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**Aalto University
School of Business** | Mikkeli Campus

The effects of corporate social responsibility as market signals on consumer purchase intention and advertising skepticism in the fast fashion industry

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International Business
Bachelor's Thesis
Supervisor: Paurav Shukla
Date of approval: 9 April 2020

Aalto University
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Bachelor´s Program in International Business
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Declaration

By completing this cover sheet and declaration, I confirm that this assignment is my own work, is not copied from the work (published or unpublished) of any other person, and has not previously been submitted for assessment either at Aalto University, or another educational establishment. Any direct or indirect uses of material (e.g.: text, visuals, ideas…) from other sources have been fully acknowledged and cited according to the conventions of the Harvard Referencing System.

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AALTO UNIVERSITY   ABSTRACT OF
SCHOOL OF BUSINESS   BACHELOR'S THESIS
Mikkeli Campus

Author: Areeb Quadir

Title of thesis: The effects of corporate social responsibility as market signals on consumer purchase intention and advertising skepticism in the fast fashion industry

Date: *9 April 2020*

Degree: Bachelor of Science in Economics and Business Administration

Supervisor: *Dr. Paurav Shukla*

Objectives

Consumers who are becoming increasingly aware of a firm's general practices tend to buy products that are environmentally friendly.

Thus, the main objective of this study was to evaluate the impact of CSR perception on purchase intention and skepticism in relation to the market signals in the fast-fashion industry. In addition, the conceptualization of the signaling theory and belief in a just-world theory was presented through the creation of an advertisement that allowed the respondents to contribute to local producers through a charitable donation.

Summary

A quantitative survey was conducted where two sets of H&M advertisements were presented to the respondents (N= 233); one pertaining to verbal information related to the product and the other with numerical information either 67% or 70% recycled content and 20% or 50% contribution amount attempting to engage the consumer in the firm's CSR activities. The participants' purchase intention and advertising skepticism were measured both after the first and second advertisements.

Conclusions

Results indicated that CSR perception is a significant predictor of purchase intention and skepticism towards advertising ($p<0.05$). In addition, while there is a significant impact of numerical market signals on the purchase intention and skepticism of a consumer ($p<0.05$), the interaction between the recycled content and contribution towards the donation factor is nonsignificant ($p>0.05$).

Key words: Marketing, CSR, purchase intentions, advertising skepticism, market signals, signaling theory, belief in a just-world theory, fast fashion

Language: English

Grade:

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1. Background

Consumers have progressively started dedicating more attention towards corporate social responsibility (CSR) with regards to products, actions and values (Pecot et al., 2018). CSR can be used as a strategic communication technique for firms to gain personal benefits while contributing positively to the society (Morgan and Birtwistle, 2009). For example, many brands such as Coca Cola and Pepsi are pursuing sustainable advantages in terms of packaging to gain competitive advantage through innovation and effective product placement (Goldsberry, 2019). This has the potential to yield high customer engagement levels, which leads to a positive brand image and hence a higher purchase intention (Carvahlo et al., 2010). Moreover, since consumers have the tendency to perform "good deeds" and restore justice in the world (Furnham 2003; Hafer 2000; Maes 1998), the message strategy towards sustainable consumers chosen by the firm should involve a high degree of engagement.

Firms, in general, have started to be more cautious in constructing and delivering a good brand image through eliciting positive emotional responses (Ihlen, 2011). This notion has brought some controversies; some consumers may believe that a firm uses CSR as a "umbrella" term to solely benefit and increase profitability imposing a great deal of skepticism towards the firm's marketing practices (Golob and Podnar, 2011; Maak 2008). In particular, fast fashion companies such as Zara and H&M have recently faced a great deal of criticism of the production of namely 'unsustainable clothes' that lead to poor labor conditions for their workers in foreign countries. As a result, fast fashion companies counteract this through the process of implementing sustainable efforts by signaling environmentally friendly information about the product. This includes the implementation of various CSR communication strategies such as narrativity, numerical precision and appealing visual images (White et al., 2012; Xie and Kronrod, 2012). Although the content of a CSR message directed towards consumers is fundamental to enhance the brand reputation of a firm and therefore increase the overall sales, it can be argued that when consumers have the opportunity to be involved in a "good" process and be aware of their impact, the role of skepticism can be substantially reduced.

Marketers often contemplate whether to use more or less precise numbers when reinforcing the environmentally friendly aspect of a product. While some researchers (King and Janiszewski, 2011; Reber et al., 2004) have found that using more precise numbers may be salient, increasing the processing effort and resulting in higher brand awareness, others have argued that some consumers prefer approximation choosing round numbers (Sigurd, 1988 as cited in Xie and Kronrod, 2012). In addition, although White et al. (2012) assess the impact of the just-world belief on purchase intention in the fair-trade context, they do not investigate the role of perception nor the impact of numerical precision. Thus, marketers need to identify the impact of using certain market signals and construct a suitable CSR advertisement towards the respective target segment to increase brand salience and consumers' willingness to pay for the product.

Therefore, using the context of fast fashion, this thesis aims to investigate the impact of CSR driven market signals on consumer purchase intentions. Specifically, it will study the impact of numerical market signals on consumer behavior and attitudes towards fast fashion products. Although purchase intention from a CSR perspective has been studied in many ways in the field of marketing research (Carvalho et al., 2010; Andreu et al., 2015), there is still a lack of research on how CSR market signals moderate the relationship between CSR perception, purchase intention and skepticism in the fast fashion industry. Thus, this thesis aims to contribute to the signaling theory and belief in a just world theory by incorporating different CSR market signals and measuring their impact on consumer purchase intention and advertising skepticism. This leads to the main research question of the thesis:

What is the role of CSR as market signals on the effect of CSR perception on purchase intention and skepticism in fast fashion advertising?

1.1 Research questions
The main research question can be fragmented into two key questions that the thesis seeks to investigate:

1. To what extent does CSR consumer perception affect the purchase intention and advertising skepticism of the consumer in fast fashion business?

2. What is the role of the belief in a just world as CSR marketing strategies on purchase intention in the context of fast fashion?

1.2 Research objectives

The research questions will be investigated through the following research objectives through the integration of signalling theory and just-world belief concept in the fast-fashion context:

1. Evaluate the relationship between CSR consumer perception on purchase intention and skepticism.
2. Investigate the impact of CSR market signals on purchase intention and skepticism
3. Determine the effects of the interaction of numerical CSR market signals and belief in a just world factor on purchase intention and skepticism.

1.3 Thesis structure

The thesis is divided into five further sections. First, a literature review is provided that discusses the relevant theories and gaps in the topic, which is followed by a conceptual framework. Second, the methodology section presents the data collection and questionnaire design. Third, the hypotheses are examined, and research questions are answered in the findings section. Finally, theoretical implications of the findings are discussed followed by presenting limitations and suggestions for further research.

2. Literature review

The emergence of Corporate Social Responsibility (CSR) has been significant over the last decade and is becoming increasingly important for companies to engage in as a part of their organizational values (Su et al. 2016; Zerbini, 2017). Many firms use CSR as market signals to improve their brand image and increase their financial performance (Pecot et al. 2018; Öberseder et al. 2014). Consumers, on the other hand, have shown in previous research that they have a strong tendency to give higher evaluations to firms with CSR involvement than regular ones (Andreu et al. 2015; Carvalho et al., 2010); there exists a need to do good with the notion of providing justice through purchases (Diehl et al. 2015; White et al. 2012). Therefore, this literature review will begin with defining the concept of CSR and presenting the different forms of CSR. Then, it will identify the main gaps in signaling theory with respect to CSR practices and provide evidence as to how CSR can be used as market signals. Also, it will explore the advertising skepticism in promotional CSR activities with the focus on numerical precision signaling. Furthermore, this review will discuss the importance of the "Belief in a Just World" theory within the fast fashion industry. Finally, a conceptual model will be introduced to conceptualize the impact of CSR consumer perception on purchase intentions through the moderation of market signals and belief in a just-world coefficient.

2.1 Introduction to CSR

Corporate Social Responsibility (CSR) can be defined as the voluntary attempts undertaken by firms that aim to exceed the economic, political and legal obligations and meet the expectations of their stakeholders, such as suppliers, employees and customers (Fombrun et al., 2000; Carroll 1979 as cited in Turker, 2008). This implies that firms are entitled to demonstrate leadership in their decision-making through socially desirable practices (McEachern, 2015 as cited in Maak, 2008).

However, this has not been the case over the past decade, where CSR has been depicted as a result of companies' unethical business practices to improve their firm reputation (McDonald, 2018). Hence, it is advisable to propose that the economic factor is significant that drives companies to improve their financial performance while establishing a "trustworthy" relationship with their respective stakeholders (Juscius &

Jonikas, 2013). It may be possible to explore the notion of non-economic components of CSR where the aim is to create value for the stakeholders (Carroll, 1999 as cited in Maak, 2008).

Moreover, it has been argued that CSR is a ubiquitous phenomenon in business practice and is considered as a dire obligation for companies (Godfrey & Hatch, 2007). For this reason, Maak (2008) rightly argues that the general focus on CSR must be reassessed because of three reasons: unclear concept for firms, object of growing hypocrisy and instrumentalism, and incomplete of the inclusiveness and integration when facing ethical challenges. At this point, the idea of a model corporate of integrity should be presented to encapsulate the quality of a company being complete and representing high moral principles in their decision-making (Maak, 2008). The EU commission (2011) supports this claim by suggesting that the strategic approach to CSR has the potential to yield benefits for internal and external stakeholders driving the development of new markets. This reinforces the importance of responsible action in various contextual situations that ensures that consistency is maintained with regards to the organizational values and behaviors exhibited towards all stakeholders.

Studies have proven that companies implementing socially responsible practices can decrease information asymmetries between central firms and relevant stakeholders (King et al. 2005; Montiel et al. 2012 as cited in Taj, 2016). In addition, Su et al. (2016) state that previous studies assume the incorporation of CSR among various firms has the similar type of signaling effect. Hence, it is justifiable to claim that the effectiveness of CSR as a mechanism to alter information asymmetries varies across different institutional environments such as the fast fashion industry.

Having established distinctive viewpoints on CSR, this thesis will attempt to explain the effects of CSR on the purchase intention of consumers through the lens of signaling theory and belief in a just-world theory. This is crucial to understand the antecedents behind consumer perception of CSR which may be a potential factor of purchase intention. Previous research in evaluating the benefits of marketing suggest that consumers are willing to pay more for a product from a company with a positive image rather than a negative image (Trudel and Cotte, 2009). As a consequence, the

practice of CSR should propagate effective procedures for enhancing ethical impacts on the society (Sen et al., 2001 as cited in Juscius and Julius, 2013).

2.1.1 Types of CSR

Since one of the objectives of the thesis is to investigate the role of CSR consumer perception on purchase intention and skepticism in fast fashion advertising, it is important to introduce the main forms of CSR activities undertaken by firms that enhance their products and reinforce the firms' values of being 'socially responsible'. These actions can be divided into three categories based on the firm's strategic goals, philanthropic CSR, promotional CSR and value-based CSR. First, philanthropic CSR involves firms' donation practices such as social donation. Second, promotional CSR represents initiatives that aim to improve marketing strategies and value-based CSR encompasses the idea of "shared value" through the focus on alignment between corporate goals and social benefits. (Dean, 2003; Porter and Kramer, 2006 as cited in Chen et al., 2018). It is possible that a firm engages in multiple activities to enhance their returns and strive for an improved brand image (Andreu et al., 2015). For example, McDonald's CSR activities included implementing several social programs, cause-related marketing for its new products and a philanthropic donation of 24 USD million dollars. Chen et al. (2018) attempt to investigate the impact of the three types of CSR activities on consumer responses with particular attention to purchase intention. This helps conceptualize the notion of CSR, which is to meet the expectations of the firm's stakeholders through contributing to the society.

In addition, Chen et al. (2018) propose that different types of CSR prompt different levels of CSR perception evaluation. They further claim that promotional CSR as opposed to philanthropic CSR tends to induce a higher evaluation of CSR image. This may be due to indirect benefits for the consumers leading to low consumer involvement and displaying the firms' aim to protect their brand image (Lii et al., 2012). Therefore, promotional CSR requiring a higher degree of consumer engagement could lead to a favorable judgement of contributing the society. For example, a study involving MBA students showed that promotional CSR induces a more positive image than philanthropic CSR (ibid). However, value-creating CSR

resulted in the highest CSR image and surprisingly corporate trustworthiness is higher in philanthropic and value-creating CSR than promotional CSR (ibid 2).

Furthermore, previous research in this domain have proved that implementing CSR initiatives may evoke stronger consumer positive feelings and brand judgements (Ailawadi et al., 2014; Arora and Ty, 2007; Chernev and Blair, 2015; Cornwell et al., 2005; Joireman et al., 2015; Lacey et al., 2015 as cited in Chen et al., 2018). Nevertheless, since the perception of CSR initiatives is frequently based on moral judgements and underlying motivations behind CSR efforts, the structural factor such as the communication or signaling strategies has the potential to influence the "moral" perception of consumers towards CSR and hence affect the overall purchase intention (Elliot and Freeman, 2000 as cited in ibid). The study conducted by Lii et al. (2012) contributes to the CSR literature by assessing the impact of various forms of CSR activities on consumer responses. Also, the study reveals that consumers take into account the firms' perceived competence when evaluating their CSR efforts. More importantly, the findings corroborate with Chen et al. (2018) and indicate that the effect of corporate competence and CSR performance can be changed depending on the type of CSR. When a low-competent firm attempts to engage in short-term, profit-oriented promotional CSR, it has a higher chance of performing than a high-competent firm (ibid). This encourages firms to use CSR as a competitive advantage to create value for consumers. Similarly, other research substantiates the claim that effective marketing communications raise CSR awareness in consumers, and lead to an increase in CSR-based products (Brown and Dacin, 1997 as cited in Andreu et al., 2015). Moreover, firms that allow consumers to contribute positively to the society form a stronger emotional bond with a firm and are likely to be involved in repeat purchases (Sen and Bhattacharya, 2001 as cited in ibid).

To investigate the research objectives of the thesis, this literature review will further discuss the effects of promotional CSR on how consumers perceive the messages sent by fast fashion firms. In contrast to previous research by Chen et al. (2018), where perceived competence was used as a moderating variable to evaluate purchase intention, this thesis will use CSR perception of a consumer as the independent variable. This will be done by exploring the challenges that firms face

during the selection and construction of their communication strategy within the fast fashion industry through signaling theory.

2.2 Signaling Theory

Signaling theory attempts to define information asymmetries between two parties pertaining to the quality or intent of information (Stiglitz, 2000 as cited in Taj, 2016). Signaling theory revolves around three main elements: the signaler, the signal and the receiver. The quality of information is obtained when the signaler presents its intangible attributes such as the warranty of a product in exchange for a premium to the receiver through a signal, whereas the intent refers to reduce the "moral" dangers from the behavior of the exchange parties (Su et al., 2016). Signals can be viewed as informational cues sent out by signalers to influence desired outcomes such as purchase intention.

Erdem and Swait (1998) as cited in Pecot et al. (2018) claimed that an effective signal is made up of four elements: content, clarity, consistency and credibility. Similarly, Zerbini (2017) describes signaling where the payoffs of a consumer's decision depend on the firms' status, which is unknown to the consumer. Simultaneously, the payoffs of the firm depend on the consumer's decision, which is why the buyer has the incentive to adopt a behavior that provides a cue about its true nature (Crilly et al, 2012). It is most commonly understood through a transactional setting; factors affecting buyer's decision to purchase such as service quality, price and value. Connolly et al. (2011) meanwhile argues that the effectiveness of the signaling process depends upon the ability of the receiver to interpret the signal. Although the receivers may overlook the signals, it is likely that they subconsciously perceive the signal as favorable depending on their prior interaction or experience with the signaler.

Furthermore, signaling theory strongly assumes three aspects: an interdependence between the sender and the receiver, the presence of asymmetry information concerning the intentions of the sender who are expected to maximize their returns and a "moral hazard constraint" such that the receiver cannot change the purchase decision (Scitovsky 1954; Spence 1973 as cited in Zerbini, 2017). This leads to two types of signaling results, a separating equilibrium when the receiver realizes its

unfairly treated by suffering from higher payoffs and a pooling equilibrium which occurs when the true nature is conceived by the receiver. Taj (2016) revealed that signaling theory has been successful in the employer branding programs provided there is a reduction in information asymmetry and a strengthening of communication. His research supports the notion of a separating and a pooling equilibrium, such that false signaling result in increased signaling costs when the impact of positive signals is undermined by the negative signals. Conversely, Connelly et al. (2011) iterate that signalers possessing a high degree of information have incentive to deliberately create false signals to increase their market performance. Secondly, it is fundamental to construct an effective feedback-mechanism that allows the relevant stakeholders (receivers) to be informed about the company's practices. Prior research has shown that despite additional investments in branding, the specific contents can enhance the signal (Su et al. 2016; Crilly et al., 2012) This encourages the removal of unwanted, unintended negative signals as they are able to eradicate confusion, which helps the firm obtain high satisfaction levels (Ramaswami et al. 2011 as cited in ibid).

As a result, this thesis addresses two things from the findings on signaling theory. First, most consumers are willing to pay a premium on products manufactured by companies who indulge in CSR-related activities. Second, consumers prefer the nature of the pooling equilibrium, in which they perceive that the company is fulfilling their demands. This strongly suggests that a higher consumer perception of CSR leads to a higher purchase intention and a lower skepticism because the information asymmetry between the firm and the consumer has been reduced. Therefore, the thesis hypothesizes that:

H_1: A higher perception of CSR will lead to a greater purchase intention in the fast fashion industry.

2.2.1 CSR market signals in the fast fashion industry

CSR market signals can be perceived as a political response to the organizational environment, where expectations about appropriate firm practices are set by regulations, nongovernmental actors and institutionalized norms (Campbell, 2007 as cited in Zerbini, 2017). To evaluate the impact of

market signals on consumer behavior, this thesis adapts the institutional theory, which suggests that CSR are used as market signals to achieve legitimacy and consensus by exploiting the efficiency of the market. The relevance of CSR market signals in fast fashion is of high importance for firms to balance their financial performance and social welfare. Consequently, fast fashion comprises of the process from the conceptual design to the garment being ready for the consumer (Wakefield and Inman, 2003). It also tends to be driven by consumer demand of which price is considered as the consumption factor. For a long period, however, fashion production has faced allegations of exploiting garment-workers to gain the advantage in competitive pricing (Whitmarsh and O'Neill, 2010). Since there have been several allegations that garment-workers in lower economically developed countries (LEDCs) work in tough conditions with bare minimum working benefits, it can be argued that there is now an opportunity in fashion brand management to assess the risk measures and exploitative practices to improve this area, and also use CSR practice as an opportunity to improve the image (Ritch, 2018).

Further, fast fashion functions through the signals of celebrity-choice clothing trends by producing their own copies of the desired style (McClatchey, 2011 as cited in Ritch, 2018). This requires a rapid change in style combined with low pricing to attract the target segment that is willing to pay a relatively cheap price for a "trendy" outfit. For example, fast fashion products are designed to be worn less than ten times, which highlights the problem of increasing textile waste (McAfee et al., 2004 as cited in Morgan and Birtwistle, 2009). According to a study conducted by Poulter (2008) as cited in Morgan and Birtwistle (2009), consumers are discarding higher volumes of textile than before. Young consumers, in particular, have expressed their concern for the environment by stating that they may consider modifying their conspicuous clothing consumption and frequent disposal pattern if they were made aware of the social and environmental consequences (ibid). Since there is constant friction between fast fashion firms and their stakeholders about the conditions of outsourced labor workers, it is important for consumers to be aware of their purchases and take the right actions against forced, unduly behavior towards the workers. This reinforces the importance of measuring consumer perception

such that fast fashion firms should attempt to fulfill the expectations of their consumers through appropriate and effective signaling.

Fast fashion firms have the potential to pursue several societal benefits as well as enhancing their brand image through CSR activities (Ritch, 2018; Whitmarsh and O'Neill, 2010). A prime example is Jacob Wells, a fashion production unit based in Bangalore supported by the firm Brienda Sheil in the UK. The firm seeks to emphasize frequent training skills for women that have the opportunity to earn promotion to the highest positions of the firm purely based on skill and hard work (Ritch, 2018). This firm effectively manages their relevant stakeholders (e.g. NGOs, suppliers and customers, etc.) such that they elicit meaningful responses and more importantly, transparency, from the consumers. This in turn enables them to maintain a high brand resonance (Carvalho et al., 2010). On the other hand, many scholars have argued that Jacob Wells is a relatively small-scale production unit, and that managing the CSR practices in much larger and more complex supply units in the fast fashion industry would be more challenging (Ritch, 2018). Whereas this claim can hold true, the demand for CSR practices and the demand to do good for the world is increasing, which requires careful and transparent signaling by fast fashion companies.

Nevertheless, a large target segment of the fast fashion consumers indulges in the purchases due to a lack of time, knowledge, income rather than a belief to restore justice (Whitmarsh and O'Neill, 2010). The "family" segment requires clothes on a regular basis for the children, which is cost-efficient and timesaving. Meanwhile, a large youth segment lacks the income, and usually the knowledge to consider the impact of fast fashion purchases on the society (ibid); the rest of the consumers tend to believe that their purchase of a particular CSR-based product will barely help the society suggesting a strong presence of skepticism towards the CSR practices undertaken by the firm (Morgan and Birtwistle, 2009). This thesis will attempt to construct an appropriate form of advertising for a popular fast fashion firm, Hennes and Mauritiz (H&M) to measure the impact of CSR market signals on consumer

perception and skepticism. This will be done by reviewing literature on signaling strategies in the following section.

2.2.2 Signaling strategies: Green advertising vs storytelling

Over the past two decades, firms have used several forms of communication to signal their CSR practices and increase their reputation and returns. Firms have done this through the use of direct and indirect signals in ethics programs, incentive programs, training programs, media channels, trust marks and performance ratings (Taj, 2016; Zerbini, 2017). In particular, it has been argued that firms should more often use the narrative storytelling to communicate their message as a signaling strategy. Narrativity is proven to be effective because it strategically expresses the presence of multiple, interlinked realities that highlight the importance of the world without relying on communicative rationality (Wehmeier et al., 2011). Further, this method helps resolve the complex challenges of CSR-based market signaling such as public interests and profitability easing the pressure on corporations to perform and effectively manage their stakeholders. For example, British Petroleum launched an integrated public relations and advertising campaign introducing the new logo, the new slogan and information about the actions of the firm to encounter the problem at hand. This campaign won the annual award for the campaign of the year because BP was able to signal the message effectively to its stakeholders by clarifying their future goals (ibid). This reinforces the ethos and pathos of persuasion despite offering any concrete advice on how to implement CSR strategies towards a particular segment of stakeholders. Marzec (2007) as cited in Diehl et al. (2015) an effective narrative encompasses of the process of instilling the story in the consumer's mind; drawing a clear picture of an alternate reality that encourages the people to participate.

Green advertisements are employed by companies to portray environmental sensitivity to gain a competitive advantage through the development of environmentally friendly products (Xie and Kronrod, 2012; Wakefield and Inman, 2003). It can be viewed as a way of responding to a firm's stakeholders' environmental concerns. Fast fashion companies can exploit this opportunity to

implicitly address the link between a product and the environment (Do Paco, 2012). To substantially reduce information asymmetry companies should convey their environmental impact on the resources used in the respective product life cycle (Awad, 2011). Diehl et al. (2015) conducted a survey for undergraduate students by displaying a full-page advertisement portraying a young female interacting with small children from developing countries. In addition, the headline read, "we take responsibility; we value social responsibility, and therefore support children in kindergarten and school in developing countries through our sales." The study revealed that consumers with a higher CSR perception paid more for environmentally friendly products. The findings corroborate with previous literature conducted in the realm of marketing (Carvalho et al., 2010; Trudel and Cotte, 2009) Also, it has relevance to the advertising field, especially in the cross-cultural context. However, it does not deal with the notion of consumer skepticism that has the ability to affect purchase intention. In addition, it fails to explicitly point the benefits of the consumer increasing information asymmetry and uncertainty in the consumer's mind.

Since the purpose of this thesis is to evaluate the impact of CSR perception on purchase intention and skepticism, a 'green' poster advertisement of H&M will be created presenting relevant information pertaining to CSR practices about the firm. To execute the appropriate green advertisement, it is important to grasp the notion of skepticism in advertising with particular attention to numerical market signals.

2.3 Skepticism in green advertising

Skepticism can be defined as the tendency to disbelieve in claims made by advertisements. Ford et al. (1990) as cited in Obermiller and Spangenberg (1998) seeks out the motive of advertisers, including the truthfulness, appropriateness or cultural embodiment of the advertisement. The aim of advertising on a large scale is to persuade consumers to purchase the product. This can be done by using visual imagery, texts, emotional appeal or a combination of these. It is argued that

consumers devote a definite level of trust towards advertising through prior shopping experiences, source characteristics, message variables. Moreover, a highly skeptical consumer, compared with a less skeptical consumer could, to some extent, believe various advert claims depending on the situational factors. Calfee and Ringold (1994) as cited in Obermiller and Spangenberg (1998) discovered that many consumers believe that advertising is often misleading and encourages an increase in conspicuous consumption, albeit providing essential information pertaining to the product. Further, a majority of highly sceptic consumers have the tendency to evaluate an advertisement based on the information content rather than emotional appeal and are less affected by testimonials. In order to strive for a high positive brand image, firms need to communicate their message through advertising appropriately using direct signals that align with the intention of the firm and the perception of the consumer (Golob and Pudnar 2011; Ihlen 2011; Maak, 2008). This can be achieved through the integration of the signaling theory and corporate integrity that allows the firm to elicit stronger emotional responses leading to an increased level of brand resonance and reducing consumer skepticism.

Previous research on skepticism in green advertising shows that it is difficult to formulate a green market signal that conveys the desired message to the audience (Xie and Kronrod, 2012). Consumers will feel disappointed if they interpret the message as distorted resulting in a negative evaluation of the brand. Thus, an integral aspect of green advertising is to ensure that environmental information is accessible for consumers. This thesis attempts to fill the research gap of signaling theory by providing a clear market signal that diminishes consumers' skepticism. For this to be conducted, it is crucial to understand the role of numbers used by marketers to enhance the environmental aspect of a product.

2.3.1 Evaluating consumer skepticism in numerical market signal

Marketers who intend to highlight an environmental characteristic of a product face the decision to use more or less precise numbers. This is important to convey a clear and comprehensible message to the target segment. Mader (1974) argues that high numerical precision leads to a lack of processing fluency distracting consumers from the intended message of the advertisement.

Many studies have proven that this is rarely the case such that more precise numbers strongly elevate the processing effort resulting in higher attention and brand equity (King and Janiszewksi, 2011; Diemand-Yauman et al., 2011).

Xie and Kronrod (2012) examined the signaling effect of environmental advertising on the consumer perception of the firm and hence purchase intention through numerical precision techniques. This is important in the field of signaling theory because it highlights the difference on how consumers perceive numerical information. Marketers need consumers to rely on specific communicational cues in advertising which can signal intangible product attributes. As a result, the signaling effect of CSR-based products can be pertinent in green advertising. Previous research supports the notion that CSR-based activities elicits positive brand image towards the firm (Carvalho et al., 2010; White et al, 2012; Andreu et al, 2015; Ritch, 2018). However, the effect of signaling is occasionally negative and can induce skepticism because consumers conject that firms tend to be profit-oriented. In other words, the resources for other attributes decreases when more resources are allocated to green attributes. Therefore, the overall purchase intention may be negatively affected when marketers signal complex or redundant information.

To overcome this challenge, marketers tend to use a simple and clear message. However, it is plausible that numerical precision in green market signaling negates the consumer skepticism due to the higher processing demands required (Schwarz, 2004). A recent study concluded that when more precise numbers are employed by firms in advertising claims (19.4%), consumers who are less skeptic tend to evaluate the firm better than high skeptic consumers, as opposed to using less precise numbers (20%). Conversely, high skeptics were less susceptible to information presented about a product that they had insufficient knowledge (Xie and Kronrod, 2012). This is a fundamental finding because it provides marketers an opportunity to use numerical market signals on a particular target segment.

Although previous literature on skepticism in green advertising demonstrate the moderating role of advertisemet skepticism on the signaling on numerical

precision (Schwarz 2004; King and Janiszewksi, 2011; Xie and Kronrod, 2012), the objective of this thesis is to measure the impact of numerical precision on skepticism in addition with purchase intention. Conversely, to measure the impact of only CSR on purchase intention and skepticism, this thesis will present an environmentally friendly fast fashion advertisement consisting of verbal information. Numerical market signals are to be used in a follow-up advertisement to state the amount of recycled contents. Therefore, this thesis posits that:

H_2: The purchase intention will be greater for a more numerically precise market signal (67%) when compared to a less precise market signal (70%).

H_3: Skepticism of advertising is negatively correlated with purchase intention.

H_4: Skepticism of advertising will be higher for a less numerically precise market signal (70%).

2.4 Belief in a Just World Theory

To evaluate the research questions of the thesis, literature on the belief in a just world will be discussed in relation with purchase intention and skepticism. The Belief in a Just World (BJW) asserts that good things tend to happen to good people and vice versa, despite the fact that this is rarely the case (Furnham, 2003). Lerner et al. (1978) claim that people have a general perception to get what they deserve in the world. This allows them to face their social and physical environment as though the world were to be stable. In the absence of this belief serving as an adaptive function for the individual, people would be troubled if they experience unorderly or unjust evidence. As a result, people tend to hold on to this belief (Furnham, 2003).

Notably, Lerner and Miller (1998) view BJW as a fundamental delusion; an integral part of society in making sane choices, and a delusion due to the fact that it is an emotionally defended false belief. This gives opportunities for marketers to attract consumers based on CSR signals that evoke the elements of the belief in a just world. Moreover, Maes (1998) posited two types of justice, 'immanent' and 'ultimate' justice, of which he was able to differentiate the measures of just world beliefs through

correlational studies. He further contemplates that there is a need in this field to focus on two aspects: the audience responses from those who have been victims of trauma or misfortune; and the relationship between other belief systems such as religious and the BJW theory. Nevertheless, the perception of BJW has shifted over the last decade to a more healthy and adaptive coping mechanism. Many studies involving high school and undergraduate students have proved that BJW beliefs are a prerequisite of life satisfaction and well-being, and it is negatively correlated with depression (Lipkus, Dalbert, and Siegler, 1996; Ritter, Benson, and Snyder, 1990 as cited in Furnham, 2003). It is important to note that people having more property, wealth and power would stronger just world beliefs than those with little wealth or power. Also, just world beliefs are derived by personal experiences, social functionalism and other social factors. This means that cultural factors have the potential to cause an impact the BJW perception of an individual (ibid).

BJW has been examined in the context of fair-trade through the proposition of resolving just world endangerment by providing assistance and rationalizing the situation. Hafer (2000) suggests that marketing efforts that reinforce victim derogation should challenge just world beliefs because consumers tend to believe they can restore justice through ethical, fair-trade products. Further, White et al. (2012) have discovered that support for fair-trade will exist under high perceived need and high justice restoration potential. In this context, consumers have always the opportunity to help, however, prior research show that consumers do not always do this (Carrington, Neville, and Whitwell 2010; Luchs et al. 2010). There could be various factors for this such as consumers' skepticism towards a firm's motives, which the thesis aims to investigate in relation to CSR perception.

In addition, one of the key strengths of the research conducted by White et al. (2012) is the addition to the just-world theory and marketing behavior of consumers by setting unique conditions for the participants. It was discovered that consumers are less willing to help when justice restoration is high than low when justice restoration is inexplicitly communicated. This is because consumers inconsistently view fair-trade products as possessing justice-restoring qualities. Conversely, the strongest fair-trade purchase intentions occurred when participants were made aware of the existence of justice restoration. The methodology of the study was carried out in an organized,

systematic manner such that the undergraduate business students were required to a complete a measure of BJW, followed by a pre-test sent by email, and then an article reading in small groups, which measured the manipulation of justice restoration potential. It was found that fair-trade products are heavily preferred when need and restoration potential are both high. One of the key strengths of this research was the in-depth experiments on the BJW, restoration efficiency and perceived need effects on purchase intention of fair-trade products. Further, it also explored the impact of indulgences and necessities through the moderation of product type on purchase intention. Hafer et al. (2005) respectively highlighted that concerns for other individuals reinforces prosocial responses and the reason behind people being able to take care of their own and other people's needs through purchase decisions.

Although the research conducted by White et al. (2012) claims that consumers' unresponsiveness leads to the firms' skepticism to provide justice to the less fortunate and includes a scale to measure the "believability" of firms through consumers, it should explicitly mention the "skeptic" factor to assess the impact on purchase intention. Furthermore, there is more evidence needed for marketers to consider the structure and content of the ethical products offered to consumers. It is worthwhile to apply the BJW framework to the fast fashion industry and measure the impact of CSR perception on purchase intention through the moderating roles of BJW, need and skepticism. Also, further research should examine the magnitude of the trade-off consumers are willing to accept for the cost. Therefore, this thesis in the context of fast fashion hypothesizes that:

H_5: Purchase intention will be greater for a high BJW coefficient.
H_6: Purchase intention will be the greatest with high BJW and more numerically precise market signal.

2.5 Conceptual model

Figure 1: Proposed conceptual model for the effects of consumer-perception on purchase intention through the moderating effects of BJW and market signals
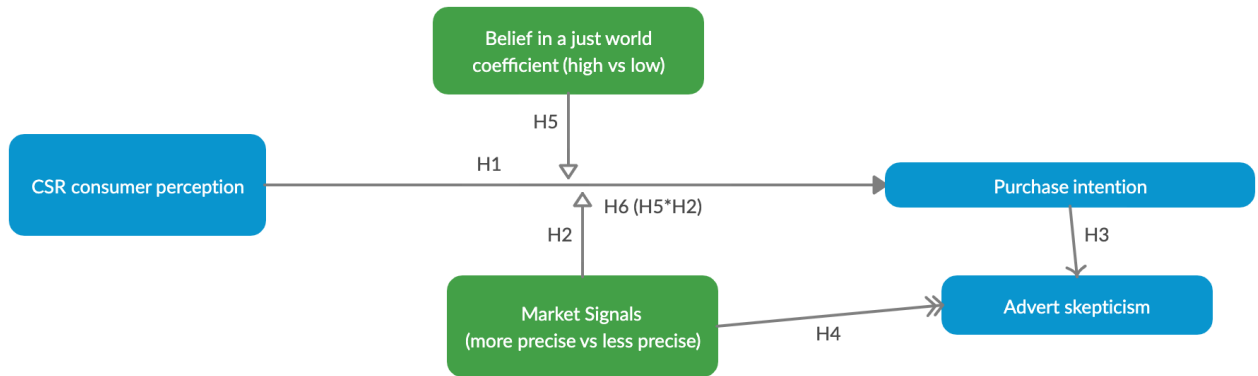
Figure 1 illustrates the conceptual model, which will aim to investigate the effect of CSR perception on the purchase intention and advertising skepticism by moderating two variables: belief in a just world coefficient (BJW) and market signals. Generally, a high CSR consumer perception leads to a greater purchase intention (Carvalho et al., 2010). However, the effects of a high BJW is yet to be explored in the fast fashion business and as it elicits a stronger emotional appeal for fair-trade products, there is a greater likelihood that the purchase intention will increase for a high BJW. Also, the numerical precision of market signaling will be measured on the impact towards advertising skepticism and purchase intention. Prior studies indicate that more precise numerical signals induce a lower advertising skepticism and higher purchase intention, but this notion will be further studied with the presence of the BJW coefficient (Furnham, 2003; Hafer, 2000 and White et al., 2012; Xie and Kronrod, 2012). It is expected that in an emerging economy that a high BJW and a higher numerical precision will lead to a greater purchase intention and a lower advertising skepticism.

3. Methodology

This study adopted a positivist approach such that the research questions of the thesis were to be investigated and evaluated. In addition, it followed a deductive approach developing the hypothesis presented in the literature review and conceptual model. This was further presented through the development of a survey, which enabled observing variables among different data. The study was also experimental; it examined the purchase intention and skepticism of consumers in the realm of fast fashion. It intends to use primary data using quantitative methodology over a cross-

sectional period. This study used convenience and snowballing sampling requesting participants to share it with their network. This approach used no restriction criteria to participants with limited experience with fast fashion purchases and advertisement, which helped in attaining a high number of target responses. Participants were mainly but not limited to undergraduate students of Aalto University School of Business living mainly in Finland. They registered as survey participants through an online survey generated from the Qualtrics platform.

A quantitative survey was conducted to test the developed hypothesis. This involved investigating the relationship between CSR consumer perception, purchase intention and skepticism. In addition, the evaluation of the CSR market signaling on purchase intention was also conducted. This research, further, employed a two-factor (higher and lower BJW coefficient versus more and less precise numbers) between-subject experimental design, with purchase intention and advert skepticism as an individual difference measurement. A total of two-hundred and thirty-two participants were recruited to respond through email or social media platforms.

3.1 Procedure

A real H&M-advertisement was adapted from their website and then modified to measure the effect of CSR consumer perception and the numerical market signals including BJW coefficient on the purchase intention. There were two advertisements that displayed the same product category. For the first advertisement, the top-half section of the advertisement consisted of a man wearing a winter-jacket, whereas the bottom-section stated the product category information, *"Straight-cut, knee-length car coat in a sturdy weave with a collar, buttons down the front, side pockets and two inner pockets with a button. Adjustable tab and buttons at the cuffs, and a single back vent. Lined."* Also, further information about the firm's CSR practices was displayed below in smaller font, *"We believe that greater transparency will help lead the change towards a more sustainable future. As a step in this long-term commitment, we're sharing how and where our products are made wherever possible."*

The second advertisement displayed the same person wearing the same jacket, whereas the bottom-section comprised of the following text, *"Made from 67% or 70%*

recycled materials and for each cent you pay for, you donate 20% or 50% to local producers." The numbers were largened and boldened. This was followed by the same CSR practices as in the first advertisement. The remaining content on the second advertisement such as the "Click to find more information"; the message on being a firm that portrays them as socially responsible was another minor difference between the advertisements. An example of the first advertisement (1) and one of the second advertisements (2d) is provided below in Figure 2. The remaining variations of the second advertisements can be found from Appendix I.

Figure 2: Comparison of first and second advertisement

The survey was structured accordingly: a brief introduction of the survey that required the consent of the participant was presented before providing them a definition of fast fashion. Afterwards, questions pertaining to their monthly purchases of fast fashion and types of fast fashion advertisement they had previously come across were asked. Then, the BJW measurement scale and an advert skepticism measurement scale were presented. Subsequently, the respondents were presented the first H&M

advertisement after which they asked to evaluate their purchase intention of the jacket. Then they were randomly assigned to the second H&M advertisement consisting of one of the four conditions followed by a purchase intention and advert skepticism scale. Finally, following the validation and manipulation checks on both of the advertisement regarding the price, recycled materials content and the contribution towards donation, the demographics section was presented to the participants. A copy of the survey can be found through this public shared link: *http://tiny.cc/areebcsr*

3.2 Construct development and equivalence

To test the hypotheses, the study employed a structured questionnaire focusing on CSR consumer perception and the impact of that in relation with market signals towards purchase intention and advert skepticism. This study which is divided into two sections; first measures the purchase intentions and advert skepticism and the second focuses on the demographic details, follows Xie and Kronrod's (2012) procedure for conducting research related to the purchase ethical products after being exposed to different market signals. Moreover, the initial set of items is derived by adapting the existing measurement scales.

The study formulates items relating to the general skepticism towards advertisement from Obermiller and Spangenberg (1998), perception of CSR from Öberseder et al. (2014) and Turker (2009), BJW perspective from Furnham (2003), purchase intentions from Carvalho et al. (2010) and self-ethical identity from Whitmarsh and O'Neill (2010). All measures use a seven-point Likert-type response format, with "strongly disagree" and "strongly agree" as anchors. Furthermore, the study aims to assess the conceptual and functional equivalence for all constructs using extensive literature research on the measures. Following the recommendation of Carvalho et al. (2010), the study uses academics experts of marketing research to evaluate content and face validity. This is reinforced through the submission of the questionnaire to two academics for assessing specificity, clarity and representativeness of each item. Also, pilot testing to five participants was conducted to carry out any inappropriate and incomprehensible questions.

4. Analysis and Findings

The total number of respondents totaled up to two-hundred and thirty-two, from which they were randomly exposed to one of the four conditions, 67% or 70% recycled content and 20% or 50% contribution to donation. There were four validation checks that required the respondent to select from; the type of product after the H&M advertisement, the price, the amount of recycled content and contribution towards donation. All the participants passed the first two validation checks identifying the right type of product (jacket) and the price of the jacket (€69,99). However, twenty-nine participants failed to correctly select either the right amount of recycled material or the contribution towards the donation. Since the nature of the study required the participants to correctly recall the numerical figures, they were excluded from the analysis.

For the analysis of the measurement scales and variables, IBM's SPSS statistics software tool was employed. Furthermore, this analysis and findings section presents the respondent profile, the reliability of the measurement scales and the hypotheses testing through a wide range of SPSS function that include regression analysis, one-way ANOVA and univariate analysis.

4.1 Respondent profile

Out of the two-hundred and thirty-two respondents who completed the survey, there were two-hundred and three who managed to successfully pass the validation checks. Figure 4 represents the gender distribution: there were one-hundred and fourteen males (56%), eighty-two females (4%) and seven others (4%) who preferred not to reveal their gender. In addition, there were 74% of respondents who were between the age of 19 and 30. The average respondent age was found to be 23.7 (SD=5.18), with the median age is 27.5 as shown in Figure 3. Also, as displayed in Figure 5, the respondents were from 34 countries; the most popular was Finland constituting of one-hundred and two people followed by India, Vietnam and the United Kingdom having respectively twenty-seven, nineteen and six participants. Moreover, nearly half of the respondents (44%) were only students, whereas approximately a third of the sample

(30%) were full-time employed with almost the majority (73%) of them residing in Finland.
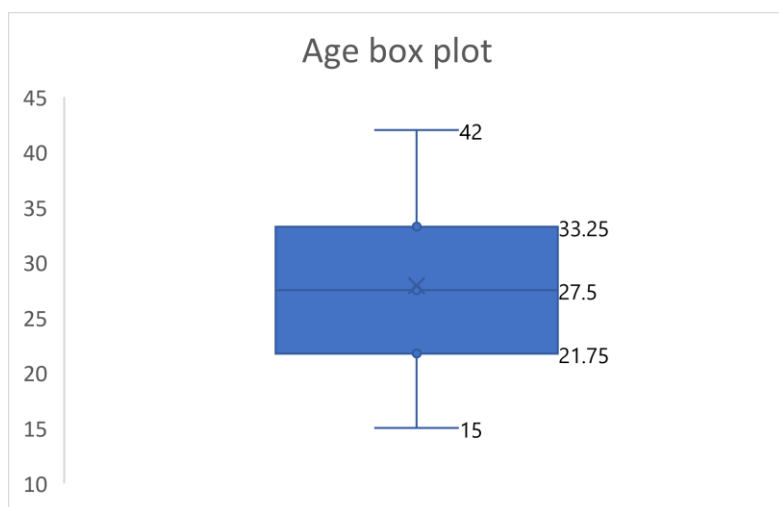
Figure 3: Age of respondents' box plot

Figure 4: Gender distribution of respondents
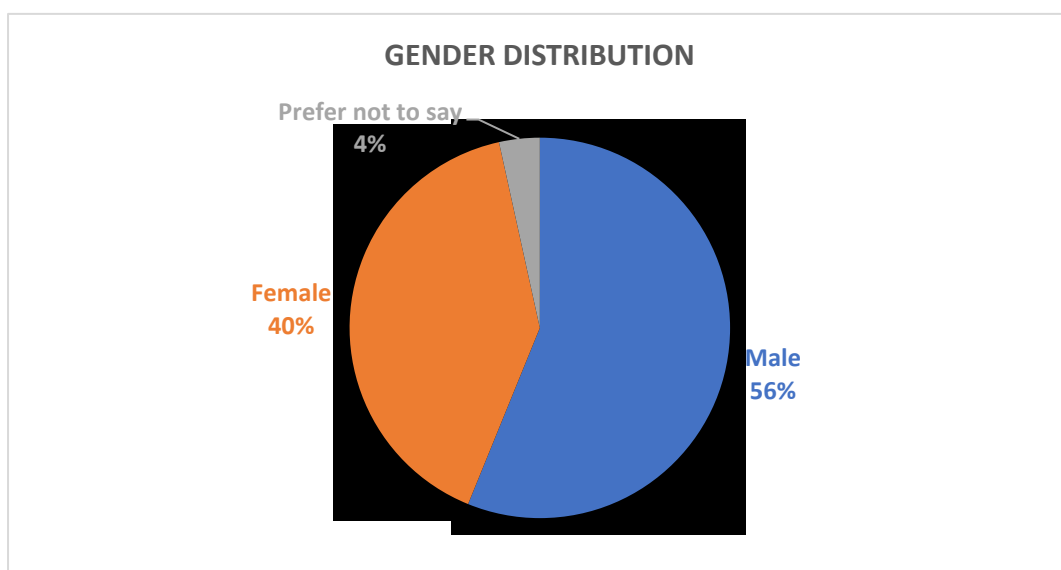
Figure 5: Nationality of the respondents

NATIONALITY OF THE RESPONDENTS
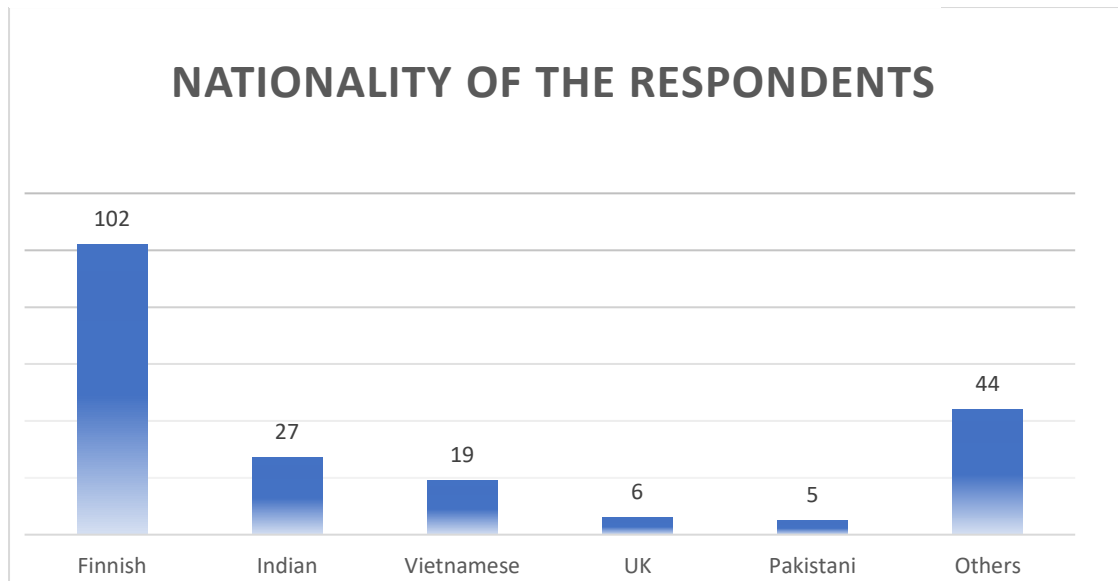

Figure 6: Word-cloud for defining the term, "fast fashion"

Figure 6 represents a word-cloud generated from the open-ended question in the questionnaire that asked the respondents to state the first thing that comes to mind when it comes to fast fashion products. There were fifteen respondents who classified it as being 'cheap', twenty respondents mentioned the word 'H&M', whereas the rest

mainly referred to it as 'low-quality' clothing that is 'unsustainable' yet 'trendy'. This reinforced the presumptions of many of the respondents towards fast fashion products. The results indicated that fast fashion firms sell cheap, trendy clothes that tend to be unsustainable inducing a negative perception of fast fashion firms. Nonetheless, the consumers as seen in the analysis and findings section displayed a relatively high rating of CSR perception towards fast fashion companies.

4.2 Reliability testing

There were six different constructs adopted from previous studies; purchase intention, skepticism for advertisement, numerical precision, CSR perception, BJW perception and an ethical scale that was used in the survey for which the reliability test was conducted (Carvalho et al., 2010; Furnham, 2003; Obermiller and Spangenberg, 1998; Öberseder et al., 2014). Furthermore, since almost all of the scales were altered to suit the research objectives, the average extracted variance and composite reliability (CR) was measured. The CR values are greater than the recommended threshold value of 0.7 providing further evidence of construct reliability (Nunnally, 1978 as cited in Shukla and Purani, 2012). Further, the average extracted variance is greater than the value of 0.5 for all measures recommended by Dillon and Goldstein (1984). It is notable that the self-ethical identity scale had a relatively low Cronbach's Alpha of 0.378. This may indicate that the measurement is unreliable, however, two of the four questions ask opposite questions implying that it is expected that the Cronbach Alpha is low. The scale is deemed reliable because of the high confirmatory values and composite reliability. Nevertheless, the remaining scales had a Cronbach's Alpha of greater than 0.7, which reinforces suitable internal consistency for this research. Table I demonstrates the list of measurement scales.

Table I: List of measurement items

Construct	Estimate (1)	Estimate (2)
Self-ethical identity		

I consider myself as an ethical consumer	0.897	
I am someone who is very concerned with ethical issues	0.886	
I would be embarrassed to be seen as having an ethical lifestyle	0.852	
I would not want my family or friends to think of me as someone who is concerned about ethical issues	0.858	
Cronbach's Alpha	**0.378**	
Average extracted variance	**0.763**	
Composite reliability	**0.928**	
BJW perception		
I feel that most people get what they are entitled to have	0.744	
I feel that a person's efforts are noticed and rewarded	0.730	
I feel that people get what they deserve	0.843	
I feel that rewards and punishments are fairly given	0.806	
I basically feel that the world is a fair place	0.739	
Cronbach's Alpha	**0.831**	
Average extracted variance	**0.599**	
Composite reliability	**0.881**	
CSR consumer perception		
I believe fast fashion companies implement fair sales practices	0.692	
I believe fast fashion companies label products clearly and in a comprehensible way	0.766	
I believe fast fashion companies meet quality standards	0.772	
I believe that fast fashion companies set fair prices for products	0.757	
I believe that they offer safe (not harmful) products	0.641	
I believe that they offer the possibility to file complaints	0.590	
Cronbach's Alpha	**0.797**	
Average extracted variance	**0.499**	
Composite reliability	**0.855**	
Purchase intention		
I would be likely to purchase this product	0.838	0.816
I would exert a deal of effort to purchase this product	0.764	0.843
I would be inclined to pay more for this product	0.740	0.782
I would make this product one of my first choices in this product category	0.815	0.872
Cronbach's Alpha	**0.797**	**0.847**
Average extracted variance	**0.624**	**0.687**
Composite reliability	**0.869**	**0.898**
Numerical perception- please indicate to what extent you think the advert was…		

Credible	0.852	
Believable	0.764	
Trustworthy	0.823	
Reliable	0.889	
Truthful	0.856	
Cronbach's Alpha	**0.885**	
Average extracted variance	**0.703**	
Composite reliability	**0.922**	
Ad skepticism		
I can find the truth in most fast fashion advertising	0.683	0.822
The aim of fast fashion advertising is to inform the consumer	0.720	0.785
I find fast fashion advertising to be generally truthful	0.805	0.818
I find fast fashion advertisements providing a true picture of the product being advertised	0.709	0.811
Most fast fashion advertising provides the consumer with essential information	0.787	0.816
I find fast fashion advertisements to be informative	0.821	0.809
Cronbach's Alpha	**0.845**	**0.845**
Average extracted variance	**0.572**	**0.657**
Composite reliability	**0.888**	**0.920**

4.3 Manipulation check

Participants evaluated their purchase intention as higher after being exposed to the second advertisement (*M*=3.54, *SD*=1.28) where the information about CSR was effectively signaled with more numerical cues, in comparison to the first advertisement (*M*=2.78, *SD*=1.12). This was found to be significant on the purchase intention measurement, $t(202) = -9.31$, $p < 0.05$. They also showed a reduced advert skepticism after the second advert (*M*=4.42, *SD*=1.12) compared to the first one (*M*=3.43, *SD*= 1.07) indicating that numerical figures and the BJW factors had a significant impact, $t(202) = 11.2$, $p < 0.05$. Figure 7 illustrates the findings on a bar chart based on a seven-point Likert-type scale; it should be noted that a higher skepticism value refers to a greater believability of the firms' actions and values, resulting in a reduced consumer skepticism towards advertising.

Figure 7: Differences in purchase intention and skepticism
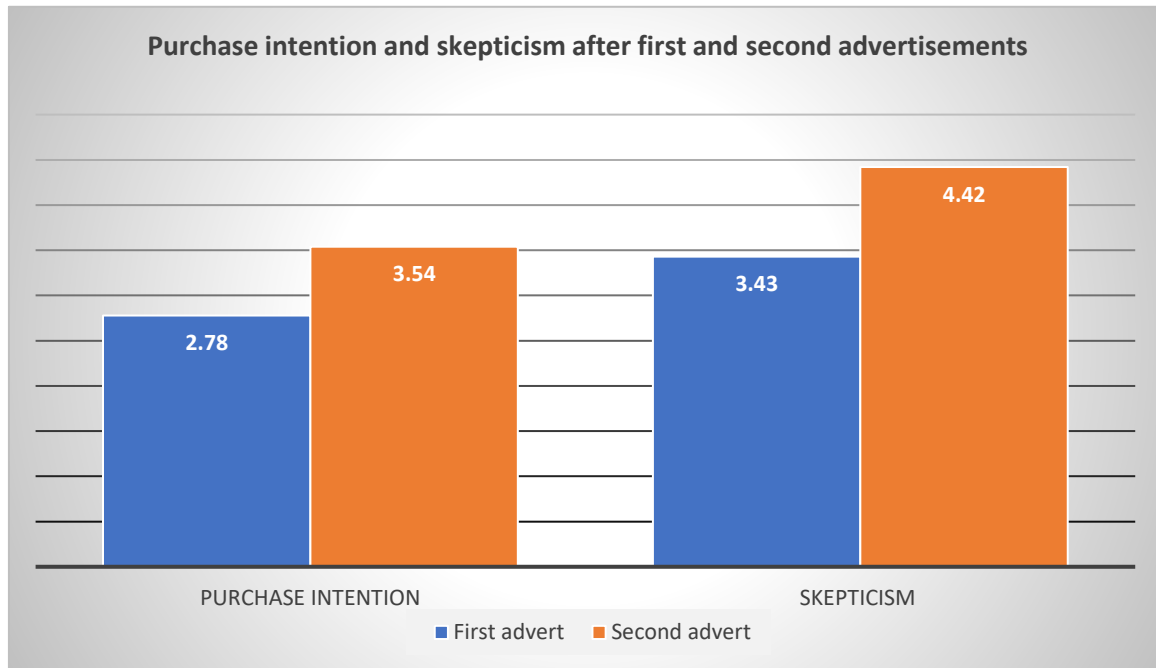
4.4 Hypotheses testing

In order to test the hypotheses, Coefficient tables were developed for the hypotheses that used regression analysis. The mean values for the hypotheses that used one-way ANOVA were formulated. The aim of this section is to present and highlight the findings of the hypotheses using the appropriate tables and figures obtained from the SPSS software.

H_1: A higher perception of CSR will lead to a greater purchase intention in the fast fashion industry.

Table II: CSR perception as a predictor of pre-purchase intention

		Coefficients[a]				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	−.026	1.336		−.019	.985
	CSR_MEAN	.157	.075	.147	2.104	.037
a. Dependent Variable: COMPUTE Prepurchaseint=MEAN(purchaseint1_1, purchaseint1_2,purchaseint1_3,purchaseint1_4)						

Linear regression analysis was used to test if CSR consumer perception significantly predicted participants' difference in purchase intention. The results of the regression in Table I indicated that the CSR perception explained 17% of the variance (R^2= 0.022,

F=4.43, *p*<0.05). Furthermore, Table II shows that CSR perception significantly predicted purchase intention (B=0.157, *p*<0.05). Also, it was a significant predictor of the overall purchase intention, the difference between first and second advertisement purchase intention levels (*B*= -0.238, *p*<0.05).

Table III: CSR perception as a predictor of the increase in purchase intention

		Coefficients[a]				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	5.006	1.373		3.647	.000
	CSR_MEAN	-.238	.077	-.213	-3.097	.002
a. Dependent Variable: Purchint_DIFF						

H$_2$: The purchase intention will be greater for a more numerically precise market signal when compared to a less precise market signal.

This implies that the 67% recycled content advertisement should yield a higher purchase intention than the 70% recycled content advertisement. Figure 8 illustrates the results generated from an ANOVA analysis computation; this indicates that the 67% condition (*M*=0.74, *SD*= 1.19) has a lower purchase intention difference than the 70% condition (*M*=0.78, *SD*= 1.15), but this was nonsignificant level, *F*(1, 201)= 0.067, p<0.05.

Figure 8: Impact of numerical precision of recycled content on increase of purchase intention
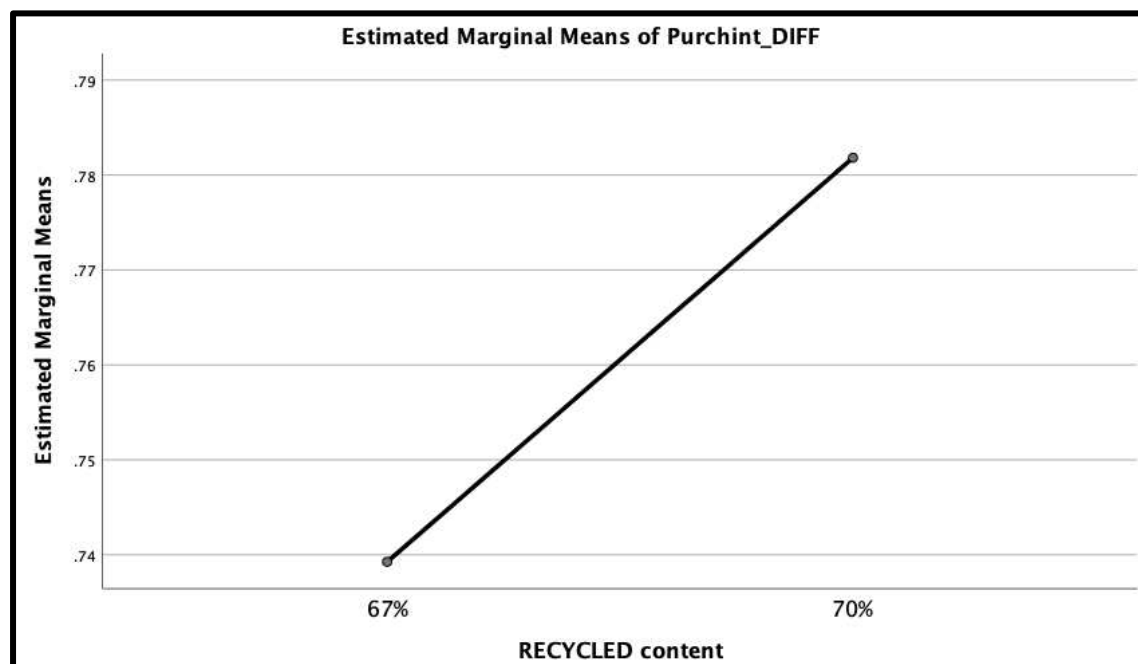
H₃: Skepticism of advertising is negatively correlated with purchase intention

A Pearson product-moment correlation was computed to evaluate the relationship between purchase intention and skepticism towards advertising. Although the results shown in Table IV may indicate that there was a significant positive correlation between the two variables (r= 0.321, n= 203, $p<0.05$), a high skeptic number signifies a lower skepticism of the consumer as pointed out earlier in section 4.3. This means that an increase in purchase intention correlates with a decrease in skepticism.

Table IV: CSR perception as a predictor of the increase in purchase intention

Correlations			
		SKEPTICMEAN	Purchint_DIFF
SKEPTICMEAN	Pearson Correlation	1	.321**
	Sig. (2–tailed)		.000
	N	203	203
Purchint_DIFF	Pearson Correlation	.321**	1
	Sig. (2–tailed)	.000	
	N	203	203
**. Correlation is significant at the 0.01 level (2–tailed).			

H₄: Skepticism of advertising will be higher for a less numerically precise market signal when compared to a more precise market signal.

This hypothesis claims that consumers are likely to be less skeptic towards the 67% condition in comparison to the 70% condition. One-way ANOVA was used to test the hypothesis. The main effect of recycled content reported, as shown in Figure 9, implies that the advertising towards skepticism was higher in the 70% condition (M=0.95, SD=1.37) than the 67% condition (M=1.04, SD=1.12). This interaction was, however, not significant $F(1, 201)$= 0.293, $p<0.05$. This implies that the null hypothesis failed to be rejected.

Figure 9: Impact of numerical signals in recycled content on mean skepticism

Estimated Marginal Means of SKEPTICMEAN
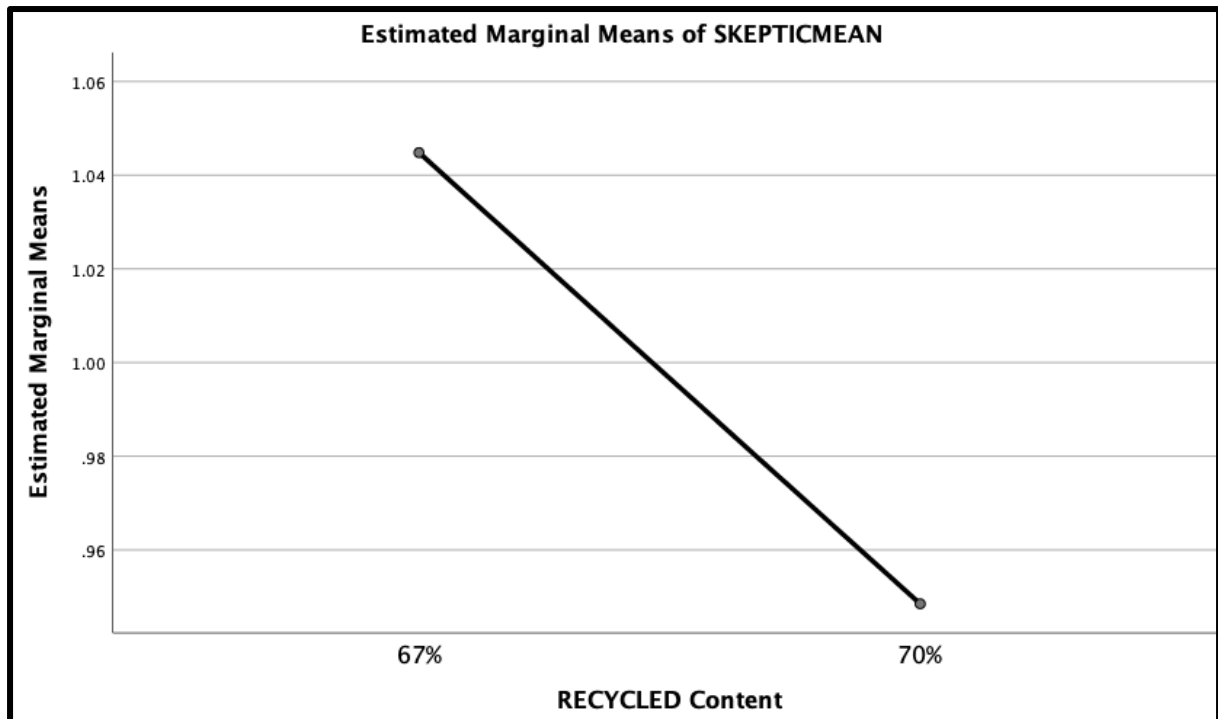
H_5: Purchase intention will be greater for a high BJW coefficient when compared to a lower BJW coefficient.

This hypothesis claims that when the contribution towards the donation is greater, the purchase intention difference should be greater. The main effect generated using ANOVA reported that a greater contribution of 50% donation had a greater purchase intention (M=0.91 SD=1.23) than 20% donation (M=0.64, SD=1.10). However, this effect was marginally significant, $F(1, 201) = 2.817$, $p>0.1$. A scatterplot summarizes the results (Figure 10).

Figure 10: Impact of contribution amount donation on increase of purchase intention

Estimated Marginal Means of Purchint_DIFF
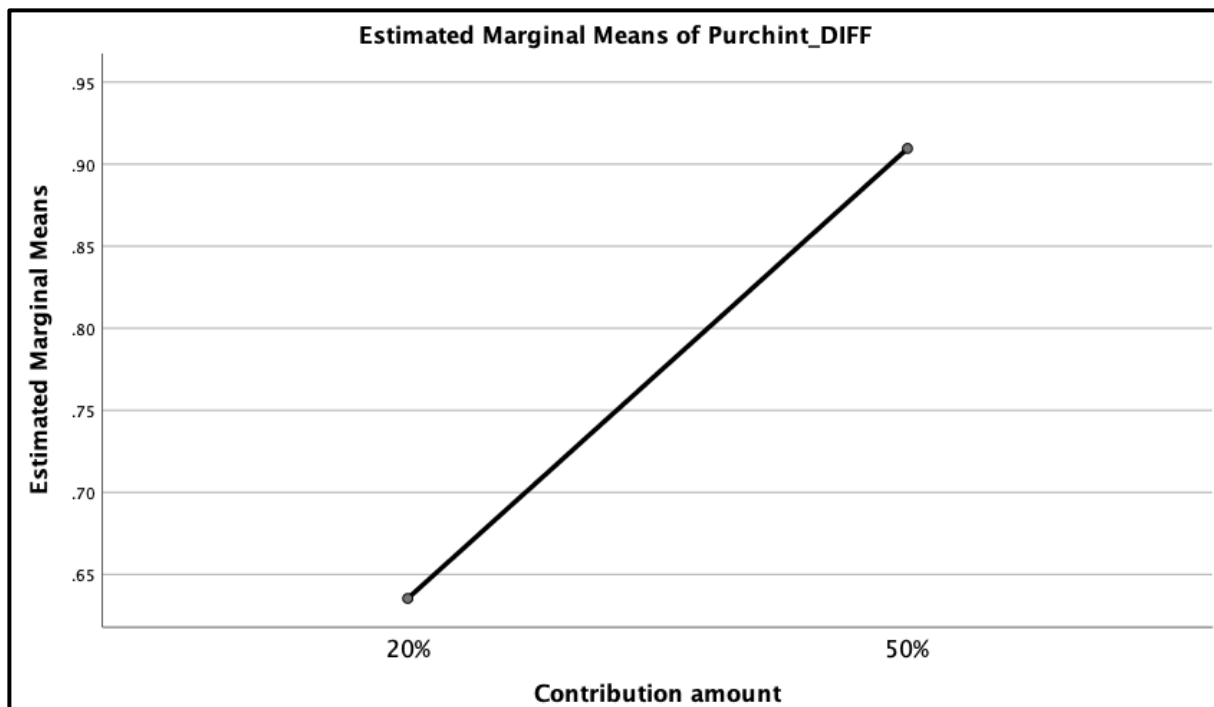
H_6: Purchase intention will be the highest in the presence of the high BJW and more numerically precise market signal.

This hypothesis posits that the condition of 67% recycled content and 50% contribution towards donation should yield the greatest purchase intention. Using ANOVA, the main effect of 67% recycled content and 50% donation contribution showed that this hypothesis held true (*M*= 1.02, *SD*= 1.32); the 70% recycled content and 50% contribution led to the second highest purchase intention (*M*= 0.83, *SD*= 1.16); the 70% recycled content and 20% had the third largest purchase intention (*M*= 0.73, *SD*= 1.15) and the 67% recycled content and the 20% contribution had the lowest purchase intention (*M*= 0.54, *SD*= 1.05). Despite the notable differences in some of the purchase intention figures (Figure 11), these results were nonsignificant, $F(3, 199) = 1.388$, *p*>0.05.

Figure 11: Impact of the main effects of contribution amount donation and recycled content increase of purchase intention
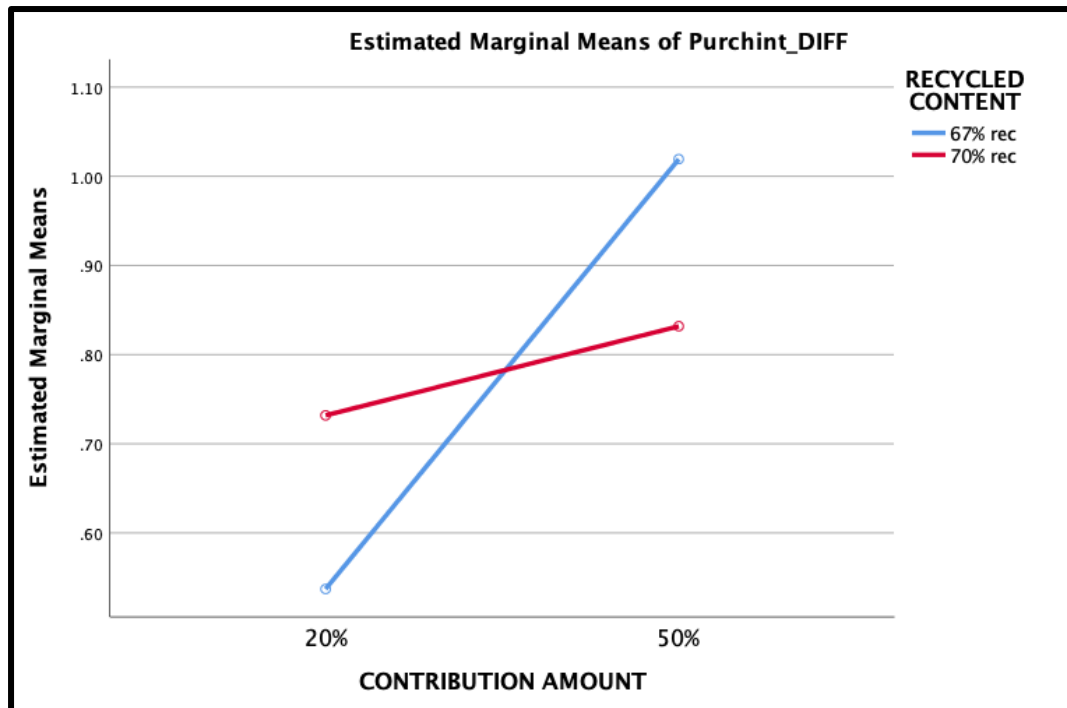
5. Discussion and conclusion

The aim of this section is to provide answers to the research questions presented according to the revised conceptual framework. This section will then analyze the antecedents of purchase intention in relation with CSR consumer perception. Then, it will attempt to explain the effect of the BJW coefficient and the precision numerical market signals on purchase intention and skepticism towards advertising in the fast fashion industry. It will finally discuss the managerial implications and limitations based on the findings for this thesis.

5.1 Main findings

The purpose of this thesis was to explore the role of CSR as market signals on the relationship between CSR consumer perception and skepticism in fast fashion advertising. The research objectives were practical, geared towards formulating an effective market signal with particular attention to numerical precision. The study was motivated by strong consumer bias of skepticism towards fast fashion CSR promotional activities as well as the emergence of CSR practices over the last decade. The research questions that thesis set out to answer were twofold: to what extent does CSR consumer perception affect the purchase intention and advertising skepticism of

the consumer in fast fashion business, and secondly what is the role of the belief in a just world factor and CSR marketing strategies on purchase intention in the context of fast fashion?

CSR perception was found to be a significant predictor of purchase intention and advertising towards skepticism before the advertisement with numerical figures and the ability to contribute. There was also a significant difference between the pre- and post-purchase intentions as well advert skepticism. Therefore, the second advert was highly effective in increasing the purchase intention levels and reducing the advert towards skepticism. In addition, the average purchase intention levels were negatively correlated to average skepticism. As for the effect of the interaction between numerical market signals and contribution amount, there was nonsignificant interaction for the two-hundred and three respondents with respect to their purchase intention and skepticism. After having obtained mixed conclusions regarding the hypotheses, it is important to restructure the conceptual model. Figure 12 illustrates a revised conceptual model, which reinforces the significant findings and main objectives of the thesis.

Figure 12: Revised model for the promotional effects of CSR consumer perception on purchase intention and advertisement skepticism
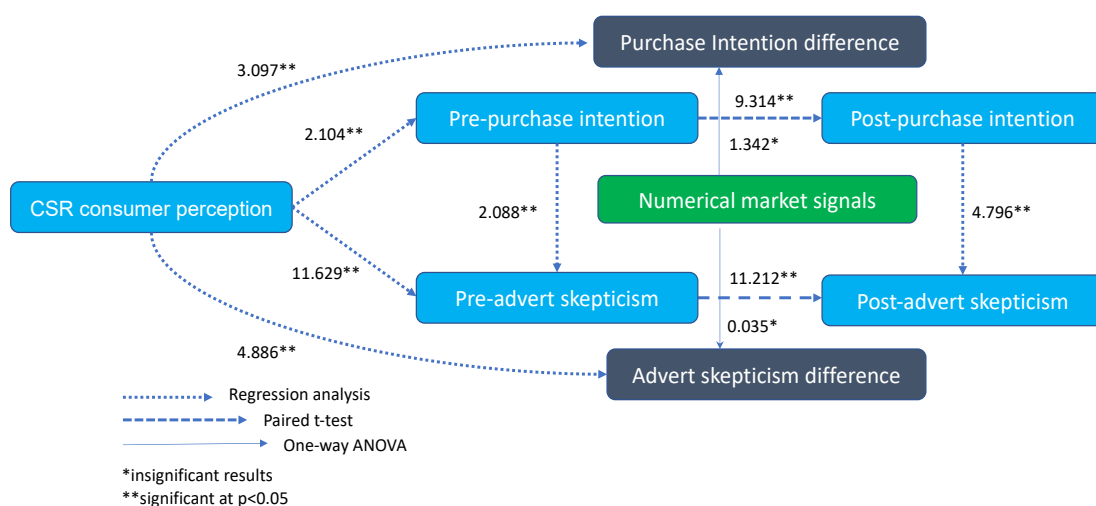
5.2 Theoretical implications: antecedents of purchase intention

Previous literature has shown that CSR perception is a significant predictor of purchase intention (Carvalho et al., 2010). The findings from thesis builds on the previous literature by Taj (2016) and Zerbini (2017) based on signaling theory and information asymmetry; it further represents that through portraying a fast fashion product using numerical cues, the consumers perceive it as more environmentally friendly and are willing to pay more for the product. In particular, the findings contribute to the signaling theory by establishing the need for eliminating negative signals from the environment (Taj, 2016). Furthermore, the findings corroborate with prior research on the relationship between purchase intention and ethical products (Trudel and Cotte, 2009; Ritch, 2018) and sheds light on the literature on intention-behavior mindset of ethical consumers (Carrington et al., 2010). This is shown in the thesis through posing an open-ended question to respondents where they had to articulate their initial thoughts on fast fashion business. Most of the respondents described fast fashion as 'cheap', 'unsustainable', 'affordable' yet also as 'trendy'. The findings suggest that consumers will engage in the fast fashion purchases regardless of the price and quality provided there is sufficient information on the product regarding consumers' contribution towards society and the firm's responsibility of using recycled materials during production.

5.2.1. The impact of market signals: recycled and contribution amount

There was found to be a nonsignificant effect of the recycled amount (more precise or less precise), the amount of contribution (a higher or lower BJW coefficient) nor the interaction between them. This finding contrasts with the finding of White et al. (2012), where a higher BJW coefficient tends to lead to higher purchase intention. This could be because most of the residents are from or residing in Europe and Finland and information asymmetry tends to be generally low as the consumers are aware of the firm's CSR practices. Another reason is the product category of the studies; whereas White et al. (2012) conducted their research on fair-trade products, this study focuses on a different product category and involves a greater deal of interaction and positive CSR perception towards the fast fashion company. This is done by bridging the gap of sustainable consumption and CSR consumer perception (Morgan and

Birtwistle, 2009). Moreover, this nonsignificant finding may indicate that consumers who are skeptical of numerical claims do, even so, increase their overall purchase intention and reduce their overall skepticism.

5.2.2 The antecedents of skepticism towards advertising

Commenting on the findings of the impact of numerical market signals on skepticism, this differs from the findings of Xie and Kronrod (2012), where there is a significant effect between more precise market signals and skepticism towards advertising. One reason behind this could be because of the varying independent variable; CSR perception compared to the perceived competence of a firm. Nevertheless, this study still showed that the consumers' skepticism towards the fast fashion firm and the product dropped significantly after the second advertisement. This reinforces the strategy of effective market signaling (Carrington et al. (2010) such that it is better to provide the consumer with more information about the amount of recycled content and contribution instead of a lengthy text of product information labeled with only "made from recycled materials". Also, the findings reinforce the concept of an effective signal; it is made up of four elements, content, clarity, consistency and credibility (Pecot et al., 2018). While the first advertisement might have had one or two elements, the second with numerical signals had almost all these elements, which may be another reason behind a significant decrease of skepticism. This reduces information asymmetry between the firm and consumers and provide a more effective signal for marketers to implement. Consumers in the second advertisement also had a greater sense of the situation and their contribution towards society. The advertisement persuaded them to contribute to the society effectively restoring justice to people in need. The overall effect of the doing good to the society had strengthened the sender's credibility as well as the signal itself. Therefore, the present findings lend support to Furnham (2003) by implementing the just-world theory in a fast fashion context. The explicit use of the phrase in the second advertisement (Appendix I), *'With every cent you pay, you donate 20% or 50% to local producers'*, engages the consumer in the advertisement and offers them an opportunity to have a positive impact on the society, hence reducing skepticism towards the advertisement.

5.3 Managerial Implications for international business

Fast fashion firms and marketing managers can use the findings obtained from this study to effectively communicate their CSR practices to their consumers (Maak, 2008). Since, it was discovered that consumers significantly react positively towards both 'accurate' information about the recycled content and the amount of donation, marketers should aim to use numerical figures in CSR market signals and initiatives to improve their brand reputation and increase the consumers overall purchase intention. On the contrary, the nonsignificant findings of the effect of more precise numbers on purchase intention and skepticism demonstrate that managers have the opportunity to create even stronger signals through the right combination of verbal and numerical cues.

This provides an opportunity for fast fashion firms to educate consumers with the appropriate information that will allow them to distinguish between real and false advertising claims. For example, managers should implement new marketing strategies where the focus of communication is on specific consumer needs and expectations rather than simply promoting their product as environmentally friendly. Marketers, in particular, should focus on the consumer awareness of ownership of excessive amounts of clothing to increase initiatives towards donation. Furthermore, the finding of purchase intention being negatively correlated with skepticism encourages managers to promote responsibility and transparency through their products in addition to adopt certain organizational behavior that elucidates their values to other relevant stakeholders.

While the scale of this thesis is inadequate to provide highly significant findings in particular to the impact of the interaction between numerical market signals on purchase intention and advertising skepticism in the fast-fashion industry, it could be used as a source of reference for other academic works in a similar field. In addition, by narrowing the promotional marketing of CSR market signals into an online poster advertisement, this research presents fast fashion managers with more inexpensive marketing strategies. Personalized marketing could be used as a form of promotion, in which advertisers could be more specific with guiding consumers to make small yet impactful contributions. Similarly, marketers should use market segmentation to find consumers with high ethical perceptions of firms that will lead to an even greater price

premium. The validation check of the questionnaire showed that 29 consumers were unaware of the exact figures of recycled materials and contribution amount yet reported an increase in their purchase intention from the first advertisement; thus, marketers should use numerical figures to send clear signals regarding the product with at least somewhat information pertaining to the product. The nonsignificant findings still are beneficial to multinational corporations since it helps them develop well-communicated information to consumers by replacing redundant words with numbers that consumers are able to process with more fluency. It offers guidance to managers to understand the impact of negative signals that often occur in the environment and confuse the consumers.

A final implication for this research is drawn from the role of the belief in a just world factor on purchase intention and skepticism. Although the findings of the just world factor were nonsignificant, marketers should identify justice-conscious consumers by highlighting the product's indulgent qualities. This way marketers can use their resources effectively to promote ethical products to high BJW consumers who are particularly sensitive to justice infringements.

5.4 Limitations and suggestions for further research

There are a few limitations in this research study. First, in order to achieve higher internal validity, all the participants responded to the same hypothetical scenario of the first advertisement in generating their CSR perception, BJW coefficient and skepticism towards advertising. Hence, in spite of maintaining the scenario as realistic and relevant to the population, consumers in the real marketplace often learn about CSR in a less controlled and more idiosyncratic manner. Furthermore, to reinforce the ecological validity, the believability of the advertisement was replicated as the media presents to their audience through social media or through other forms of advertising. This might, however, lead to researcher bias causing participants to respond in a socially desirable way. Moreover, as the scenario focused around a fast fashion company and only one of their product categories for tractability and internal validity reasons, the implications for this research are limited to the medium-priced jacket. Subsequently, the generalizability of the findings is reliant on the proven hypotheses

derived from this research. In addition, the effect of numerical market signals could have been observed if the survey was within-subject instead of between-subject and included a variety of numerical figures. Hence, further research should investigate the impact of more or less precise numbers within-subject in the same questionnaire while introducing more figures such as three different contribution amounts across a variety of product categories. The study of purchase intention and skepticism should also be researched across different forms of advertising.

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Appendices

This section consists of two parts. Appendix I illustrates the advertisements and Appendix II showing the detailed analysis on the SPSS software.

Appendix I: The advertisements

Appendix II: Analysis on SPSS software

Manipulation check t-tests for purchase intention and advert skepticism difference:

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Pre-purchase Intention	2.7808	203	1.12134	.07870
	Postpurchase Intention	3.5431	203	1.27657	.08960

Paired Samples Test

		Paired Differences							
					95% Confidence Interval of the Difference				
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper	t	df	Sig. (2-tailed)
Pair 1	Paired difference between prepurchase intention and postpurchase intention	-.76232	1.16619	.08185	-.92371	-.60092	-9.314	202	.000

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	SKEPTICMEANPOST	4.4212	203	1.11524	.07827
	SKEPTICMEANPRE	3.4286	203	1.07270	.07529

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	SKEPTICMEANPOST & SKEPTICMEANPRE	203	.336	.000

Paired Samples Test

		Paired Differences							
					95% Confidence Interval of the Difference				
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper	t	df	Sig. (2-tailed)
Pair 1	SKEPTICMEANPOST - SKEPTICMEANPRE	.99261	1.26139	.08853	.81804	1.16718	11.212	202	.000

Model Summary, ANOVA and coefficients for H_1.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.213ª	.046	.041	1.14215

a. Predictors: (Constant), CSR_MEAN

ANOVAª

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.514	1	12.514	9.593	.002ᵇ
	Residual	262.205	201	1.305		
	Total	274.719	202			

a. Dependent Variable: Purchint_DIFF
b. Predictors: (Constant), CSR_MEAN

Coefficientsª

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.006	1.373		3.647	.000
	CSR_MEAN	-.238	.077	-.213	-3.097	.002

a. Dependent Variable: Purchint_DIFF

H_3: Linear regression for Purchase intention difference and skepticism difference

ANOVAª

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.182	1	33.182	23.141	.000ᵇ
	Residual	288.223	201	1.434		
	Total	321.406	202			

a. Dependent Variable: SKEPTICMEAN
b. Predictors: (Constant), Purchint_DIFF

H₂: Main effects of BJW and market signals on purchase intention difference

Univariate Analysis of Variance

Between-Subjects Factors

		Value Label	N
RECYCLED70-20	1.00	67% rec	93
	2.00	70% rec	110

Descriptive Statistics

Dependent Variable: Purchint_DIFF

RECYCLED70-20	Mean	Std. Deviation	N
67% rec	.7392	1.19152	93
70% rec	.7818	1.14945	110
Total	.7623	1.16619	203

Levene's Test of Equality of Error Variances[a,b]

		Levene Statistic	df1	df2	Sig.
Purchint_DIFF	Based on Mean	.030	1	201	.863
	Based on Median	.010	1	201	.922
	Based on Median and with adjusted df	.010	1	198.690	.922
	Based on trimmed mean	.033	1	201	.855

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Dependent variable: Purchint_DIFF

b. Design: Intercept + RECY_condition

Between-Subjects Factors

		Value Label	N
CONT50-20	1.00	20%	109
	2.00	50%	94

Descriptive Statistics

Dependent Variable: Purchint_DIFF

CONT50-20	Mean	Std. Deviation	N
20%	.6353	1.10163	109
50%	.9096	1.22631	94
Total	.7623	1.16619	203

Levene's Test of Equality of Error Variances[a,b]

		Levene Statistic	df1	df2	Sig.
Purchint_DIFF	Based on Mean	1.032	1	201	.311
	Based on Median	.875	1	201	.351
	Based on Median and with adjusted df	.875	1	199.160	.351
	Based on trimmed mean	.931	1	201	.336

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Dependent variable: Purchint_DIFF

b. Design: Intercept + CONT_condition

Tests of Between-Subjects Effects

Dependent Variable: Purchint_DIFF

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	3.796[a]	1	3.796	2.817	.095
Intercept	120.464	1	120.464	89.373	.000
CONT_condition	3.796	1	3.796	2.817	.095
Error	270.923	201	1.348		
Total	392.688	203			
Corrected Total	274.719	202			

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.321[a]	.103	.099	1.19748

a. Predictors: (Constant), Purchint_DIFF

Significance of numerical precision and recycled content on purchase intention

Dependent Variable: Purchint_DIFF

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	5.632[a]	3	1.877	1.388	.248
Intercept	120.882	1	120.882	89.397	.000
Recycled condition	.001	1	.001	.000	**.982**
Contribution condition	4.209	1	4.209	3.113	**.079**
Recycled* contribution_condition	1.814	1	1.814	1.342	**.248**
Error	269.088	199	1.352		
Total	392.688	203			
Corrected Total	274.719	202			

a. R Squared = .020 (Adjusted R Squared = .006)

H$_4$: Main effects of BJW and market signals on advert skepticism difference

4. RECYCLED*CONTRIBUTION INTERACTION

Dependent Variable: SKEPTICMEAN

Recycled content %	Contribution %	Mean	Std. Error	95% Confidence Interval	
				Lower Bound	Upper Bound
67	20	1.154	.172	.815	1.494
	50	.893	.203	.494	1.293
70	20	1.045	.171	.709	1.382
	50	.852	.171	.515	1.188

Interaction of BJW and recycled content on advert skepticism

Dependent Variable: SKEPTICMEAN

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	3.046[a]	3	1.015	.635	.593
Intercept	193.220	1	193.220	120.778	.000
Recycled condition	.281	1	.281	.176	.675
Contribution condition	2.572	1	2.572	1.608	.206
Recycled*contribution	.056	1	.056	.035	.852
Error	318.359	199	1.600		
Total	521.417	203			
Corrected Total	321.406	202			

a. R Squared = .009 (Adjusted R Squared = -.005)

Interaction of BJW and numerical precision on purchase intention

Dependent Variable: Purchint_DIFF

RECYCLED %	CONTRIBUTION %	Mean	Std. Deviation	N
67	20	.5370	1.05331	54
	50	1.0192	1.32335	39
	Total	.7392	1.19152	93
70	20	.7318	1.14852	55
	50	.8318	1.15876	55
	Total	.7818	1.14945	110
Total	20	.6353	1.10163	109
	50	.9096	1.22631	94
	Total	.7623	1.16619	203

Linear regression for purchase intention difference and prior advertisement skepticism

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.146[a]	.021	.016	1.06388

a. Predictors: (Constant), COMPUTE Prepurchaseint=MEAN(purchaseint1_1,purchaseint1_2, purchaseint1_3,purchaseint1_4)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.935	1	4.935	4.360	.038[b]
	Residual	227.501	201	1.132		
	Total	232.437	202			

a. Dependent Variable: SKEPTICMEANPRE

b. Predictors: (Constant), COMPUTE Prepurchaseint=MEAN(purchaseint1_1, purchaseint1_2,purchaseint1_3,purchaseint1_4)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.041	.200		15.198	.000
	COMPUTE Prepurchaseint=MEAN (purchaseint1_1, purchaseint1_2, purchaseint1_3, purchaseint1_4)	.139	.067	.146	2.088	.038

a. Dependent Variable: SKEPTICMEANPRE

Univariate ANOVA for significant testing of respondents aged 20 or below

Tests of Between–Subjects Effects

Dependent Variable: Purchint_DIFF

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	13.400[a]	3	4.467	4.003	.012
Intercept	52.972	1	52.972	47.469	.000
RECY_condition	6.715	1	6.715	6.017	.017
CONT_condition	2.980	1	2.980	2.670	.108
RECY_condition * CONT_condition	7.931	1	7.931	7.107	.010
Error	61.376	55	1.116		
Total	118.000	59			
Corrected Total	74.775	58			

a. R Squared = .179 (Adjusted R Squared = .134)

Estimated Marginal Means

1. Grand Mean

Dependent Variable: Purchint_DIFF

Mean	Std. Error	95% Confidence Interval Lower Bound	Upper Bound
.982	.143	.696	1.268

2. RECYCLED70–20

Dependent Variable: Purchint_DIFF

RECYCLED70–20	Mean	Std. Error	95% Confidence Interval Lower Bound	Upper Bound
67% rec	1.332	.220	.891	1.773
70% rec	.632	.181	.269	.995