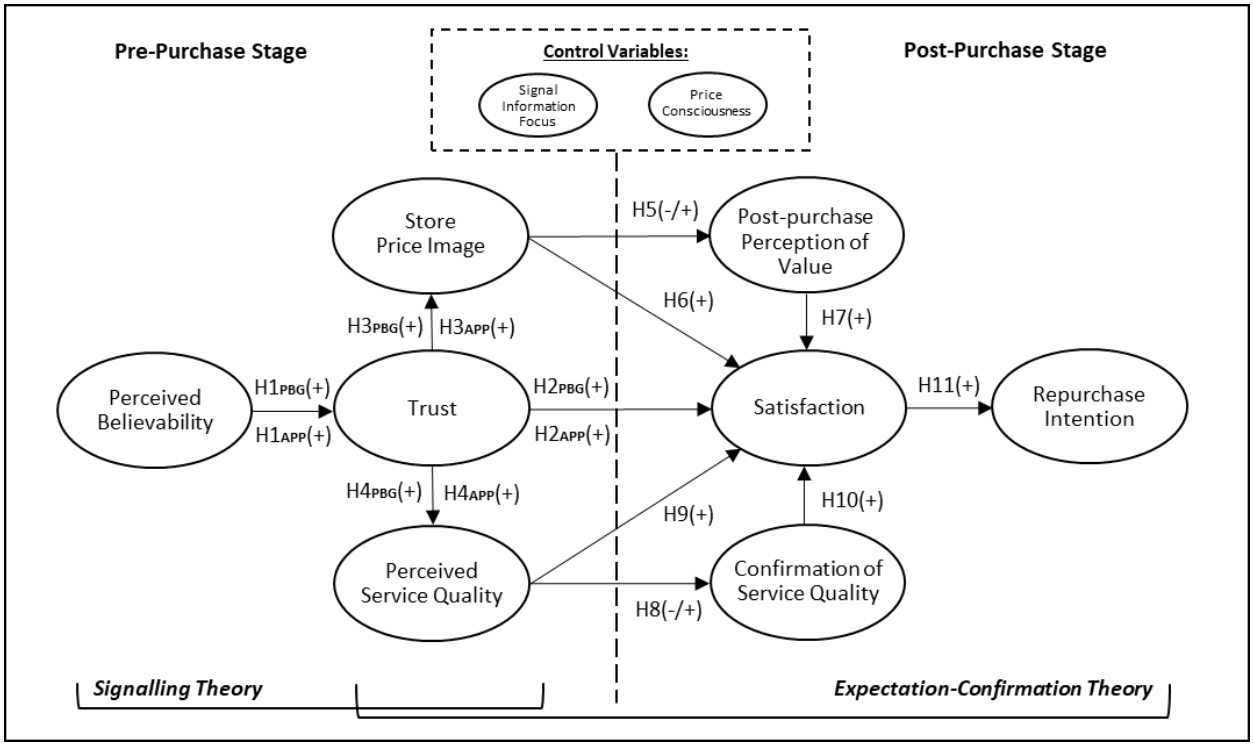


**Figure 1.1: Research Model - PG "Believability-Trust-Behavioural (BTB)" Model**

The PG-BTB model consists of eight primary constructs: (1) perceived believability, (2) trust, (3) store price image, (4) post-purchase perception of value, (5) perceived service quality, (6) confirmation of service quality, (7) satisfaction, and (8) repurchase intention; and two control variables: price consciousness and signal information focus.

This research was conducted with Supercheap Auto (SCA), a leading New Zealand and Australian chain retailer. SCA specialises in various automotive products, including car parts, detailing supplies, accessories, tools, outdoor and leisure equipment, and performance modification accessories. As a key brand within the Super Retail Group, listed on the Australian Stock Exchange and headquartered in Brisbane, Queensland, SCA has firmly established itself as a dominant force in the automotive retail sector in the region. SCA operates an extensive network of over 300 brick-and-mortar stores across New Zealand and Australia, complemented by a robust online shopping platform. This dual-channel presence positions SCA as a trusted one-stop shop for a diverse customer base, ranging from DIY automotive enthusiasts and professionals to everyday vehicle owners seeking quality and affordability.

What sets SCA apart is its bold adoption of competitive pricing strategies, including PBG and the innovative 'Club Plus (Loyalty Program) Price-Promise' automatic-refund mechanism (herein known as APP). These strategies are designed to attract price-sensitive consumers, build trust, and foster enduring consumer-retailer relationships. Combining a comprehensive product range, strategic pricing, and loyalty-driven initiatives, SCA appeals strongly to cost-conscious shoppers and maintains its status as a trusted leader in the highly competitive automotive retail market.

Excelling in both physical and digital retail spaces, SCA continues to redefine value and trust in the automotive industry (see Figure 1.2).


**Figure 1.2: Supercheap Auto's Price-Beat Guarantees and Club Plus Price Promise**

The field survey targets SCA's 'Club Plus Loyalty Program' members in New Zealand, who have engaged with SCA's two distinct types of PG advertising through brick-and-mortar stores and/or the online shopping platform. SCA is the only retailer in the region that has adopted both the stronger PBG and the innovative APP strategies. The sample population comprises active SCA members who have completed at least one purchase transaction, either in-store or online, within the past 12 months. To ensure robust and representative data, participants are stratified to capture diversity across key demographic factors such as age, gender, and income, with a minimum sample size of 500 respondents, meeting the recommended threshold for reliable analysis of research

models with seven or more constructs (Hair, Babin, et al., 2019). This approach ensures a comprehensive and statistically robust evaluation of consumer responses to SCA's PG advertising strategies.

Data was collected online using a structured questionnaire hosted and facilitated by SCA from their loyalty members using the survey questionnaire reviewed and approved by the Auckland University of Technology Ethics Committee (AUTEC - Application 21/95). This ensured compliance with all ethical, legal, public health, and jurisdictional requirements applicable to the research. The survey questionnaire consists of 39 questions (see Appendix 1.1) with an estimated response time of 16 minutes, and has been reviewed by two subject experts.

The survey consists of three parts: (1) screening questions, (2) demographic and psychographic profiling questions, and (3) questions that measure the variables related to PG advertising and consumer responses. This survey employs multi-item scales for analysis, aiming to quantify the research variables within the model. All measurement items were adopted from the established current PG and consumer behaviour literature and modified for relevant application in this study (see Appendix 4.1). The measurement format and scale used in the survey are of various response formats and scales, including Likert, semantic differential, and 'Delighted-Terrible' with seven-point scales, which are specifically employed to disrupt consistency biases and increase the validity of cross-sectional surveys in quasi-longitudinal research to produce results similar in validity to full longitudinal research (Rindfleisch et al., 2008).

A total of 1,219 usable survey responses were collected, exceeding the minimum target of 500 samples required for robust statistical analysis. Data analyses were conducted in multiple stages using Microsoft Excel and SPSS for descriptive statistics and exploratory factor analysis (EFA), providing insights into demographic and response patterns and the underlying factor structure of the proposed model. An advanced causal relationships statistical analysis was performed using structural equation modelling (SEM) with AMOS-28 software, which facilitated confirmatory factor analysis (CFA) to evaluate the model's reliability, validity, and structural stability. AMOS-28 was chosen for its ability to manage complex relationships among multiple variables with high statistical efficiency (Hair, Babin, et al., 2019). The analysis process followed a systematic approach:

1. Descriptive Statistics: Provided an overview of respondent demographics and general trends, such as age, gender, shopping context and motive, and PG-related behaviours, forming a foundation for further analysis.
2. Exploratory Analysis: Identified preliminary patterns and relationships among responses to explore the dynamics between PG believability and trust constructs.
3. Exploratory Factor Analysis (EFA): Reduced dimensionality by identifying latent variables, such as trust, satisfaction, and behavioural intentions, with meaningful factor loadings to strengthen the model's structure.
4. Confirmatory Factor Analysis (CFA): Assessed the internal consistency, reliability, and construct validity of the model, verifying the robustness of the measurement model.
5. Structural Equation Modelling (SEM): Validates structural models (causal relationships) and tests the hypothesised relationships between key constructs such as PG believability, trust,

satisfaction, and behavioural intentions, capturing both direct and indirect effects, offering nuanced insights into the dynamics among variables.

The goodness-of-fit criteria (e.g., RMSEA, CFI, TLI) were applied to evaluate and confirm the alignment between the theoretical model and observed data, ensuring the model accurately reflected real-world conditions. This multi-stage analysis approach provided a comprehensive understanding of the relationships among constructs, delivering reliable insights into the impact of PG advertising believability on trust, satisfaction, and consumer behaviours.

This rigorous research methodology ensures that the findings are both theoretically robust and practically actionable, contributing meaningful insights to marketing and consumer behaviour literature while addressing the research problem of how PG advertising is perceived and its subsequent impact on consumer behaviour.

### 1.7 Delimitations of Scope

These delimitations establish a focused framework to address the research problem.

- **Retail Sector Focus and Regional Context**

The study is limited to the New Zealand retail sector, covering both physical stores and digital platforms, where competitive pricing strategies are widely adopted. This controlled setting ensures consistency in economic structures, regulations, and cultural influences on PG implementation (Stock, 2020).

- **Types of PG Strategies Examined**

The research investigates two distinct PG strategies, the PBG and APP, that are offered by SCA in New Zealand. These strategies differ in consumer appeal, with PBG requiring proactive engagement and APP offering seamless price adjustments. This focus allows for a comparative analysis of their market positioning and behavioural impact (Borges & Babin, 2012; Desmet & Le Nagard, 2005).

- **Consumer-Centric Focus**

The study prioritises consumer perceptions, behaviours, and attitudes toward PG advertising rather than managerial implementation. It examines how PG messaging influences trust, satisfaction, and repurchase intentions (Goldberg & Hartwick, 1990; Kukar-Kinney & Walters, 2003).

- **Theoretical Frameworks Employed**

Guided by signalling theory and ECT, this research explores PG advertising as a commitment signal and its role in shaping consumer expectations and post-purchase satisfaction (Kirmani & Rao, 2000; Oliver, 1980), excluding other theories to focus on expectation-confirmation processes.

- **Methodology**

A quasi-longitudinal cross-sectional field survey captures consumer behaviour changes over time without tracking the same individuals. This approach balances real-world insights with practical constraints, particularly in data collection by Supercheap Auto (Rindfleisch et al., 2008).

## 1.8 Outline of the Thesis

This manuscript-based PhD thesis comprises five chapters, with Chapters Two (2) and Four (4) presented as standalone manuscripts. Together, they explore how PG advertising believability influences consumer trust, satisfaction, and repurchase intentions. Chapter Two (2) offers an SLR of PG research across consumer psychology and retail strategy, while Chapter Four (4) presents an empirical study using dual theoretical frameworks. The overall thesis structure is outlined in Figure 1.3, while Table 1.1 summarises the publication status and journal submission details of the embedded manuscripts.

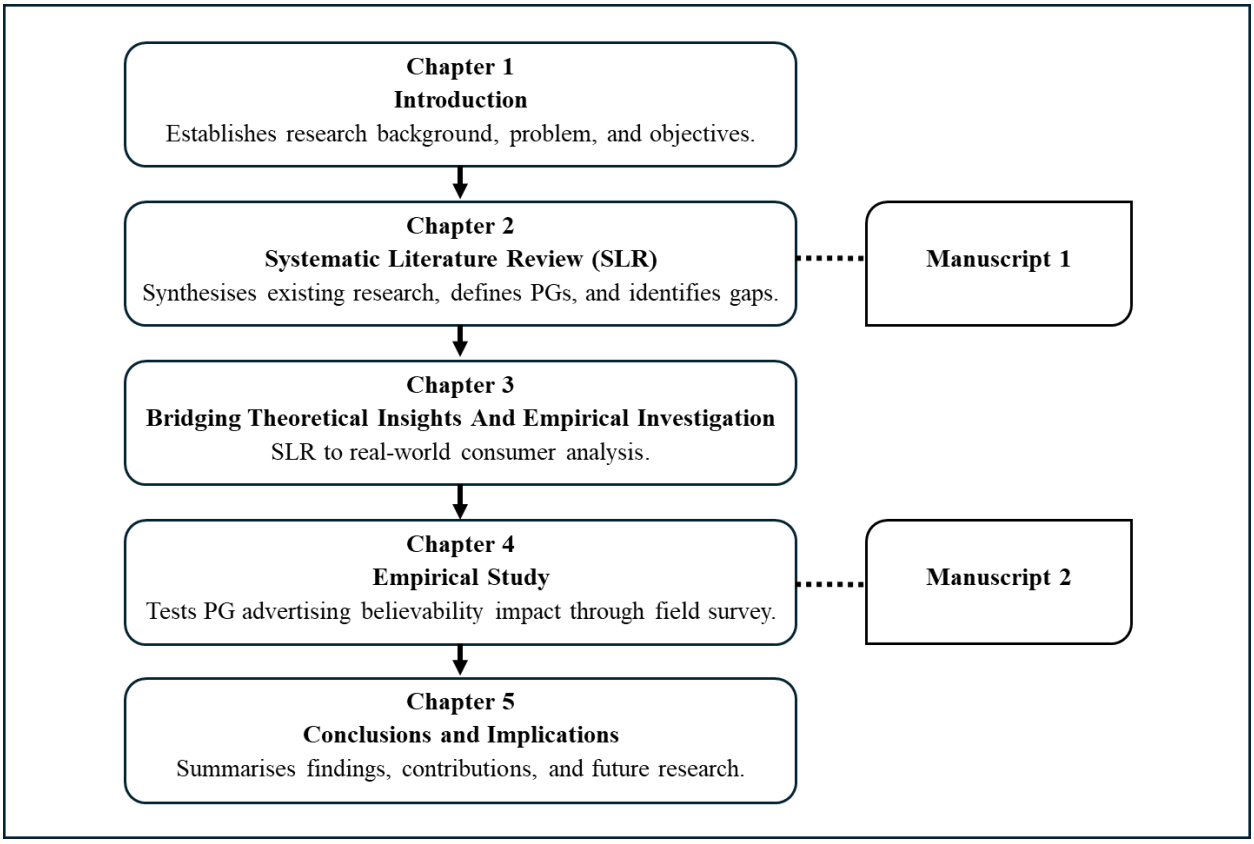


**Figure 1.3: Outline of the Thesis**

**Table 1.1: Overview and publication status of thesis-embedded manuscripts**

| **Chapter Number:** | Two (2) | Four (4) |
|---|---|---|
| **Manuscript Title:** | Unifying Price Guarantee Research: A Mechanism-Based Systematic Review of Consumer Psychology and Retail Strategy | A Dual-Theory Examination of Price Guarantee Advertising Believability: Impact on Consumer Trust, Satisfaction, and Repurchase in Retail |
| **Journal Title:** | International Journal of Consumer Studies | Journal of Consumer Behaviour |
| **ABDC Ranked:** | A | A |
| **Publication Status:** | Under Review (1st.) | Under Review (1st.) |

- **Chapter 1: Introduction**

Introduces PGs as a theoretically promising but underexplored strategy. It defines the research problem, outlines key contributions, and explains the study's philosophical, methodological, and practical scope.

- **Chapter 2: Manuscript 1 - SLR of PG Research**

Presents a systematic review of 82 studies spanning 1991–2022, identifying trends, gaps, and six key analytical dimensions in PG research. It proposes a unified PG definition and lays the theoretical groundwork for the empirical phase.

- **Chapter 3: Bridging Theoretical Insights to Empirical Investigations**

Links insights from the SLR to the empirical study by developing hypotheses and a conceptual framework examining PG advertising believability, trust, and consumer outcomes.

- **Chapter 4: Manuscript 2 - Empirical Analysis of PG Advertising Believability**

Reports a quasi-longitudinal field survey (n=1,219) exploring how price-beating and automatic adjustment PGs influence consumer trust, satisfaction, and repurchase. Findings highlight the role of ad clarity and trustworthiness.

- **Chapter 5: Conclusion and Implications**

Integrates findings from both studies, outlines theoretical and practical contributions, acknowledges limitations, and offers directions for future PG research.

## 1.9 Chapter Conclusion

This chapter has outlined the critical need for research on the practical effectiveness of PG advertising in retail, specifically whether PGs genuinely foster consumer trust and loyalty or are perceived as mere marketing tactics. It identified the central research problem, key issues, and questions related to the perceived believability, trustworthiness, and impact of PG advertising on consumer behaviour. By highlighting the theoretical gap between the intended and actual effects of PGs, this chapter justifies an empirical approach using signalling theory and ECT. This thesis contributes both academically and practically, offering insights to help retailers refine their PG strategies. The subsequent chapters will explore an extensive SLR, outline the empirical methodologies of a quasi-longitudinal field survey, analyse SEM findings through AMOS-28, and present theoretical, policy, and managerial recommendations. Together, these insights will enhance understanding of how the perceived believability of PG advertising impacts consumer trust, satisfaction, and repurchase intentions.

## 2. A Systematic Literature Review of Price Guarantee Research: Unified Definition, Integrative Mechanism-Based Framework, Key Developments, and Future Agenda


### Abstract

This study presents a comprehensive, theory-driven, mechanism-based systematic literature review of 82 peer-reviewed studies on price guarantees (PGs) published between 1991 and 2022, offering the first integrated framework that connects consumer psychology mechanisms with strategic retail functions. The review systematically maps the intellectual structure of PG research by synthesising insights across six analytical dimensions: research field, thematic topic, theoretical foundations, methodology, respondent profile, and product category. To anchor this synthesis, the review introduces a unified definition of PGs that resolves long-standing inconsistencies across disciplines. This multidimensional synthesis enables the reconceptualisation of PGs as dual-function instruments: simultaneously serving as value-signalling strategies in competitive markets and as psychological assurances that foster consumer perceptions of fairness, trust, and risk reduction. The proposed Mechanism-Based Dual-Function Model of Price Guarantees (MB-DFM-PG) demonstrates how specific PG design elements (e.g., guarantee scope, compensation method, claims process) influence psychological mediators (e.g., believability, fairness, trust), which in turn shape key consumer outcomes (e.g., confidence, satisfaction, repurchase intentions) and while also contributing to firm-level objectives (e.g., brand differentiation, competitive positioning). Contextual moderators such as product type, retail channel, and regulatory environment are also accounted for. The model's structural logic is extended across similar retail guarantees and marketing advertising claims (e.g., satisfaction, service, return, delivery, and sustainability claims), highlighting its broader theoretical generalizability. This review offers an integrative

framework to advance future research in consumer psychology, retail strategy, and marketing communication, while providing actionable insights for practitioners and policymakers in designing credible, consumer-focused guarantee strategies.

**Keywords:** price guarantees, consumer psychology, systematic literature review, perceived fairness, believability and trust, retail marketing strategy, mechanism-based framework

## 2.1 Introduction

> **"*BEST PRICE, EVERY DAY!***
> *We will match or beat the price of a qualifying local or online retailer!"*
> (American Sale, n.d.)
>
> ***"PRICE PROMISE. Lowest Price Guaranteed Every Day.***
> *We pride ourselves on offering the very best prices… guaranteed!*
> *…we not only match the price, we'll even refund you an additional 10% of the difference"*
> (UK Office Direct, n.d.)
>
> ***"LOWEST PRICES GUARANTEED.***
> *We beat everyone's prices! At Chemist Warehouse,… we will match it and give you 10% off the difference!"*
> (Chemist Warehouse ANZ, n.d.)

Retailers widely employ price guarantees (PGs) as a strategic mechanism to signal value, fairness, and competitive pricing (Hogreve & Gremler, 2009; Jeng & Lo, 2019; Kukar-Kinney & Walters, 2003; Moorthy & Winter, 2006; Suwelack et al., 2011). They appeal to consumers' desire for assurance in their purchasing decisions, often by promising to match or beat lower prices offered by competitors for comparable products (Sivakumar & Weigand, 1997). Unlike promotional discounts or time-limited offers, PGs offer an ongoing price assurance, reinforcing a retailer's price integrity and positioning (Kukar-Kinney & Walters, 2003). Empirical research and industry practice suggest that PGs enhance brand trust, perceived value, and customer retention (Borges & Babin, 2012; Ho et al., 2011; White & Yuan, 2012).

Despite their widespread adoption, research on PGs remains fragmented and theoretically inconsistent. Studies report divergent findings regarding their effectiveness in improving consumer welfare, purchase satisfaction, and firm performance (Hviid, 2010; Suwelack & Krafft,

2012). While PGs are believed to reduce perceived price risk and reinforce trust (Dutta, 2012; White & Yuan, 2012), their actual impact may vary depending on contextual factors such as product category, retail format, or claim process (Adams, 2002; Haesevoets et al., 2017). Moreover, various formats of guarantees, including lowest-price (LPG), best-price (BPG), price-matching (PMG), and price-beating (PBG), function as alternative signalling strategies with distinct consumer and competitive implications (Ho et al., 2011; Kukar-Kinney & Walters, 2003; Verma et al., 2019).

Compounding this variability are persistent inconsistencies in how PGs are defined, operationalised, and interpreted across disciplines (Dutta et al., 2007; Moorthy & Winter, 2006). Researchers have highlighted ambiguity in how different PG messages (e.g., lowest-price vs. best-price) influence consumer expectations and behaviours before and after purchase (Arbatskaya et al., 2006; Verma et al., 2019), further muddying academic consensus. For instance, Verma et al. (2019) discovered that LPGs may signal greater value in creating a stronger perception of lower prices and higher purchase intentions, particularly among promotion-focused consumers before purchase, but result in lower post-purchase satisfaction and a lower likelihood of repeat purchases if redemption is too complex or expectations are unfulfilled, while PMGs and PBGs may serve different strategic retailing motives altogether, according to Arbatskaya et al. (2006).

This paper addresses these challenges by conducting a systematic literature review (SLR) to consolidate and critically evaluate three decades of PG research. Moving beyond descriptive mapping, the review synthesizes 82 peer-reviewed studies across six analytical dimensions: research field, thematic focus, theoretical foundation, methodology, respondent profile, and

product category. This multifaceted synthesis provides a structured mapping of the intellectual landscape and enables a comprehensive understanding of how PGs have been defined, investigated, and positioned within academic and practical contexts.

By drawing insights from these six dimensions, the review reconceptualises PGs as dual-function instruments, not merely price claims, but value-signalling strategies that shape market competition, and psychological assurances that build consumer trust, fairness perceptions, and reduce purchase-price related uncertainty. This synthesis is grounded in a unified definition of PGs that resolves inconsistencies across prior literature and establishes a clear conceptual foundation for the model. Central to this integration is developing a Mechanism-Based Dual-Function Model of PG (MB-DFM-PG), which explains how PG design elements interact with psychological mediators and contextual moderators to produce both consumer and firm-level outcomes. In this context, 'mechanism-based' refers to identifying causal pathways that link specific PG elements (e.g., scope, refund method, claims process) to underlying psychological processes such as believability, trust, and fairness, ultimately influencing behavioural responses and strategic performance.

In addition to offering theoretical integration and practical implications, the review outlines a future research agenda that prioritises conceptual refinement, empirical expansion, and methodological innovation. It encourages the application of behavioural and strategic lenses, cross-sector and real-world contexts, and advanced techniques such as simulations and mixed methods. These directions aim to deepen scholarly insight and enhance the practical relevance of PG research across diverse and evolving retail environments.

## 2.2 Methodology

This mechanism-based SLR develops an integrated conceptual understanding of PGs as dual-purpose tools for consumer trust-building and strategic signalling. It moves beyond descriptive synthesis to clarify fragmented definitions, identify underlying causal pathways, and propose a cross-disciplinary conceptual framework that connects consumer psychology with retail strategy.

Following established guidelines for transparent and rigorous review methodology (Kitchenham, 2004; Snyder, 2019; Tranfield et al., 2003), this SLR applies a structured and replicable process to identify, select, and synthesise relevant peer-reviewed studies published between 1991 and 2022. The approach emphasises the conceptual development and theoretical contribution of prior work, consistent with recent literature in marketing and strategy that leverages systematic reviews for theory-building (Chintalapati & Pandey, 2022; Hulland et al., 2018; Mariani et al., 2022; Palmatier et al., 2018; Rowley & Keegan, 2020).

SLRs offer several benefits, including identifying patterns and discrepancies in existing studies, generating novel conceptual insights (Chaudhary et al., 2021), enhancing methodological rigour and credibility of the review findings (Leonidou et al., 2020), and ensuring process transparency (Wang & Chugh, 2014). Guided by Littell et al. (2008), this SLR proceeded through a structured six-phase review protocol: (1) defining the review objective and research questions, (2) establishing the scope and search protocol, (3) sampling and selecting relevant literature, (4) compiling, coding, and extracting data, (5) analysing and synthesising findings, and (6) reporting the results. Littell's framework was chosen for its rigour and flexibility, well-suited for both conceptual and empirical integration, and theory-building in social science and behavioural contexts.

Although the PRISMA framework (Moher et al., 2009) is widely used in health and clinical sciences, it is primarily suited to intervention-based studies and is less adaptable to the mixed-method and multidimensional synthesis often required in marketing and consumer research. Compared to other established approaches such as Tranfield et al. (2003) or TCCM framework (Paul & Criado, 2020), Littell's approach provides a more detailed and process-oriented methodology for literature selection, coding, and synthesis, has also been applied in leading journals, such as Journal of the Academy of Marketing Science and Journal of Business Research, reinforcing its relevance and credibility for this thesis (Palmatier et al., 2018; Snyder, 2019).

This methodology's key feature is synthesising insights across six analytical dimensions – research field, thematic focus, theoretical foundation, methodology, respondent profile, and product category. This structure enabled the identification of mechanisms that link PG design features with psychological mediators and consumer or firm-level outcomes, laying the foundation for the Mechanism-Based Dual-Function Model developed in this review.

### 2.2.1 Defining The Review Objective and Research Questions (Phase 1)

This SLR begins by clearly defining its objectives and establishing a focused research question, following best practices in systematic reviews (Littell et al., 2008; Palmatier et al., 2018). The objective is to systematically analyse the evolution of PG as a marketing strategy across multiple dimensions, addressing the research question: *How has PG evolved as a marketing strategy across different research fields, topics, theoretical foundations, methodologies, respondent profiles and focal product categories?* By synthesising existing literature, this review evaluates key developments in research domains and topics, examines theoretical and methodological

approaches, explores consumer segments and product contexts, and identifies research gaps. The findings aim to provide a comprehensive understanding of PG strategies, integrating insights from economics, consumer behaviour, and marketing, while offering future research directions to enhance PG effectiveness in competitive retail environments.

### 2.2.2 Establishing The Scope and Search Protocol (Phase 2)

To ensure a rigorous and systematic review, we defined the review scope and developed a structured search protocol (Table 2.1) with explicit inclusion and exclusion criteria (Gupta et al., 2020). The search strategy encompassed all research fields but was limited to English-language, peer-reviewed journals indexed in the 2019 Australian Business Deans Council Journal Quality List (ABDC-JQL), which ensures coverage of high-impact academic publications (Hair, Wood, et al., 2019). To maintain comprehensiveness, no start date was imposed, allowing the inclusion of foundational studies, while the search concluded on 31 December 2022, ensuring relevance to the most recent literature (Williams & Plouffe, 2007).

Our search focused on PG literature examining non-contractual, individual transactions, such as purchasing a printer or a bottle of soft drink, where each purchase is a separate, stand-alone transaction with the same seller (Hviid, 2010). We excluded ongoing contractual purchases (e.g., subscriptions) involving binding agreements, as well as future purchases and advance selling, as these do not reflect the discretionary nature of PGs.

Additionally, we excluded papers examining four similar policies but distinct pricing policies with different concepts and purposes, ensuring the focus remained on the distinct effects of PGs on

consumer behaviour and firm-market performance.

1. Price-adjustment policies, which compare a seller's future lower prices (Cohen-Vernik & Pazgal, 2017, p. 507).
2. Price-protection policies, which compare a seller's regular and seasonal prices (Cohen-Vernik & Pazgal, 2017, p. 508).
3. Always-low price policies, which offer a non-obligatory promise of everyday low prices (Ho et al., 2011, p. 127).
4. Money-back guarantees, which refund the full purchase price for any reason of dissatisfaction (Davis et al., 1995, p. 8).

**Table 2.1: SLR protocol for search strategy**

| **Searching Studies – The Search Process** | | |
|---|---|---|
| Databases | EBSCOhost Business Source Complete, Emerald Insights, ScienceDirect, Scopus | |
| **Criteria** | **Inclusion** | **Exclusion** |
| Publication | Peer-reviewed Journal Articles | Working Report; Conference Paper; Review; Book; Trade Publications |
| Language | English | Non-English |
| Period | Start: None – End: 31 Dec 2022 | Published on and after 1 Jan 2023 |
| **Screening Studies – Eligibility Decision & Quality Assessment** | | |
| Source | 2019 Australian Business Deans Council Journal Quality List | |
| **Criteria** | **Inclusion** | **Exclusion** |
| Step 1: Relevance | Based on the title, abstract, and keywords | |
| | Non-contract current purchases focus on:<br>• Lowest Price Guarantees<br>• Best Price Guarantees<br>• Price Match/Matching Guarantees<br>• Price Beat/Beating Guarantees | • Contract purchase, future purchase, and advance selling<br>• Price Adjustment<br>• Price Protection<br>• Always/Everyday Low Price<br>• Money-Back Guarantees |
| Step 2:<br>Quality Assessment | Only studies directly relevant to PG are included. A full-text review ensures selected studies provide key theoretical, empirical, or practical insights into PG literature. | |

### 2.2.3 Sampling Relevant Literature (Phase 3)

The systematic literature sampling process (see Figure 2.1) involved keyword searches across four databases: EBSCOhost Business Source Complete, Emerald Insights, ScienceDirect, and Scopus, ensuring broad coverage and access to full articles (Christofi et al., 2017). We used broad keywords for PG phrases in the article's titles and abstracts, as well as keywords using the broad search strings: "Price Guarantee*" OR "Price Match*" OR "Price Beat*" to avoid missing articles. The search identified 602 articles, with 262 duplicates, resulting in 340 potentially relevant articles. After screening for source, relevance (inclusion/exclusion criteria), and quality, we finalised 82 key PG-focused articles.

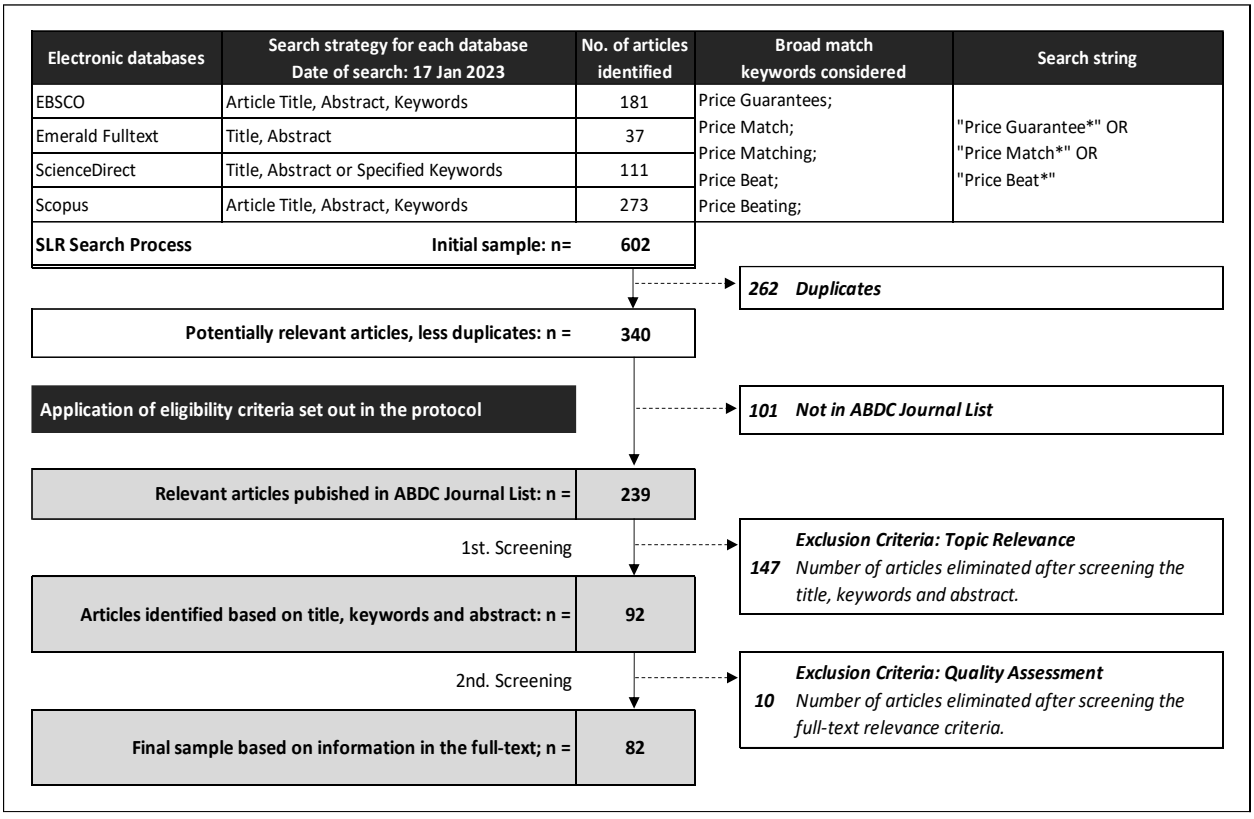


**Figure 2.1: SLR search and data compilation process**

### 2.2.4 Data Compilation Process and Extraction Framework (Phase 4)

A structured approach was employed to compile and extract relevant data, ensuring consistency, transparency, and replicability. Relevant articles were systematically selected, categorised, and analysed based on predefined criteria to provide a comprehensive overview of PG research. The data extraction process captured key details across multiple dimensions, facilitating a thorough analysis of the evolution and impact of PG strategies in various contexts. To enhance reliability, two independent researchers cross-validated the extracted data, resolving discrepancies through discussion and consensus.

**Data Compilation Process**

Relevant articles were systematically compiled into a central database using reference management software (e.g., EndNote and Excel), which served as a structured repository for organising articles and facilitating data extraction. Each entry included metadata such as the article title, author(s), publication year, journal name, and DOI, ensuring traceability and ease of retrieval. To maintain accuracy, a two-step screening process was implemented:

1. Initial Screening: Abstracts were reviewed to determine relevance and alignment with PG research.
2. Full-Text Review: Selected articles underwent a detailed review to confirm their relevance and alignment with the study objectives, with irrelevant papers excluded.

**Data Extraction Framework**

A structured coding scheme was developed to extract key information from each article, enabling

systematic comparison and synthesis. This framework categorises articles across six key dimensions**:**

1. Research Field - Disciplinary origins (e.g., marketing, economics, management).
2. Research Topics - Primary focus (e.g., price perception, believability, purchase intention).
3. Theoretical Foundations - Applied theories (e.g., signalling, ECT, customer value).
4. Methodologies - Research designs (e.g., experiments, surveys, modelling).
5. Respondent Profile - Study participants (e.g., consumers, students, loyalty members).
6. Focal Product Type - Studied contexts (e.g., electrical & electronics, automotive).

## 2.3 Analysing and Synthesising Findings (Phase 5)

We employed content analysis to classify articles conceptualising PG and as a descriptive method of systematic coding and interpreting code counts (Downe-Wamboldt, 1992; Morgan, 1993). After content analysis classified PG research across key dimensions, we analysed code frequencies to track trends, shifts, and gaps over time (Grbich, 2012; Weber, 1990) in PG research. To ensure validity, multiple researchers cross-checked coding classifications, minimising bias (Elo & Kyngäs, 2008).

### 2.3.1 PG Construct and Definitions

The concept of PGs gained attention in the 1980s through the seminal works of economists Hay (1981) and Salop (1986), who examined their impact on market competition and consumer welfare. Hay (1981) defined PGs as mechanisms designed to stabilise prices by reducing firms' incentives to undercut one another. PGs signal to competitors that any price cut initiated will be matched or beaten, which discourages price-cutting. While this could protect consumers from price

fluctuations, it also raised concerns about facilitating higher, monopolistic prices and tacit collusion. Salop (1986) expanded on Hay's work, conceptualising PGs as seller commitments to match or beat competitor prices. He argued that such guarantees could sustain elevated prices, reduce competitive pressure, and further enable tacit collusion in the marketplace.

Empirical evidence supporting these theoretical insights emerged from Hess and Gerstner (1991) study on price-matching policies in the grocery sector. Their findings demonstrated that such policies could lead to higher prices by discouraging price competition, reinforcing the predictions of Hay (1981) and Salop (1986). Hess and Gerstner defined PGs as commitments by firms to adjust their prices if a competitor offers a lower price. While these guarantees ostensibly benefit consumers, they also have the potential to maintain higher market prices and limit competition.

The definitions provided by Hay (1981), Salop (1986) and Hess and Gerstner (1991) establish the theoretical foundation for understanding the dual nature of PGs. On the one hand, PGs protect consumers by ensuring access to the lowest prices and helping to foster trust (Mamadehussene, 2019; White & Yuan, 2012). On the other hand, they may facilitate anti-competitive or collusive practices, leading to higher prices in practice (Edlin & Emch, 1999). Key elements of these early definitions include the commitment to offering the lowest price to build consumer trust and confidence, and the assurance that sellers will match or beat competitor prices, reinforcing the firm's competitive position.

The foundational works of Hay (1981), Salop (1986) and Hess and Gerstner (1991) continue to shape contemporary research on PGs, particularly regarding their role in maintaining competitive markets and protecting consumer welfare. Jeng and Lo (2019) defined PG as a limited form of

satisfaction guarantee, offering buyers protection against price dissatisfaction. Our review of 12 PG definitions (see Table 2.2) identified six essential elements that define the PG construct:

1. Offering the best/lowest price: Ensures customers receive the best available deal.
2. Promise outcomes: A commitment to match or beat a lower price.
3. Compensation methods: Mechanisms such as refunds, store credits, or price adjustments, often of equal amount or exceeding the price difference.
4. Rival's lower price: Involves a competitor offering a lower price elsewhere.
5. Policy/competitive scope: Specifies comparison criteria and any exclusions.
6. Invoking process: Details the procedure for claims and verification.

Notably, no single definition incorporates all six elements. Contemporary definitions primarily focus on promise outcomes (75%) and compensation methods (58%), with a primary focus on addressing rivals' lower prices (92%). This focus positions PGs as tools for consumer protection, ensuring fair pricing and price dissatisfaction as highlighted by Jeng and Lo (2019). Only a minority (25%) highlight the offer of the lowest price as a central element (Biswas et al., 2002; Desmet & Le Nagard, 2005; Jain & Srivastava, 2000).

The way PGs are communicated significantly influences consumer perceptions. Variations in phrasing, such as LPG, BPG, PMG or PBG, elicit different consumer reactions and affect behaviour (Dutta et al., 2007; Verma et al., 2019) and firm performance (Arbatskaya et al., 2006). Emphasising promise outcomes and compensation methods reinforces the protective role of PGs, while highlighting the offer of the lowest price positions them as information tools that shape consumer decision-making through semantic nuances (Dutta & Biswas, 2005).

**Table 2.2: Representative of PG definitions**

| | | | 1. Offer of Lowest Price | 2. Promise Outcome | 3. Compensation Method | 4. Rival's Lower Price | 5. Policy Scope | 6. Invoking Process | Number of Elements |
|---|---|---|---|---|---|---|---|---|---|
| | Source | Definition | Key Elements of PG | | | | | | |
| 1 | Biswas et al. (2002, p. 108) | "LPG as a policy where a retailer offers the lowest possible price for a product or a group of products and promises to match or better any lower price found in the local market." | X | X | | X | | | 3 |
| 2 | Desmet and Le Nagard (2005, p. 393) | "LPG is an advertised contingent offer in which the retailer promises that the price paid will be the lowest available. When the customer provides the required proof, either the price is immediately matched for a purchase, or the price difference is reimbursed post-purchase." | X | X | X | | | X | 4 |
| 3 | Dutta et al. (2007, p. 76) | "LPG is a promise that if consumers find lower prices, they will receive a refund of at least the price difference." | | | X | X | | | 2 |
| 4 | Ho et al. (2011, p. 127) | "LPG (also known as PMG or PBG) is an obligatory commitment by the retailer to match or beat competitors' prices if customers can prove that lower prices are available elsewhere, either before or after the purchase." | | X | | X | | X | 3 |
| 5 | Jain and Srivastava (2000, p. 351) | "PMG is a policy that guarantees you the lowest price. If you ever see a product for sale, anywhere, for a lower price, we will gladly refund the difference." | X | | X | X | X | | 4 |
| 6 | Jeng & Lo (2019, p. 86) | "LPG offers buyers some form of refund if they find an identical product offered by a competing seller at a lower price." | | | X | X | X | | 3 |
| 7 | Jiang et al. (2017, p. 3489) | "PMG is a promise that the retailer will match a lower price offered by a competing retailer on an identical or similar product or refund the price difference for a period of time after the purchase." | | X | X | X | | X | 4 |
| 8 | Kukar-Kinney and Walters (2003, p. 153) | "The promise that the retailer will match a lower price offered by a competing retailer on an identical or similar product or refund the price difference for a period of time after the purchase." | | X | X | X | X | X | 5 |
| 9 | Mañez (2006, p. 144). | "LPGs can be formally defined as promises to meet (price-matching guarantee) or beat (price-beating guarantees) a competitor's price on a similar product." | | X | | X | X | | 3 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 10 | McWilliams and Gerstner (2006, p. 105) | “LPG is a promise to refund 100 percent or more of the price difference if a customer observes a lower advertised price (which can be verified by the retailer) during a certain period after the initial purchase.” | | | X | X | X | X | 4 |
| 11 | Sivakumar and Weigand (1997, p. 241) | “PMG is defined as a retailer's policy of pricing its product offerings to meet or beat the prices offered by rival outlets for similar or identical products at about the same time.” | | X | | X | X | X | 4 |
| 12 | White and Yuan (2012, p. 384) | "PMG is a promise to match the lowest price consumers can find elsewhere, typically within a designated period of time.” | | X | | X | | X | 3 |
| | | Frequency of Elements | 3 | 9 | 7 | 11 | 6 | 7 | |

Note:

LPG = Lowest-price guarantees

PMG = Price-matching guarantees

PBG = Price-beating guarantees

#### 2.3.1.1 Unified Definition of Price Guarantees

A well-defined construct is fundamental to scientific research, serving as the cornerstone for developing coherent, robust, and generalisable theories (MacKenzie, 2003; Summers, 2019). Without a clear construct definition, accurate observation becomes impossible, as researchers lack a precise understanding of what they are attempting to study (Caws, 1959). Inconsistent definitions hinder knowledge accumulation but also impede the synthesis of existing research, and difficulties in comparing findings across studies (Churchill Jr, 1979; Giese & Cote, 2000). A standardised, unified definition of PG is essential for research consistency, enabling accurate analysis, measurement, and comparison across studies. It supports theoretical and empirical advancements while guiding effective PG strategies for researchers and practitioners (Gilliam & Voss, 2013).

The central objective of a PG in marketing is to signal the best or lowest price to consumers (Moorthy & Winter, 2006), positioning the seller as a transparent and credible source (Kirmani & Rao, 2000), while offering satisfaction guarantee protection against potential dissatisfaction with the price (Jeng & Lo, 2019). Key elements of a PG include the seller's commitment to offering the best or lowest price, supported by a promised outcome and a compensation method. Meanwhile, the buyer is responsible for adhering to policy competitive scope guidelines and exclusions, identifying lower prices and providing proof to initiate a claim (see Figure 2.2).

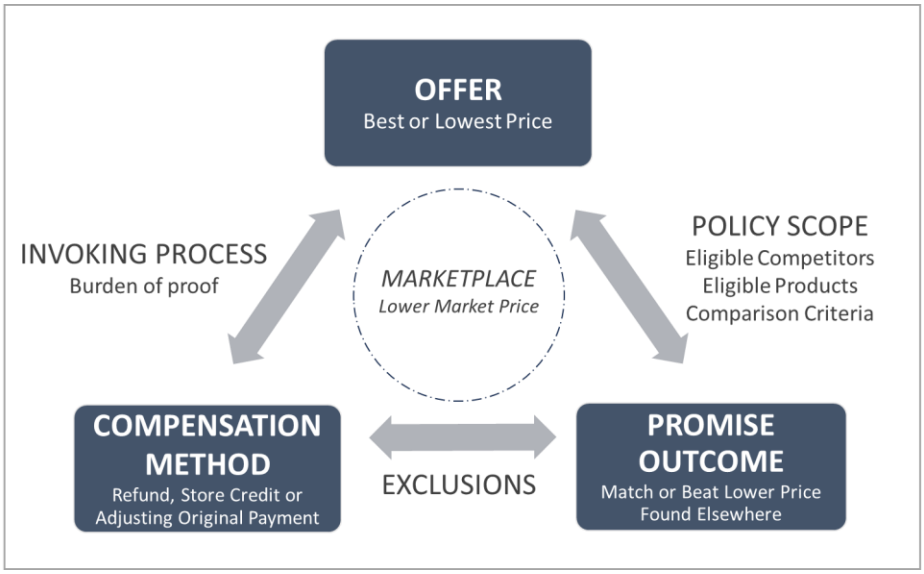


**Figure 2.2: Elements of a PG construct**

The ICC Advertising and Marketing Communications Code (ICCAMCC) establishes global standards for legal, honest, and truthful communication in every advertisement and marketing to protect consumer welfare (ICC WBO, n.d.). Aligning with principles of fair competition and social responsibility, considering the ICCAMCC not to erode consumers' trust, we propose a unified definition of the PG construct focused on a seller's commitment to offering the best or lowest price. This definition encompasses best-price or lowest-price, price-matching, and price-beating guarantees, each guided by shared elements to create a consistent definition for understanding and researching PGs across different contexts. A unified definition for PG:

> *A price guarantee is a seller's transparent and trustworthy commitment to offer the best or lowest price for a product or service, with a promise to match or beat any lower price found, compensating the customer through refunds, store credit, or price adjustments, while clearly specifying the policy scope, exclusions, and a transparent claims process, fostering consumer trust and ensuring fair competition.*

According to the Advertising Standards Authority (2013), when sellers offer a ‘lowest-price’ or ‘best-price’ guarantee, they must commit to beating, rather than merely matching competitors' prices. This price-beating penalty strengthens the credibility of the guarantee and holds sellers accountable for failings to deliver the best or lowest price (Williamson, 1985). Applying specific definitions for each type of LPG, PBG, and PMG offers significant benefits for academics by enhancing theoretical clarity (Kirmani & Rao, 2000), improving research consistency (Verma et al., 2019), and enhancing empirical precision (Hess & Gerstner, 1991). For practitioners, it supports strategic targeted marketing (Verma et al., 2019), ensures legal and regulatory compliance (Advertising Standards Authority, 2013), and improves operational efficiency (Baye & Kovenock, 1994). Hence, a unified definition for LPG, best-price guarantee (BPG) and PBG must indicate beating any lower price, as defined below:

> *A lowest-price, best-price, or price-beating guarantee is a seller's transparent and trustworthy commitment to offer the best or lowest price for a product or service, with a promise to beat any lower price found; compensating the customer with more than the price difference through refunds, store credit, or price adjustments, while clearly specifying the policy scope, exclusions, and a transparent claims process, fostering consumer trust and ensuring fair competition.*

On the other hand, a unified definition for PMG shall indicate matching any lower price found, as defined below:

> *A price-matching guarantee is a seller's transparent and trustworthy commitment to offer the best or lowest price for a product or service, with a promise to match any lower price found, compensating the customer with the price difference through refunds, store credit, or price adjustments, while clearly specifying the policy scope, exclusions, and a transparent claims process, fostering consumer trust and ensuring fair competition.*

### 2.3.2 Journal Outlets and Temporal Trends

A total of 82 PG articles, published across 38 journals, were classified into three distinct periods to demonstrate research trends over time: Period-1 (1991-2000), Period-2 (2001-2010), and Period-3 (2011-2022). The analysis is summarised by journal title, journal rating and publication distribution across these periods (see Table 2.3).

The Journal of Retailing accounted for the highest proportion of publications, contributing 15% (12/82), followed by the Journal of Business Research, which contributed 9% (7/82). The number of PG journal publications increased steadily over time, with 12 articles published in Period-1, rising significantly to 35 in Period-2, and maintaining a similar number in Period-3. This growth highlights the expanding academic interest in PGs and their evolving role in understanding pricing strategies, consumer behaviour, and market dynamics.

**Table 2.3: Sample classification by journal title, rating and years range (periods 1, 2 and 3).**

| No | Journal Title | 2019 ABDC Impact Factor | Period-1 1991-2000 | | Period-2 2001-2010 | | Period-3 2011-2022 | | Overall 1991-2022 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | n | % | n | % | n | % | n | % |
| 1 | Journal of Retailing | A* | | | 7 | 20% | 5 | 14% | 12 | 15% |
| 2 | Journal of Business Research | A | 1 | 8% | 3 | 9% | 3 | 9% | 7 | 9% |
| 3 | International Journal of Industrial Organization | A | 2 | 17% | 2 | 6% | 2 | 6% | 6 | 7% |
| 4 | Journal of Consumer Psychology | A* | | | 3 | 9% | 1 | 3% | 4 | 5% |
| 5 | Journal of Industrial Economics | A | 2 | 17% | 1 | 3% | 1 | 3% | 4 | 5% |
| 6 | Journal of the Academy of Marketing Science | A* | | | 3 | 9% | 1 | 3% | 4 | 5% |
| 7 | Quantitative Marketing and Economics | A | | | 1 | 3% | 3 | 9% | 4 | 5% |
| 8 | Journal of Marketing Research (JMR) | A* | 1 | 8% | 1 | 3% | 1 | 3% | 3 | 4% |
| 9 | Marketing Science | A* | | | 2 | 6% | 1 | 3% | 3 | 4% |
| 10 | Review of Industrial Organization | A | | | 3 | 9% | | | 3 | 4% |
| 11 | Journal of Economics and Management Strategy | A | 1 | 8% | 1 | 3% | | | 2 | 2% |
| 12 | Journal of Product and Brand Management | A | | | 2 | 6% | | | 2 | 2% |
| 13 | Management Science | A* | | | | | 2 | 6% | 2 | 2% |
| 14 | Managerial and Decision Economics | B | 1 | 8% | 1 | 3% | | | 2 | 2% |
| 15 | Applied Economics | A | | | | | 1 | 3% | 1 | 1% |
| 16 | Bulletin of Economic Research | B | 1 | 8% | | | | | 1 | 1% |
| 17 | Canadian Journal of Economics | A | 1 | 8% | | | | | 1 | 1% |
| 18 | Economics Bulletin | C | | | | | 1 | 3% | 1 | 1% |
| 19 | Economics Letters | A | 1 | 8% | | | | | 1 | 1% |
| 20 | Frontiers of Economics in China | C | | | | | 1 | 3% | 1 | 1% |
| 21 | Harvard Law Review | A* | 1 | 8% | | | | | 1 | 1% |
| 22 | Information Economics and Policy | A | | | | | 1 | 3% | 1 | 1% |
| 23 | International Journal of Production Research | A | | | | | 1 | 3% | 1 | 1% |
| 24 | International Transactions in Operational Research | B | | | | | 1 | 3% | 1 | 1% |
| 25 | Journal of Air Transport Management | B | | | | | 1 | 3% | 1 | 1% |
| 26 | Journal of Consumer Behaviour | A | | | | | 1 | 3% | 1 | 1% |
| 27 | Journal of Consumer Research | A* | | | 1 | 3% | | | 1 | 1% |
| 28 | Journal of Economic Behaviour & Organization | A* | | | 1 | 3% | | | 1 | 1% |
| 29 | Journal of Law and Economics | A* | | | 1 | 3% | | | 1 | 1% |
| 30 | Journal of Marketing | A* | | | | | 1 | 3% | 1 | 1% |
| 31 | Journal of Retailing and Consumer Services | A | | | | | 1 | 3% | 1 | 1% |
| 32 | Journal of Service Theory and Practice | A | | | | | 1 | 3% | 1 | 1% |
| 33 | Manchester School | B | | | | | 1 | 3% | 1 | 1% |
| 34 | Manufacturing and Service Operations Management | A* | | | | | 1 | 3% | 1 | 1% |
| 35 | Marketing Letters | A | | | | | 1 | 3% | 1 | 1% |
| 36 | RAND Journal of Economics | A* | | | 1 | 3% | | | 1 | 1% |
| 37 | Southern Economic Journal | A | | | | | 1 | 3% | 1 | 1% |
| 38 | Spanish Economic Review | B | | | 1 | 3% | | | 1 | 1% |
| | Total | | 12 | 100% | 35 | 100% | 35 | 100% | 82 | 100% |

### 2.3.3 Disciplinary Origins and Research Fields

The 82 journals were classified using the 2019 ABDC-JQL research field code to show the publication patterns across three distinct time periods from 1991 to 2022. The trends are summarised in Figure 2.3 and Table 2.4.

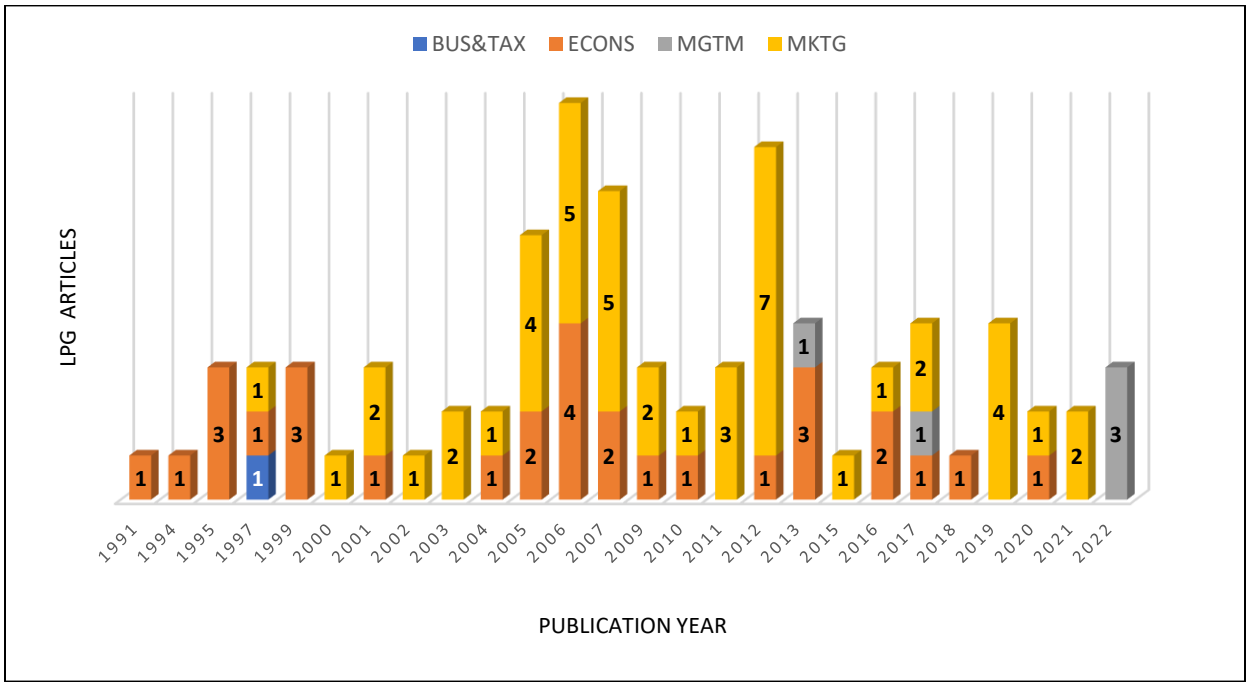


**Figure 2.3: Sample classification and publication pattern over time for 1991-2022**

**Table 2.4: Sample classification according to the field of research focus by three time periods**

| | Period-1 1991-2000 | | Period-2 2001-2010 | | Period-3 2011-2022 | | Overall 1991-2022 | |
|---|---|---|---|---|---|---|---|---|
| Field of Research (FoR) | n | % | n | % | n | % | n | % |
| Business and Tax | 1 | 8% | | | | | 1 | 1% |
| Economics | 9 | 75% | 12 | 34% | 9 | 26% | 30 | 36% |
| Management | | | | | 5 | 14% | 5 | 7% |
| Marketing | 2 | 17% | 23 | 66% | 21 | 60% | 46 | 56% |
| | 12 | 100% | 35 | 100% | 35 | 100% | 82 | 100% |

As is evident, research on PGs has evolved considerably since the early 1980s, when economists like Hay (1981), Salop (1986), Hess and Gerstner (1991), and Edlin and Emch (1999) focused on economic aspects such as price competition, tacit collusion, oligopoly coordination, price discrimination, and consumer welfare. During Period-1, economic studies dominated the field, with 75% of early research centred on understanding PGs from a market competition, price stability, and consumer welfare perspective.

Economic theories initially shaped marketing hypotheses, allowing for empirical testing to differentiate firm-driven and consumer-driven impacts. However, in Period-2, research focus shifted significantly toward marketing, exploring the motivations behind PG adoption and its diverse effects on consumer behaviour and strategic marketing decisions (Edlin, 1997; Jain & Srivastava, 2000; Sivakumar & Weigand, 1997). Marketing researchers (Chatterjee et al., 2003; Chen et al., 2001; Moorthy & Zhang, 2006; Verma et al., 2019) examined PGs' role in fostering trust, influencing purchase decisions, and strengthening brand loyalty. This shift is reflected in the rising share of marketing-focused publications in Period-2 (66%) and Period-3 (60%), while economic research declined to 34% and 26%, respectively. Overall, marketing journals dominated with 56% (46/82) of total publications, followed by economics journals at 36% (30/82).

The review highlights the growing importance of PGs in consumer behaviour and marketing practices, inspiring diverse consumer behaviour studies from various perspectives. Srivastava and Lurie (2001) examine the psychological impacts of PGs, focusing on how they influence consumer trust and perceived value. Arbatskaya et al. (2006) explore the effect of PGs on purchasing decisions and brand loyalty, while Verma et al. (2019) investigate how different demographic

groups respond to PGs based on their price sensitivity. These studies demonstrate the wide-ranging impacts of PGs on consumer behaviour and marketing strategies.

Hair, Wood, et al. (2019) suggest that journal ratings serve as indicators of study quality, contributing to differences in citation rates, with articles in high-impact journals typically receiving more citations (Gann, 2019). Edlin (1997) and Jain and Srivastava (2000) published highly cited works in A*-rated journals, likely influencing subsequent marketing-related studies in Period-2 and Period-3, contributing to the evolution of PG research in the marketing field. A cross-analysis of research focus and ABDC journal rating revealed a higher concentration of marketing publications in A*/A-rated journals compared to economics. Table 2.5 shows 89% (73/82) of articles published in A*/A-rated journals, with 62% (45/73) focused on marketing and 32% (23/73) on economics. The distribution of economics to marketing publications shifted dramatically over time, from 77:23 in Period-1 to 30:70 in Period-2 and 23:77 in Period-3. Additionally, 80% of management-related articles were published in A*/A-rated journals, further supporting the transitions.

**Table 2.5: Sample classification according to the field of research by journal (A*/ A-rated)**

| | Period-1 | | Period-2 | | Period-3 | | Overall | |
|---|---|---|---|---|---|---|---|---|
| | 1991-2000 | | 2001-2010 | | 2011-2022 | | 1991-2022 | |
| Impact Factor (A*/A) | n | % | n | % | n | % | n | % |
| Business&Tax | 1 | 10% | | | | | 1 | 1% |
| Economics | 7 | 70% | 10 | 30% | 6 | 20% | 23 | 32% |
| Management | | | | | 4 | 13% | 4 | 5% |
| Marketing | 2 | 20% | 23 | 70% | 20 | 67% | 45 | 62% |

### 2.3.4 Research Themes and Topics

Our review reveals a considerable range of research on various types of PGs, with Table 2.6 showing that price-matching guarantees have consistently dominated the focus, accounting for 63% of studies from 1991 to 2022. This sustained interest reflects the central role of PMGs in understanding competitive pricing strategies and consumer behaviour (Desmet & Le Nagard, 2005). Research on LPG has increased over time, representing 18% of studies by 2022. This trend aligns with increasing attention to transparency and consumer trust in modern retail strategies (Moorthy & Winter, 2006). Although Hviid (2010) identified LPGs as the most common type of PG, our review indicates that research on LPGs remains less prominent than PMGs, contrasting with consumer perceptions (Verma et al., 2019).

PBG have received comparatively little attention, contributing only 2-3% of studies in later periods. Several factors may contribute to this limited focus: PBGs are more complex and financially risky for businesses to implement than PMGs and LPGs, as they require offering additional discounts beyond matching a competitor's price, significantly impacting profit margins (Desmet & Le Nagard, 2005). Moreover, their rarity in the marketplace limits opportunities for empirical research. Additionally, the more intricate mechanisms of PBGs can confuse consumers, making PMGs and LPGs more attractive to both retailers and researchers (Dutta & Biswas, 2005; Verma et al., 2019). Studies examining multiple PG types account for 7% of the research, highlighting the field's gradual shift from an initial focus on PMGs to a broader exploration of LPGs and combined guarantee strategies.

**Table 2.6: Research by type of PG phrases**

| | Period-1 1991-2000 | | Period-2 2001-2010 | | Period-3 2011-2022 | | Overall 1991-2022 | |
|---|---|---|---|---|---|---|---|---|
| **Type of Price Guarantee** | n | % | n | % | n | % | n | % |
| LPG | | | 7 | 20% | 8 | 23% | 15 | 18% |
| LPG & ALP | | | | | 1 | 3% | 1 | 1% |
| LPG & PMG | | | | | 1 | 3% | 1 | 1% |
| LPG & PBG | | | 1 | 3% | | | 1 | 1% |
| LPG & APP | | | | | 1 | 3% | 1 | 1% |
| LPG, PMG & PBG | 1 | 8% | 3 | 9% | 2 | 6% | 6 | 7% |
| PBG | | | 1 | 3% | 1 | 3% | 2 | 2% |
| PMG, PMRP | 11 | 92% | 22 | 63% | 19 | 54% | 52 | 63% |
| PMG & APP | | | 1 | 3% | | | 1 | 1% |
| PMG & PBG | | | | | 1 | 3% | 1 | 1% |
| PMG v EDLP | | | | | 1 | 3% | 1 | 1% |
| Grand Total | 12 | 100% | 35 | 100% | 35 | 100% | 82 | 100% |

LPG = Lowest-Price Guarantee; PBG = Price-Beating Guarantee; PMG = Price-Matching Guarantee; ALP = Always Low Price; APP = Automatic Price Protection; EDLP = Every Day Low Price; PMRP = Price-Matching Refund Policy

The diversity of research topics is further reflected in our analysis, highlighting the growing complexity of PGs as strategic tools in both marketing and economics. PG research can be grouped into two main categories:

(1) Design Elements, which investigates the firm's motives behind PG structures, and

(2) Outcomes or Effects, examining PGs' impact on consumer behaviour pre- and post-purchase.

A conceptual framework of PG research topics is presented in Figure 2.4, with topic frequencies mapped to contributors in Table 2.7. Appendix 2.1 groups thematically similar articles into three

periods to illustrate trends. Notably, the distribution of research topics exceeds the number of PG reviews, as some studies cover multiple topics or effects.

**Figure 2.4: Price Guarantee research topics framework**

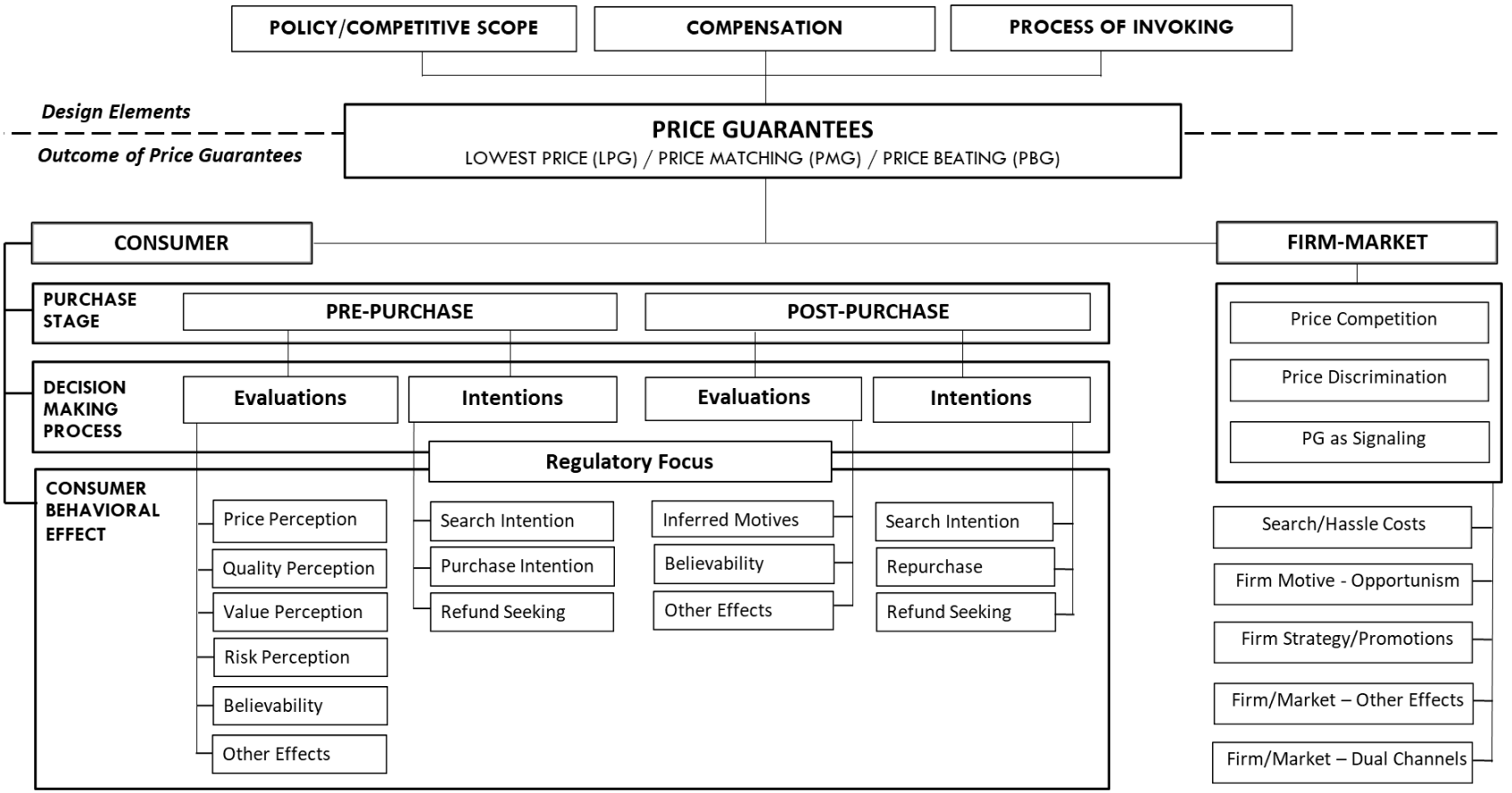

**Table 2.7: Mapping PG research topics to their contributors**

| Research Topics | Description of the Research | n | % | Contributors |
|---|---|---|---|---|
| DESIGN ELEMENTS | | | | |
| Competitive Scope | Research assessing the coverage and content (restrictions) of a PG | 12 | 15% | Borges and Babin (2012); Coughlan and Shaffer (2009); Hviid and Shaffer (2012); Jain and Srivastava (2000); Jeng and Lo (2019); Kukar-Kinney (2006); Kukar-Kinney and Walters (2003); Kukar-Kinney, Walters, et al. (2007); Lin (2015); Lin et al. (2020); Nalca (2017); Sivakumar and Weigand (1997) |
| Compensation | Research analysing the most effective compensation (refund depth) offered by a PG | 11 | 14% | Borges and Babin (2012); Dutta et al. (2019); Haesevoets et al. (2017); Jeng and Lo (2019); Kukar-Kinney, Walters, et al. (2007); Kukar-Kinney (2006); Kukar-Kinney and Walters (2003); Lin (2015); Lin et al. (2020); Nalca (2017); Sivakumar and Weigand (1997) |
| Process of Invoking | Research analysing the design of the process of invoking a PG | 9 | 11% | Jeng and Lo (2019); Kukar-Kinney, Walters, et al. (2007); Lin (2015); Lin et al. (2020); Mamadehussene (2019); Nalca (2017); Nalca et al. (2010); Nalca et al. (2013); Sivakumar and Weigand (1997) |
| OUTCOMES OF PRICE GUARANTEE | | | | |
| Regulatory Focus | Assessing how consumers view the PG promises | 4 | 5% | Dutta et al. (2007); Dutta et al. (2011); Hardesty et al. (2012); Verma et al. (2019) |
| Pre-Purchase Evaluation: Price | Assessing the effect of PGs on the evaluation of the overall price level in the pre-purchase stage | 21 | 27% | Biswas et al. (2006); Borges and Babin (2012); Chatterjee et al. (2003); Desmet and Le Nagard (2005); Dutta (2012); Dutta and Bhowmick (2009); Estelami et al. (2007); Haesevoets et al. (2017); Hardesty et al. (2012); Ho et al. (2011); Jain and Srivastava (2000); Kukar-Kinney, Xia, et al. (2007); Kukar-Kinney, Walters, et al. (2007); Kukar-Kinney and Grewal (2007); Lin (2015); Lurie and Srivastava (2005); Nalca et al. (2010); Srivastava and Lurie (2001); Srivastava and Lurie (2004); Verma et al. (2019); White and Yuan (2012) |
| Pre-Purchase Evaluation: Service Quality | Assessing the effect of PGs on perceived service quality in the pre-purchase stage | 5 | 6% | Chatterjee et al. (2003); Estelami et al. (2007); Jain and Srivastava (2000); Kukar-Kinney and Grewal (2006); Lurie and Srivastava (2005) |

| Research Topics | Description of the Research | n | % | Contributors |
|---|---|---|---|---|
| Pre-Purchase Evaluation: Value | Assessing the effect of PGs on perceived value in the pre-purchase stage | 12 | 15% | Biswas et al. (2002); Biswas et al. (2006); Borges and Babin (2012); Desmet and Le Nagard (2005); Desmet et al. (2012); Dutta and Bhowmick (2009); Hardesty et al. (2012); Jeng and Lo (2019); Kukar-Kinney, Xia, et al. (2007); Kukar-Kinney and Walters (2003); Lin et al. (2020); Lurie and Srivastava (2005) |
| Pre-Purchase Evaluation: Risk | Assessing the effect of PGs on perceived risk in the pre-purchase stage | 4 | 5% | Biswas et al. (2006); Dutta (2012); Dutta and Bhowmick (2009); Dutta et al. (2019) |
| Pre-Purchase Evaluation: Believability | Assessing the effect of PGs on perceived believability in the pre-purchase stage | 7 | 9% | Borges and Babin (2012); Desmet and Le Nagard (2005); Desmet et al. (2012); Jeng and Lo (2019); Kukar-Kinney (2006); Kukar-Kinney and Walters (2003); White and Yuan (2012) |
| Pre-Purchase Evaluation: Others | Assessing the effect of PGs on other issues in the pre-purchase stage | 13 | 16% | Borges and Babin (2012); Dutta (2012); Dutta and Bhowmick (2009); Dutta et al. (2019); Haesevoets et al. (2017); Ho et al. (2011); Kukar-Kinney, Xia, et al. (2007); Kukar-Kinney (2005); Kukar-Kinney (2006); Kukar-Kinney and Grewal (2006); Lin (2015); Nalca et al. (2010); Srivastava and Lurie (2004) |
| Pre-Purchase Intention: Search | Assessing the effect of PGs on the intention to search for lower prices in the market | 16 | 20% | Biswas et al. (2002); Biswas et al. (2006); Chen et al. (2001); Desmet and Le Nagard (2005); Haesevoets et al. (2017); Haruvy and Leszczyc (2016); Ho et al. (2011); Jiang et al. (2017); Kukar-Kinney, Walters, et al. (2007); Lin (2015); Mamadehussene (2019); Nalca et al. (2010); Srivastava and Lurie (2001); Srivastava and Lurie (2004); Yankelevich and Vaughan (2016); Yuan and Krishna (2011) |
| Pre-Purchase Intention: Purchase | Assessing the effect of PGs on the intention to purchase the product/service | 15 | 19% | Biswas et al. (2002); Biswas et al. (2006); Borges and Babin (2012); Desmet and Le Nagard (2005); Desmet et al. (2012); Dutta (2012); Haesevoets et al. (2017); Jain and Srivastava (2000); Kukar-Kinney, Xia, et al. (2007); Kukar-Kinney, Walters, et al. (2007); Kukar-Kinney and Grewal (2007); Kukar-Kinney and Walters (2003); Lin (2015); Verma et al. (2019); White and Yuan (2012) |
| Pre-Purchase Intention: Refund Seeking | Assessing the effect of PGs on the intention to request a price refund at the point of purchase. | 1 | 1% | Kukar-Kinney (2005) |

| Research Topics | Description of the Research | n | % | Contributors |
|---|---|---|---|---|
| Post-Purchase Evaluation: Inferred Motive | Assessing the perception of inferred motive when offering a PG promise | 3 | 4% | Dutta et al. (2019); Kukar-Kinney, Xia, et al. (2007); Kukar-Kinney (2006) |
| Post-Purchase Evaluation: Trust, Belief, Credibility | Assessing the perception of trust, believability or credibility when offering a PG promise | 6 | 8% | Borges and Babin (2012); Dutta et al. (2011); Estelami et al. (2007); Haesevoets et al. (2017); Kukar-Kinney (2006); White and Yuan (2012) |
| Post-Purchase Evaluation: Others | Assessing the perception of other issues when offering a PG promise | 8 | 10% | Dutta et al. (2007); Dutta et al. (2011); Dutta et al. (2019); Haesevoets et al. (2017); Kukar-Kinney (2005); Kukar-Kinney (2006); Lin (2015); McWilliams and Gerstner (2006) |
| Post-Purchase Intention: Search | Assessing the effect of PGs on the search intention for lower prices after a purchase transaction | 11 | 14% | Chen et al. (2001); Desmet and Le Nagard (2005); Dutta (2012); Dutta and Biswas (2005); Haesevoets et al. (2017); Haruvy and Leszczyc (2016); Jiang et al. (2017); Kukar-Kinney, Xia, et al. (2007); Kukar-Kinney and Grewal (2007); Lin et al. (2020); Mamadehussene (2019) |
| Post-Purchase Intention: Repurchase/Loyalty | Assessing the effect of PGs on the repurchase intention from the same seller | 11 | 14% | Desmet and Le Nagard (2005); Dutta et al. (2007); Dutta et al. (2011); Dutta et al. (2019); Estelami et al. (2007); Haesevoets et al. (2017); Kukar-Kinney (2005); Kukar-Kinney (2006); McWilliams and Gerstner (2006); Verma et al. (2019) |
| Post-Purchase Intention: Refund Seeking | Assessing the effect of PGs on the intention to request a refund from the seller | 5 | 6% | Dutta and Bhowmick (2009); Estelami et al. (2007); Haruvy and Leszczyc (2016); Kukar-Kinney (2005); Kukar-Kinney and Grewal (2007) |

| Research Topics | Description of the Research | n | % | Contributors |
|---|---|---|---|---|
| Firm-Market-Economic: Price Competition | Analysing the effects of PGs on price competition/anti-competition and price collusion | 37 | 47% | Casado-Izaga (1999); Chen (1995); Chen et al. (2001); Chung and Kim (2016); Constantinou and Bernhardt (2018); Corts (1995); Coughlan and Shaffer (2009); Dugar (2007); Dugar and Sorensen (2006); Edlin (1997); Edlin and Emch (1999); Fatás et al. (2005); Fatas & Mañez (2007); Fatás et al. (2013); Hess and Gerstner (1991); Hviid and Shaffer (1999); Hviid and Shaffer (2010); Jain and Srivastava (2000); Janssen and Parakhonyak (2013); Kim and Ahmed (2020); Koh et al. (2012); Liu (2013); Mago and Pate (2009); Mamadehussene (2019); Mañez (2006); Mao (2005); Moorthy and Winter (2006); Moorthy and Zhang (2006); Yankelevich and Vaughan (2016); Yuan and Krishna (2011); Zhang (1995); Zhuo (2017) |
| Firm-Market-Economic: Price Discrimination | Analysing the effects of PGs on price discrimination | 8 | 10% | Corts (1996); Hviid and Shaffer (2012); Jain and Srivastava (2000); Jiang and He (2021); Koh et al. (2012); Mamadehussene (2019); Nalca et al. (2010); Yuan and Krishna (2011) |
| Firm-Market: PG as Signals | Analysing the effects of PGs as a credible signal of low price | 4 | 5% | Haesevoets et al. (2017); Mamadehussene (2019); Moorthy and Winter (2006); Verma et al. (2019) |
| Firm-Market: Search/Hassle Cost | Analysing the effect of PGs on search cost and hassle cost | 6 | 8% | Arbatskaya et al. (2004); Dugar and Sorensen (2006); Hviid and Shaffer (1999); Mamadehussene (2019); Nalca (2017); Srivastava and Lurie (2001) |
| Firm-Market: Opportunistic Signalling | Analysing whether PGs induce seller opportunistic signalling | 4 | 5% | Dutta (2012); Dutta et al. (2007); Dutta et al. (2011); Dutta et al. (2019) |
| Firm-Market: Strategy/Promo | Analysing the effects of PGs on firms' strategy and promotions | 6 | 8% | Dutta et al. (2019); Haesevoets et al. (2017); Jiang and He (2021); Mamadehussene (2021); Nalca (2017); Verma et al. (2019) |
| Firm-Market: Dual Channels | Analysing the effects of PGs' dual channel distribution and competition | 5 | 6% | Guo et al. (2022); Jiang and He (2021); Mamadehussene (2021); Xu et al. (2022); Zeng and Hou (2022). |
| Firm-Market-Economic: Others | Analysing the effects of PGs on other issues of the firm-market | 9 | 11% | Constantinou and Bernhardt (2018); Coughlan and Shaffer (2009); Hess and Gerstner (1991); Janssen and Parakhonyak (2013); Kim and Ahmed (2020); Koh et al. (2012); Nalca et al. (2013); Yankelevich and Vaughan (2016); Zhang (2012) |

*The distribution of research topics doesn't equal the absolute number of current PG reviews, as some studies examine cross-topics or several effects.*

#### 2.3.4.1 Design Elements

Research on the design elements of PGs accounts for 15% of studies, focusing primarily on policy/competitive scope, compensation, and the claims process. Competitive scope studies (15%) analyse the coverage, content, and conditions of PGs (Borges & Babin, 2012; Coughlan & Shaffer, 2009). Compensation research (14%) evaluates the effectiveness of various refund depths offered by PGs (Dutta et al., 2019; Kukar-Kinney, 2006). The process of invoking PGs (11%) explores customer experiences during the claiming process, emphasising procedural transparency and consumer trust (Kukar-Kinney et al., 2007; Lin, 2015).

#### 2.3.4.2 Outcomes: Consumer Behaviour

Research on PG outcomes dominates the field, representing 97% of the research. Pre-purchase evaluations focus on how PGs shape consumer trust and decision making through assessments of price (27%), service quality (6%), value (15%), believability (9%), and risk (5%). Biswas et al. (2006) and Desmet and Le Nagard (2005) examine the role of PGs in influencing perceived value and trust. Pre-purchase intentions, including search behaviour for lower prices (20%) and purchase intentions (19%), have also been studied (Chen et al., 2001; Srivastava & Lurie, 2004). Post-purchase evaluations explore inferred motives (4%), trust, believability and credibility (8%) (Dutta et al., 2019; Haesevoets et al., 2017; Kukar-Kinney, 2006), indicating that PGs play a crucial role in shaping customer perceptions and loyalty after a transaction. Post-purchase intentions, such as search behaviour (14%), repurchase behaviour (14%), and refund-seeking behaviour (6%), were also significant, highlighting the long-term influence of PGs on customer retention (Chen et al., 2001; Desmet & Le Nagard, 2005; Estelami et al., 2007).

#### 2.3.4.3 Outcomes: Firm-Market Competitive Strategy Perspectives

Price competition remains the most extensively studied topic within the firm-market category, representing 47% of research. Key studies examine PGs' influence on market dynamics, competitive pricing, and potential anti-competitive behaviours (Edlin, 1997; Coughlan & Shaffer, 2009). Additional research focuses on price discrimination (10%), signalling strategies (5%), and search/hassle cost (8%), emphasising PGs' strategic value (Moorthy & Zhang, 2006; Verma et al., 2019).

### 2.3.5 Theoretical Foundations

The theoretical basis for article classification was based on the work of Williams and Plouffe (2007). The theoretical underpinnings of the studies, whether through frameworks, hypotheses, research questions, or theoretical explorations, served as the foundation for analysis. Table 2.8 illustrates the evolution and diversity of theoretical approaches applied in PG research from 1991 to 2022.

Period-1 (1991-2000) was characterised by a limited application of theoretical frameworks, with 75% of studies lacking explicit theoretical foundations. Among the applied theories, microeconomic approaches such as price competition (17%) and signalling theory (8%) were prominent. This focus reflects an early emphasis on understanding PGs through economic lenses, such as their influence on market competition and pricing-setting behaviours. Foundational studies by Hay (1981) and Salop (1986) explore these dynamics, laying the groundwork for later research on PGs' impact on competitive behaviour.

In Period-2 (2001-2010), the use of structured theoretical frameworks increased, with only 18% of studies lacking theoretical grounding. Signalling theory, rooted in microeconomics, emerged

as the dominant framework, appearing in 34% of studies. This trend suggests a growing recognition of PGs as signals of price credibility and quality, fostering consumer trust and competitive advantage (Kirmani & Rao, 2000). Other notable theories include collusion theory (11%), which examined PGs role in facilitating tacit collusion among firms (Edlin, 1997; Hviid & Shaffer, 2010), and the economics of information (11%), which focused on how PGs reduce consumer uncertainty by providing valuable price information (Kukar-Kinney, Xia, et al., 2007; Mañez, 2006).

**Table 2.8: Sample classification according to the number of theoretical foundations by period**

| | | Period 1 (1991-2000) | | Period 2 (2001-2010) | | Period 3 (2011-2022) | | *Row Total (1991-2022) | |
|---|---|---|---|---|---|---|---|---|---|
| Theory | Theoretical Foundations | n | % | n | % | n | % | n | % |
| Signalling | Microeconomic | 1 | 8% | 15 | 34% | 13 | 34% | 29 | 30% |
| Collusion | Industrial organization | 0 | 0% | 5 | 11% | 4 | 11% | 9 | 9% |
| Game | Mathematics, economics, and psychology | 0 | 0% | 2 | 5% | 4 | 11% | 6 | 6% |
| Economics of Information | Microeconomic | 0 | 0% | 5 | 11% | | | 5 | 5% |
| Price Discrimination | Microeconomic | 0 | 0% | 1 | 2% | 3 | 8% | 4 | 4% |
| Economic | Microeconomic | 0 | 0% | 2 | 5% | 1 | 3% | 3 | 3% |
| Price Competition | Microeconomic | 2 | 17% | 1 | 2% | 0 | 0% | 3 | 3% |
| Attribution | Social psychology | 0 | 0% | 1 | 2% | 1 | 3% | 2 | 2% |
| New Theory | Depends on the theory in question | 0 | 0% | 1 | 2% | 1 | 3% | 2 | 2% |
| Assimilation-Contrast | Social psychology | 0 | 0% | 1 | 2% | | | 1 | 1% |
| Customer Value | Marketing | 0 | 0% | | | 1 | 3% | 1 | 1% |
| Limit Pricing | Industrial organization | 0 | 0% | 1 | 2% | 0 | 0% | 1 | 1% |
| Price Undercutting | Microeconomic | 0 | 0% | 0 | 0% | 1 | 3% | 1 | 1% |
| Regulatory Focus | Social psychology | 0 | 0% | 0 | 0% | 1 | 3% | 1 | 1% |
| Reasoned Action | Social psychology | 0 | 0% | 0 | 0% | 1 | 3% | 1 | 1% |
| Information Processing | Cognitive psychology | 0 | 0% | 1 | 2% | 0 | 0% | 1 | 1% |
| No Indication | | 9 | 75% | 8 | 18% | 10 | 26% | 27 | 28% |
| *Column Total | | 12 | #### | 44 | #### | 41 | #### | 97 | 100% |

**The distribution of theoretical references within the studies doesn't equal the absolute number of current PG reviews, as some studies have theoretical references to more than one theory.*

Period-3 (2011-2022) continued the emphasis on signalling theory (34%), indicating its sustained relevance in explaining PGs' strategic roles in market signalling and consumer perception (Moorthy & Zhang, 2006; Verma et al., 2019). Collusion theory (11%) and game theory (11%) also gained prominence, reflecting interest in the interplay between PGs, competitive behaviours and strategic decision-making (Chatterjee et al., 2003; McWilliams & Gerstner, 2006). This period saw the introduction of interdisciplinary frameworks, including customer value (3%) and reasoned action (3%), which brought marketing and social psychology perspectives to PGs' research (Desmet et al., 2012; Lin et al., 2020).

Across all periods, signalling theory remained the most frequently applied framework, appearing in 30% of studies. It is pivotal in explaining how PGs serve as market signals within marketing and economics (Kirmani & Rao, 2000). Failure to fulfil PG promises can risk damaging retailers' price image, erode consumer trust (Desmet & Le Nagard, 2005), and negatively impact satisfaction, retention and repurchase behaviours (Dutta et al., 2011).

While PG research has historically focused on economic theories, there has been a shift toward understanding consumer behaviour and industrial marketing, incorporating psychological and management frameworks. Integrating models such as expectation-confirmation theory (ECT) and prospect theory could deepen insights into consumer trust, satisfaction, and behaviours pre- and post-purchase (Bhattacherjee & Premkumar, 2004). With 28% of studies lacking a theoretical foundation, further research should prioritise understanding consumer responses to PGs, particularly regarding trust and satisfaction.

### 2.3.6 Methodologies Trends

A typical approach for categorising research design involves two dimensions: conceptual-empirical and qualitative-quantitative (Nakata & Huang, 2005). The conceptual-empirical

dimension differentiates between studies focused on theory development (conceptual) and those collecting data to test theories and hypotheses (empirical). The qualitative-quantitative dimension distinguishes between research based on the type of data used: non-numerical data (qualitative) or numerical data analysed statistically (quantitative). This approach results in four categories: conceptual-qualitative, conceptual-quantitative, empirical-qualitative, and empirical-quantitative, offering a structured classification of research methods (Nakata & Huang, 2005). The present review applies this categorisation to PG studies, summarised in Tables 2.9 and 2.10.

**Table 2.9: Research type of conceptual-empirical by period (1991-2022)**

| | Period 1 (1991-2000) | | Period 2 (2001-2010) | | Period 3 (2011-2022) | | Overall (1991-2022) | |
|---|---|---|---|---|---|---|---|---|
| Research Type | n | % | n | % | n | % | n | % |
| Conceptual | 10 | 83% | 8 | 23% | 13 | 37% | 31 | 38% |
| Empirical | 2 | 17% | 27 | 77% | 22 | 63% | 51 | 62% |
| Total | 12 | 100% | 35 | 100% | 35 | 100% | 82 | 100% |

The analysis of research types across three periods (1991-2022) reveals a notable evolution from conceptual to empirical research (Table 2.9). During Period-1 (1991-2000), 83% of studies were conceptual, while only 17% were empirical. This dominance of conceptual research highlights the field's early focus on establishing foundational concepts and theorising, and explores the motives and effects on PGs of price competition to optimise firm profitability. This phase aligns with exploratory stages in emerging research domains (Hay, 1981; Salop, 1986).

In contrast, Period-2 (2001-2010) and Period-3 (2011-2022) saw a marked shift toward empirical research, which accounted for 77% and 63% of studies, respectively. This transition

reflects a growing emphasis on applying theories in real-world contexts, testing hypotheses, and analysing data to understand PGs' influence on consumer behaviour and market dynamics (Dutta & Biswas, 2005).

**Table 2.10: Research methods by field of research**

| Research Design | Experiment | | General | | Frame-work | Survey | | | Row Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| Methodology | Field | Lab | Review | Mixed | Model | F2F | Online | C-Call | n | % |
| Conceptual | | | 1 | | 30 | | | | 31 | 38% |
| Business and Tax | | | | | 1 | | | | 1 | 1% |
| Economics | | | | | 15 | | | | 15 | 18% |
| Management | | | | | 4 | | | | 4 | 5% |
| Marketing | | | 1 | | 10 | | | | 11 | 13% |
| Empirical | 4 | 41 | | 1 | | 2 | 2 | 1 | 51 | 62% |
| Economics | | 15 | | | | | | | 15 | 18% |
| Management | | 1 | | | | | | | 1 | 1% |
| Marketing | 4 | 25 | | 1 | | 2 | 2 | 1 | 35 | 43% |
| Column Total (n) | 4 | 41 | 1 | 1 | 30 | 2 | 2 | 1 | 82 | 100% |
| Column Total (%) | 5% | 50% | 1% | 1% | 37% | 2% | 2% | 1% | 100% | |

The review highlights significant variation in research design and methods across different fields (Table 2.10). Conceptual research accounted for 38% (31/82 studies) of all studies, with economics contributing the most, 48% (15/31 studies), primarily focused on theoretical frameworks and modelling to explore PGs (Hay, 1981; Salop, 1986). Marketing followed with 36% (11/31 studies), often exploring theoretical aspects of consumer behaviour and market positioning theories related to PGs. The management field contributed 13% (4/31 studies), while business and tax studies made up a minor share of conceptual research at 3%.

Empirical research, which constituted 62% (51/82) of studies, exhibited methodological diversity. Marketing led this category with 69% of empirical studies (35/51), showcasing a

strong emphasis on practical, data-driven methods to understand consumer behaviour and responses to PGs' effectiveness. Lab experiments were the predominant methodology in marketing (71%), supplemented by field studies (11%), face-to-face (6%) and online surveys (6%). The economics contributed 29% (15/51) of empirical research, focusing primarily on analytical, modelling, and non-experimental methods. The management field had minimal representation in empirical research, accounting for just 2%.

Over three decades, PG research has evolved from conceptual frameworks to more empirical studies, particularly in the marketing domain. This evolution reflects the growing complexity of PG studies, from exploratory theoretical frameworks to empirically testing their practical implications. Commonly examined variables include refund depth, competitive scope, guarantee invocation, and PG presence or absence, often serving as moderators. Mediators such as reputation, price image, regulatory focus, and consumer scepticism also play key roles in influencing consumer behaviours.

While significant strides have been made, notable gaps remain. There is limited industry/retailer-based empirical research targeting consumers with actual PG policies. Conducting field studies in real-world business environments offers an opportunity to bridge the gap between theory and practice, enabling firms to tailor PG strategies to foster consumer trust and improve overall performance outcomes.

### 2.3.7 Respondent Profiles

The selection of research respondents plays a crucial role in ensuring the outcomes of empirical studies accurately represent the target consumer base. By aligning respondents with the intended audience, researchers can derive findings that are relevant, applicable, and insightful

in understanding how PGs influence consumer behaviour and decision-making. Table 2.11 summarises the distribution of respondents used in empirical marketing research on PGs across Period 2 (2000-2010) and Period 3 (2011-2022).

**Table 2.11: Respondents on empirical marketing research by period (2000-2022)**

| | Period-2: 2000-2010 | | Period-3: 2011-2022 | | Overall: 2000-2022 | |
|---|---|---|---|---|---|---|
| Respondents | n | % | n | % | n | % |
| Consumers/Non-students | 1 | 5% | 5 | 31% | 6 | 17% |
| Mixed | 7 | 37% | 5 | 31% | 12 | 34% |
| Students | 11 | 58% | 5 | 31% | 16 | 46% |
| Retailers/Firms | | | 1 | 6% | 1 | 3% |
| Column Total | 19 | 100% | 16 | 100% | 35 | 100% |

In Period 2, student respondents were predominant, representing 58% of studies. This reliance on student samples, often due to convenience and accessibility, is common in academic research but raises concerns about the generalisability of findings to the broader consumer population. Mixed samples (students and non-students) made up 37% of studies, with only 5% focusing exclusively on non-student consumers, such as the study by Desmet and Le Nagard (2005), which engaged 180 respondents. This limited engagement with real-world consumers highlights a gap in capturing diverse consumer perspectives.

Period 3 saw a shift toward greater respondent diversity. While student respondents decreased to 31% (5 studies), non-student consumers increased to 31% (5 studies), indicating a stronger emphasis on real-world applicability. Mixed samples remained consistent at 31% (5 studies), and for the first time, retailers/firms were included in 6% (1 study), such as Mamadehussene (2021). The trend illustrates an expanding interest in perspectives beyond consumers, incorporating retailer viewpoints.

Across both periods, student samples dominated empirical marketing research on PGs, accounting for 46% of respondents, followed by mixed samples (34%), non-student consumers (17%), and retailers (3%). Only four studies engaged real-world or target-consumer: two studies via field experiments (Desmet et al., 2012; Haruvy & Popkowski Leszczyc, 2016), one study via face-to-face assisted survey (Desmet & Le Nagard, 2005) and one study via online survey (Lin et al., 2020). Notably, no industry/retailer-based studies targeting real-world consumers were identified, highlighting a critical gap in industry engagement. Addressing this gap is essential to improving the practical relevance of PG research.

### 2.3.8 Focal Product Type

Table 2.12 provides insights into the types of products studied in empirical marketing research on PGs across two periods. During period-2 (2000-2010), all studies (100%) focused exclusively on electrical and electronic products. These products, often characterised by high costs, competitive pricing and rapid technological advancements, were ideal for analysing PGs due to their sensitivity to price variations and intense market competition.

**Table 2.12: Product type on empirical marketing research by period (2000-2022)**

| | Period-2: 2000-2010 | | Period-3: 2011-2022 | | Overall: 2000-2022 | |
|---|---|---|---|---|---|---|
| Product Types | n | % | n | % | n | % |
| Electrical & Electronics | 19 | 100% | 10 | 63% | 29 | 83% |
| General Grocery | | | 2 | 13% | 2 | 6% |
| Airline tickets | | | 1 | 6% | 1 | 3% |
| Fitness Equipment | | | 1 | 6% | 1 | 3% |
| Tire | | | 1 | 6% | 1 | 3% |
| Various Products | | | 1 | 6% | 1 | 3% |
| Total | 19 | 100% | 16 | 100% | 35 | 100% |

During Period 3 (2011-2022), research diversified beyond electrical and electronic products,

which still dominated with 63% studies. Other product categories, such as general groceries (13%), airline tickets (6%), fitness equipment (6%), tires (6%), and various other products (6%), were introduced. This diversification reflects a growing interest in examining PGs in contexts where consumer trust and price sensitivity influence purchasing decisions (Moorthy & Winter, 2006; Verma et al., 2019).

Overall, electrical and electronic products accounted for 83% of research, highlighting the significance of PGs in sectors where rapid innovation, frequent price fluctuations, and high consumer involvement are prevalent. However, the inclusion of non-electronic products (17%) in recent research indicates a shift toward exploring PGs in industries with different pricing dynamics. Future exploration could expand into industries such as groceries, services, and subscription models, where stable pricing structures and consumer behaviour present unique challenges and opportunities for PG effectiveness.

### 2.4 Reporting Key Contributions and Implications (Phase 6)

This final phase interprets and consolidates the integrative contributions derived from a systematic review of 82 peer-reviewed PG studies published between 1991 and 2022. Synthesising findings across six analytical dimensions: research field, thematic focus, theoretical foundation, research design, respondent profile, and product category, the review traces the chronological, conceptual, and methodological evolution of PG research.

The review repositions PGs from static pricing tools rooted in economics to dynamic instruments embedded within consumer trust-building and strategic market signalling systems. This section is structured around five contributions: (1) reconceptualising PGs, (2) integrating theoretical perspectives, (3) mapping the research evolution, (4) deriving managerial and policy implications, and (5) generalising the MB-DFM framework across retail guarantees.

### 2.4.1 Reconceptualising PGs as a Dual-Function Mechanism

A central contribution of this review is the reconceptualisation of PGs from narrow pricing tactics into dual-function mechanisms operating along two interrelated pathways: psychological (e.g., trust, fairness, risk reduction) and strategic (e.g., brand positioning, market differentiation). Early PG literature, rooted in collusion theory and industrial economics, framed PGs primarily as anti-competitive tools that reduce price undercutting and facilitate tacit collusion (Hay, 1981; Salop, 1986), a view reinforced empirically by Hess and Gerstner (1991), who demonstrated how PGs's role in stabilising prices and limiting inter-firm rivalry.

As retail marketing and consumer behaviour research evolved, a parallel stream began to conceptualise PGs as signals of value, fairness, and credibility that positively influence consumer trust and purchase decisions (Biswas et al., 2006; Desmet & Le Nagard, 2005; White & Yuan, 2012). PGs increasingly function as credence-based promises that reduce perceived risk and foster psychological assurance, particularly effective in markets where price comparisons are complex or delayed (Kirmani & Rao, 2000).

To formalise this conceptual shift and address longstanding inconsistencies in how price PGs have been defined across disciplines, this review offers a unified definition by synthesising twelve prior conceptualisations and identifying six recurring core design elements: lowest price offer, promised outcome, compensation method, reference price, policy scope, and claim process. This definitional clarity advances cross-disciplinary understanding and provides the structural foundation for the proposed Mechanism-Based Dual-Function Model of PGs (MB-DFM-PG) (Figure 2.5), which reconceptualises PGs as dual-function mechanisms operating along both strategic and psychological pathways. Strategically, PGs serve as competitive signals that influence brand positioning, price image, and market coordination.

Psychologically, they function as trust-building assurances, reducing perceived risk and enhancing evaluations of trust, fairness, and believability.

The model formalises the process through which design elements trigger cognitive and affective mediators such as believability, trust, fairness, and price image that ultimately shape consumer behaviours, including satisfaction, purchase intention, and repurchase loyalty. Simultaneously, these psychological responses contribute to firm-level outcomes such as differentiation, reputation, and sustained competitive advantage. Crucially, the model incorporates contextual moderators (e.g., product category, retail channel, and regulatory environment) that affect how PGs are interpreted and acted upon, ensuring its applicability across diverse retail formats. By integrating economic, marketing, and psychological perspectives, the MB-DFM-PG offers a unified, mechanism-based framework that advances interdisciplinary theorisation and provides a scalable structure for empirical testing and strategic application.

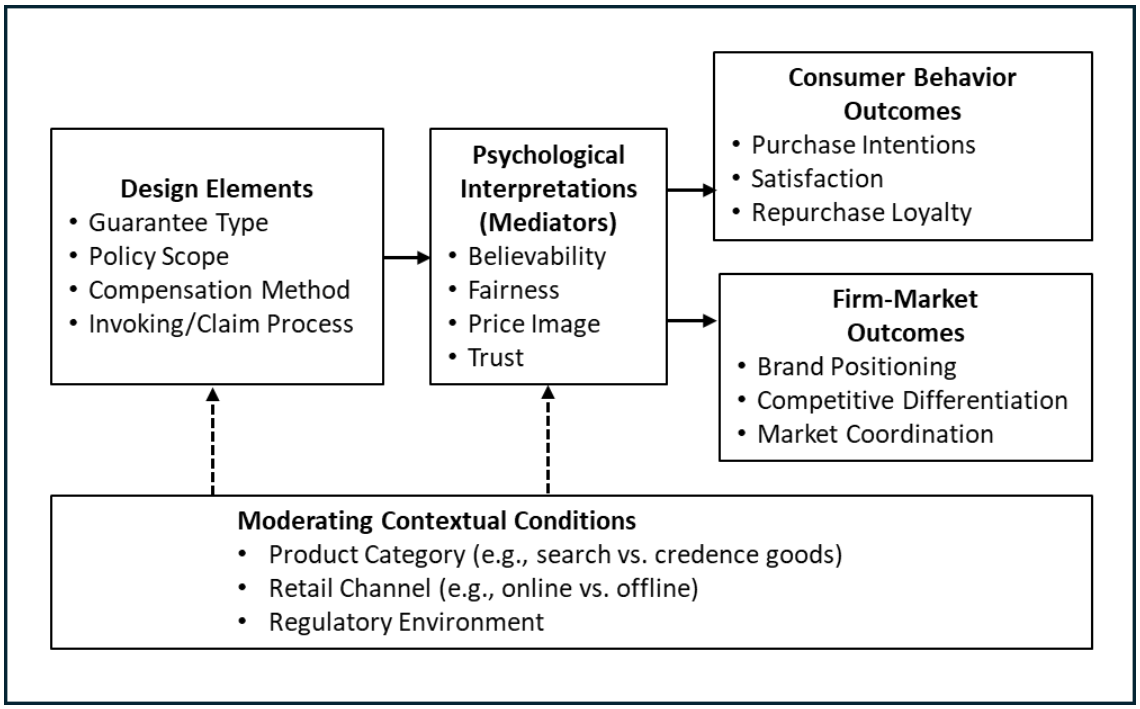


**Figure 2.5: Mechanism-Based Dual-Function Model of Price Guarantee (MB-DFM-PG)**

### 2.4.2 Theoretical Integration: Mechanism-Based Understanding of PGs

This review also advances theoretical integration by highlighting how the mechanism-based perspective of PGs aligns with, but also moves beyond, traditional economic explanations. While signalling theory (Spence, 1973) remains the dominant lens, used in 30% of the reviewed studies to explain how PGs act as credible signals of retailer commitment to price fairness and customer satisfaction (Haesevoets et al., 2017; Kirmani & Rao, 2000; Moorthy & Winter, 2006), it has largely been applied in isolation, theoretical integration and diversification has been limited.

Despite the centrality of consumer reactions like trust, satisfaction, and fairness, foundational consumer psychology models such as ECT (Oliver, 1980) have not been applied in the existing literature. Only isolated studies have employed regulatory focus theory (Higgins, 1997), reasoned action (Fishbein & Ajzen, 1977), information processing theory (Atkinson & Shiffrin, 1968; Miller, 1956), customer value or attribution theories, suggesting an underutilization of relevant behavioural frameworks. This limited diversification reflects a field still anchored in microeconomic logic, with insufficient synthesis across disciplines.

The MB-DFM-PG model addresses this limitation by bridging signalling theory with consumer behaviour constructs, mapping the causal pathways from PG design to psychological mediation and downstream outcomes. This theoretically integrative approach also reinforces the model's construct clarity (MacKenzie, 2003), facilitates valid measurement (Giese & Cote, 2000), and enhances generalizability across different guarantee contexts (Summers, 2019). Future PG research would benefit from deeper engagement with behavioural theories to fully capture the multidimensional impacts of PGs within dynamic consumer and retail environments.

### 2.4.3 Mapping the Evolution of PG Research

The longitudinal synthesis presented in Table 2.13 reveals key shifts in the PG literature over the past three decades. Disciplinary focus has moved significantly from economics (75% of studies between 1991-2000) to a dominant marketing orientation, with growing interest in management frameworks emerging by 2011–2022. This shift reflects a broader reorientation of PG research toward understanding consumer behaviour, branding, and value creation rather than solely price coordination and market control.

**Table 2.13: Evolution and Future Agenda of PG Research Across Six Dimensions (1991–2022)**

| | Dimension | Period 1 (1991-2000) | Period 2 (2001-2010) | Period 3 (2011-2022) |
|---|---|---|---|---|
| 1 | Disciplinary Research Fields | Predominantly Economics (75%) | Shift toward Marketing (66%) | Continued dominance of Marketing, emerging interest in Management (14%) |
| | Key Insights | PG research has shifted from economics to marketing, with recent interest in management. | | |
| | Future Research | Explore how PGs support marketing strategy in brand positioning, differentiation, and firm-level competitive advantage. | | |
| 2 | Thematic Topics | Focus on Price Competition and Collusion | Expanded to include Consumer Behaviour and Marketing Strategy | Focus on Pre & Post Purchase Behaviour, Customer Trust, Satisfaction and Loyalty |
| | Key Insights | Research moved from price competition to consumer trust, satisfaction, and loyalty. | | |
| | Future Research | Investigate PGs in digital and omnichannel retail settings, particularly how design elements and claim processes influence psychological outcomes. | | |
| 3 | Theoretical References | Dominated by Economic Theories (e.g., Collusion, Price Competition) | Incorporation of Signalling Theory (34%), Game Theory (5%) | Continued emphasis on Signalling Theory (34%), introduction of Customer Value and Regulatory Focus |
| | Key Insights | Theoretical focus expanded from economic to behavioural models, especially signalling and regulatory theories. | | |
| | Future Research | Apply psychological and motivational theories to explain how consumers evaluate and respond to different PG types before and after purchase, as well as loyalty. | | |
| 4 | Methodology Research Design | Predominantly Conceptual (83%) | Shift to Empirical research (77%) | Empirical research remains dominant (63%), with a focus on data-driven approaches. |
| | Key Insights | Empirical research has grown, highlighting the need for evidence-based outcomes. | | |
| | Future Research | Use longitudinal, real-world, and industry/retailer-partnered studies to assess the sustained impact of PG strategies across time and touchpoints. | | |
| 5 | Respondent Profiles | Primarily Student Samples (58%) | Increased use of Mixed Respondents (37%) and Real Consumers (5%) | Higher use of Real Consumers (31%), inclusion of Retailer Perspectives (6%) |
| | Key Insights | There is a growing use of real-world consumers, though student samples still dominate. | | |
| | Future Research | Broaden respondent diversity across cultures, age demographics, and industry professionals. | | |
| 6 | Product Category | Mainly Electrical & Electronics | Electrical & Electronics remained dominant, with slight diversification | Increased variety, including Grocery, Airline Tickets, Fitness Equipment, and Tires |
| | Key Insights | PG studies have expanded beyond electronics to include everyday goods and services. | | |
| | Future Research | Test PGs in subscription and service-based models with stable or recurring pricing structures. | | |

Thematically, the literature has transitioned from early concerns with price collusion to focusing on consumer-centric constructs such as trust, satisfaction, and repurchase intentions, aligning with the increasing use of PGs as psychological and strategic tools in retail settings, designed to reduce perceived risk and build brand credibility.

Theoretical perspectives have also diversified, evolving from traditional economic models to greater use of behavioural and psychological frameworks, particularly signalling theory and value perception. While economic logic remains present, the field has increasingly acknowledged the role of consumer interpretation and cognitive processing in determining PG effectiveness.

Methodologically, PG research has progressed from predominantly conceptual and modelling studies to hypothesis-driven empirical work. Over 60% of post-2000 studies employed experimental or survey-based designs, reflecting a methodological maturation that prioritises real-world testing, causal inference, and consumer validation.

Finally, the literature demonstrates growing diversity in both respondent profiles and product categories. There has been a clear move toward real-world consumer samples, alongside broader investigations of PGs across various contexts, including services, subscription models, and high-involvement goods.

These developments reflect the maturing of PG research into a multidimensional, interdisciplinary domain and reinforce the need for mechanism-based theorising that integrates both consumer psychology and strategic retail perspectives.

### 2.4.4 Managerial and Policy Implications

The review findings provide several actionable implications for retailers, advertisers, and policy-makers, grounded in the synthesised evidence and the proposed mechanism-based framework. The findings underscore the importance of PG design integrity for retail managers and marketers – elements such as clear compensation terms, simple and accessible claim processes, and transparent competitive scope conditions significantly influence consumer perceptions of fairness and trust (Jeng & Lo, 2019; Kukar-Kinney, Xia, et al., 2007). To be effective, PGs must be financially sustainable and psychologically persuasive. Retailers operating in high-involvement categories such as electronics, appliances, or travel should leverage PGs as brand-differentiating strategies that enhance credibility and drive long-term loyalty.

For advertisers, the semantic framing of PGs plays a critical role in shaping consumer beliefs and behavioural responses. Research shows that variations in language, such as 'lowest price guaranteed' versus 'price match' or 'beat any price', can yield different levels of believability and influence purchase intent (Arbatskaya et al., 2006; Dutta et al., 2007; Verma et al., 2019). Emphasising clarity, authenticity, and consistency in message delivery can enhance the psychological impact of PG claims and reduce consumer scepticism.

For policymakers and regulatory bodies, the review highlights the dual nature of PGs: while they can protect consumers from unfair pricing practices, they may also facilitate tacit collusion or mislead consumers if poorly designed or executed (Edlin & Emch, 1999; Hviid & Shaffer, 1999). Regulatory frameworks such as the ICCAMCC and national consumer protection laws should enforce standards that ensure PGs are truthful, verifiable, and easily actionable, particularly critical in digital marketplaces, where ambiguous terms and hidden conditions may

compromise consumer confidence and market fairness.

### 2.4.5 Generalising the MB-DFM Framework: Applicability Across Retail Guarantees

The MB-DFM-PG model's underlying premise is that specific design elements (e.g., scope, compensation method, claim process) trigger psychological mediators such as believability, fairness, and trust, which in turn shape both consumer and firm-level outcomes – are conceptually generalisable to other types of retail guarantees and advertising claims, including satisfaction guarantees (Wirtz et al., 2000), service guarantees (Hogreve & Gremler, 2009; Ostrom & Lacobucci, 1995), return/refund policies, delivery guarantees, and sustainability/ethical claims.

Consumer responses to retail guarantees and promotional or advertising claims are shaped by the perceived clarity of the promise, credibility of execution, and fairness of the redemption process. These psychological interpretations mediate key behavioural outcomes such as purchase intention, satisfaction, and loyalty (Boulding et al., 1993), translating into a firm's brand positioning, customer retention, and operational efficiency.

The cross-guarantee MB-DFM conceptual generalisation (Figure 2.6) captures this process through a generalizable structure: Design Elements → Psychological Mediators → Consumer/Firm Outcomes, moderated by contextual factors such as product type, retail channel, and regulatory context. The model offers a flexible yet robust framework for evaluating a wide range of consumer-facing guarantees, supported by signalling theory and grounded in expectation-confirmation and trust theories.

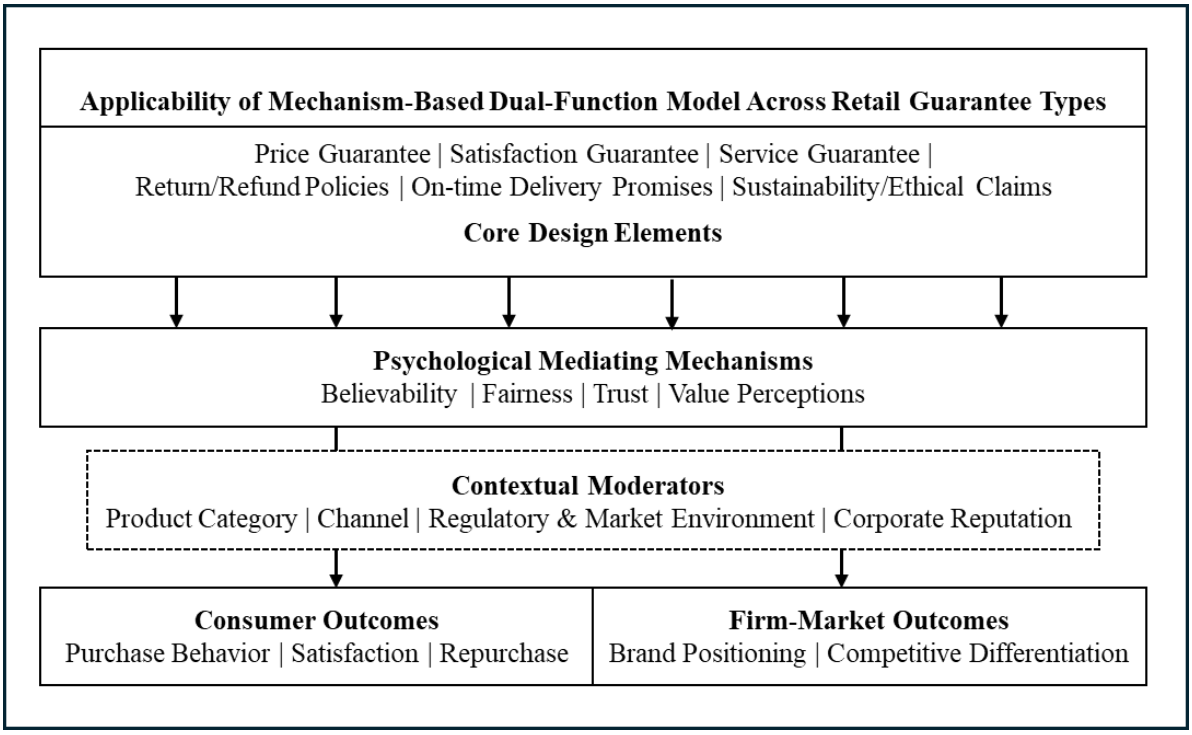


**Figure 2.6: Cross-Guarantee MB-DFM Conceptual Generalisation**

The modular design of cross-guarantee MB-DFM accommodates variations in guarantee types while maintaining core psychological mechanisms relevant to trust and perceived value. As retail environments grow more competitive and consumers demand greater transparency, the cross-guarantee MB-DFM provides a unified, testable model for assessing how design credibility drives trust across traditional, digital, AI-driven, and emerging sectors.

## 2.5 Future Research Directions

Several promising avenues for future research are proposed based on the integrative insights derived from this systematic review. These recommendations address the need for deeper theorisation, broader empirical validation, and methodological diversification. The directions are categorised into three key domains: theoretical, empirical, and methodological.

### 2.5.1 Theoretical Advancements

Future research should continue to advance the conceptual foundations of PG research by engaging more deeply with the paradoxical nature of PGs. While PGs function as consumer trust-building instruments, they can also dampen price competition, enabling tacit collusion. This dual-function logic warrants further theoretical refinement, particularly in contexts where consumer benefit and market fairness are in tension (Hay, 1981; Hviid & Shaffer, 1999).

Researchers are encouraged to extend signalling theory by exploring how PGs operate as credence-based promises, similar to warranties or service guarantees, especially in environments where consumers cannot easily verify price claims ex-ante (Kirmani & Rao, 2000). Integrating this with expectation-confirmation theory, regulatory focus theory, and value co-creation perspectives (Grönroos, 2008) can illuminate how consumers interpret PG believability, fairness, and outcome satisfaction.

Additionally, more strategic management frameworks should be applied to examine how PGs influence firm-level outcomes such as brand equity, customer lifetime value, and competitive positioning in both online and offline channels (Kienzler & Kowalkowski, 2017). These perspectives can help position PGs within broader value-based pricing and market signalling strategies in varied retail contexts.

### 2.5.2 Empirical Directions

To enhance external validity and contextual relevance, future PG research must expand beyond student-based lab studies to include field, longitudinal, and cross-cultural investigations. Partnering with retailers to conduct in situ experiments would allow for the real-time tracking of trust formation, redemption behaviour, and brand loyalty following PG exposure and claims.

Studies should also examine how PG effectiveness varies by retail format (e.g., brick-and-mortar vs. e-commerce), product category (e.g., search vs. credence goods), and market structure (e.g., monopolistic vs. competitive). The growth of omnichannel retailing calls for research into how PGs are interpreted and acted upon across integrated consumer journeys.

Further, there is a need to segment consumers by demographics (e.g., income, education), psychographics (e.g., trust propensity, risk aversion), and cultural contexts, particularly in emerging markets. Cross-national studies can reveal how regulatory norms and pricing expectations shape PG credibility and perceived fairness.

Lastly, empirical attention should extend to non-retail sectors, such as services (e.g., travel, hospitality), subscription platforms (e.g., streaming, SaaS), and digital marketplaces, where PGs may evolve in form and function.

### 2.5.3 Methodological Innovations

Future research should embrace methodological pluralism to capture the multifaceted nature of PGs. A mixed-methods approach, combining quantitative experiments with qualitative techniques (e.g., interviews, ethnographic observation), can enrich understanding of how consumers interpret and respond to PG claims across touchpoints.

Longitudinal designs are particularly useful in assessing delayed or post-purchase effects of PGs, especially when redemption does not occur or customer expectations are unmet. Diary studies and panel data could offer granular insight into attitudinal and behavioural changes over time.

Emerging tools such as agent-based modelling, simulation studies, and AI-driven pricing analytics also hold promise for examining the market-wide implications of PG policies on competition, firm coordination, and consumer welfare. As AI-powered PGs (e.g., automated price refund systems) become more prevalent, researchers should explore their impact on perceived fairness, transparency, and consumer autonomy.

Finally, regulatory impact assessment studies are critical. These can evaluate how advertising standards, consumer law enforcement, and disclosure practices affect PG transparency, claim complexity, and protection effectiveness across jurisdictions(Edlin & Emch, 1999; ICC, 2018).

### 2.6 Chapter Conclusion

This mechanism-based systematic review consolidates three decades of fragmented PG research into an integrated, cross-disciplinary framework that reconceptualizes PGs as dual-function mechanisms, simultaneously shaping consumer trust and advancing retail strategy. A key contribution is developing a unified definition of PGs, which resolves longstanding conceptual inconsistencies and provides the structural foundation for the proposed MB-DFM. By analysing 82 studies across six analytical dimensions, the review demonstrates how PG design elements influence psychological mediators such as believability, fairness, and trust, ultimately impacting both consumer outcomes and firm-level objectives.

The proposed MB-DFM offers a unified lens to understand, evaluate, and optimise PGs. The model's generalizability across similar consumer-facing retail guarantees and advertising claims, including satisfaction, service, refund/return, delivery, and sustainability/ethical claims, extends its relevance beyond pricing to broader domains of value signalling, credibility management, and consumer empowerment. This review bridges theoretical silos between

economics, marketing, and psychology and provides a structured foundation for future empirical research and real-world application in increasingly dynamic and omnichannel retail environments.

# 3. Bridging Theoretical Insights from SLR to Empirical Investigation

## 3.1 Introduction

Building on the conceptual contributions of the SLR, this chapter outlines how the theoretical insights developed in Chapter 2 inform the design and focus of the empirical study presented in Chapter 4. The SLR identified several limitations in the existing PG literature, namely, the absence of standardised definitions, lack of empirical validation of psychological mechanisms, and limited understanding of consumer reactions to different PG strategies in real-world retail contexts. These insights form the foundation of the empirical research, which investigates how PG advertising believability influences trust, satisfaction, and repurchase intentions.

## 3.2 Overview of SLR's Key Contributions and Implications

The review moves beyond traditional views of PGs as economic pricing tools and positions them as hybrid instruments that simultaneously build consumer trust and signal competitive positioning. To help readers locate the most salient insights, I have structured the findings section around five significant contributions:

- **Reconceptualisation of PGs** through a unified definition of the construct, establishing a structural foundation for understanding PGs as dual-function mechanisms that operate across both psychological and strategic dimensions, culminating in the introduction of the proposed Mechanism-Based Dual-Function Model (MB-DFM)
- **Theoretical integration** of dominant and emerging frameworks (e.g., signalling theory, expectation-confirmation theory, regulatory focus) to address conceptual fragmentation.
- **Mapping of research evolution** across six analytical dimensions, clearly summarising chronological and disciplinary shifts from economics to marketing and psychology.

- **Managerial and policy implications** offering actionable insights for retailers, advertisers, and regulators.
- **Generalisation of the MB-DFM** across other forms of retail guarantees.

### 3.3 Mapping SLR Findings to the Empirical Study

The empirical phase is guided by five specific literature gaps and conceptual opportunities identified in the SLR:

- **Gap 1: Limited Testing of Psychological Mechanisms**

  The SLR highlighted that while believability, trust, and fairness are central to PG effectiveness, few studies empirically test these psychological constructs. The empirical study addresses this by measuring how PG framing believability affects perceived trustworthiness, satisfaction, and behavioural intent.

- **Gap 2: Lack of Construct Clarity and Standardised Models**

  The SLR developed a unified definition of the PG construct, forming the structural basis for the proposed Mechanism-Based Dual-Function Model of PG (MB-DFM-PG), integrating consumer psychology and strategic intent. The empirical study operationalises this model by testing its key pathways, specifically how PG design influences psychological mediators (believability and trust) and downstream outcomes (satisfaction and repurchase loyalty).

- **Gap 3: Inconsistent Findings on PG Framing**

  The review found mixed results regarding consumer responses to different PG types, such as LPG vs PMG or PMG vs PBG. The empirical study compares two underexplored PG formats (PBG and APP) to determine their differential effects on consumer trust and decision-making.

- **Gap 4: Absence of Longitudinal and Field-Based Data**

  Most prior studies use cross-sectional lab-based samples. The empirical study introduces quasi-longitudinal elements using survey data from actual retail customers of Supercheap Auto, enhancing ecological validity and capturing post-purchase outcomes.

- **Gap 5: Managerial Need for Evidence-Based Design Guidance**

  The SLR calls for actionable insights into how PG policy design affects consumer outcomes. This study provides such evidence using a real-world retail context to assess which PG strategies are most effective in fostering consumer trust and loyalty.

### 3.4 Derivation of the Conceptual Model and Hypotheses

The proposed conceptual model of PG-Believability-Trust-Behavioural (PG-BTB) tested in Chapter 4 is directly derived from the MB-DFM-PG framework developed in Chapter 2. It posits that PG design elements influence consumer trust through the mediating role of believability, which then drives satisfaction and repurchase intentions. The PG-BTB model is grounded in Signalling Theory and ECT, two theoretical perspectives within the integrated conceptual model emphasised in the SLR as underutilised yet highly relevant. From this model, hypotheses are formulated to test:

- The relative effects of PBG and APP on believability and trust.
- The mediating role of trust in predicting satisfaction and repurchase intentions.
- The moderating effect of prior PG experience on these relationships.

### 3.5 The Transition to Empirical Research

By systematically addressing gaps identified in the literature, the empirical study provides a direct and theory-driven response to the conceptual challenges outlined in the SLR. Using real-world data from Supercheap Auto's customer base across New Zealand, it tests the effects of

two distinct PG strategies:

- PBG frames PGs as proactive, value-driven signals during the pre-purchase phase.
- APP emphasises post-purchase fairness and price protection.

This empirical phase validates and extends the conceptual PG-BTB model by capturing real consumer perceptions, thereby closing the loop between theory and practice. Figure 3.1 illustrates a visual diagram of the SLR-to-Empirical Model transition.

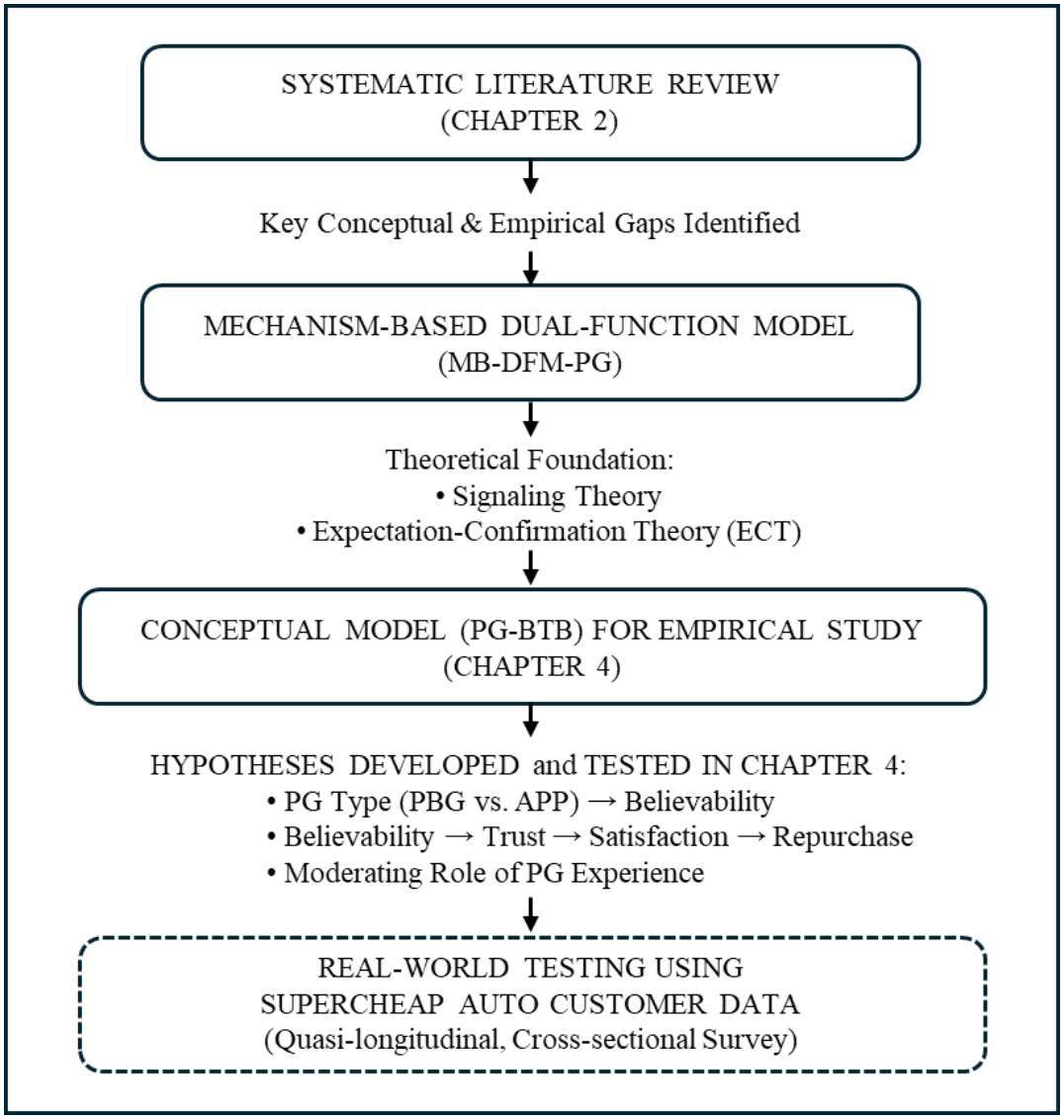


**Figure 3.1: Visual Diagram – SLR to Empirical Model Transition**

# 4. Price Guarantee Advertising: Evaluating Believability and Trust in Price-Beating and Automatic Price-Adjustment Impacts Using Signalling and Expectation-Confirmation Theory

**Abstract**

This study investigates how the believability of price guarantee (PG) advertising influences key psychological and behavioural outcomes: trust, satisfaction, and repurchase intentions in retail consumers. Drawing on Signalling Theory and Expectation-Confirmation Theory (ECT), we conceptualise a Believability–Trust–Behavioural (BTB) model to explain how consumers cognitively evaluate and affectively respond to PG messages. A quasi-longitudinal field study was conducted using a real-world sample of 1,219 loyalty program members from a major New Zealand retailer. Participants were exposed to two PG formats, Price-Beating Guarantees (PBG) and Automatic Price-Adjustment Promises (APP), and responded to measures before and after purchase. Results from covariance-based structural equation modelling (SEM-AMOS28) confirm that advertising believability significantly enhances trust, which mediates satisfaction and repurchase intentions. APP was perceived as more credible, while PBG produced stronger behavioural outcomes when trust was established. The model explains 82% of the variance in satisfaction and 26% in repurchase intention. These findings advance marketing theory by demonstrating how advertising believability functions as a psychological signal that builds trust and drives loyalty. Methodologically, the study offers a novel empirical application of dual-theory integration in a real-world retail context. Practically, it provides actionable insights for designing psychologically credible PG advertising that enhances brand trust and long-term consumer engagement in increasingly competitive and value-conscious markets.

**Keywords:** price guarantee, advertising believability, signalling theory, expectation-confirmation theory (ECT), consumer trust, satisfaction, repurchase intentions

## 4.1 Introduction

In today's competitive and price-transparent retail environment, price guarantees (PGs) have become a common marketing strategy for reducing consumer uncertainty and reinforcing perceived value (Estelami & Bergstein, 2006; Kukar-Kinney & Walters, 2003; McWilliams & Gerstner, 2006). PGs are often framed in advertising as commitments to match or beat competitors' prices, function as economic incentives and psychological signals that reduce perceived risk and foster trust (McWilliams & Gerstner, 2006; White & Yuan, 2012). These guarantees influence consumer judgments about retailer credibility and fairness, strengthening value perception and brand confidence (Estelami & Bergstein, 2006; Rust & Chung, 2006), and have been proven to be highly effective marketing tools (Borges & Babin, 2012) particularly in appealing to prospective buyers and retaining current customers (Haesevoets et al., 2017; Levy et al., 2004).

Retailers are increasingly adopting various PG strategies to influence consumer decision-making across different stages of the purchasing journey. These include 'Lowest-Price Guarantees (LPG)', 'Best-Price Guarantees (BPG)', 'Price-Matching Guarantees (PMG)', and 'Price-Beating Guarantees (PBG)', applied across diverse product and service categories and extending into digital and omnichannel retail environments (Adams, 2002; Desmet & Le Nagard, 2005; Jiang et al., 2017; Kukar-Kinney & Walters, 2003; Lin, 2015). Some retailers have implemented 'Price-Adjustment Promises', which refund the difference if an item's price drops after purchase, signalling a strong commitment to fair pricing (Cohen-Vernik & Pazgal, 2017). Proactive, automated refund mechanisms further enhance the retailer's credibility with PG offers (Borges & Babin, 2012).

While PGs are widely used, much of the existing literature has focused on their structural and

economic dimensions, such as refund magnitude, coverage scope, and the complexity of redemption procedures (Desmet & Le Nagard, 2005; Dutta et al., 2007; Haesevoets et al., 2017; Kukar-Kinney & Walters, 2003; Lin et al., 2020). Comparatively little research has explored how consumers psychologically evaluate and respond to PG advertising, particularly regarding its influence on trust formation, satisfaction, and repurchase intentions (Erdem & Swait, 2004; Kukar-Kinney & Walters, 2003). Understanding how consumers perceive the credibility of these advertising claims is essential for shaping trust and perceptions of retailer reliability and fairness (Estelami & Bergstein, 2006). Moreover, the differential psychological impact of PG formats such as the more effort-based PBG versus the Automatic Price-Adjustment Promises (APP) remains under-researched despite their growing use in practice (Borges & Babin, 2012; Cohen-Vernik & Pazgal, 2017).

A key yet underexplored determinant of PG effectiveness is advertising believability, defined by the degree to which a message is believable, truthful, and reliable (Kirmani & Rao, 2000). Believability forms the foundation of advertising credibility and significantly shapes consumer trust, attitudes, and decisions (Atkin & Beltramini, 2007; Goldberg & Hartwick, 1990; Soh et al., 2007). In the context of PGs, where offers often involve future contingencies or redemption procedures, message believability plays a crucial role in reducing scepticism and influencing post-purchase evaluations (Haesevoets et al., 2017; Kukar-Kinney, 2006).

This research employs Signalling Theory (Spence, 1973) and Expectation-Confirmation Theory (ECT) (Oliver, 1980) to fill these gaps. Using a quasi-longitudinal design, we surveyed 1,219 loyalty members in New Zealand, leveraging real purchasing experiences from both traditional and online retail settings of a major real national chain speciality retailer across Australia and New Zealand. Participants were exposed to both PBG and APP formats, and

responses were collected across the purchase journey. We test the research model, 'Believability-Trust-Behavioural (BTB)' framework using covariance-based structural equation modelling (SEM-AMOS28) to explore how message believability affects downstream outcomes.

This study contributes to the growing literature on PG advertising by advancing both theoretical integration and empirical insight. First, it introduces a novel dual-theoretical framework, combining Signalling Theory and ECT to explain how PG believability influences consumer trust, satisfaction, and repurchase intention. Second, it presents the first quasi-longitudinal empirical analysis of PG advertising using real consumer data across traditional and online retail settings. Third, by comparing two distinct underexplored PG formats, PBG and APP, the study reveals how different message structures influence consumer perceptions and behavioural outcomes. The findings highlight believability as a central psychological mechanism mediating the impact of PG advertising on trust, satisfaction and repurchase, reinforcing the critical role of advertising credibility in retail communication.

Beyond theoretical contribution, the research offers practical guidance for designing more effective PG campaigns that build trust and long-term loyalty. It shows how hybrid PG strategies vary in effectiveness depending on consumer experience and message clarity, offering timely insights for competitive positioning and brand reputation management. Overall, the study advances understanding of PG credibility, improves advertising practice, enhances consumer well-being, strengthens business performance, and provides a foundation for future research on building consumer trust and improving promotional effectiveness in increasingly sceptical, value-driven retail environments.

## 4.2 Theoretical Framework and Hypotheses Development

This section outlines the study's theoretical foundation and examines how consumers respond to PG advertising by drawing on two complementary theoretical lenses: Signalling Theory and ECT. Collectively, these frameworks offer a psychologically grounded explanation of how consumers process promotional price claims, form judgments of trustworthiness, and translate these perceptions into satisfaction and repurchase intentions. Integrating these perspectives facilitates a more thorough comprehension of the cognitive and affective mechanisms through which PG advertising believability impacts consumer trust, satisfaction, and repurchase behaviour.

By integrating these two theories, we introduce the PG-Believability-Trust-Behavioural (PG-BTB) model, which conceptualises the sequential influence of PG believability on downstream consumer outcomes. This section also presents the hypotheses that guide the empirical testing.

### 4.2.1 Conceptual Framework: Integrating Signalling Theory and ECT

A conceptual framework integrates Signalling Theory and ECT to explain the mechanisms through which consumers interpret and respond to PG advertising. It posits that advertising believability is a key signal shaping trust, mediating downstream outcomes such as satisfaction and repurchase intention.

Signalling Theory (Spence, 1973) explains how firms use observable cues to reduce information asymmetry in markets where consumers face uncertainty. In retail marketing, PGs serve as externally observable cues of public commitments to offer the lowest price, thereby reducing perceived risk and enhancing the retailer’s credibility (Kirmani & Rao, 2000; McWilliams & Gerstner, 2006). When communicated clearly, a PG signals the retailer’s

pricing competence and fairness, positioning the brand as trustworthy and customer-focused (White & Yuan, 2012). The effectiveness of this signal depends on its believability and transparency, which are critical to shaping consumer interpretations (Desmet & Le Nagard, 2005; Dutta et al., 2007).

While Signalling Theory is often applied to the pre-purchase communication of firm intent, it also offers a valuable lens to examine what happens when signals break down post-purchase, for example, when the guarantee is not honoured due to vague terms, procedural friction, or retailer non-compliance. This leads to signal disconfirmation, in which the promise made does not align with the consumer's experience, thereby eroding trust and reducing behavioural loyalty (Kirmani & Rao, 2000; Woisetschläger et al., 2008). This thesis addresses this breakdown directly, responding to the research problem that PGs, despite their theoretical appeal, may be perceived as unbelievable or manipulative in real-world settings if poorly designed or inconsistently executed.

By incorporating prior PG experience into the model, this research extends Signalling Theory to reflect dynamic consumer learning, for example, how prior exposure to fulfilled or failed PG claims influences the believability of subsequent advertising. This enriches the model's explanatory power and situates Signalling Theory as central not only to the message quality but also to the executional credibility of PG strategies (Erdem & Swait, 2004; Herzenstein et al., 2004).

ECT (Oliver, 1980) complements this perspective by explaining how consumers assess satisfaction based on the degree to which their pre-purchase expectations are confirmed during the post-purchase experience. In this framework, PG advertising believability sets expectations

about price fairness and perceived value. If the guarantee holds, for example, consumers do not encounter a lower price elsewhere or successfully redeem a price match or price difference, expectations are confirmed, increasing satisfaction and repurchase intention (Bhattacherjee, 2001; Lankton & McKnight, 2012). Conversely, failure to meet expectations, for instance, if a lower price is discovered, post-purchase without compensation, results in disconfirmation and leads to dissatisfaction, eroding trust and discouraging future purchases (Tse et al., 1990).

The proposed PG-BTB model (Figure 4.1) operationalises eight key constructs into a testable structure by comparing consumer responses to two distinct PG formats: PBG, which requires proactive consumer effort, and APP, which is fulfilled automatically post-purchase. These formats differ in procedural complexity and psychological effort, allowing for a comparative analysis of how consumers cognitively and affectively process PG messages (Borges & Babin, 2012; Cohen-Vernik & Pazgal, 2017).

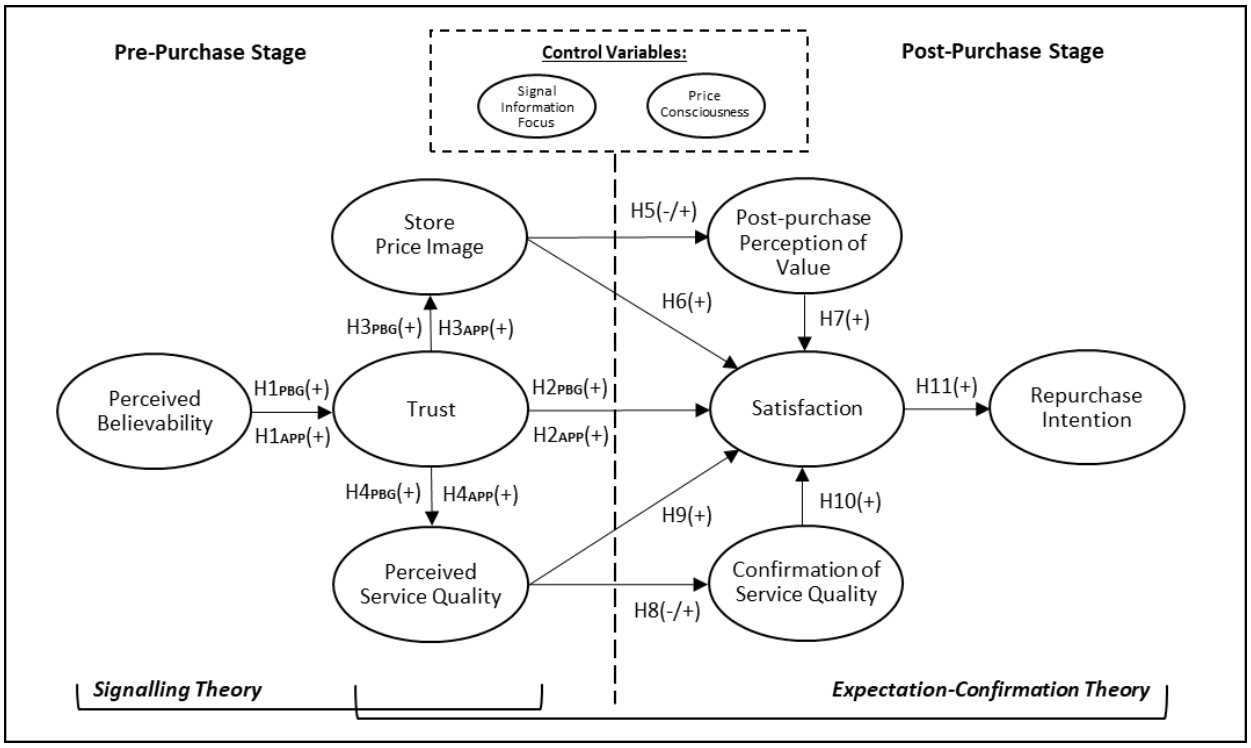


**Figure 4.1: PG Believability-Trust-Behavioural Model**

The PG-BTB model which posits that perceived believability strengthens trust, sequentially influencing store price image and perceived service quality, and ultimately shaping satisfaction and repurchase intention. This integrative framework provides a robust, theory-driven explanation of how PG advertising affects consumer expectations, emotional evaluations, and behavioural loyalty outcomes in real-world retail settings. The following section outlines the hypotheses derived from this model that operationalise the model's constructs and relationships.

### 4.2.2 Hypotheses Development

Building on the PG-BTB framework, this section develops specific hypotheses to empirically examine the relationships between key constructs derived from Signalling Theory and ECT. The model posits that the perceived believability of PG advertising influences consumer trust, which in turn affects evaluations of store price image, perceived service quality, and expectation confirmation. These evaluations drive satisfaction and ultimately shape repurchase intentions.

Additionally, the model incorporates two theoretically grounded control variables, price consciousness and signal information focus, to account for individual differences in consumer sensitivity to price and advertising cues. The following hypotheses are structured to test this conceptual framework's sequential and mediating effects, offering insight into how psychologically credible PG messages influence consumer loyalty behaviour.

#### 4.2.2.1 Perceived Believability → Trust

Perceived believability and trust are crucial in determining the effectiveness of PG advertising. Perceived believability of PG indicates the degree to which consumers expect a retailer to

uphold its PG commitment (Kukar-Kinney & Walters, 2003). On the other hand, trust represents consumers' willingness to believe in the retailer's reputation and act on these promises, with expectations of businesses to uphold their commitment (Comer et al., 1999).

An advertisement's perceived credibility plays a pivotal role in shaping consumer responses. Studies suggest that when marketing messages are viewed as authentic and persuasive, they positively influence consumer attitudes, expectations, and purchase decisions (Atkin & Beltramini, 2007; Maloney, 1963). Consumers are more inclined to trust a retailer when its PG advertising is seen as truthful, believable and trustworthy (Kirmani & Rao, 2000). Failure to uphold these promises can undermine trust and tarnish a brand's reputation (Dutta et al., 2011).

To sustain consumer trust, retailers must ensure their PG advertising claims are believable, trustworthy, and consistently honoured. Trust is reinforced when consumers perceive these guarantees as credible, backed by the retailer's commitment to honouring them without ambiguity or complications (Boshoff & Du Plessis, 2009). We hypothesise that:

- ***H1$_{PBG/APP}$:*** *Perceived believability of PBG/APP advertising positively impacts trust.*

#### 4.2.2.2 Trust → Satisfaction; Store Price Image; Perceived Service Quality

Trust is essential in retail, as it reduces perceived risks and fosters confidence in purchasing decisions (McKnight & Chervany, 2001). In PG advertising, trust signifies consumers' belief that the retailer will honour its promise commitments (Comer et al., 1999), leading to higher satisfaction when expectations are met (Oliver, 1980). Research shows that trust in PG claims positively impacts satisfaction, as it enhances perceived value and reduces post-purchase uncertainty (Boshoff & Du Plessis, 2009).

Trust in PG advertising strongly influences how consumers perceive a store's pricing. When

consumers believe a retailer will honour its PG promise, they view the store as more trustworthy and transparent, enhancing the store's price image as offering competitive and fair prices (Kirmani & Rao, 2000) and good value for money (Biswas et al., 2006). Positive consumer perception of store pricing fosters trust in PG advertising, which directly shapes consumer expectations regarding the store's overall pricing strategy and perceived value.

When consumers trust a retailer's PG, they are more likely to believe the retailer is not only committed to offering fair prices but also dedicated to providing excellent service (Biswas et al., 2006). This connection reflects a broader perception of the retailer's integrity and professionalism, enhancing consumers' expectations that the store will deliver high-quality services, such as attentive customer support and reliable products, further reinforcing overall satisfaction (Kirmani & Rao, 2000).

Positive experiences with PG claims, store pricing, and service quality can strengthen consumer trust and loyalty (Olaru et al., 2008), fostering good relationships post-purchase and leading to higher satisfaction and repurchase intention (Boshoff & Du Plessis, 2009; Chaudhuri & Holbrook, 2001). Based on this, we expect consumer trust to positively correlate with satisfaction, perceived store price image, and service quality. We hypothesise the following:

- ***H2$_{PBG/APP}$:*** *Trust in PBG/APP advertising believability positively impacts satisfaction.*
- ***H3$_{PBG/APP}$:*** *Trust in PBG/APP advertising believability positively impacts the expectation of store price image.*
- ***H4$_{PBG/APP}$:*** *Trust in PBG/APP advertising believability positively impacts the expectation of perceived service quality*

#### 4.2.2.3 Perceived Store Price Image → Post-Purchase Perception of Value; Satisfaction

Perceived store price image refers to an overall impression of the customers on the pricing strategy of the retailer relative to their overall assessment of its value proposition, particularly relevant for retailers implementing PGs, which may be perceived as providing consistently low prices across an extensive product range rather than limiting to specific items (Hamilton & Chernev, 2013). Two primary factors influence this perception: the actual price points of the products and the perceived value relative to the retailer's reputation for quality, customer service, and overall shopping experience (Zielke, 2006, 2010).

Consumers form expectations about the store's pricing strategy before purchase, which influences post-purchase evaluations, particularly regarding value. When a store's price image aligns with consumer expectations, it confirms consumer perception of purchase value. Dodds and Monroe (1985) assert that perception of value requires weighing the benefits obtained against the sacrifices incurred, which extends beyond low prices to include product quality and service standards (Zeithaml, 1988). When the perceived store price aligns with these expectations, it enhances the overall post-purchase perception of value, reinforcing consumer satisfaction (Dodds et al., 1991; Grewal, Krishnan, et al., 1998).

Post-purchase value perception is how customers anticipate the overall benefits they acquired from what they purchased compared to the costs incurred or effort expended (Zeithaml, 1988). A positive perception of value, where benefits outweigh costs, leads to greater satisfaction, loyalty, and the likelihood of repurchase (Hellier et al., 2003). We hypothesise the following:

- ***H5:*** *Perceived store price image expectation positively impacts confirmation of post-purchase perception of value.*
- ***H6:*** *Perceived store price image expectation positively impacts satisfaction.*

- ***H7:*** *Post-purchase perception of value positively impacts satisfaction.*

#### 4.2.2.4 Perceived Service Quality → Confirmation of Service Quality; Satisfaction

Customer perception of a store's service quality is determined by comparing what the customer thought the service level would be to what they actually experienced (Parasuraman et al., 1988). Perceived service quality includes expectations about the retailer's capability to handle customer concerns, respond effectively to inquiries, and fulfil service commitments, such as upholding a PG (Kukar-Kinney & Grewal, 2006).

Service quality confirmation implies the extent and direction of the disparity between the consumer's perceived level of service ultimately received and their initial expectations (Parasuraman et al., 1988). When service delivery meets or surpasses these initial expectations, it results in positive confirmation, strengthening consumer satisfaction and the retailer's reputation.

In service-driven industries like retail, perceived service quality is a crucial competitive advantage, distinguishing businesses in highly contested markets (Berry, 1986; Chen & Chen, 2017). Past studies substantiate that superior quality of service directly enhances customer satisfaction, hence fostering long-term loyalty (Rajic & Dado, 2013). Positive service encounters, especially those involving sales staff's helpfulness or responsiveness, are often decisive factors for store patronage and repeat purchases (Gagliano & Hathcote, 1994).

In the context of PGs, consumers anticipate a smooth and efficient service experience, particularly when retailers uphold their PG commitments automatically or offer hassle-free refunds. Fulfilling these service expectations enhances consumer trust in the retailer, resulting

in increased satisfaction, fostering loyalty, and a greater likelihood of repeat purchases (Bhattacherjee, 2001). PG advertising can raise consumer expectations for service quality, and meeting these expectations positively impacts satisfaction. We propose the following hypotheses:

- ***H8:*** *Perceived service quality expectation positively impacts confirmation of service quality.*
- ***H9:*** *Perceived service quality expectation positively impacts satisfaction.*
- ***H10:*** *Confirmation of service quality positively impacts satisfaction.*

#### 4.2.2.5 Satisfaction → Repurchase Intention

Satisfaction reflects consumers' overall evaluation of their purchase experience. When a favourable comparison between expectations and outcomes is made, it increases the likelihood of repurchasing from the same retailer again, reinforcing positive consumer attitudes (Meadow, 1983). Giese and Cote (2000) described customer satisfaction as a reaction to a particular event at a specific time, indicating that satisfaction levels can vary based on different individual purchase experiences. Andrew and Withey (1976, 2005) extended this by describing satisfaction in consumer behaviour as a comprehensive emotional response to a shopper's overall interaction with a brand or retailer, significantly influencing loyalty and future purchasing decisions.

The possibility that a customer will make another purchase from the same retailer is known as repurchase intention (Meadow, 1983). Satisfied customers tend to be more motivated to shop at the same retailer, remain loyal to the brand, and avoid competitors (Hamadi, 2010). Conversely, dissatisfaction can lead to complaints and switching to alternatives (Jones et al., 2006). In retail, ensuring customer satisfaction directly enhances repurchase rates and customer

retention. Kim (2012) describes repurchase intentions as a customer's propensity and motivation to keep shopping and repeat purchases from the same retailer.

A positive purchasing experience with PGs enhances consumer trust in the retailer, including satisfaction with both PG policy and overall service quality, which ultimately increases the probability of repeat purchases. We hypothesise:

- ***H11:*** *Satisfaction positively impacts repurchase intention.*

### 4.3 Methodology

The research paradigm used for this study is post-positivist, which holds that although there is an objective reality, it can only be known imperfectly and probabilistically due to measurement limitations and researcher subjectivity (Guba & Lincoln, 1994). Aligned with this approach, a quasi-longitudinal, field-based survey design was employed to capture authentic consumer beliefs and behaviours grounded in real retail experiences, consistent with best practices in consumer psychology research (Hair, Babin, et al., 2019).

#### 4.3.1 Survey Design and Sampling Strategy

This study employed a quasi-longitudinal design approach outlined by Rindfleisch et al. (2008), asking participants to reflect on a recent retail experience and respond to both pre-purchase and post-purchase constructs within a single survey session to gather data. This approach aligns well with ECT, which requires capturing both expectation (pre) and confirmation (post) measures (Bhattacherjee, 2001; Oliver, 1980).

While a true longitudinal design could offer stronger causal inference, it was impractical due to logistical constraints, potential attrition, and the retail context. To strengthen internal validity, the survey incorporated structured recall prompts, scenario framing, and time-based

anchoring. Quasi-longitudinal methods are widely accepted in marketing and consumer behaviour research when tracking the same individual for repeated measures is not feasible (Podsakoff et al., 2003; Rindfleisch et al., 2008; Van Birgelen et al., 2006). They allow assessment of expectation-confirmation effects with lower respondent burden while preserving theoretical integrity. Given the model complexity, sample size, and practical constraints of working with an industry partner, the quasi-longitudinal design offers a well-justified balance between methodological rigour and real-world relevance.

We used structural equation modelling (SEM ) as the statistical method, which requires a larger sample size than other multivariate techniques to ensure robust results. With 44 items in the survey, we adhered to the recommended sample-to-items ratio of at least ten-to-one, resulting in a minimum required sample of 440 participants (Hair, Babin, et al., 2019).

The survey was administered by Supercheap Auto (SCA), a leading chain retailer in New Zealand and Australia with over 300 locations, specialising in automotive parts, accessories, tools, and outdoor equipment, targeting automotive enthusiasts, DIY mechanics, vehicle owners and outdoor adventurers. A simple random sample (Malhotra et al., 2017) of SCA loyalty 'Club Plus' members in New Zealand who had made a purchase either in-store or online in the last 12 months was used to maintain sampling equivalence. Participants evaluated the believability (Figure 4.2) and trustworthiness (Figure 4.3) of two PG policies (PBG in Red-theme and APP in Black-theme) and their effects on satisfaction and repurchase intentions, mediated by perceived store price image and service quality expectations. Demographic and behavioural attributes were also collected to enhance the survey's depth.


**Figure 4.2: Perceived believability - Sample advertisements (dated: 13 Jan 2022)**


**Figure 4.3: Perceived Trustworthiness - Sample advertisement (dated: 13 Jan 2022)**

### 4.3.2 Questionnaire and Measurement Scales

The research questionnaire employed multiple formats and scales to enhance validity and mitigate common method variance (CMV) biases (Rindfleisch et al., 2008). It comprised 44 items designed to measure 10 constructs, all adapted from pretested items in established literature to align with the context of SCA (Table 4.1; Appendix 4.1). All constructs were assessed utilising 7-point scales, with at least three items per construct, except for satisfaction, which utilised a single-item scale.

Pre-purchase constructs were measured using a semantic-differential scale, except trust, which was intentionally measured using a 3-item Likert scale to minimise CMV biases. The 5-item perceived believability and 3-item trust were measured repeatedly for PBG and APP. Post-purchase constructs were measured using the Likert scale to differentiate them from the pre-purchase constructs. Satisfaction was measured with a single-item, seven-point Likert scale.

This approach balanced methodological and practical considerations. The PG–BTB model included 10 constructs with multiple indicators, creating a lengthy survey administered across two stages. A parsimonious single-item was adopted to minimise respondent burden and reduce CMV in a quasi-longitudinal design (Rindfleisch et al., 2008). Prior research supports the reliability of single-item satisfaction when it is not the ultimate dependent variable (Bergkvist & Rossiter, 2007; Wanous et al., 1997) and its effectiveness in field studies requiring brevity (Drolet & Morrison, 2001; Westbrook, 1980). Given the industry-partner setting, reducing survey length was critical to minimising attrition and maintaining a high completion rate.

The study controlled for price consciousness (Jeng & Lo, 2019; Kukar-Kinney, Walters, et al., 2007; Lichtenstein et al., 1990; Lichtenstein et al., 1993) and signal-information focus (Dutta et al., 2007, 2011), which may influence consumer responses to PG believability and trust, improving the model's internal validity and aligning with best practices in consumer research (Dutta et al., 2007; Hair, Babin, et al., 2019).

**Table 4.1: Measurement scales and sources for the research model**

| Constructs | Items and scales | Sources |
|---|---|---|
| Perceived Believability (PB) | 5-item Semantic Differential | Beltramini and Evans (1985) |
| Trust (TT) | 3-item Likert | Borges and Babin (2012) |
| Store Price Image (SPI) | 3-item Semantic Differential | Borges and Babin (2012) |
| Perceived Service Quality (PSQ) | 3-item Semantic Differential | Kukar-Kinney and Grewal (2006) |
| Post-purchase Perception of Value (PPV) | 5-item Likert | Estelami and Bergstein (2006) |
| Confirmation of Service Quality (CSQ) | 4-item Likert | Hsiao (2018) |
| Satisfaction (OS) | Single-item | Andrews and Withey (1976) |
| Repurchase Intention (RI) | 4-item Likert | Kim (2012) |
| Price Consciousness (PC) | 5-item Likert | Lichtenstein et al. (1993) |
| Information Focus (IF) | 3-item Likert | Dutta et al. (2011) |

## 4.4 Results and Analysis

SPSS was utilised to conduct exploratory factor analysis (EFA), while AMOS-28 was employed to carry out confirmatory factor analysis (CFA) and structural equation modelling (SEM). Covariance-based SEM was chosen for its effectiveness in achieving optimal goodness-of-fit indices in factor-based models (Anderson & Gerbing, 1988; Hair, Babin, et al., 2019). The analytical process begins with the measurement model examination to ascertain construct reliability and validity, followed by assessing the structural model to verify proposed hypotheses.

### 4.4.1 Sample Characteristics

The initial email survey received 1,459 real-world consumer responses representing SCA's existing customer base (Club-Plus loyalty members), with 83.55% (n=1,219) being valid and usable for analysis. Detailed sample characteristics are provided in Appendix 4.2, with an overview:

- Most respondents identified as male (84%), while 14% were female, and 2% identified as gender diverse.
- Most participants (78%) were aged between 31 and 70, and 53% preferred in-store shopping.
- The price level was the primary shopping motive for 91% of respondents, followed by convenience (71%) and loyalty Club Plus-APP (58%).
- Awareness of the PBG policy was relatively low, with 48% aware of its existence and only 21% citing it as a shopping motivator.
- A significant 91% of respondents indicated a favourable shopping experience with a strong intention to make future purchases from SCA.

### 4.4.2 Perceived Believability and Trustworthiness of PG Advertising

This research evaluates the perceived believability and trustworthiness of the PBG and APP types of PG advertising messages (see Table 4.2). A 5-item semantic differential 7-point scale was employed to assess advertising believability, yielding a summated mean believability score of 5.33 for PBG and 5.49 for APP, based on responses from 1,219 participants. Similarly, trust in these advertisements was evaluated using a 3-item Likert 7-point scale, resulting in summated mean trust scores of 5.91 for PBG and 6.08 for APP.

**Table 4.2: Perceived believability and trustworthiness of PBG and APP advertisements**

| | Price-Beat Guarantee (PBG) | | Automatic Price-Adjustment Promise (APP) | |
|---|---|---|---|---|
| **Perceived Believability** | Mean | Std. Dev. | Mean | Std. Dev. |
| PBB1 / APB1 | 5.42 | 1.52 | 5.49 | 1.59 |
| PBB2 / APB2 | 5.48 | 1.45 | 5.53 | 1.51 |
| PBB3 / APB3 | 5.22 | 1.63 | 5.45 | 1.57 |
| PBB4 / APB4 | 4.95 | 1.74 | 5.27 | 1.66 |
| PBB5 / APB5 | 5.57 | 1.41 | 5.69 | 1.40 |
| **Summated mean** | **5.33** | | **5.49** | |
| **Trust** | | | | |
| PBT1 / APT1 | 5.94 | 1.17 | 6.07 | 1.19 |
| PBT2 / APT2 | 5.85 | 1.19 | 6.07 | 1.15 |
| PBT3 / APT3 | 5.94 | 1.14 | 6.09 | 1.12 |
| **Summated mean** | **5.91** | | **6.08** | |

PBB = Perceived Believability (PBG); APB = Perceived Believability (APP); PBT = Trust (PBG); APT = Trust (APP)

The findings reveal that consumers perceive both PBG and APP advertising as believable and trustworthy, with respective summated mean scores exceeding the neutral midpoint of 4 on the 7-point scale. The APP, which is rated higher on both dimensions, indicates that its automated nature may be more reliable and user-friendly, while PBG could require more effort. Standard deviation (SD) values highlight differences in respondents' perceptions, which reveal greater variability in APP believability, suggesting some respondents are less certain about its credibility. In contrast, PBG shows more consistent responses despite lower believability

scores. Trust ratings for both PBG and APP have relatively low SDs, reflecting strong consensus on their trustworthiness.

These insights highlight the need to refine PG messaging, particularly for APP, to reduce perception inconsistencies and strengthen consumer confidence. Enhancing clarity and reliability in advertising can further boost trust, loyalty, and repurchase intentions, supporting prior research on advertising credibility's role in trust formation (Kirmani & Rao, 2000; Kukar-Kinney & Walters, 2003).

### 4.4.3 Model Fit Parameters

The models were assessed using established essential fit indices in SEM to ensure statistical validity and model adequacy (Boomsma, 2000; Kline, 2015), as illustrated in Table 4.3.

**Table 4.3: Essential Fit Indices in SEM – Statistical Analysis of Measurement Model**

| Fit Indices | Recommended Value | Source (s) | Obtained Value | |
|---|---|---|---|---|
| | | | PBG | APP |
| P-value | Insignificant | Hair et al., 2019 | 0.00 | 0.00 |
| CMIN/df | < 3-5 | Hair et al., 2019; Bagozzi & Yi,1988 | 3.99 | 4.14 |
| TLI | > 0.90 | Bentler, 1990 | 0.95 | 0.95 |
| CFI | > 0.90 | Bentler, 1991 | 0.95 | 0.96 |
| PCFI | > 0.50 | Mulaik et al., 1989 | 0.84 | 0.84 |
| SRMR | < 0.08 | Hair et al., 2019; Hu & Bentler, 1999 | 0.05 | 0.05 |
| RMSEA | < 0.07 | Hair et al., 2019; Hu & Bentler, 1999 | 0.05 | 0.05 |

PBG = Price-Beat Guarantee; APP = Automatic Price-Adjustment Promise;
CMIN/df = Chi-Square statistic/degrees of freedom; TLI = Tucker Lewis Index;
CFI = Comparative Fit Index; PCFI = Parsimony Comparative Fit Index;
SRMR = Standardised Root Mean Residual;
RMSEA = Root Mean Square Error of Approximation

Statistical analysis of measurement models fit illustrated in Table 4.3 confirmed that both PBG and APP models significantly differed from the null model, with results indicating strong

statistical significance ($p < 0.001$). All metrics fall within widely accepted thresholds for model acceptance, confirming a strong overall fit and establishing a reliable basis for further hypothesis examination. This finding supports the robustness of the proposed models in explaining variations in consumer responses.

### 4.4.4 Measurement Model Assessment

CFA was employed to validate the reliability of the data against composite reliability (CR), internal consistency (Cronbach's alpha, 'α'), and indicator loadings, while convergent validity (CV) of the data was measured through average variance extracted (AVE) (Fornell & Larcker, 1981; Hair, Babin, et al., 2019).

The CFA results (Table 4.4) show all factor loadings surpassed the minimal limit of 0.50 (Wixom & Watson, 2001), 'α' values for each construct exceeded 0.60 (Nunnally & Bernstein, 1994), and CR coefficients for each construct surpassed the 0.70 criterion (Hair, Babin, et al., 2019), confirming strong internal consistency reliability.

All constructs met the required AVE minimal limit of 0.50 (Bagozzi & Yi, 1988; Hair, Babin, et al., 2019), ensuring adequate CV. Fornell and Larcker (1981) examined squared values of AVE concerning correlations among constructs to evaluate discriminant validity. Table 4.5 shows that squared AVE values (bolded diagonal) exceed construct correlations (off-diagonal), confirming discriminant validity. These findings suggest that the model's constructs are reliable and valid, allowing further structural model testing.

**Table 4.4: CFA outcomes - Measurement model assessment of construct reliability and validity**

| Constructs | Items | Convergent Validity | | Internal Consistency Reliability | |
|---|---|---|---|---|---|
| | | Loadings | AVE | (α) | CR |
| Recommended threshold | | > 0.50 | > 0.50 | > 0.60 | > 0.70 |
| Perceived Believability (PBG) | PBB1 | 0.85 | 0.73 | 0.93 | 0.93 |
| | PBB2 | 0.90 | | | |
| | PBB3 | 0.89 | | | |
| | PBB4 | 0.79 | | | |
| | PBB5 | 0.86 | | | |
| Perceived Believability (APP) | APB1 | 0.91 | 0.84 | 0.96 | 0.96 |
| | APB2 | 0.95 | | | |
| | APB3 | 0.94 | | | |
| | APB4 | 0.90 | | | |
| | APB5 | 0.86 | | | |
| Trust (PBG) | PBT1 | 0.88 | 0.84 | 0.94 | 0.94 |
| | PBT2 | 0.96 | | | |
| | PBT3 | 0.91 | | | |
| Trust (APP) | APT1 | 0.92 | 0.91 | 0.97 | 0.97 |
| | APT2 | 0.98 | | | |
| | APT3 | 0.96 | | | |
| Store Price Image | SPI1 | 0.90 | 0.73 | 0.85 | 0.89 |
| | SPI2 | 0.90 | | | |
| | SPI3 | 0.75 | | | |
| Perceived Service Quality | PSQ1 | 0.89 | 0.67 | 0.85 | 0.86 |
| | PSQ2 | 0.85 | | | |
| | PSQ3 | 0.71 | | | |
| Post-purchase Perception of Value | PPV1 | 0.74 | 0.70 | 0.91 | 0.92 |
| | PPV2 | 0.86 | | | |
| | PPV3 | 0.92 | | | |
| | PPV4 | 0.90 | | | |
| | PPV5 | 0.73 | | | |
| Confirmation of Service Quality | CSQ1 | 0.87 | 0.71 | 0.91 | 0.91 |
| | CSQ2 | 0.87 | | | |
| | CSQ3 | 0.82 | | | |
| | CSQ4 | 0.81 | | | |
| Repurchase Intention | RI1 | 0.87 | 0.76 | 0.93 | 0.93 |
| | RI2 | 0.90 | | | |
| | RI3 | 0.87 | | | |
| | RI4 | 0.85 | | | |
| Price Consciousness | PC1 | 0.66 | 0.57 | 0.84 | 0.87 |
| | PC2 | 0.60 | | | |
| | PC3 | 0.77 | | | |
| | PC4 | 0.81 | | | |
| | PC5 | 0.91 | | | |
| Information Focus | IF1 | 0.82 | 0.68 | 0.86 | 0.86 |
| | IF2 | 0.76 | | | |
| | IF3 | 0.88 | | | |

PBG = Price-Beat Guarantee; APP = Automatic Price-Adjustment Promise;
CR = Composite Reliability; AVE = Average Variance Extracted; (α) = Cronbach's alpha

**Table 4.5: CR, squared AVE values (bolded), and construct correlations (off-diagonal)**

| Latent Constructs | CR | AVE | Latent Constructs | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | PBB | APB | PBT | APT | SPI | PSQ | PPV | CSQ | RI | PC | IF |
| PBB | 0.93 | 0.73 | **0.86** | | | | | | | | | | |
| APB | 0.96 | 0.84 | 0.41 | **0.91** | | | | | | | | | |
| PBT | 0.94 | 0.84 | 0.40 | 0.25 | **0.92** | | | | | | | | |
| APT | 0.97 | 0.91 | 0.27 | 0.41 | 0.55 | **0.95** | | | | | | | |
| SPI | 0.89 | 0.73 | 0.27 | 0.23 | 0.4 | 0.33 | **0.82** | | | | | | |
| PSQ | 0.86 | 0.67 | 0.26 | 0.47 | 0.43 | 0.47 | 0.60 | **0.82** | | | | | |
| PPV | 0.92 | 0.7 | 0.31 | 0.41 | 0.5 | 0.26 | 0.63 | 0.37 | **0.84** | | | | |
| CSQ | 0.91 | 0.71 | 0.3 | 0.2 | 0.49 | 0.34 | 0.49 | 0.29 | 0.45 | **0.84** | | | |
| RI | 0.93 | 0.76 | 0.17 | 0.43 | 0.32 | 0.08 | 0.34 | 0.37 | 0.61 | 0.61 | **0.87** | | |
| PC | 0.87 | 0.57 | -0.01 | 0.08 | -0.03 | 0.04 | -0.05 | -0.11 | -0.25 | -0.24 | -0.03 | **0.73** | |
| IF | 0.86 | 0.68 | 0.32 | 0.24 | 0.47 | 0.41 | 0.45 | 0.47 | 0.70 | 0.64 | 0.32 | -0.29 | **0.82** |

CR = Composite Reliability; AVE = Average Variance Extracted;
PBB = Perceived Believability (PBG); APB = Perceived Believability (APP); PBT = Trust (PBG); APT = Trust (APP);
SPI = Store Price Image; PSQ = Perceived Service Quality; PPV = Post-purchase Perception of Value;
CSQ = Confirmation of Service Quality; RI = Repurchase Intention; PC = Price Consciousness; IF = Information Focus

### 4.4.5 Structural Model Fit Parameters

Fit parameters of both PBG and APP structural models indicated a strong alignment with the input data, as all indices satisfied the recommended thresholds (Table 4.6). With a P-value < 0.001, both models show a statistically significant outcome, suggesting that there is minimal possibility that these outcomes would occur by coincidence, and all fit indices of both models show statistical robustness and are suitable for the research, offering substantial evidence for their application in analysing how PGs affect consumer behaviour.

**Table 4.6: Measurement and structural model fit indices for PBG and APP**

| Fit Indices | Recommended Value | Measurement Model | | Structural Model | |
|---|---|---|---|---|---|
| | | PBG | APP | PBG | APP |
| P-value | Insignificant | 0.00 | 0.00 | 0.00 | 0.00 |
| CMIN/df | < 3-5 | 3.99 | 4.14 | 4.63 | 4.94 |
| TLI | > 0.90 | 0.95 | 0.95 | 0.94 | 0.94 |
| CFI | > 0.90 | 0.95 | 0.96 | 0.95 | 0.95 |
| PCFI | > 0.50 | 0.84 | 0.84 | 0.84 | 0.84 |
| SRMR | < 0.08 | 0.05 | 0.05 | 0.07 | 0.07 |
| RMSEA | < 0.07 | 0.05 | 0.05 | 0.06 | 0.06 |

PBG = Price-Beat Guarantee; APP = Automatic Price-Adjustment Promise;
CMIN/df = Chi-Square statistic/degrees of freedom; TLI = Tucker Lewis Index;
CFI = Comparative Fit Index; PCFI = Parsimony Comparative Fit Index;
SRMR = Standardised Root Mean Residual;
RMSEA = Root Mean Square Error of Approximation

### 4.4.6 Structural Model Assessment and Reporting Hypothesised Outcomes

Accessing a structural model comparing PBG and APP advertising strongly supports all tested hypotheses, showing consistent, significant positive effects of both advertising types across consumer perceptions and behavioural outcomes. Figure 4.4 visually summarises the results of the structural models, with PBG highlighted in red and APP in black. Table 4.7 demonstrates the strength and practical relevance of the relationship by presenting estimates (β or coefficients), t-values (above +/- 1.96, which suggest a statistically significant relationship), and p-values for every hypothesis. It is also evident that the association is statistically significant between the eight constructions under analysis.

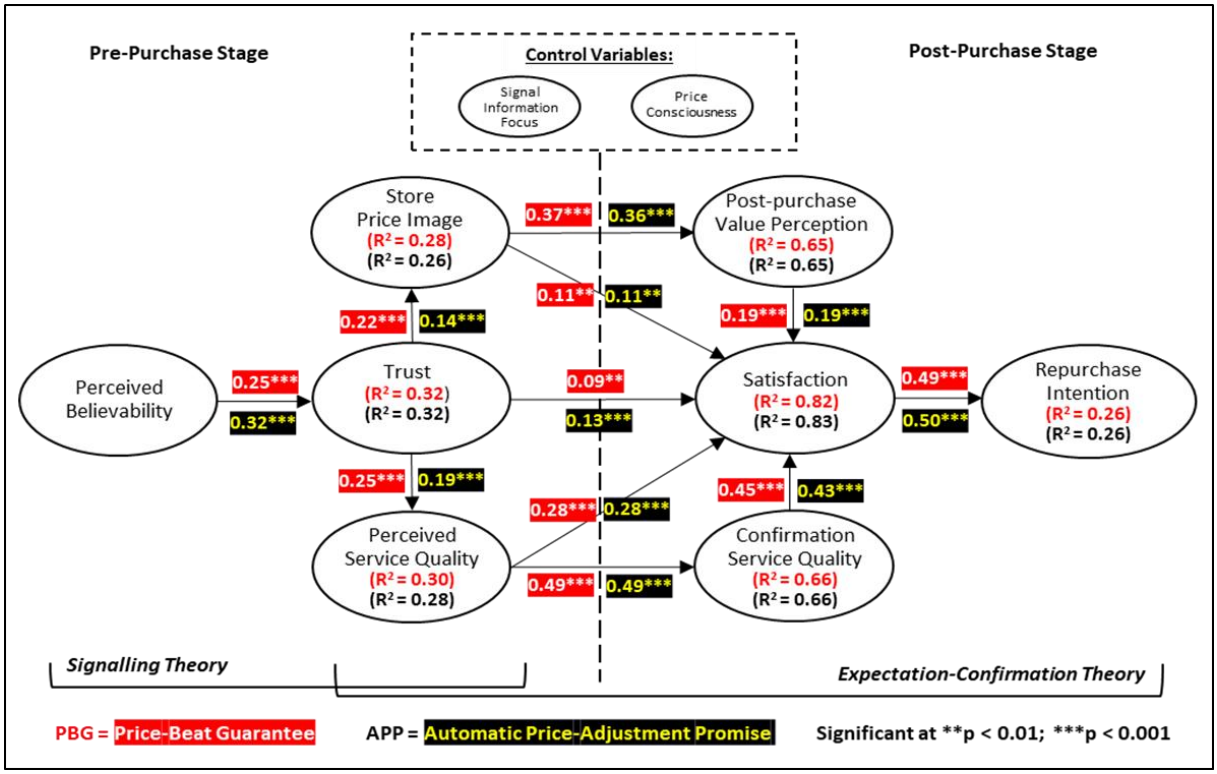


**Figure 4.4: Assessment outcomes of PG-BTB structural model for both PBG and APP**

**Table 4.7: Hypotheses Testing Results and $R^2$ Value – PBG and APP Model**

| Hypotheses | | Price-Beat Guarantee (PBG) Estimates | t-value ( above +/- 1.96 | p-value | Auto. Price-Adj. Promise (APP) Estimates | t-value ( above +/- 1.96 | p-value |
|---|---|---|---|---|---|---|---|
| H1: | PB → TT | 0.25 | 8.82 | 0.000 *** | 0.32 | 11.86 | 0.000 *** |
| H2: | TT → OS | 0.09 | 2.66 | 0.008 ** | 0.13 | 3.82 | 0.000 *** |
| H3: | TT → SPI | 0.22 | 6.55 | 0.000 *** | 0.14 | 4.41 | 0.000 *** |
| H4: | TT → PSQ | 0.25 | 7.54 | 0.000 *** | 0.19 | 6.02 | 0.000 *** |
| H5: | SPI → PPV | 0.37 | 13.55 | 0.000 *** | 0.36 | 13.36 | 0.000 *** |
| H6: | SPI → OS | 0.11 | 2.71 | 0.007 ** | 0.11 | 2.89 | 0.004 ** |
| H7: | PPV → OS | 0.19 | 3.55 | 0.000 *** | 0.19 | 3.46 | 0.000 *** |
| H8: | PSQ → CSQ | 0.49 | 17.57 | 0.000 *** | 0.49 | 17.39 | 0.000 *** |
| H9: | PSQ → OS | 0.28 | 5.88 | 0.000 *** | 0.28 | 6.09 | 0.000 *** |
| H10: | CSQ → OS | 0.45 | 7.91 | 0.000 *** | 0.43 | 7.54 | 0.000 *** |
| H11: | OS → RI | 0.49 | 8.36 | 0.000 *** | 0.50 | 8.31 | 0.000 *** |
| | PC → PB | -0.01 | -0.44 | 0.66 | 0.08 | 2.63 | 0.009 ** |
| | PC → TT | 0.10 | 3.55 | 0.000 *** | 0.13 | 4.44 | 0.000 *** |
| | PC → OS | 0.05 | 1.58 | 0.12 | 0.04 | 1.17 | 0.24 |
| | PC → RI | 0.05 | 1.55 | 0.12 | 0.05 | 1.58 | 0.12 |
| | IF → PB | 0.34 | 10.04 | 0.000 *** | 0.26 | 8.10 | 0.000 *** |
| | IF → TT | 0.44 | 13.53 | 0.000 *** | 0.40 | 13.06 | 0.000 *** |
| | IF → OS | 0.03 | 0.44 | 0.66 | 0.03 | 0.46 | 0.64 |
| | IF → RI | 0.03 | 0.54 | 0.59 | 0.03 | 0.43 | 0.67 |
| $R^2$ | TT | | 0.32 | | | 0.32 | |
| | SPI | | 0.30 | | | 0.29 | |
| | PPV | | 0.28 | | | 0.26 | |
| | PSQ | | 0.66 | | | 0.66 | |
| | CSQ | | 0.65 | | | 0.65 | |
| | OS | | 0.82 | | | 0.83 | |
| | RI | | 0.26 | | | 0.26 | |

To be considered significant, the t-value must be larger than +/-1.96 at *p < 0.05, **p < 0.01, and ***p < 0.001
H = Hypotheses; PB = Perceived Believability; TT = Trust; SPI = Perceived Store Price Image;
PSQ = Perceived Service Quality; PPV = Post-purchase Perception of Value;
CSQ = Confirmation of Service Quality; OS = Overall Satisfaction; RI = Repurchase Intention;
PC = Price Consciousness; IF = Information Focus

For H1, both PBG and APP significantly affect perceived believability (PB) and trust (TT), with APP showing a greater impact on TT than PBG. In H2, TT influences overall satisfaction (OS), again with APP having a more substantial effect than PBG. The outcomes of the hypotheses confirmed that believable PG advertising enhances trust significantly, and consumers who trust PG advertising feel more satisfied with their purchase experience. APP advertising has demonstrated more effectiveness in building trust and increasing satisfaction.

TT substantially and positively impacts store price image (SPI) in H3. TT also significantly enhances perceived service quality (PSQ) in H4 for both PBG and APP, with TT having a more substantial influence on PBG than APP. The results highlight that trusted retailers are seen as offering better prices, and consumers associate trustworthy retailers with better customer service, with PBG showing a stronger connection to these perceptions.

In H5, SPI has a slightly stronger influence on post-purchase perceived value (PPV) for PBG than for APP. Both PBG and APP demonstrate equal strength and a significant positive relationship between SPI and OS in H6, and PPV and OS in H7, with estimations of 0.11 and 0.19 for each, respectively. These findings show that consumers who view a store's pricing as competitive and fair believe they get more value for their money and report higher satisfaction levels. Consumers' perceptions of store pricing and value play a critical role in shaping their overall satisfaction with both types of PG advertising.

The H8, H9, and H10 results show strong, significant relationships across both PBG and APP models, particularly in H8, between PSQ and confirmation of service quality (CSQ), where estimates=0.49 and t-values>17. H9 indicates a significant effect of PSQ on OS, with equal estimates of 0.28 for both models. For H10, CSQ positively affects OS, with PBG showing

slightly stronger results than APP. These results demonstrate that expectations of good service strongly align with actual service experience, and consumers who rate service quality highly tend to feel more satisfied.

H11 confirmed that OS positively influences repurchase intention (RI), with nearly identical results for both models, confirming that a higher consumer OS significantly increases RI under both PBG and APP. The findings highlight that customers who are satisfied with their purchases are more inclined to return to the same store for repeat purchases. The outcomes on control variables, such as price consciousness (PC) and information focus (IF), revealed that PC positively affects TT in both models and enhances PB under APP. In contrast, IF positively affects both PB and TT in both models. Neither control variable had a direct effect on OS or RI.

The coefficients of determination ($R^2$) values validate the explanatory power of the models across key constructs. Hair, Babin, et al. (2019) assert that a value of $R^2$ of 0.20 or greater is considerably substantial in consumer behaviour research. In this research, the model explains 32% of the variance in TT, while OS accounted for 82-83%, highlighting its robustness, and explains 26% of RI for both models. These results demonstrate solid model fit and support the effectiveness of the hypothesised relationships that perceived believability of PG advertising effectively builds consumer trust, enhances satisfaction, and positively influences repurchase intention for both PBG and APP strategies under study.

### 4.5 Discussion

This study investigated how two structurally distinct PG formats, the PBG and APP, influence key psychological and behavioural outcomes across the retail purchase journey. Drawing from

Signalling Theory and ECT, the study examined how these guarantees affect consumer perceptions of advertising believability, trust, store price image, perceived service quality, satisfaction, and repurchase intention. The quasi-longitudinal field design enhanced ecological validity by capturing how consumer beliefs, initially formed during advertising exposure, evolve into post-purchase evaluations and loyalty intentions.

This section is structured around six noteworthy contributions that will advance academic thinking: (1) PG format-specific effects, (2) believability and trust as mediators, (3) consumer trait-based moderation and PG format alignment, (4) theoretical contributions, (5) practitioner and managerial implications, and (6) limitations and directions for future research.

### 4.5.1 PG Format-Specific Effects

The findings reveal distinct effects of PG formats on consumer evaluations and behavioural intentions at different consumer journey stages. APP format offers post-purchase protection through automated refunds, demonstrating stronger effects on believability and trust, particularly effective in environments characterised by information overload and promotion fatigue. These results are consistent with theories of heuristic processing and cognitive fluency, which suggest that consumers are more likely to trust and engage with advertising messages that are easy to process and act upon (Erdem & Swait, 2004; Soh et al., 2007). APP simplicity and automation reduced perceived transaction risk and enhanced perceptions of fairness, reinforcing retailer credibility in both digital and physical retail contexts.

In contrast, the PBG format requires consumers to proactively request a price adjustment before making a purchase, exhibiting greater influence on pre-purchase perceptions such as store price image and perceived service quality, suggesting that PBG operates as a strong signal of a

retailer's competitive stance and pricing fairness (Hamilton & Chernev, 2013). Despite the increased cognitive and procedural effort involved, consumers who deemed PBG messages credible demonstrated comparable levels of repurchase intention when trust was established. This pattern reflects the principles of effort justification and psychological ownership, where consumers value outcomes more highly when they have invested effort to obtain them (White & Yuan, 2012). Thus, PBG appeals to cognitively involved shoppers seeking assurance before purchase, whereas APP appeals more to those valuing convenience and post-purchase security.

### 4.5.2 Believability and Trust as Mediators

Believability emerged as a pivotal construct in both formats, mediating the relationship between advertising message framing and trust formation, which in turn predicted satisfaction and repurchase intention. When PG messages were seen as credible, consumers were more likely to perceive the retailer as honest, reliable, and customer-centric, strengthening the foundation of trust-based relationships required for loyalty. These results reinforce prior findings on the critical role of advertising message credibility in shaping consumer attitudes (e.g., trust formation) and behaviours (e.g., purchase decisions), particularly in price-sensitive contexts (Estelami & Bergstein, 2006; McKnight & Chervany, 2001).

Trust, in this model, acts as a psychological bridge between expectation formation and post-purchase evaluation. When trust is established, consumers are more likely to experience satisfaction, as expectations set by the PG message align with the actual retail experience (Lankton & McKnight, 2012; Oliver, 1980). Trust also fosters repurchase intentions by reducing perceived risk and enhancing relationship continuity (Gefen, 2000). These findings underscore the importance of message clarity, transparency, and procedural simplicity in fostering trustworthy retailer–consumer relationships.

### 4.5.3 Trait-Based Moderation and Segmentation-Based Approach to Format Alignment

This study identifies consumer traits as key moderators in the effectiveness of PG formats. The analysis revealed that price-conscious consumers responded more favourably to the APP because it offers effortless post-purchase protection that minimises perceived risk and reduces transaction effort (Lichtenstein et al., 1993; Sinha & Batra, 1999). Conversely, information-focused consumers favoured PBG for its transparency and opportunity to verify prices, aligning with their preference for pre-purchase information search and control (Grewal, Monroe, et al., 1998).

These findings suggest that PG effectiveness is contingent on cognitive styles and motivational orientations. Adopting a segmentation-based approach enables retailers to align PG strategies with shopper profiles, enhancing message relevance, perceived value, and engagement. For instance, APP may most effectively appeal to convenience-oriented or time-pressed shoppers. In contrast, PBG may better suit deliberative consumers who value transparency and are active in pre-purchase comparison (Dhar & Simonson, 2003). When PGs resonate with consumers' shopping orientations, they are more likely to view the retailer as trustworthy and customer-focused, boosting satisfaction, conversion, and loyalty (Mittal & Kamakura, 2001; Tam & Ho, 2006).

### 4.5.4 Theoretical Integration and Contributions

This study makes several meaningful contributions to marketing theory by extending the application of Signalling Theory and ECT within the domain of PG advertising. First, the findings advance Signalling Theory by demonstrating that PG claims operate as dual-purpose signals (dual-function mechanism) in communicating both a retailer's price competitiveness (strategic) and its commitment to fairness and service integrity (psychological). The

effectiveness of these signals depends not merely on their presence but on their clarity (quality communication) and perceived credibility (consumer response to execution, e.g., payout, complaint behaviour). In this context, advertising believability serves as a key interpretive filter through which consumers assess the trustworthiness of the retailer, ultimately shaping satisfaction and repurchase intentions. These findings support and extend prior work on the contingencies of effective Signalling in consumer markets (Dawar & Parker, 1994; Erdem & Swait, 2004; Kirmani & Rao, 2000).

Second, the study integrates ECT into the PG context by illustrating how pre-purchase expectations established through PG advertising are subsequently confirmed or disconfirmed during the post-purchase evaluation process. By adopting a quasi-longitudinal research design, this study captures the temporal dimension of consumer experience and lends ecological validity to the expectation-confirmation mechanism (Bhattacherjee, 2001; Lankton & McKnight, 2012; Oliver, 1980). This approach allows a more nuanced understanding of how initial beliefs evolve into affective responses and loyalty behaviours (Szymanski & Henard, 2001).

Third, the research provides a rare comparative analysis of two structurally distinct PG formats, the PBG and APP. While most prior studies investigate these mechanisms in isolation (Desmet & Le Nagard, 2005; Kukar-Kinney & Walters, 2003), this study contrasts them within a unified empirical model. The comparison reveals that procedural effort and temporal framing (i.e., pre-purchase appeal vs. post-purchase assurance) significantly moderate consumer interpretations and responses to PG claims. These findings contribute to a more comprehensive theoretical understanding of how PG format structures influence the psychological processing of promotional or advertising messages (Hamilton & Chernev, 2013; White & Yuan, 2012).

Lastly, the study highlights the moderating role of consumer heterogeneity in PG effectiveness. Specifically, price-consciousness and information-focus emerge as critical individual-level traits influencing how consumers evaluate and respond to different PG formats. Consumers with a strong preference for convenience and risk mitigation were more responsive to the low-effort, post-purchase APP format. In contrast, those seeking greater control and pricing transparency responded more positively to the effort-intensive PBG format. These insights support an emerging theoretical perspective integrating signalling dynamics with motivational and trait-based consumer models, offering a more granular framework for understanding price communication in retail environments (Brucks, 1985; Jain & Srivastava, 2000; Mittal, 1994).

### 4.5.5 Managerial Implications

The findings of this study yield several strategic implications for retail managers seeking to enhance consumer trust, satisfaction, and loyalty through PG strategies. Both PBG and APP serve as effective tools, but their impact varies depending on the consumer's stage in the decision-making process and their psychological orientation. Aligning PG execution with format structure, message clarity, and customer segmentation is crucial for optimising effectiveness.

For PBG strategies, which intervene during the pre-purchase phase, managers should emphasise the guarantee's role in reinforcing a competitive price image and projecting service reliability. These align with prior research showing that PBGs strengthen store value and fairness perceptions, particularly when positioned as transparent, proactive commitments to low prices (Hamilton & Chernev, 2013; Kukar-Kinney & Walters, 2003). Ensuring pre-purchase clarity through clear messaging and straightforward claim procedures can enhance believability and mitigate consumer scepticism (Darke & Dahl, 2003; Kukar-Kinney &

Walters, 2003). Staff must also be trained to communicate these guarantees consistently and empathetically, as customer service interactions shape perceived procedural justice and trust (Tax et al., 1998).

In contrast, APP strategies excel post-purchase by reducing consumers' cognitive and emotional effort through automation. These guarantees, which refund price differences without customer initiation, minimise decision regret and increase post-transaction satisfaction (Borges, 2009; Borges & Babin, 2012). Research on cognitive fluency suggests that such low-effort mechanisms foster higher levels of trust and engagement by reducing perceived complexity and risk (Erdem & Swait, 2004). For maximum effectiveness, APP communications should emphasise reassurance, ease, and retailer benevolence, qualities known to enhance loyalty in service recovery contexts (Wirtz & Mattila, 2004).

While in omnichannel environments, the effectiveness of both PG formats is contingent on consistent communication across touchpoints. Discrepancies between online and in-store guarantees may undermine believability and introduce cognitive dissonance, particularly in price-sensitive markets (Shankar et al., 2003). Managers and marketers should design unified messaging strategies that are transparent, emotionally resonant, and free of technical jargon. Such messaging improves consumers' ability to interpret guarantees accurately and strengthens perceived brand integrity (Low & Mohr, 2000).

Additionally, PG strategies should be tailored to distinct psychographic segments. Time-sensitive or cognitively overloaded consumers may respond more favorably to APP due to its ease and automation. At the same time, price-sensitive shoppers seeking greater control and pricing transparency may prefer PBG. Prior studies highlight the importance of matching

promotional formats to consumer goals and information-processing styles (Brucks, 1985; Grewal et al., 2004). A hybrid strategy, for example, employing both APP and PBG across different product lines or customer tiers, may optimise relevance across audience segments (Grewal et al., 2017; Haans & Gijsbrechts, 2011; Wedel & Kamakura, 2000).

To implement PG strategies effectively, retailers should adhere to several best practices: (1) simplifying guarantee language, (2) automating APP processes, (3) streamlining PBG claims, (4) training staff in trust-enhancing communication, and (5) monitoring customer feedback and redemption data. These actions support clarity, reduce friction, and reinforce trust. Both PBG and APP can function as strategic levers to strengthen price credibility, boost customer confidence, and foster long-term loyalty in competitive omnichannel environments when aligned with platform capabilities and consumer segments.

### 4.5.6 Limitations and Directions for Future Research

This study provides valuable insights into the comparative effectiveness of PG formats, yet several limitations warrant further exploration. First, the geographic focus on New Zealand may constrain generalizability. Cultural and demographic differences in price sensitivity, trust, and promotion receptiveness (Hofstede, 2001; Tellis & Gaeth, 1990) suggest that future studies should replicate this research across diverse consumer segments and international contexts.

Second, while the quasi-longitudinal design captured pre- and post-purchase evaluations, it did not assess long-term behavioural patterns. A true longitudinal study would enable more robust evaluation of how consumer trust, satisfaction, and brand loyalty evolve through repeated PG exposure, contributing to consumer-brand relationship development and perceived value accumulation (Bhattacherjee, 2001; Oliver, 1980).

Third, relying on self-reported measures limits behavioural interpretation, as perceptions do not always reflect actual consumer actions (Chandon, Morwitz, & Reinartz, 2005). Using a single-item satisfaction measure may restrict the analysis of satisfaction's cognitive, affective, and behavioural dimensions. Future research should combine objective behavioural data (i.e., loyalty card use and redemption activity) with validated multi-item satisfaction scales (Giese & Cote, 2000) to improve reliability and deepen insight into how PG strategies drive real-world consumer behaviour.

Fourth, this study focused only on PBG and APP. Other types of PGs, such as PMG, LPG or 'money-back guarantees' (MBG) or hybrid formats, may trigger distinct psychological responses such as loss aversion, perceived fairness, regret aversion, or perceived control (Kukar-Kinney & Grewal, 2007; Suwelack et al., 2011). Comparative evaluations of varied PG mechanisms would offer a more holistic framework across product categories, customer segments, and shopping contexts.

Finally, corporate and field-based studies that examine PG effectiveness in real-world retail environments remain limited. Future research should partner with industry practitioners to design field experiments or naturalistic interventions that test message framing, redemption processes, and customer outcomes, enhancing both theoretical relevance and practical applicability.

### 4.6 Chapter Conclusion

This study advances understanding of how structurally distinct PG formats, PBG and APP, influence consumer decision-making. Grounded in Signalling Theory and ECT, the findings show that while both formats enhance trust, satisfaction, and repurchase intention, they do so

through different psychological mechanisms. APP's procedural simplicity fosters cognitive fluency and post-purchase assurance, whereas PBG signals price competitiveness and enhances pre-purchase evaluations. Believability emerged as a key mediator, and consumer traits such as price consciousness and information focus moderated PG effectiveness. These insights offer theoretical integration and contributions by linking signal credibility and expectation-confirmation to consumer loyalty and practical guidance for tailoring PG strategies to consumer profiles and retail contexts. This research contributes to a more nuanced, consumer-centric understanding of price communication in competitive retail environments by demonstrating that PGs function as both economic strategic signals and psychological trust-building tools.

# 5. Conclusions and Implications

## 5.1 Introduction

This chapter synthesises the key findings of the research, providing a comprehensive discussion of conclusions drawn from the research and their implications. It begins by addressing each research issue and hypothesis, considering the results, and summarising how the research has answered the research problem posed throughout this thesis. The chapter then draws overarching conclusions about the central research question, *"How does consumer perception of PG advertising believability impact their trust, expectations-confirmations, satisfaction, and repurchase intentions in retail?"*

The findings are contextualised to highlight their contributions to existing theoretical frameworks, particularly signalling theory and ECT. The research implications are divided into theoretical advancements (scholarly researchers), practical guidance for the private sector (i.e., retailers, marketers), and policy recommendations for the public sector (i.e, policymakers), emphasising the study's relevance to academic, business, and regulatory domains.

Following these discussions, the research acknowledges its limitations, addressing aspects such as geographic focus, methodological constraints, and the limited range of PG strategies explored. Finally, the chapter outlines avenues for further research, suggesting how future research can build upon this thesis to provide deeper insights into PG advertising and its impact on consumer behaviour. This structure clarifies the findings within the current research scope and positions them to guide future theoretical and practical developments.

## 5.2 Conclusions About Research Issues

This section revisits each research issue explored in the thesis, integrating insights from both the SLR and the empirical study. It provides a reflective synthesis of key findings, highlighting how this research contributes to academic knowledge and identifies avenues for future inquiry.

### 5.2.1 Systematic Literature Review – Advancing Theoretical Foundations

- **Research Field Evolution**

  PG studies have shifted from economic concerns (e.g., collusion) to consumer-centric marketing themes like trust and loyalty, with increasing recognition of management implications. This shift signals a maturing field responsive to evolving retail practices, particularly in omnichannel environments.

- **Thematic Shifts in PG Research**

  Earlier price-centric debates have broadened to include trust, satisfaction, and fairness. Underexplored variants like PBG warrant more attention, especially considering consumer concerns over effort and credibility. This highlights a need to better theorise the psychological effects of guarantee mechanisms.

- **Theoretical Development**

  Signalling Theory remains foundational, but the growing use of psychological theories (e.g., Regulatory Focus, Customer Value) reflects a richer behavioural turn. The SLR calls for integrated frameworks that capture both strategic intent and consumer interpretation.

- **Methodological Progress**

  PG research has shifted from conceptual to empirical approaches, though it remains

methodologically narrow. Lab experiments and surveys dominate, while real-world, longitudinal, or field studies are scarce. Broader methodological diversity is needed to improve practical relevance and causal insight.

- **Respondent Profiles**

  Studies still rely heavily on student samples, limiting external validity. However, the growing use of real consumers and mixed cohorts shows progress. Retailer perspectives remain rare, indicating a need for more inclusive, practice-informed research.

- **Product and Industry Contexts**

  Research has clustered around electronics; however, new studies in sectors like groceries and services reflect broader relevance. PG effects likely vary across price stability and purchase involvement, warranting comparative industry-focused studies.

In summary, the SLR reveals that PG research has evolved from its early economic focus on collusion and pricing efficiency to a marketing-oriented lens concerning consumer trust, fairness, and satisfaction. Despite this shift, the literature remains fragmented, lacking a standardised definition or cohesive theoretical framework. Definitions of PGs vary across studies, and only a limited number integrate consumer behaviour theories alongside traditional economic models. This thesis synthesises insights from 82 studies across six analytical dimensions to propose a unified definition of PGs grounded in six core design elements. These findings also inform the development of the Mechanism-Based Dual-Function Model of PGs (MB-DFM-PG), which reconceptualises PGs as dual-purpose instruments: strategically, they serve as signals of competitive positioning, and psychologically, they function as assurances that shape perceived fairness, trust, and loyalty. This integrative model bridges signalling

theory with behavioural frameworks, providing conceptual clarity and a scalable structure for future research across diverse retail contexts.

### 5.2.2 Empirical Study – Testing Causal Relationships

- **Descriptive Findings on Believability and Trustworthiness**

  Survey results show that consumers perceive both PBG and APP as highly believable (means >5.3) and trustworthy (means >5.9). However, APP consistently outperforms PBG on both constructs, believability (5.49 vs. 5.33) and trustworthiness (6.08 vs. 5.91), likely due to its automated, low-effort design. These results align with prior research emphasising that message clarity, ease of understanding, and redemption simplicity significantly enhance advertising credibility and consumer confidence (Czinkota et al., 2021; Erdem & Swait, 2004; Goldberg & Hartwick, 1990; Soh et al., 2007). The findings reinforce that trust in PG advertising is shaped not only by the content of the promise but also by the perceived cognitive and procedural effort required to redeem it. This underscores the importance of designing transparent and consumer-friendly PG mechanisms for marketers to foster trust, engagement, and repurchase intentions (Kirmani & Rao, 2000).

- **Causal Hypotheses – Key Insights**

  The structural model supports all hypothesised relationships, offering theoretical and empirical support for the PG-BTB model's integration of Signalling Theory and ECT on how consumers process PG advertising believability and its impact on consumer trust, expectation-confirmation on price and service, satisfaction, and repurchase in retail.

- **H1: Believability → Trust**

  Perceived believability significantly enhances trust for both PG formats, with APP yielding

a stronger effect. This reinforces the role of credible signals in reducing pre-purchase uncertainty and enhancing retailer trustworthiness (Atkin & Beltramini, 2007; Kirmani & Rao, 2000; Spence, 1973).

- **H2: Trust → Satisfaction**

  Trust directly and significantly predicts satisfaction, consistent with ECT and relational marketing literature, which posit trust as a foundational element in fostering positive post-purchase evaluations and affective response formation (Boshoff & Du Plessis, 2009; Morgan & Hunt, 1994; Oliver, 1980).

- **H3, H4: Trust → Expectations (store price image and service quality)**

  Trust enhances expectations regarding store price image and perceived service quality, particularly under PBG. These findings support the dual function of trust as both a cognitive precursor and relational belief shaping price-value judgments and retailer reliability (Biswas et al., 2006; Boshoff & Du Plessis, 2009; Chaudhuri & Holbrook, 2001; Kirmani & Rao, 2000; Olaru et al., 2008).

- **H5, H8: Expectations (store price image and service quality) → Confirmation**

  Expectations regarding store price image and perceived service quality are positively confirmed post-purchase. High expectations fulfilled in practice strengthen consumer confidence and reinforce perceived value and service delivery (Bhattacherjee, 2001; Oliver, 1980).

- **H6, H9: Expectations (store price image and service quality) → Satisfaction**

  Fulfilled expectations significantly enhance satisfaction, confirming that initial pre-purchase beliefs about fair pricing and competent service are foundational to positive emotional post-purchase outcomes delivery (Bhattacherjee, 2001; Oliver, 1980).

- **H7, H10: Confirmation (post-purchase perceived value and service quality) → Satisfaction**

  Post-purchase confirmations of perceived value and service further reinforce satisfaction. These findings highlight the role of value realisation and experiential confirmation in shaping post-purchase attitudes (Dodds et al., 1991; Sweeney & Soutar, 2001; Zeithaml, 1988).

- **H11: Satisfaction → Repurchase Intention**

  Satisfaction strongly predicts repurchase intention across both models, confirming its central role as a loyalty antecedent (Hamadi, 2010; Kim, 2012; Meadow, 1983).

These findings confirm that believable and trustworthy PG advertising effectively builds consumer trust, shapes price and service expectations, and leads to greater satisfaction and repurchase intentions. While both formats perform well, APP's automated, consumer-centric design enhances its psychological impact by minimising complexity and perceived effort, which are key elements for increasing advertising persuasiveness (Erdem & Swait, 2004; White & Yuan, 2012).

This study contributes to the academic literature by empirically validating the proposed PG-BTB framework, demonstrating how PG advertising functions as a psychologically and

behaviourally effective market signal. It underscores the need for future PG design to prioritise transparency, simplicity, and consumer-friendliness to foster trust and long-term loyalty in increasingly competitive and digitalised retail environments.

### 5.2.3 Integrating Empirical Insights with Literature and Theoretical Understanding

The empirical findings confirm the research hypotheses and meaningfully extend existing literature by situating key theoretical propositions within real-world retail advertising contexts. Notably, the strong influence of advertising believability on consumer trust supports Signalling Theory (Kirmani & Rao, 2000), affirming that promotional claims act as heuristic cues for credibility and quality assessment. This study advances the theory by demonstrating how the execution format of a PG, specifically whether it is an APP or a PBG modulates the believability-trust relationship.

The results also reinforce ECT (Oliver, 1980), showing that expectation-confirmation significantly predicts satisfaction. This research adapts ECT to the advertising domain by incorporating perceived service quality and procedural ease, which are typically overlooked in traditional service or product evaluations. By integrating perceived value and service execution factors into ECT, the model extends its applicability from post-purchase product/service contexts to pre- and post-purchase advertising evaluations.

The stronger performance of the APP format highlights the role of procedural simplicity and automation in fostering trust and satisfaction, supporting prior work by Czinkota et al. (2021) and aligning with Erdem & Swait's (2004) emphasis on reduced consumer effort as a key driver of perceived value. Furthermore, the observed moderating role of format type substantiates insights from Hamilton & Chernev (2013) and White & Yuan (2012), who argue that effort

and engagement shape value perception and post-purchase satisfaction.

This research also contributes to advertising credibility literature by positioning believability and trust as central mediators within a unified PG-specific framework. While prior studies (Goldberg & Hartwick, 1990; McKnight & Chervany, 2001) have identified these constructs as crucial in general advertising, this study extends their relevance to the specific mechanisms and outcomes associated with PG advertising.

These integrative findings provide nuanced, theory-informed explanations for how distinct PG formats influence consumer judgments across the purchase journey, from expectation-formation and trust-building to satisfaction and repurchase intention. This empirical-theoretical integration enriches academic understanding of PG advertising and sets the stage for the next section, consolidating the study's broader theoretical contributions.

### 5.3 Conclusions About the Research Problem

This thesis addresses a central gap in PG research: how consumers interpret the believability of PG advertising, and how this interpretation shapes their trust, satisfaction, and behavioural intentions. While previous PG studies have primarily focused on economic outcomes (e.g., price coordination, competition) or managerial strategy (Hess & Gerstner, 1991; Moorthy & Winter, 2006), few have examined the psychological mechanisms that underlie consumer responses to PGs. This research responds to that gap by integrating Signalling Theory (Spence, 1973) and ECT (Oliver, 1980) into a dual-theory model (PG-BTB) and empirically validating its pathways through a real-world consumer sample.

Findings confirm that consumers perceive both PBG and APP as believable and trustworthy,

with APP consistently rated slightly higher. These perceptions significantly influence downstream outcomes, namely trust, satisfaction, and repurchase intention, supporting prior research that links message clarity, perceived fairness, and promotional credibility to consumer engagement and loyalty (Erdem & Swait, 2004; Goldberg & Hartwick, 1990).

The structural model reinforces these insights through robust predictive validity. The $R^2$ values for key constructs: trust (32%), satisfaction (82–83%), and repurchase intention (26%), exceed behavioural science benchmarks for explanatory power (Hair et al., 2019), indicating that believability in PG advertising exerts a meaningful influence on consumer judgement and behaviour. Trust plays a pivotal mediating role, linking advertising credibility to satisfaction and loyalty, consistent with relational marketing theory and ECT's postulates on disconfirmation and satisfaction (Bhattacherjee, 2001; Sweeney & Swait, 2008).

This research also contributes to the academic literature in three key ways:

- **Conceptual Advancement:** By empirically distinguishing between PG formats (PBG vs. APP), the study provides evidence that PGs operate as economic tools and as psychologically potent retail signals. APP's automation and perceived effortlessness increase trust and satisfaction, suggesting that PG format and design elements can trigger different cognitive-affective responses.
- **Theoretical Integration:** The application of Signalling Theory and ECT within a single explanatory framework offers a mechanism-based understanding of how PG design elements (e.g., claim simplicity, compensation type) influence consumers' expectations and post-purchase evaluations. This integrated approach addresses a theoretical void identified in the literature, where behavioural and economic logics have typically remained siloed (Kirmani & Rao, 2000; Snyder, 2019).

- **Empirical Rigour and Real-world Relevance:** Using a quasi-longitudinal field design and large-scale consumer sample, the study validates its conceptual claims in an applied retail context. This methodological approach enhances external validity and answers calls for more real-world PG studies grounded in consumer behaviour (Palmatier et al., 2018; Rindfleisch et al., 2008).

This thesis demonstrates that believable and trustworthy PG advertising, particularly when clearly communicated and consumer-centric, is a powerful driver of consumer trust, satisfaction, and repurchase intentions. By bridging the gap between abstract economic models and consumer interpretation, the study advances a more holistic understanding of PGs as dual-function tools that offer both strategic signalling and psychological assurance. These insights provide a strong foundation for future research and offer actionable implications for both scholars and practitioners in marketing, advertising, and retail management.

### 5.4 Implications for Theory

This thesis offers a significant theoretical contribution to the interdisciplinary study of PGs by bridging fragmented perspectives across economics, marketing, and consumer behaviour. It advances academic thinking through: (1) reconceptualising PGs as dual-function mechanisms, (2) extending and integrating Signalling Theory and ECT in retail advertising contexts, (3) developing the Mechanism-Based Dual-Function Model of Price Guarantees (MB-DFM-PG), and (4) empirically validating the PG-Believability-Trust-Behavioural (PG-BTB) model. Together, these contributions fill longstanding conceptual and theoretical gaps, offering a more holistic and psychologically grounded understanding of PG effectiveness.

### 5.4.1 Reconceptualising Price Guarantees as Dual-Function Mechanisms

A central theoretical contribution emerging from the SLR is the reframing of PGs not merely as static economic tools for price matching or market signalling but as dynamic, dual-function mechanisms operating across strategic and psychological domains. The review synthesised 82 peer-reviewed studies spanning three decades, revealing a paradigmatic shift in the field from microeconomic concerns (e.g., collusion, price rigidity) to consumer-centric constructs such as trust, fairness, satisfaction, and loyalty. This conceptual development culminates in a unified definition of PGs and the formulation of the Mechanism-Based Dual-Function Model (MB-DFM-PG), which formally accounts for how PG design elements such as compensation methods and claim processes trigger both cognitive (price image, believability) and affective (trust, fairness) responses that influence consumer and firm outcomes.

This model extends prior work (Kirmani & Rao, 2000; Moorthy & Winter, 2006) by integrating behavioural dimensions into the signalling logic and highlighting PGs' broader role as relational devices in consumer-brand interactions. It also provides a generalisable framework for understanding other retail guarantees and marketing claims (e.g., service, satisfaction, delivery) through shared psychological mediators and contextual moderators (e.g., product type, retail channel).

### 5.4.2 Advancing and Extending Signalling Theory

The empirical study advances Signalling Theory by demonstrating that PG advertising functions as a dual-purpose signal conveying both price competitiveness and a retailer's commitment to customer-centric service. It extends the theory beyond a binary signal/no-signal view (Spence, 1973), highlighting that signal clarity, consumer effort, and executional quality

significantly shape interpretation and trust (Erdem & Swait, 2004; Goldberg & Hartwick, 1990).

The findings reveal that believability and trustworthiness, as core signal strength indicators, vary across PG formats, with APPs perceived as more credible and effort-reducing than PBGs, indicating that signal design and execution matter. Poorly executed signals, such as those with vague terms or high redemption friction, may lead to signal disconfirmation, eroding trust and loyalty (Kirmani & Rao, 2000). By incorporating prior PG experience, the model also captures how consumer learning from fulfilled or failed claims influences the believability of future signals (Herzenstein et al., 2004).

Importantly, trust mediates the link between believability and behavioural outcomes, positioning it as the key mechanism through which signal credibility drives satisfaction and repurchase (Gefen, 2000; McKnight & Chervany, 2001). This highlights a unique contribution of Signalling Theory in capturing not just message quality, but consumer response to execution, including complaint behaviour and redemption experience. The study thus enhances our understanding of how consumers decode, interpret, and act upon price-based advertising signals.

### 5.4.3 Enhancing Expectation-Confirmation Theory (ECT) in the PG Context

While ECT (Oliver, 1980) has been widely applied to service and post-purchase satisfaction domains, its integration into PG advertising research has been limited. This thesis expands the scope of ECT by demonstrating how trust, expectations, and confirmation processes mediate the relationship between advertising believability and post-purchase satisfaction. Specifically, the empirical model shows that trust enhances expectations regarding store price image and

service quality (H3, H4), which, when confirmed, significantly increases satisfaction (H6, H9). In addition, post-purchase assessments of perceived value and service confirmation (H7, H10) further strengthen satisfaction, affirming the multi-stage role of expectation-confirmation in both transactional and experiential evaluation (Bhattacherjee, 2001; Sweeney & Soutar, 2001).

This integration enhances ECT's explanatory power by including pre-purchase advertising signals and post-purchase psychological appraisals in a unified causal pathway. It also introduces perceived advertising believability as a precursor to trust-based expectations, a significant theoretical expansion relevant to both marketing and information systems research.

### 5.4.4 Theoretical Integration Through the PG-BTB Model

Combining insights from the SLR and empirical data, the thesis presents the PG-BTB model, an integrated, theory-driven framework that empirically tests how PG advertising believability shapes consumer trust, expectations, satisfaction, and repurchase intention. The model's high explanatory power ($R^2$ = 83% for satisfaction; 26% for repurchase intention) demonstrates its robustness in capturing the cognitive and affective mechanisms underpinning consumer response. The PG-BTB model offers a valuable theoretical tool for advancing academic understanding of promotional advertising credibility and its behavioural impact by formalising the mediation pathways between believability, trust, expectations, confirmation, and satisfaction.

This model also contributes to construct clarity (MacKenzie, 2003) and measurement validity (Giese & Cote, 2000), offering a replicable and theoretically grounded structure for future studies examining promotional promises, including PGs, price match guarantees, or value-based advertising claims.

### 5.4.5 Expanding Consumer Behaviour and Pricing Literature

This research contributes to consumer behaviour theory by empirically distinguishing how PG formats (APP vs. PBG) activate distinct cognitive and motivational mechanisms. The findings demonstrate that ease of redemption and perceived procedural fairness influence the extent to which consumers trust and act upon PG claims (Czinkota et al., 2021; White & Yuan, 2012). Specifically, the automated nature of APP enhances credibility, while the comparative and effort-intensive PBG appeals to information-focused consumers. These insights contribute to the behavioural pricing literature by clarifying how perceived effort, message clarity, and psychological assurance shape evaluations of promotional offers (Hamilton & Chernev, 2013; Lichtenstein et al., 1993).

Additionally, by identifying individual-level moderators (e.g., price-consciousness, information-focus), the study contributes to segmentation theory and consumer trait-based models of price communication (Mittal, 1994; Dhar & Simonson, 2003), offering pathways for more nuanced theoretical development around consumer response to complex promotional mechanisms.

### 5.4.6 Future Theoretical Directions

The research identifies several areas for further theoretical exploration:

- **Cross-cultural generalisability:** Future research should examine how PG believability and trustworthiness vary across cultural and regulatory contexts, particularly in markets with differing norms around price transparency and advertising credibility.
- **Application to services and ethical guarantees:** The MB-DFM framework can be extended to non-retail domains (e.g., hospitality, sustainability claims, service refunds), offering opportunities to study guarantees beyond price.

- **Dynamic and AI-based pricing:** With the rise of algorithmic pricing, future work could explore how real-time and AI-driven PGs influence consumer perceptions of fairness, agency, and trust.

In summary, this thesis significantly enriches the theoretical discourse on PGs by (1) offering a unified, mechanism-based conceptualisation, (2) extending and integrating established theories into the PG domain, and (3) empirically validating how believability and trust shape consumer evaluations. These contributions collectively advance academic thinking in marketing, consumer psychology, and pricing theory, while laying a foundation for future interdisciplinary research into the effectiveness of advertising claims and guarantee mechanisms.

### 5.5 Implications for Practice and Policy

This research provides actionable insights for both private sector managers and public sector policy analysts, addressing how PG advertising strategies influence consumer perceptions, trust, satisfaction, and behavioural intentions. The research findings highlight the importance of simple, clear, transparent, consumer-centric advertising and the potential role of regulatory frameworks in enhancing consumer trust and market competitiveness.

For private sector business practitioners (i.e., retailers and marketers), this research provides a blueprint for crafting effective PG strategies that enhance trust, boost satisfaction, and foster loyalty. For public sector policymakers (i.e., policy analysts and managers), it highlights the importance of robust regulatory frameworks and consumer education initiatives to ensure fair and transparent market practices. By addressing these implications, both sectors can contribute to a more trustworthy and competitive retail environment.

### 5.5.1 Private Sector - Business Practitioners

Retailers and managers must refine their PG advertising strategies by addressing consumer concerns about believability and trustworthiness. The research findings highlight valuable opportunities for enhancing consumer trust, satisfaction, and repurchase intentions, providing a roadmap for optimising PG strategies to achieve long-term consumer loyalty.

#### 5.5.1.1 Designing transparent and credible PG advertising

Managers should prioritise clarity and transparency in PG advertising that clearly communicates the claims without jargon or hidden clauses. Using basic and accessible language can enhance consumer understanding and confidence in the retailer. Simplifying the scope, terms and conditions of PGs and minimising perceived obstacles in claims processes are essential for enhancing consumer confidence. Strategies like APP performed better in building trust due to their proactive, automatic and consumer-centric nature.

#### 5.5.1.2 Leveraging trust as a competitive advantage in building a strong reputation

The research highlights that consumer trust is a key driver of satisfaction and loyalty. Retailers can differentiate themselves in competitive markets by emphasising the believability and trustworthiness of their PG policies. Training staff to effectively communicate the unbeatable price competitiveness of PBG, the proactive nature of APP, and fulfil PG promises without hassle can further strengthen trust and foster positive brand associations. Managers should integrate PG advertising into a broader trust-building strategy that includes positive customer experiences, visible customer support, and consistent delivery of promises.

#### 5.5.1.3 Optimising PG strategies for new customers and loyalty members

Retailers can tailor their specific PG strategies to appeal to new customers and loyalty members. New customers, who generally prioritise convenience and certainty, are more likely to respond to APP-based strategies that offer automatic refunds with minimal effort, fostering trust and engagement (Erdem & Swait, 2004; Oliver, 1980). Loyalty members, who are already familiar with the retailer, may be more inclined to utilise PBG policies – research indicates that engaged, repeat customers are more responsive to reward-based incentives, such as PBG, which requires proactive participation but offers greater financial benefits (Jain & Srivastava, 2000; Kumar & Reinartz, 2018). To maximise impact, businesses should highlight APP's ease for new shoppers while improving PBG (21% cited it as a motivator, while 48% were aware of its existence) visibility and communication for loyal customers, ensuring greater trust, satisfaction, and retention.

#### 5.5.1.4 Adapting to omnichannel retailing, emphasising seamless execution

As consumers increasingly shop across online and in-store channels, integrating PG strategies seamlessly across these platforms is vital. Retailers should ensure consistency in PG messaging and implementation to avoid consumer confusion or scepticism. Managers must invest in systems that ensure smooth and reliable execution of PG claims, such as digital price-comparison, price-matching tools or automated refund systems.

### 5.5.2 Public Sector – Policymakers

The public sector plays a critical role in ensuring fair practices in retail advertising and safeguarding consumer trust. PG advertising, when implemented ethically, can enhance market transparency and consumer confidence. Research findings underscore the need for policies that promote fair competition and protect consumers' welfare from misleading advertising.

#### 5.5.2.1 Strengthening regulatory frameworks - Monitoring and enforcement of fair practices

Misleading or exaggerated PG advertising can damage consumer trust. Regulatory bodies should establish clear guidelines for retailers to follow when promoting PGs, ensuring that PG phrases such as "lowest-price" or "best-price" are substantiated and verifiable, and terms are easily understood. Policy analysts and managers should actively monitor PG advertising and claims processes to prevent unethical practices that erode consumer trust. Penalties for non-compliance with advertising standards can deter misleading promotions and foster a level playing field. This would help mitigate risks of deceptive practices and enhance consumer trust in the marketplace.

#### 5.5.2.2 Enforcing transparency standards on PG advertising

Complex or hidden conditions in PG advertising diminish believability and erode consumer trust, leading to scepticism about the retail sector. Regulatory policies should mandate that retailers clearly disclose essential details such as the scope, terms and conditions of PGs, including any exclusions, refund processes, or time limits, in all advertising materials.

#### 5.5.2.3 Promoting consumer education on PG policies

Consumers who understand PG mechanisms are more likely to trust and engage with them. Government agencies and consumer advocacy groups can focus on raising consumer awareness campaigns about PG policies, educating consumers about their rights under PG policies, and evaluating the trustworthiness of PG claims. Educational campaigns can empower consumers to make informed decisions and leverage PGs effectively.

#### 5.5.2.4 Encouraging industry accountability and cross-sector collaboration

Effective PG advertising fosters trust and satisfaction, benefiting both consumers and retailers. Retailers' inconsistent fulfilment of PG promises may undermine the credibility of the entire sector. Regulators can introduce mechanisms for monitoring and addressing consumer complaints related to PG advertising, incentivising retailers to uphold high standards of fairness and transparency. Policymakers should also encourage collaboration between retailers and consumer protection organisations to develop best practices for PG advertising that align with consumer interests and market fairness.

## 5.6 Limitations

While this research offers significant contributions and provides valuable insights into the impact of PG advertising on consumer perceptions and behaviours, several limitations should be acknowledged. These limitations provide context for interpreting the findings and pave the way for future investigations.

### 5.6.1 Geographical Scope and Cultural Context

This research is geographically focused on retail markets in New Zealand, which restricts the generalisability of findings to other regions. While ideal for analysing PG advertising due to their competitive retail environments, these markets operate within unique cultural, economic, and regulatory contexts. Consumer attitudes toward pricing guarantees and trustworthiness may vary significantly in countries with different economic development levels, cultural values, or regulatory standards. Such factors could influence how PG advertising is perceived and its overall effectiveness. Cross-cultural studies could further validate and expand these findings.

### 5.6.2 Sample Representation

The sample for this research comprises members of SCA's Club Plus Loyalty Program, which does not represent the general consumer population. Loyalty program members will likely be more engaged and familiar with the retailer's offerings. This predisposition could lead to more favourable perceptions of PG advertising compared to new/potential customers and non-members who may have less interaction with or awareness of the retailer's policies, potentially skewing results. Members of loyalty programs are also more likely to have a pre-existing positive relationship with the retailer, as their membership often indicates satisfaction with past purchases and trust in the brand, which could result in biased responses, particularly when assessing trust and satisfaction with PG advertising. Conversely, non-members may be less price-sensitive and approach the retailer with greater scepticism, providing contrasting perspectives that are not captured in this research.

### 5.6.3 Specificity of the Retail Sector and Limited Scope of PG Strategies

This research exclusively investigates two PG strategies, the PBG and APP. While these strategies represent robust mechanisms in the domain of PG advertising, they do not capture the entire spectrum of PG mechanisms, such as PMG or MBG, or hybrid models that combine features of various PG strategies. The results may not apply to retail sectors beyond automotive, accessories, or outdoor equipment.

### 5.6.4 Quasi-Longitudinal Design with Cross-Sectional Study

The quasi-longitudinal design with cross-sectional survey used in this research captures snapshots of consumer perceptions and behaviours at a single point in time, providing valuable insights into short-term responses comparable to true longitudinal studies of PG advertising. This design may lack the depth of a full longitudinal study, which could track the same

individuals over an extended period. This limitation hinders the ability to observe how consumer trust, satisfaction, and loyalty evolve in the long term in response to PG strategies.

### 5.6.5 Reliance on Self-Reported Data and Methodological Bias

This study relies on self-reported survey data, which, while practical for collecting large-scale information, is subject to potential biases such as social desirability bias where respondents might overstate positive behaviours or attitudes to align with perceived expectations; recall inaccuracies on past interactions with PG advertising, especially regarding trust, satisfaction, or repurchase intentions; and response fatigue due to the length of the survey which could lead to superficial answers, particularly for complex questions. These limitations may result in discrepancies between reported attitudes and actual consumer behaviours, reducing the reliability of the findings. The large sample size in this research mitigates this limitation.

These research limitations underscore the need for further exploration to deepen understanding and expand the scope of investigation. Addressing these limitations would strengthen the robustness of the findings and provide more nuanced insights into the impact of PG advertising on consumer behaviour.

## 5.7 Future Research

Building on the limitations identified in this research, several promising avenues for future exploration are proposed to enhance the understanding of PG advertising and its influence on consumer behaviour. These include expanding the geographic scope to facilitate cross-cultural comparisons, investigating a broader range of consumer samples and PG strategies, adopting longitudinal research designs to capture long-term behavioural trends, and integrating diverse methodological approaches to enrich the robustness of findings. Furthermore, fostering

collaborative partnerships between academia and industry is strongly encouraged. Specifically, industry/retailer-based field studies are recommended to bridge theoretical frameworks with real-world applications, offering actionable insights and driving innovation in PG advertising strategies.

### 5.7.1 Industry-Partnered/Retailer-Based Field Studies

A key opportunity for further advancing the research lies in addressing the underrepresentation of industry/retailer-based field studies focusing on real-world consumer segments in actual settings. Existing literature on PG often relies on theoretical frameworks or controlled experimental settings, which may not capture the complexities of actual retail environments, as consumer behaviour in real-world scenarios is frequently influenced by competitive dynamics, retailer branding, and in-store experiences, factors that are difficult to replicate in simulated studies (Kirmani & Rao, 2000).

Future research could bridge this gap through active collaboration with businesses to analyse the implementation and perception of PG policies in naturalistic settings. For instance, analysing how variations in PG advertising, such as phrasing, tone, or delivery channels, impact consumer trust, satisfaction, and purchase decisions. Integrating advanced methodologies such as tracking actual purchase behaviours, conducting in-store observations, or leveraging real-time feedback through loyalty programs or mobile applications could further enhance the reliability and applicability of findings. By grounding research in real-world contexts, such studies could yield actionable insights for designing more effective, consumer-centric PG advertising that aligns with market realities and expectations.

### 5.7.2 Broader Geographic Scope and Cross-Cultural Comparisons

Expanding research to include diverse regions, particularly emerging economies or culturally distinct markets, would provide a valuable comparative perspective on how consumer perceptions of PG advertising vary globally. For instance, in economies characterised by high price sensitivity or lower levels of consumer trust in advertising, PG strategies may face scepticism or build confidence depending on execution.

Cross-cultural comparisons between 'Western' and 'non-Western' contexts could explore how cultural dimensions, such as collectivism versus individualism, impact consumer trust and responsiveness to PG advertising (Hofstede, 2001). These studies would contribute to the development of globally adaptable PG principles, enabling retailers to tailor their strategies to align with local economic and cultural factors. For instance, retailers in collectivist cultures might focus on messaging that emphasises community trust and shared value, while those in individualist cultures might highlight personal benefits and guarantees.

### 5.7.3 Broadening the Sample

Broadening the sample to include non-loyalty program members and incorporating casual shoppers or consumers unfamiliar with SCA would provide a more balanced view of how PG advertising is perceived across different consumer segments. Ensuring diversity in age, gender, income, and shopping habits would enhance the generalisability of findings, making them more applicable to the broader retail market. A comparative analysis of loyalty program members versus non-members could reveal important differences in how PG advertising impacts these consumer groups' trust, satisfaction, and behavioural intentions.

### 5.7.4 Expanding PG Strategies Across Retail Sectors and Contexts

This research focused on two PG strategies, the PBG and APP. Future studies could explore other mechanisms, such as PMG or hybrid models that combine elements of different strategies. For instance, PMG might appeal to convenience-oriented consumers, while hybrid models could attract those seeking both pre- and post-purchase benefits. Broader exploration could also assess how PG strategies perform across various retail sectors and formats, including e-commerce, brick-and-mortar stores, and omnichannel retailing. Also, integrating technology, such as mobile apps or AI-driven price comparisons, could be examined to determine how digital tools influence consumer interactions with PG advertising in modern retail contexts.

### 5.7.5 Longitudinal Research Design

Employing full longitudinal designs would allow for a deeper understanding of the durability of PG advertising's effects on consumer behaviour. For instance, researchers could track how consumer trust changes over extended periods or measure the sustained impact of PG advertising on brand loyalty, which could provide a more comprehensive understanding of its long-term value. Longitudinal studies could also assess whether initial perceptions of PG credibility led to lasting consumer relationships or whether these perceptions fade over time, requiring periodic reinforcement through targeted marketing. Such research would deepen insights into PG advertising's long-term impact on effectiveness and strategy.

### 5.7.6 Incorporating Diverse Methodological Designs

Future research could incorporate observational or experimental methodologies to explore how variations in PG advertising messaging, such as phrasing, tone, complexity, and format, affect consumer perceptions of believability and trustworthiness. For instance, an experimental design could test whether a straightforward and transparent message like "We guarantee the

lowest price, or we'll refund the difference" outperforms a more ambiguous message, such as "Find a lower price? We'll beat it!" in fostering trust. Similarly, variations in tone (e.g., friendly versus formal) and complexity (e.g., simple, direct language versus detailed, technical explanations) could be analysed to determine their impact on consumer understanding and trust. Observational studies, for example, tracking in-store behaviour or online interactions with PG messaging, could complement these experiments by providing real-world insights into how consumers react to different communication styles. By combining experimental and observational approaches, future research could offer retailers actionable recommendations for crafting effective PG advertisements that resonate with their target audience, fostering trust and encouraging engagement.

### 5.8 Concluding Remarks

This thesis set out to explore the effectiveness of PG advertising by addressing a critical research question: *How does consumer perception of PG advertising believability impact their trust, expectations-confirmations, satisfaction, and repurchase intentions in retail?*

By employing a combination of an SLR and a quantitative-based quasi-longitudinal field survey, this research has provided robust insights into the multifaceted role of PG advertising in shaping consumer perceptions and behaviours. The findings reveal that believability and trustworthiness are central to the effectiveness of PG advertising strategies. The research contributes significantly to both theory and practice. Despite its contributions, the study acknowledges several limitations and offers a foundation for future research.

This thesis underscores the transformative potential of credible PG advertising in fostering consumer trust, enhancing satisfaction, and driving repurchase intentions. As retail

environments become increasingly competitive and consumer expectations evolve, the insights from this research provide a vital roadmap for retailers seeking to leverage PG strategies to build loyalty and achieve sustainable growth.

Through continued exploration and refinement, PG advertising believability can evolve to meet consumer needs, enhancing trust, satisfaction, and loyalty, and remain a powerful tool for bridging the gap between consumer expectations and retailer commitments, reinforcing its relevance in the ever-changing landscape of ever-increasing competitive modern retail.

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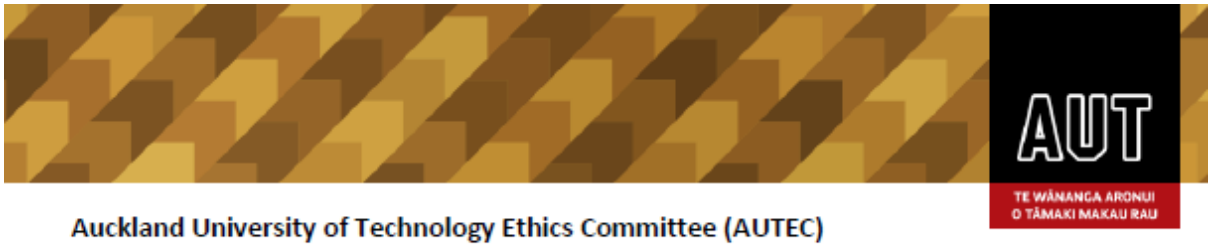
## Appendix A: AUTEC Ethics Approval 21/95




### Auckland University of Technology Ethics Committee (AUTEC)

Auckland University of Technology
D-88, Private Bag 92006, Auckland 1142, NZ
T: +64 9 921 9999 ext. 8316
E: ethics@aut.ac.nz
www.aut.ac.nz/researchethics

18 May 2021

Ben Wooliscroft
Faculty of Business Economics and Law

Dear Ben

Re Ethics Application: **21/95 Price beat guarantee. The effects of perceived believability on consumer satisfaction and repurchase intention.**

Thank you for providing evidence as requested, which satisfies the points raised by the Auckland University of Technology Ethics Committee (AUTEC).

Your ethics application has been approved for three years until 18 May 2024.

**Non-Standard Conditions of Approval**

1. Please send through survey in the format that participants will see it, including the images of advertisements that participants will be asked about. If these do not appear in the survey pdf because of technical issues, then please provide copies of these adverts alongside their placeholders i.e. 'General PBG advert'.

Non-standard conditions must be completed before commencing your study. Non-standard conditions do not need to be reviewed by AUTEC before commencing your study.

**Standard Conditions of Approval**

1. The research is to be undertaken in accordance with the Auckland University of Technology Code of Conduct for Research and as approved by AUTEC in this application.
2. A progress report is due annually on the anniversary of the approval date, using the EA2 form.
3. A final report is due at the expiration of the approval period, or, upon completion of project, using the EA3 form.
4. Any amendments to the project must be approved by AUTEC prior to being implemented. Amendments can be requested using the EA2 form.
5. Any serious or unexpected adverse events must be reported to AUTEC Secretariat as a matter of priority.
6. Any unforeseen events that might affect continued ethical acceptability of the project should also be reported to the AUTEC Secretariat as a matter of priority.
7. It is your responsibility to ensure that the spelling and grammar of documents being provided to participants or external organisations is of a high standard and that all the dates on the documents are updated.

AUTEC grants ethical approval only. You are responsible for obtaining management approval for access for your research from any institution or organisation at which your research is being conducted and you need to meet all ethical, legal, public health, and locality obligations or requirements for the jurisdictions in which the research is being undertaken.

Please quote the application number and title on all future correspondence related to this project.

For any enquiries please contact ethics@aut.ac.nz. The forms mentioned above are available online through http://www.aut.ac.nz/research/researchethics

(This is a computer-generated letter for which no signature is required)

The AUTEC Secretariat
**Auckland University of Technology Ethics Committee**

Cc: khim.hoo@aut.ac.nz; megan.phillips@aut.ac.nz

**Appendix 1.1: Survey questionnaire:**

Published Version (39 Questions – Estimated response time: 16 mins)

**Project**

## Supercheap Auto: Price-beat guarantee and Club Plus price-promise

(Here is the link to the survey questionnaires)

NOTE: Those words in **BOLD** would not appear in the survey. It's an indicator of the question description.

**Start of Block: INTRODUCTION**

**INTRO & QUALIFY Q**

**We need your help!**

We hope you will fill out this brief survey about "Price Guarantees". We are contacting you because you are an exclusive SUPERCHEAP AUTO Club Plus member and have been selected to participate in this market research.

Your participation in this study will only take about 15 minutes. Your honest feedback will help contribute to the academic body of knowledge and a superior shopping experience with SUPERCHEAP AUTO.

There are no correct answers or wrong answers; we are only interested in your opinion.

All responses will remain anonymous. We support the practice of protecting personal information for individuals participating in research. Your name will not be released or identified in any way with the research findings. Your responses will be kept strictly confidential. Your participation in this survey is completely voluntary and involves no serious physical or mental risk, and you may withdraw at any point during this survey. Your responses are significant.

**Again, thank you for your kind participation!**

Khim Hoo
Ph.D. Candidate in Marketing
Department of Marketing and International Business
Faculty of Business, Economics & Law
AUCKLAND UNIVERSITY OF TECHNOLOGY, NEW ZEALAND

**End of Block: INTRODUCTION**

**Start of Block: SCREENER**

**Qualifying Question**
Before we begin, we would like to make sure you qualify for our study. Please answer the following question:  Have you completed a purchase transaction at SUPERCHEAP AUTO?

- ○ Yes
- ○ No

---

**Shopping Context**
Which of the following shopping option do you consider to be your MOST preferred at SUPERCHEAP AUTO?

- ○ In-store
- ○ Online
- ○ Both

---

**Product Category**
Below is a list of products that are sold by SUPERCHEAP AUTO. Check any of the category of products you have bought from SUPERCHEAP AUTO. (Please tick all that apply)

- ☐ Batteries & Electrical
- ☐ Oils, Fluids & Filters
- ☐ Spare Parts
- ☐ Tools & Storage
- ☐ Car Care
- ☐ Accessories
- ☐ 4WD & Outdoors and Camping Equipment
- ☐ In-Car Tech
- ☐ Paint & Panel
- ☐ Performance
- ☐ Gift Cards & Ideas
- ☐ Super Buys
- ☐ Other (Please specify) _____

---

**WHY shop at SCA?**

What are the reasons for shopping and buying from SUPERCHEAP AUTO versus other retailers? (Please tick all that apply)

- ☐ Price
- ☐ Convenience
- ☐ Consumer service
- ☐ Familiarity
- ☐ Reputation
- ☐ Unavailability/Out-of-stock at another retailer/website
- ☐ Loyalty - Club Plus
- ☐ Extra benefits (special offer/promotion)
- ☐ Price-Beating Guarantee
- ☐ Other (please specify) _____

**End of Block: SCREENER**

---

**Start of Block: PBG BELIEVABILITY**


**PBG Believability**

You will see above an advertisement used by "a" retailer. You will be asked questions related to the information (advertising slogan and statement of intent) in the advertisement.

Please indicate what you think about the advertisement above.

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|---|---|---|---|---|---|---|---|---|
| Believable | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Unbelievable |
| Credible | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Not Credible |
| Convincing | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Not Convincing |
| Unquestionable | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Questionable |
| Reasonable | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Unreasonable |

**End of Block: PBG BELIEVABILITY**

**Start of Block: PBG TRUST**


**SCA_PBG Trust**

You will see above an advertisement for the "Price-Beat Guarantee" used by SUPERCHEAP AUTO. You will be asked questions related to the information (advertising slogan and statement of intent) in the advertisement.

Please respond to the following questions based on the above advertisement's information by SUPERCHEAP AUTO's "Price-Beat Guarantee."

| | Strongly disagree | Disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Agree | Strongly agree |
|---|---|---|---|---|---|---|---|
| I believe that SUPERCHEAP AUTO would honour the "Price-Beating guarantee" if a competitor offered the same product at a lower price elsewhere. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| I have confidence in the "Price-Beating guarantee" offered by SUPERCHEAP AUTO. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| I have faith that SUPERCHEAP AUTO would do as they promise in their "Price-Beating guarantee" advertisement. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |

**End of Block: PBG_TRUST**

**Start of Block: WILLINGNESS TO BUY AND REFUND-CLAIM**

**Aware of SCA-PBG?**

Are you aware of SUPERCHEAP AUTO's "Price-Beat Guarantee" prior to participating in this survey?

- ○ No
- ○ Yes

---

**How SCA-PBG Works?**

Do you know the procedure of claiming SUPERCHEAP AUTO's "Price-Beat Guarantee"?

- ○ Yes
- ○ Maybe
- ○ No
- ○ Never Thought About It
- ○ Does Not Apply To Me

---

**Claim PBG before?**

Have you requested a SUPERCHEAP AUTO's "Price-Beat Guarantee" before?

- ○ Never before
- ○ Requested but rejected with unsatisfactory reason
- ○ Requested but rejected with satisfactory reason
- ○ Requested and approved with dissatisfaction of the price-beat offer
- ○ Requested and approved with satisfaction of the price-beat offer
- ○ Never Thought About It

---

**Simple request steps**

SUPERCHEAP AUTO's "Price-Beat Guarantee" **procedure makes it simple to request and get the price-beat adjustment** over the lower price elsewhere.

- ○ Strongly disagree
- ○ Disagree
- ○ Somewhat disagree
- ○ Neither agree nor disagree
- ○ Somewhat agree
- ○ Agree
- ○ Strongly agree

---

**Likelihood of claim**

What is the **likelihood that you will seek a** SUPERCHEAP AUTO's "Price-Beat Guarantee" in the future?

- ○ Extremely unlikely
- ○ Moderately unlikely
- ○ Slightly unlikely
- ○ Neither likely nor unlikely
- ○ Slightly likely
- ○ Moderately likely
- ○ Extremely likely

---

**End of Block: WILLINGNESS TO BUY AND REFUND-CLAIM**

---

**Start of Block: PRE-PURCHASE PRICE-VALUE & SERVICE QUALITY EXPECTATION**

**Price-Value Expectation**

Please rate the overall **store price image** you would **expect** to receive at SUPERCHEAP AUTO **before the purchase transaction**.

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|---|---|---|---|---|---|---|---|---|
| Unattractive Prices | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Attractive Prices |
| Unreasonable Prices for the Value | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Reasonable Prices for the Value |
| Prices Much Higher than Other Stores | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Prices Much Lower than Other Stores |

**Service Quality Expectation**

Please rate the overall **service quality** you would **expect** to receive at SUPERCHEAP AUTO **before the purchase transaction**.

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|---|---|---|---|---|---|---|---|---|
| Low Quality | ○ | ○ | ○ | ○ | ○ | ○ | ○ | High Quality |
| Much Lower Than Average Quality | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Much Higher Than Average Quality |

What is your **expectation** on the likelihood that SUPERCHEAP AUTO to **resolve any service request** to your satisfaction **before the purchase transaction**?

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|---|---|---|---|---|---|---|---|---|
| Not Likely At All | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Very Likely |

**End of Block: PRE-PURCHASE PERCEIVED VALUE & SERVQUAL EXPECTATION**

**Start of Block: PRICE PROMISE BELIEVABILITY**


**Price Promise Believability**

You will see above an advertisement used by "a" retailer. You will be asked questions related to the information (advertising slogan and statement of intent) in the advertisement.

Please indicate what you think about the advertisement above.

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|---|---|---|---|---|---|---|---|---|
| Believable | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Unbelievable |
| Credible | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Not Credible |
| Convincing | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Not Convincing |
| Unquestionable | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Questionable |
| Reasonable | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Unreasonable |

**End of Block: PRICE PROMISE BELIEVABILITY**

**Start of Block: CLUB PLUS PRICE PROMISE TRUST**


**Club Plus Price Promise Trust**

Above is an advertisement for "Club Plus Price-Promise" offered by SUPERCHEAP AUTO. You will be asked questions related to the information (advertising slogan and statement of intent) in the advertisement.

Please respond to the following questions based on the above advertisement's information by SUPERCHEAP AUTO's "Club Plus Price-Promise."

| | Strongly disagree | Disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Agree | Strongly agree |
|---|---|---|---|---|---|---|---|
| I believe that SUPERCHEAP AUTO would honour the "Club Plus Price-Promise" if a product I had purchased goes on sale within two weeks. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| I have confidence in the "Club Plus Price-Promise" offered by SUPERCHEAP AUTO. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| I have faith that SUPERCHEAP AUTO would do as they promise in their "Club Plus Price-Promise" advertisement. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |

**Automatic Price Promise**

Please rate your assessment on the following statement.

| | Strongly disagree | Disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Agree | Strongly agree |
|---|---|---|---|---|---|---|---|
| The SUPERCHEAP AUTO's "CLUB PLUS Price-Promise" procedure makes it simple to get the refund of the price difference. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |

**End of Block: CLUB PLUS PRICE PROMISE _TRUST**

---

**Start of Block: POST-PURCHASE PERCEIVED VALUE & SERVQUAL CONFIRMATION**

**Price-Value Confirmation**

Please rate the overall **price-value** assessment associated with shopping at SUPERCHEAP AUTO **after the purchase transaction**.

| | Strongly disagree | Disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Agree | Strongly agree |
|---|---|---|---|---|---|---|---|
| SUPERCHEAP AUTO offers price-value to its consumers. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| SUPERCHEAP AUTO's prices are likely to be below the competition. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| SUPERCHEAP AUTO has very good prices. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| The prices at SUPERCHEAP AUTO store are very competitive. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| It is very unlikely that I will find lower prices elsewhere. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |

**Service Quality Confirmation**

Please rate the overall **service quality** assessment associated with shopping at SUPERCHEAP AUTO **after the purchase transaction**.

| | Strongly disagree | Disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Agree | Strongly agree |
|---|---|---|---|---|---|---|---|
| In my personal experience of interacting with SUPERCHEAP AUTO, the service level was more prompt than I expected. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| The service provided by SUPERCHEAP AUTO was as it promised to do so. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| Employees of SUPERCHEAP AUTO, when answering my questions was more knowledgeable than I expected. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| SUPERCHEAP AUTO has my best interests at heart. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |

**End of Block: POST-PURCHASE PERCEIVED VALUE & SERVQUAL CONFIRMATION**

**Start of Block: CONSUMER SATISFACTION AND REPURCHASE INTENTION**

**Satisfaction**

How do you feel about your **overall satisfaction** of shopping and purchase experience with SUPERCHEAP AUTO:

| | Delighted | Pleased | Mostly Satisfied | Mixed (Equally Satisfied or Dissatisfied) | Mostly Dissatisfied | Unhappy | Terrible | Neutral (Neither Satisfied nor Dissatisfied) | I Never Thought About It |
|---|---|---|---|---|---|---|---|---|---|
| I feel.. | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ |

**Repurchase Intention**

Please indicate your likelihood of **repurchase** with SUPERCHEAP AUTO based on your shopping and purchase experience.

| | Extremely unlikely | Moderately unlikely | Slightly unlikely | Neither likely nor unlikely | Slightly likely | Moderately likely | Extremely likely |
|---|---|---|---|---|---|---|---|
| If I were to buy the same product again, I would likely buy it from SUPERCHEAP AUTO. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| I am likely to return to SUPERCHEAP AUTO for my next purchase. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| I am likely to make another purchase from SUPERCHEAP AUTO in the next year. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| I intend to continue shopping at SUPERCHEAP AUTO rather than discontinue shopping with them. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |

**End of Block: CONSUMER SATISFACTION AND REPURCHASE INTENTION**

**Start of Block: REASON FOR REPURCHASE INTENTION**

**Reason for Repurchase Intention**

What is the reason for continuing shopping and buying from SUPERCHEAP AUTO for future purchases? (Please tick all that apply)

| | Strongly disagree | Disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Agree | Strongly agree | Does Not Apply To Me |
|---|---|---|---|---|---|---|---|---|
| Convenience | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| Consumer service | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| Familiarity | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| Reputation | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| Unavailability/Out-of-stock at another retailer/website | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| Loyalty - Club Plus Price-Promise | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| Extra benefits (special offer/promotion) | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| Price-Beating Guarantee | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| Other (please specify) | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| I will discontinue shopping with them and not likely at all to buy from them in the future. | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ |

**End of Block: REASON FOR REPURCHASE INTENTION**

**Start of Block: CONSUMER PERSONALITY TRAITS**

**Price Consciousness**

Please respond to the following statements based on your "motor vehicle and motor vehicle parts" related to shopping decision-making.

| | Strongly disagree | Disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Agree | Strongly agree |
|---|---|---|---|---|---|---|---|
| I am not willing to go to extra effort to find lower prices. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| I will shop at more than one store to take advantage of low prices. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| The money saved by finding low prices is usually not worth the time and effort. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| I would never shop at more than one website to find low prices. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| The time it takes to find low prices is usually not worth the effort. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |

**Information Focus**

Please respond to the following statements based on your "motor vehicle and motor vehicle parts" related to shopping decision-making.

| | Strongly disagree | Disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Agree | Strongly agree |
|---|---|---|---|---|---|---|---|
| By giving a price-beat guarantee and automatic price-promise, SUPERCHEAP AUTO informs consumers that its prices are the lowest in the market. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| If SUPERCHEAP AUTO is not extremely confident of informing consumers that it charges the lowest prices in the market, it would not offer a price-beat guarantee and automatic price-promise. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| I would be primarily attracted to SUPERCHEAP AUTO's price-beat guarantee and automatic price-promise because I feel confident that the prices I would pay to this retailer are the lowest in the market. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |

**Protection Focus**

Please respond to the following statements based on your "motor vehicle and motor vehicle parts" related to shopping decision-making.

| | Strongly disagree | Disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Agree | Strongly agree |
|---|---|---|---|---|---|---|---|
| By giving a price-beat guarantee, SUPERCHEAP AUTO mainly promises that it will protect me by beating the lower price found elsewhere before purchase and/or price-promise automatic-refund the difference if the product goes on sale within two weeks of my purchase. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| SUPERCHEAP AUTO may not necessarily have the lowest price in the market. Still, it will protect me financially by offering a price-beat guarantee if I find a lower price elsewhere before purchase and/or price-promise automatic-refund the difference if the product goes on sale within two weeks of my purchase. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| I would be primarily attracted to SUPERCHEAP AUTO's price-beat guarantee and price-promise automatic-refund because I feel confident that in case I find a lower price in the market before purchase or if the product goes on sale within two weeks of purchase, I will be financially protected for the price difference. | ○ | ○ | ○ | ○ | ○ | ○ | ○ |

**End of Block: CONSUMER PERSONALITY TRAITS**

**Start of Block: DEMOGRAPHIC QUESTIONS**

**Age**

What is your year of birth?

Year

---

**Gender**

With which gender do you identify?

- Male
- Female
- Gender Diverse
- Prefer Not To Say

---

**Ethnicity**

With which ethnic group do you identify?

---

**Education**

What is the highest degree or level of school you have completed?

- No formal qualifications
- Some high school - High school qualifications
- Occupational - Trade/technical/vocational Certificates, Diplomas
- Bachelors Degree or Higher qualifications

---

**Employment**

What is your current employment status?

- ○ Employed
- ○ Unemployed
- ○ Student
- ○ Retired
- ○ Self-employed
- ○ Other

---

**No of People**

How many people in your household?

---

**Household Income**

What is your entire household income in (previous year) before taxes. Would you please give your best guess?


---

**No of Vehicles**

How many motor vehicles in your household?

(inclusive of motorcycles, cars, trucks, buses, motorhomes, campervans, caravans, trailers, ships, boats)

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**Location**

Which SUPERCHEAP AUTO store location nearest to you?

- ☐ Location _____
- ☐ City/State _____
- ☐ Country _____

**End of Block: DEMOGRAPHIC QUESTION**

**Appendix 2.1: Research topics by period**

| | Period 1 (1991-2000) | | Period 2 (2001-2010) | | Period 3 (2011-2022) | | Total (1991-2022) | |
|---|---|---|---|---|---|---|---|---|
| Research Topics | n | % | n | % | n | % | n | % |
| DESIGN ELEMENTS | 2 | 17% | 5 | 14% | 10 | 31% | 17 | 22% |
| Competitive Scope | 2 | 17% | 4 | 11% | 6 | 19% | 12 | 15% |
| Compensation | 1 | 8% | 3 | 9% | 7 | 22% | 11 | 14% |
| Process of Invoking | 1 | 8% | 2 | 6% | 6 | 19% | 9 | 11% |
| EFFECT OUTCOMES | 12 | 100% | 35 | 100% | 30 | 94% | 77 | 97% |
| Consumer Behavioural Effects | 1 | 8% | 21 | 60% | 18 | 56% | 40 | 51% |
| Regulatory Focus | | | 1 | 3% | 3 | 9% | 4 | 5% |
| Pre-Purchase Transaction | 1 | 8% | 18 | 51% | 17 | 53% | 36 | 46% |
| Pre-Purchase Evaluation | 1 | 8% | 15 | 43% | 12 | 38% | 28 | 35% |
| Price | 1 | 8% | 12 | 34% | 8 | 25% | 21 | 27% |
| Service Quality | 1 | 8% | 4 | 11% | | | 5 | 6% |
| Value | | | 7 | 20% | 5 | 16% | 12 | 15% |
| Risk | | | 2 | 6% | 2 | 6% | 4 | 5% |
| Believability | | | 3 | 9% | 4 | 13% | 7 | 9% |
| Others | | | 7 | 20% | 6 | 19% | 13 | 16% |
| Pre-Purchase Intention | 1 | 8% | 12 | 34% | 13 | 41% | 26 | 33% |
| Search | | | 8 | 23% | 8 | 25% | 16 | 20% |
| Purchase | 1 | 8% | 7 | 20% | 7 | 22% | 15 | 19% |
| Refund Seeking | | | 1 | 3% | | | 1 | 1% |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Post-Purchase Transaction | | | 11 | 31% | 11 | 34% | 22 | 28% |
| Post-Purchase Evaluation | | | 3 | 9% | 5 | 16% | 8 | 10% |
| Inferred Motive | | | 2 | 6% | 1 | 3% | 3 | 4% |
| Trust, Belief, Credibility | | | 2 | 6% | 4 | 13% | 6 | 8% |
| Others | | | 4 | 11% | 4 | 13% | 8 | 10% |
| Post-Purchase Intention | | | 11 | 31% | 10 | 31% | 21 | 27% |
| Search | | | 5 | 14% | 6 | 19% | 11 | 14% |
| Repurchase/Loyalty | | | 6 | 17% | 5 | 16% | 11 | 14% |
| Refund Seeking | | | 4 | 11% | 1 | 3% | 5 | 6% |
| Firm-Market Economic Effects | 12 | 100% | 18 | 51% | 20 | 63% | 50 | 63% |
| Price Competition | 10 | 83% | 16 | 46% | 11 | 34% | 37 | 47% |
| Price Discrimination | 2 | 17% | 1 | 3% | 4 | 13% | 8 | 10% |
| Signalling of Low Price | | | 1 | 3% | 3 | 9% | 4 | 5% |
| Search/Hassle Cost | 3 | 25% | 2 | 6% | 2 | 6% | 6 | 8% |
| Opportunistic Signalling | | | 1 | 3% | 3 | 9% | 4 | 5% |
| Strategy/Promotions | | | | | 6 | 19% | 6 | 8% |
| Dual Channels | | | | | 5 | 16% | 5 | 6% |
| Others | 1 | 8% | 1 | 3% | 7 | 22% | 9 | 11% |

*The distribution of research topics doesn't equal the absolute number of current PG reviews, as some studies examine cross-topics or several effects*

## Appendix 4.1: Measurement items, scales and sources for the research model

| Constructs | Type | Measurement Items | Sources |
|---|---|---|---|
| **Perceived Believability** | | | |
| PBB1 / APB1 | 7-point Semantic Differential | Believable ----- Unbelievable* | Kukar-Kinney and Walters (2003), Beltramini and Evans (1985), Beltramini (1982) |
| PBB2 / APB2 | | Credible ----- Not Credible* | |
| PBB3 / APB3 | | Convincing ----- Not Convincing* | |
| PBB4 / APB4 | | Unquestionable ----- Questionable* | |
| PBB5 / APB5 | | Reasonable ----- Unreasonable* | |
| **Trust** | | | |
| PBT1 / APT1 | 7-point Likert "Strongly Disagree" to "Strongly Agree" | I believe that SCA would honour the PBG/APP if a competitor offered the same product at a lower price elsewhere. | Borges and Babin (2012), Harris and Goode (2004) |
| PBT2 / APT2 | | I have confidence in the PBG/APP offered by SCA. | |
| PBT3 / APT3 | | I have faith that SCA would do as they promise in their PBG/APP advertisement. | |
| **Store Price Image** | | | |
| SPI1 | 7-point Semantic Differential | Unattractive Prices ----- Attractive Prices | Borges and Babin (2012), Biswas et al. (2002) |
| SPI2 | | Unreasonable Prices for the Value ----- Reasonable Prices for the Value | |
| SPI3 | | Prices Much Higher than Other Stores ----- Prices Much Lower than Other Stores | |
| **Perceived Service Quality** | | | |
| PSQ1 | 7-point Semantic Differential | Low Quality ----- High Quality | Kukar-Kinney and Grewal (2006) |
| PSQ2 | | Much Lower Than Average Quality ----- Much Higher Than Average Quality | |
| PSQ3 | | Not Likely At All ----- Very Likely | |
| **Post-purchase Perception of Value** | | | |
| PPV1 | 7-point Likert "Strongly Disagree" to "Strongly Agree" | SCA offers price-value to its customers. | Estelami and Bergstein (2006), Oliver (1980), Parasuraman et al. (1988) Lichtenstein and Bearden (1988) |
| PPV2 | | SCA's prices are likely to be below the competition. | |
| PPV3 | | SCA has very good prices. | |
| PPV4 | | The prices at SCA store are very competitive. | |
| PPV5 | | It is very unlikely that I will find lower prices elsewhere. | |

| | | | |
|---|---|---|---|
| **Confirmation of Service Quality** | | | |
| CSQ1 | 7-point Likert "Strongly Disagree" to "Strongly Agree" | In my personal experience of interacting with SCA, the service level was more prompt than I expected. | Hsiao (2018), Kettinger and Lee (1997), Parasuraman et al. (1988) |
| CSQ2 | | The service provided by SCA was as it promised to do so. | |
| CSQ3 | | Employees of SCA when answering my questions was more knowledgeable than I expected. | |
| CSQ4 | | SCA has my best interests at heart. | |
| **Satisfaction** | | | |
| OS1 | 7-point Likert "Delighted – Terrible" | How do you feel about your overall satisfaction of shopping and purchase experience with SCA?<br>I feel…<br>Delighted - Pleased - Mostly Satisfied - Mixed (Equally Satisfied or Dissatisfied) – Mostly Dissatisfied - Unhappy - Terrible* | Westbrook (1980), Andrews and Withey (1976) |
| **Repurchase Intention** | | | |
| RI1 | 7-point Likert "Extremely Unlikely" to "Extremely Likely" | If I were to buy the same product again, I would likely buy it from SCA. | Kim (2012), Gefen (2000), Jarvenpaa et al. (2000), Mathieson (1991) |
| RI2 | | I am likely to return to SCA for my next purchase. | |
| RI3 | | I am likely to make another purchase from SCA in the next year. | |
| RI4 | | I intend to continue shopping at SCA rather than discontinue shopping with them. | |
| **Price Consciousness** | | | |
| PC1 | 7-point Likert "Strongly Disagree" to "Strongly Agree" | I am not willing to go to extra effort to find lower prices.* | Lichtenstein et al. (1993) |
| PC2 | | I will shop at more than one store to take advantage of low prices. | |
| PC3 | | The money saved by finding low prices is usually not worth the time and effort.* | |
| PC4 | | I would never shop at more than one website to find low prices.* | |
| PC5 | | The time it takes to find low prices is usually not worth the effort.* | |
| **Information Focus** | | | |
| IF1 | 7-point Likert "Strongly Disagree" to "Strongly Agree" | By giving a PBG and APP, SCA informs consumers that its prices are the lowest in the market. | Dutta et al. (2011) |
| IF2 | | If SCA is not extremely confident in informing consumers that it charges the lowest prices in the market, it would not offer a PBG and APP. | |
| IF3 | | I would be primarily attracted to SCA's PBG and APP because I feel confident that the prices I would pay to this retailer are the lowest in the market. | |

*Reversed scored; PBG = Price-Beat Guarantee; APP = Automatic Price-Protection Promise; SCA = Supercheap Auto

## Appendix 4.2: Demographic and sample characteristics

| Variable | Level | Frequency (n) | Percentage (%) |
|---|---|---|---|
| *Demographic characteristics* | | | |
| Gender | Male | 1025 | 84% |
| | Female | 169 | 14% |
| | Gender diverse | 6 | 0.5% |
| | Prefer not to say | 19 | 1.5% |
| Age | 20 and under | 24 | 2% |
| | 21 - 30 | 114 | 9% |
| | 31 - 40 | 238 | 20% |
| | 41 - 50 | 254 | 21% |
| | 51 - 60 | 244 | 20% |
| | 61 - 70 | 213 | 17% |
| | Over 70 | 132 | 11% |
| *Sample characteristics* | | | |
| Shopping context | In-store | 652 | 53% |
| | Online | 104 | 9% |
| | Both | 463 | 38% |
| Shopping motive | Price | 1110 | 91% |
| | Convenience | 870 | 71% |
| | Club Plus Automatic Price-Promise (APP) | 709 | 58% |
| | Customer service | 565 | 46% |
| | Special offer/promotion | 510 | 42% |
| | Familiarity | 384 | 32% |
| | Reputation | 273 | 22% |
| | Price-Beat Guarantee (PBG) | 254 | 21% |
| | Unavailability/Out-of-stock | 94 | 8% |
| Overall satisfaction | Delighted | 233 | 19% |
| | Pleased | 543 | 45% |
| | Mostly Satisfied | 337 | 28% |
| | Mixed (Equally Satisfied or Dissatisfied) | 68 | 6% |
| | Mostly Dissatisfied | 8 | < 1% |
| | Unhappy | 2 | < 1% |
| | Terrible | 1 | < 1% |
| | Neutral / I Never Thought About It | 27 | 2% |
| Repurchase intentions | Extremely likely | 802 | 66% |
| | Moderately likely | 266 | 22% |
| | Slightly likely | 70 | 6% |
| | Neither likely nor unlikely | 48 | 4% |
| | Slightly unlikely | 8 | < 1% |
| | Moderately unlikely | 8 | < 1% |
| | Extremely unlikely | 17 | 1% |
| Aware of PBG prior to survey | No | 638 | 52% |
| | Yes | 581 | 48% |

## Appendix 4.3: Factor loadings for confirmatory factor analysis (CFA)

| Factors – Measurement Items | | Standardized Loading (> 0.7) | |
|---|---|---|---|
| **Perceived Believability** | | **PBG (α = 0.93)** | **APP (α = 0.96)** |
| PBB1/APB1 | Believable ----- Unbelievable* | 0.85 | 0.91 |
| PBB2/APB2 | Credible ----- Not Credible* | 0.90 | 0.95 |
| PBB3/APB3 | Convincing ----- Not Convincing* | 0.89 | 0.94 |
| PBB4/APB4 | Unquestionable ----- Questionable* | 0.79 | 0.90 |
| PBB5/APB5 | Reasonable ----- Unreasonable* | 0.86 | 0.86 |
| **Trust** | | **PBG (α = 0.94)** | **APP (α = 0.97)** |
| PBT1/APT1 | I believe that SCA would honour the PBG/APP if a competitor offered the same product at a lower price elsewhere. | 0.88 | 0.92 |
| PBT2/APT2 | I have confidence in the PBG/APP offered by SCA. | 0.96 | 0.98 |
| PBT3/APT3 | I have faith that SCA would do as they promise in their PBG/APP advertisement | 0.91 | 0.96 |
| **Store Price Image** | | **(α = 0.85)** | |
| SPI1 | Unattractive Prices ----- Attractive Prices | 0.90 | |
| SPI2 | Unreasonable Prices for the Value ----- Reasonable Prices for the Value | 0.90 | |
| SPI3 | Prices Much Higher than Other Stores ----- Prices Much Lower than Other Stores | 0.75 | |
| **Perceived Service Quality** | | **(α = 0.85)** | |
| PSQ1 | Low Service Quality ----- High Service Quality | 0.89 | |
| PSQ2 | Much Lower Than Average Service Quality ----- Much Higher Than Average Service Quality | 0.85 | |
| PSQ3 | Not Likely At All ----- Very Likely | 0.71 | |
| **Post-purchase Perception of Value** | | **(α = 0.92)** | |
| PPV1 | SCA offers price-value to its customers. | 0.74 | |
| PPV2 | SCA's prices are likely to be below the competition. | 0.86 | |
| PPV3 | SCA has very good prices. | 0.92 | |
| PPV4 | The prices at SCA store are very competitive. | 0.90 | |
| PPV5 | It is very unlikely that I will find lower prices elsewhere. | 0.73 | |
| **Confirmation of Service Quality** | | **(α = 0.89)** | |
| CSQ1 | In my personal experience of interacting with SCA, the service level was more prompt than I expected. | 0.87 | |
| CSQ2 | The service provided by SCA was as it promised to do so. | 0.87 | |
| CSQ3 | Employees of SCA when answering my questions was more knowledgeable than I expected. | 0.82 | |
| CSQ4 | SCA has my best interests at heart. | 0.81 | |
| **Repurchase Intention** | | **(α = 0.93)** | |
| RI1 | If I were to buy the same product again, I would likely buy it from SCA. | 0.87 | |
| RI2 | I am likely to return to SCA for my next purchase. | 0.90 | |
| RI3 | I am likely to make another purchase from SCA in the next year. | 0.87 | |
| RI4 | I intend to continue shopping at SCA rather than discontinue shopping with them. | 0.85 | |
| **Price Consciousness** | | **(α = 0.84)** | |
| PC1R | I am not willing to go to extra effort to find lower prices.* | 0.66 | |
| PC2 | I will shop at more than one store to take advantage of low prices. | 0.60 | |
| PC3R | The money saved by finding low prices is usually not worth the time and effort.* | 0.77 | |
| PC4R | I would never shop at more than one website to find low prices.* | 0.81 | |
| PC5R | The time it takes to find low prices is usually not worth the effort.* | 0.91 | |
| **Information Focus** | | **(α = 0.86)** | |
| IF1 | By giving a PBG and APP, SCA informs consumers that its prices are the lowest in the market. | 0.82 | |
| IF2 | If SCA is not extremely confident in informing consumers that it charges the lowest prices in the market, it would not offer a PBG and APP. | 0.76 | |
| IF3 | I would be primarily attracted to SCA's PBG and APP because I feel confident that the prices I would pay to this retailer are the lowest in the market. | 0.88 | |

*Reverse score
SCA = Supercheap Auto

*With heartfelt thanks to all who walked this journey with me, this thesis stands as a testament to the unwavering support and encouragement I have received.*

***To my mentors, family, and friends - this is as much yours as it is mine.***

*In gratitude for the guidance, patience, and inspiration that made this possible, I dedicate this work to the shared pursuit of knowledge and growth.*

**********

In loving memory of my beloved father, whose love, guidance, and unwavering belief in me continue to inspire and strengthen me. Though he is no longer with us, his memory lives on in every step of this journey and every word of this thesis.

**********