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Effects of free gifts with purchase on online purchase satisfaction
The moderating role of uncertainty

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Abstract
Purpose – The purpose of this paper is to understand how free gifts with purchase influence the purchase satisfaction of online consumers, and compares the difference between the contexts, which the consumers are certain and uncertain with the free gifts before purchase.

Design/methodology/approach – This study developed a theoretical model to examine how free gifts with purchase influence the purchase satisfaction of online consumers. The moderating effect of uncertainty was also examined. Using a survey questionnaire, empirical data were collected from 288 Taobao users. The partial least squares technique was used to test the proposed research model.

Findings – Perceived usefulness, perceived quality, perceived cost, and perceived ingenuity are antecedents of happiness toward a free gift with purchase. Happiness has a positive effect on the purchase satisfaction of online consumers. Uncertainty is an important moderator.

Research limitations/implications – The findings extend the current state of knowledge about the relationship between online purchase with free gifts and purchase satisfaction, as well as reveal the psychological mechanism of the effects of online purchase with free gifts on purchase satisfaction.

Practical implications – The findings of this study provide e-retailers with a deep understanding of how free gifts with purchase affect the purchase satisfaction of online consumers in different presentation approaches of the gifts.

Originality/value – Knowledge about the role of free gifts with purchase on the purchase satisfaction of online consumers is scarce. This study provides empirical evidence about the effect of free gifts with purchase on the purchase satisfaction of online consumer in different presentation approaches of the gifts.

Keywords Uncertainty, Happiness, Online retail, Appraisal theory of emotion,
Free gift with purchase, Purchase satisfaction

Paper type Research paper

1. Introduction
Offering a free gift with purchase is a common marketing tool used by retailers (Laran and Tsiros, 2013). In the offline marketplace, the main aim of giving free gifts with purchase is to entice consumers to buy products (Raghubir, 2004). In the online context, the provision of a free gift with purchase can play a complementary role in online purchasing. Online consumers cannot actually touch the product when they make an order (Liao *et al.*, 2010). At the time they receive the delivered product, the free gift that comes with the purchase increases positive online purchase experience (satisfaction) when the expectation of the purchased product is confirmed; when the expectation is

not confirmed, the free gift serves as a buffer to resist negative purchase experience (dissatisfaction). In addition, electronic word-of-mouth from the buyers has a significant influence on the purchase decision of the potential consumers (Khammash and Griffiths, 2011; Jalilvand and Samiei, 2012; Hsu *et al.*, 2013; Chang *et al.*, 2013; Lee *et al.*, 2013). Satisfaction is an important index through which the repurchase intention of the consumers can be determined and positive online reviews can be achieved (Yen and Lu, 2008; Tam, 2011; Wien and Olsen, 2012). Thus, offering free gifts with purchase can be used to entice purchase satisfaction of the online consumers as well as to increase sales of the e-retailers.

The manner of giving free gifts has been investigated by marketing researchers in the offline context (Chandon *et al.*, 2000; Prendergast *et al.*, 2008; Lin and Liao, 2009; Liu *et al.*, 2011; Raghubir and Celly, 2011; Laran and Tsiros, 2013); however, knowledge about how online purchase with free gifts influences the purchase satisfaction of consumers remains scarce.

In the online context, a delay exists between the time a customer makes an order and the time he or she receives the delivery of the product (Liao *et al.*, 2010). Some e-retailers inform their consumers about the free gifts before they make purchase decisions, whereas some e-retailers directly mail free gifts to consumers depending on the products they purchased. In the latter, consumers are not certain whether they will receive free gifts until they open the packages. According to uncertainty theory, uncertainty may affect the decision-making process of consumers in multiple ways (Hassan *et al.*, 2013; Laran and Tsiros, 2013). The different roles of free gifts with purchase on consumer decision-making process between the contexts, which the consumers are certain and uncertain with the free gifts before purchase, is unknown.

Purchase satisfaction, which is determined by the emotional state of the consumers (Hennig-Thurau *et al.*, 2006), is the main concern of the e-retailers (Yen and Lu, 2008; Tam, 2011; Wien and Olsen, 2012). Considering that consumers are generally pleased by incentives, such as free gifts with purchase (Valenzuela *et al.*, 2010), happiness will be used to describe the emotional state of the consumers toward free gifts in the context of online purchase with free gifts. Therefore, a theoretical model has been developed in this study to examine how free gifts with purchase influences the purchase satisfaction of the consumers by delivering happiness toward the free gifts that come with the online purchase. The moderating effect of uncertainty is also examined. This study addresses a novel question that can benefit e-retailers by allowing them to enhance purchase satisfaction using the free gifts with purchase strategy. The findings extend our current state of knowledge about the relationship between online purchase with free gifts and purchase satisfaction, as well as reveal the psychological mechanism of the effects of online purchase with free gifts on purchase satisfaction.

2. Background, research model, and hypotheses
2.1 Consumer uncertainty
According to Pfeffer and Salancik (1978), uncertainty refers to the degree to which the future states of the environment cannot be accurately anticipated or predicted because of imperfect information.

Considerable research has examined the role of uncertainty in various contexts. For example, Yeh *et al.* (2012) examined the antecedents and consequence of perceived uncertainty in online auction context. They found that perceived uncertainty would negatively affect the intention to purchase products from online auction sites. Dimoka *et al.* (2012) examined the antecedents and consequences of product uncertainty in

online markets for used cars. They found that product uncertainty is negatively associated with price premiums. Hassan *et al.* (2013) developed a conceptual model about the antecedents and outcomes of uncertainty in ethical consumer choice. Sun *et al.* (2012) examined the moderating role of uncertainty in the effect of attribute alignability on service evaluation. Van Horen and Pieters (2013) examined the moderating role of uncertainty in preference reversal for copycat brands. The findings of these studies demonstrate the important role uncertainty plays in various consumer decisions. Hence, the present study examines the role of uncertainty in free gift with purchase context.

Laran and Tsiros (2013) investigated the effectiveness of uncertainty in marketing promotions involving free gifts. However, the uncertainty in their study referred to which gift consumers will receive rather than whether they will receive a gift. The knowledge about the role of uncertainty in the latter instance is scarce. The uncertainty in the present study refers to whether consumers will receive a free gift.

2.2 Research model

According to appraisal theory of emotion, individuals' cognitive appraisals of features of events lead to their emotional reactions (Lazarus, 1991a, b). Such emotions arise from the cognitive appraisal of an event rather than from the event itself (Lazarus, 1991a, b; Smith and Ellsworth, 1985). Adopting appraisal theory of emotion, the current study proposes that consumers' cognitive appraisals of the features of free gifts have an effect on their happiness toward these gifts.

In line with appraisal theory of emotion, the events that the individuals care about will give rise to emotions (Lazarus, 1991a, b). In coming up with a cognitive appraisal, an individual evaluates a target event based on the features of the event they care about. Chen and Chu (2012) have suggested that consumers make purchase decisions based on the quality, functionality, and price of a product. Hence, consumers care about the features of quality, functionality, and price when they evaluate a product. Free gifts belong to the realm of products; hence, the consumers may appraise free gifts based on their quality, functionality, and price. The current study defines "price" as the total cost spent by an e-retailer on free gifts. In addition, Vanhamme and de Bont (2008) indicate that surprise gifts can amplify the pleasure experienced by the recipient. As ingenious gifts may surprise consumers, they are more likely to appraise the free gift from the feature of ingenuity. Thus, this study focusses on four factors, namely, perceived quality, perceived usefulness, perceived cost, and perceived ingenuity, to describe consumers' cognitive appraisal of free gifts with purchase.

In general, mood states seem to create biased evaluations and judgments in mood congruent directions (Gardner, 1985, p. 287). If consumers feel happy from receiving free gifts, their evaluations toward the e-retailers (i.e. purchase satisfaction) are likely to be positively biased. Thus, the present study proposes that the happiness of consumers toward free gifts positively influences their overall purchase satisfaction.

Figure 1 presents the research model.

2.3 Hypotheses

Generally, when customers assess a specific shopping experience, they draw on the current emotional state (Hennig-Thurau *et al.*, 2006). A change in emotion has an influence on satisfaction levels (Sinclair and Mark, 1995). Happiness is a type of positive emotion. According to the mood congruence effect, when a consumer
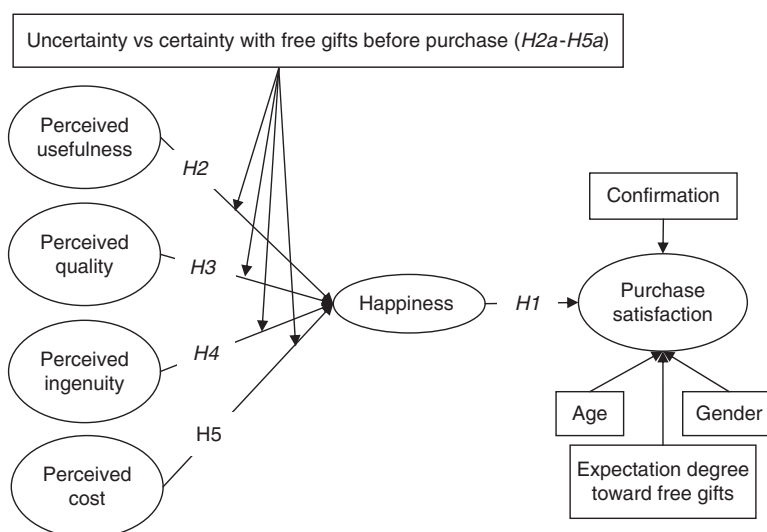
Figure 1.
The research model

experiences higher happiness from a free gift with purchase, he or she is likely to express a higher level of purchase satisfaction. Therefore, the current study posits the following hypothesis:

H1. Happiness toward a free gift with purchase positively influences the purchase satisfaction of consumers.

According to appraisal theory of emotion, individuals' cognitive appraisals of features of events lead to their emotional reactions (Lazarus, 1991a, b). Events that are appraised as harmful engender negative emotions; whereas events appraised as beneficial produce positive emotions (Lazarus, 1991a).

Encountering free gifts with purchase, consumers may evaluate these free gifts using usefulness, quality, cost, and ingenuity as the four primary appraisal criteria (Chen and Chu, 2012; Vanhamme and de Bont, 2008). From the consumers' perspective, it is better to receive a free gift with higher usefulness, quality, cost, and ingenuity. In line with appraisal theory of emotion, if consumers appraise a free gift as potentially beneficial, they are likely to feel happy toward that free gift. Thus, the present study proposes that perceived usefulness, perceived quality, perceived cost, and perceived ingenuity have positive influences on the happiness of the consumers.

Useful products have beneficial uses in the daily activities of consumers. When a free gift is found useful in the daily activities of a consumer, he or she is likely to evaluate this gift as beneficial; thus feeling happy toward that free gift. In line with the appraisal theory of emotion, previous study has found that perceived usefulness of an innovation is positively related to the positive emotion of employees (Choi *et al.*, 2011). Similarly, the present study proposes that perceived usefulness of a free gift with purchase positively influences the happiness of consumers toward the free gift.

Quality refers to the ability of a product to consistently meet consumer requirements or expectations. High quality increases the dependability of a gift; it also follows that the perceived high quality of a free gift is a benefit event, which in turn, will arouse more happiness toward the free gift. de Rojas and Camarero (2008) have found a

positive relationship between perceived quality and pleasure in the cultural tourism context. The present study proposes that the same relationship exists between perceived quality and happiness in the contexts of free gifts with purchase.

An ingenious gift may surprise consumers. Vanhamme and de Bont (2008) have indicated that surprise gifts can amplify the pleasure experienced by the recipient. Thus, the perceived high ingenuity of a free gift will create more happiness of the consumers toward that gift. Accordingly, the present study proposes that perceived ingenuity of a free gift with purchase positively influences the happiness of consumers toward the free gift.

Cost is an indicator of the amount of sacrifice needed to purchase gifts by an e-retailer. The higher the cost of free gifts, the more the value that consumer obtains. That is, a perceived high cost of a free gift is a benefit event for a consumer, which will trigger his or her happiness toward the gift. Previous studies argued that gifts with high value are generally evaluated more favorably (Beltramini, 2000; Larsen and Watson, 2001). Hence, the present study proposes that perceived cost of free gifts with purchase positively influences the happiness of consumers toward the free gifts.

Thus, we hypothesize that:

H2. The perceived usefulness of a free gift with purchase positively influences the happiness of consumers toward the free gift.

H3. The perceived quality of a free gift with purchase positively influences the happiness of consumers toward the free gift.

H4. The perceived ingenuity of a free gift with purchase positively influences the happiness of consumers toward the free gift.

H5. The perceived cost of free gifts with purchase positively influences the happiness of consumers toward the free gifts.

According to structural alignment theory, there are two types of attributes across options, namely, alignable and nonalignable attributes. Alignable attributes are shared attributes that vary in value across options. Nonalignable attributes belong to only one option (Kivetz and Simonson, 2000; Sun *et al.*, 2012). Chen and Chu (2012) propose that consumers make purchase decisions based on the quality, functionality, and price of a product, which are common attributes across products, whereas the ingenuity attribute is unique to each product. Hence, the quality, functionality, and price belong to alignable attributes, while ingenuity belongs to the nonalignable attribute.

Prior research suggests that uncertainty underlies the weighting of alignable vs nonalignable attributes in consumer brand emotion (Sun *et al.*, 2012), that is, the greater the uncertainty associated with the evaluation task, the more likely the consumers will rely on nonalignable attributes (Sun *et al.*, 2012). The present study proposes that this criterion will continue in the free gift context, wherein consumers produce happiness toward the free gift based on alignable attributes when they are certain with the free gift before making a purchase. By contrast, they produce happiness based on nonalignable attributes when they are uncertain with the free gift before making a purchase. Hence, this study proposes that perceived usefulness and perceived quality have more positive influence on consumers' happiness when they are certain than when they are uncertain with the free gifts before a purchase. By contrast, perceived ingenuity has a more positive influence on consumers' happiness when they are uncertain than when they are certain with the free gifts before a purchase.

Cost is a special attribute for free gifts, which is purchased by e-retailers, but not by consumers. When consumers are certain with the free gifts before a purchase, e-retailers usually show attractive free gifts with relatively high value to entice consumers to buy their products (Raghubir, 2004). Hence, the cost may be not an important attribute for consumers to evaluate the free gifts with purchase. When consumers are uncertain with the free gifts before a purchase, they may rely on the cost of gifts to judge the sincerity of e-retailers. Hence, the cost belongs to alignable attributes, but this study proposes that consumers rely more on perceived cost to make an evaluation when they are uncertain than when they are certain with the free gifts before a purchase.

The following hypotheses are then applied:

H2a. The perceived usefulness of a free gift with purchase has a more positive influence on the happiness of consumers toward the free gift when they are certain vs uncertain with the free gift before purchase.

H3a. The perceived quality of a free gift with purchase has a more positive influence on the happiness of consumers toward the free gift when they are certain vs uncertain with the free gift before purchase.

H4a. The perceived ingenuity of a free gift with purchase has a more positive influence on the happiness of consumers toward the free gift when they are uncertain vs certain with the free gift before purchase.

H5a. The perceived cost of a free gift with purchase has a more positive influence on the happiness of consumers toward the free gift when they are uncertain vs certain with the free gift before purchase.

2.4 Control variables

According to expectation-confirmation theory (ECT), consumers have an initial expectation of a specific product prior to purchase, and the extent to which their expectation is confirmed (confirmation) is an important antecedent of purchase satisfaction (Oliver, 1980; Bhattacherjee, 2001; Chang and Zhu, 2012). In the free gifts with purchase context, the product purchased online and the free gifts may both influence consumer purchase satisfaction. On the one hand, the extent to which the expectation of consumers about the product purchased online is confirmed will influence consumer purchase satisfaction. On the other hand, the expectation degree of consumers toward receiving free gifts may have an influence on their purchase satisfaction because offering a free gift with purchase is a common marketing tool used in the online retail context. Hence, this study employs confirmation and expectation degree toward free gifts as two control variables of purchase satisfaction.

According to Mathur (1996), future research on gift-giving should examine the difference in the responses among different subgroups in the population. Consumer-to-consumer (C2C) gift-giving literature suggests that the gender of recipients has an impact on the response to the gift received (Areni *et al.*, 1998). By contrast, Sprott and Grohmann (2000) and Bodur and Grohmann (2005) asserted that the gender of recipients has no significant effect on the gift evaluation if the gift giver is a salesperson who gives a business gift. The present study employs gender as the third control variable because the conclusion varies among gift-giving contexts. As people in different age levels may have different consumptive conceptions, their attitude toward free gifts may also vary. Hence, this study employs age as the fourth control variable.

3. Method

3.1 Data collection

A questionnaire was made to collect data from Taobao users in China. In total, 12 graduate students majoring in marketing and online shoppers were surveyed as a pilot. Based on their feedback, we modified the questionnaire and then published it in a professional online survey site (www.sojump.com) to collect data with prizes. The respondents were asked to answer the questionnaire based on a specific purchase (i.e. the last purchase). A total of 450 Taobao users participated in the survey. In total, 162 participants were excluded through screening questions for they did not receive free gifts with purchase from e-retailers in the last week. The final effective sample size is 288. The participants consisted of 40 percent male and 60 percent female, whose ages are 18-60 years. Consumers whose ages are 18-25 years, 26-30 years, and 31-40 years comprise 21, 38, and 32 percent of the participants, respectively. The types of goods the respondents purchased mainly include clothing, shoes and luggage (34 percent), beauty, personal care and jewelry (18 percent), and mobile phone, computer and digital (16 percent). Table I shows the demographic characteristics. Among the respondents, 26 percent were certain with free gifts before purchase, whereas 74 percent were not certain.

As the group size is not similar between the respondents who were certain and uncertain with free gift before purchase, we observed the different presentation approaches of free gifts on Taobao. Using one-piece dress products as an object, we chose the top 50 most sold products on Taobao. By browsing the homepage of such products and the first 100 consumer reviews, 29 out of 50 products were found to give free gifts to their consumers. Nine product homepages (31 percent) mentioned the particular of free gift with purchase; meanwhile, 20 product homepages (69 percent) did not mention this information, but their consumers revealed in their reviews that they received free gifts. The rate is similar with the survey. The offering of free gifts can cut into company profits. Many e-retailers cannot afford to offer attractive free gifts with relatively high value may be the reason that consumers who are certain with free gift before purchase is relatively small.

3.2 Measurement

Six constructs were measured in the present study: perceived usefulness, perceived quality, perceived cost, perceived ingenuity, happiness, and purchase satisfaction. Five-point Likert scales anchored between "strongly disagree" and "strongly agree" was used in all scale items.

Item	Proportion (%)	Item	Proportion (%)
Gender		Type of goods purchased	
Male	40	Clothing, shoes, and luggage	34
Female	60	Beauty, personal care, and jewelry	18
Age		Mobile phone, computer, and digital	16
18-25	21	Grocery and alcohol	11
26-30	38	Books	4
31-40	32	Household and kitchen	7
40-60	9	Others	10

Table I.
Demographic characteristics

Purchase satisfaction is defined as the overall feeling of a consumer on his/her shopping experience. Measurement for purchase satisfaction was adapted from the scale of Lin and Lin (2011). This portion included three items. Happiness pertains to the potential of a free gift to elicit a consumer's pleasure response. Measurement for happiness was adapted from the scale of Chaudhuri and Holbrook (2001). This portion included three items. Perceived usefulness refers to how well a consumer believes a free gift can be integrated into his/her daily activities. Measurement for perceived usefulness was adapted from the scale of Moldovan *et al.* (2011). This portion included four items. Perceived quality is denotes the overall opinion of a consumer on the quality of a free gift. Measurement for perceived quality was adapted from the scale of Dodds *et al.* (1991). This portion included four items. Perceived cost is defined as the opinion of a consumer on the total cost an e-retailer spent on free gifts. Measurement for this variable was developed by the current study. This portion included three items. Perceived ingenuity pertains to the consumer opinion on the unusual and interesting features of a free gift. Measurement for this variable was adapted from the scale of Moldovan *et al.* (2011). This portion included four items.

The control variable "confirmation" is defined as a consumer's perception of the congruence between expectation of a product and its actual performance. "Expectation degree toward free gifts" refers to the degree of expectation of a consumer to get free gifts when he or she shops online. Confirmation and expectation degree toward free gifts were measured using one item that used five-point Likert scales anchored between "strongly disagree" and "strongly agree." The item of confirmation is "Overall, most of my expectations of the product were confirmed." The item of expectation degree toward free gifts is "I always hope that I can receive gifts from e-retailers when I shop online."

3.3 Common method variance (CMV)
The present study employed a Harman's single-factor test to examine the CMV. A confirmatory factor analysis was employed by modeling all items as the indicators of a single factor, and the results was poor (Cmin/df = 12.177, RMAEA = 0.197, CFI = 0.635, NFI = 0.616, GFI = 0.524). According to Malhotra *et al.* (2006), method biases are assumed to be substantial if the hypothesized model fits the data. Thus, CMV is not a significant problem for the present study.

4. Results
A structural equation modeling technique called partial least squares (PLS) was employed to test the research model. The PLS-graph 3.0 software, which was developed by professor Chin (2001) is used.

4.1 Measurement model
The values of Cronbach's α and composite reliability (CR) were examined in the current study. The results show that Cronbach's α values are above 0.8 (Table II). Nunnally (1978) suggests the threshold level of Cronbach's α value is 0.7. CR is a more rigorous estimate of reliability (Chin and Gopal, 1995). The results show that CR values are above 0.8 (Table II), meeting the criterion of strong reliability (Chin and Gopal, 1995). The high values of Cronbach's α and CR demonstrated the reliability of the measurement model.

The values of average variance estimator (AVE) and factor loading were examined in the current study. The values of AVE of all constructs and the factor loading of all

698

Construct	Item	Loading	α-Value	CR	AVE
Purchase satisfaction	I was happy about my decision to choose the e-retailer	0.935	0.934	0.959	0.885
	I did the right thing in choosing the e-retailer	0.933			
	Overall, I was satisfied with the decision to purchase from the e-retailer	0.955			
Happiness	I felt good when I saw the free gift	0.932	0.934	0.958	0.884
	The free gift made me happy	0.947			
	The free gift gave me pleasure	0.940			
Perceived usefulness	The free gift was useful for me	0.934	0.933	0.953	0.834
	The free gift fulfilled a need for me	0.911			
	The free gift was necessary to me	0.893			
	The free gift was beneficial to me	0.916			
Perceived quality	The quality of the free gift was reliable	0.889	0.934	0.953	0.836
	The workmanship of the free gift was high	0.900			
	The quality of the free gift was dependable	0.928			
	The free gift was of good quality	0.938			
Perceived ingenuity	I felt that the free gift was interesting	0.901	0.932	0.952	0.831
	I felt that the free gift was novel	0.909			
	I felt that the free gift was unusual	0.934			
	I felt that the free gift was ingenious	0.904			
Perceived cost	Judging from the total cost of the gifts, I felt that the e-retailer was mean about giving free gifts with purchase (reversed)	0.824	0.855	0.910	0.772
	I felt that the grade of the free gifts was low (reversed)	0.917			
	I felt that the cost of the free gifts was low (reversed)	0.894			

Table II.
Latent variables
statistics

items are higher that 0.7 (Table II), which accords with Fornell and Larcker's evaluation criterion of convergent validity (Fornell and Larcker, 1981). In addition, the square roots of AVE values of all constructs are significantly higher than the corresponding correlations among the latent constructs, which accords with Fornell and Larcker's evaluation criterion of discriminant validity (Fornell and Larcker, 1981) (Table III). The construct validity of the measurement model is good.

4.2 Structural model
The current study employed structural model to test the hypotheses. The results of the value of R^2, path coefficients, and corresponding level of significance are shown in Figure 2.

	Purchase satisfaction	Happiness	Perceived usefulness	Perceived quality	Perceived ingenuity	Perceived cost
Purchase satisfaction	0.941					
Happiness	0.594	0.940				
Perceived usefulness	0.583	0.751	0.913			
Perceived quality	0.591	0.695	0.744	0.914		
Perceived ingenuity	0.459	0.595	0.519	0.634	0.912	
Perceived cost	0.304	0.431	0.339	0.389	0.286	0.879

Table III.
Correlation of
constructs and AVE

Note: Square root of the AVE on the diagonal, correlations between constructs on the off-diagonal
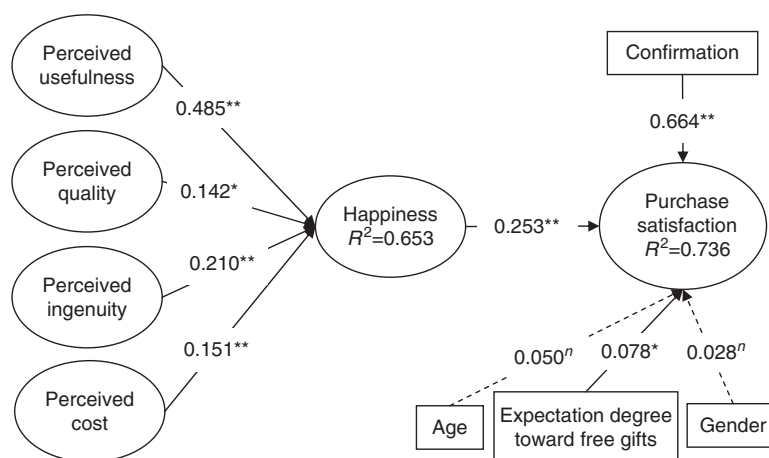
Notes: n, not significant. *$p < 0.05$; **$p < 0.01$

Figure 2.
The PLS analysis
of research model

Figure 2 shows that happiness ($\beta = 0.253$, $p < 0.01$) is a strong predictor of purchase satisfaction. As we hypothesized that happiness (*H1*) would positively affect purchase satisfaction, *H1* is supported. Perceived usefulness ($\beta = 0.485$, $p < 0.01$), perceived quality ($\beta = 0.142$, $p < 0.05$), perceived ingenuity ($\beta = 0.210$, $p < 0.01$), and perceived cost ($\beta = 0.151$, $p < 0.01$) are strong predictors of happiness. As we hypothesized that perceived usefulness (*H2*), perceived quality (*H3*), perceived ingenuity (*H4*), and perceived cost (*H5*) would affect happiness, *H2*, *H3*, *H4*, and *H5* are supported.

About the effects of control variables, confirmation ($\beta = 0.664$, $p < 0.01$) and expectation degree toward free gifts ($\beta = 0.078$, $p < 0.05$) are found to have positive impact on purchase satisfaction. The effect of gender and age on purchase satisfaction is not significant.

4.3 Moderation analysis

To compare the influences of free gifts with purchase on consumer satisfaction between the contexts, which the consumers are certain and uncertain with the free gifts before purchase, this study evaluated the moderating effects of uncertainty.

The 288 participants were divided into two groups: the first group consisted of 74 participants who were certain with free gifts before purchase; the second group comprised 214 participants who were uncertain with free gifts before purchase. PLS analysis is used to examine the structural models of the two groups. PLS analysis is suited for use with smaller sample sizes. According to Chin (1998), the recommended minimum sample size is ten times the number of items for the most complex construct. The number of items for the most complex construct is four in the current study; thus, the minimum sample size is 40. The sample sizes of the two groups all exceeded the recommended minimum sample size.

The two structural models show that the paths from perceived quality, ingenuity, and cost to happiness were obviously different between the two groups (Figure 3). Then, a multi-group analysis was employed to test the difference in the strength of path coefficient from perceived usefulness to happiness between the two groups. The result of t-test shows that there is different between the two groups ($t = 1.971$).
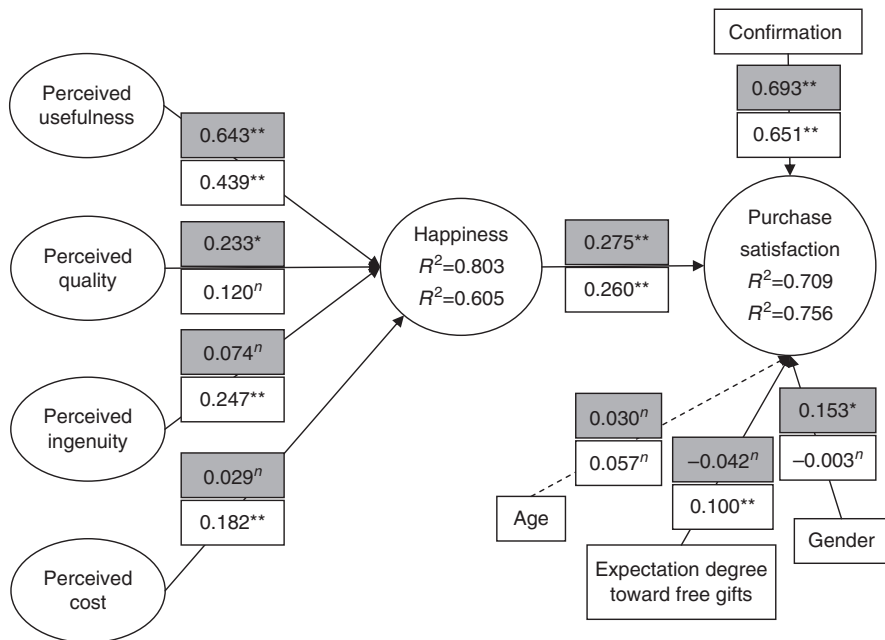
Figure 3.
Standardized path
coefficients for
certainty and
uncertainty contexts

Notes: n, not significant. Coefficients for the context that consumers are certain with free
gifts before purchase are in the shaded boxes. $*p<0.05$; $**p<0.01$

As perceived usefulness and quality of free gifts with purchase have more positive
influence on the happiness of consumers when they are certain vs uncertain with free gifts
before purchase, *H2a* and *H3a* are supported. As perceived ingenuity and cost of free gifts
with purchase have more positive influence on the happiness of consumers when they are
uncertain vs certain with free gifts before purchase, *H4a* and *H5a* are supported.

About the effects of control variables, confirmation ($\beta = 0.693$, $p < 0.01$) and gender
($\beta = 0.153$, $p < 0.05$) are found to have positive impact on purchase satisfaction in the
context of certainty with free gifts before purchase. Confirmation ($\beta = 0.651$, $p < 0.01$) and
expectation degree toward free gifts ($\beta = 0.100$, $p < 0.01$) positively affect the purchase
satisfaction of consumers in the context of uncertainty with free gifts before purchase.

5. Discussion
Perceived usefulness, quality, cost, and ingenuity are antecedents of happiness toward
a free gift with purchase. A previous study indicated that consumers make product
purchase decisions based on the functionality, quality, and price of a product (Chen and
Chu, 2012). This study suggests that the attributes used by the consumers to evaluate a
free gift with purchase include ingenuity as well as usefulness, quality, and cost.

The happiness toward a free gift with purchase has a positive effect on the purchase
satisfaction of consumers. The conclusion demonstrating happiness is involved in
the consumers' processing of online purchase with free gifts. This contributes to the
prediction of the consumer behavior, that is, by receiving free gifts with high
usefulness, quality, cost and ingenuity, consumers are more likely to appraise the free
gifts as potentially beneficial and thus feel happiness toward the free gifts, and

subsequently, positive evaluation toward the e-retailers (i.e. purchase satisfaction) is obtained. In line with appraisal theory of emotion, consumers' cognitive appraisals of free gifts have an effect on their happiness toward the free gifts. Meanwhile, mood congruence effect exists in the relationship between consumers' happiness toward the free gifts and their purchase satisfaction. The conclusion reveals the psychological response of the consumers in processing free gifts with purchase, thus demonstrating the predominant role of happiness in the contexts of online purchase with free gifts.

Uncertainty is an important moderator, that is, perceived usefulness and quality have more positive influences on the happiness of the consumers when they are certain than when they are uncertain with the free gift before purchase. However, perceived ingenuity and cost have more positive influences on the happiness of the consumers when they are uncertain than when they are certain with the free gift before purchase. The conclusion demonstrates that consumers rely more on the alignable attributes of usefulness and quality to assess their emotional response when they are certain than when they are uncertain with the free gift before purchase. By contrast, they rely more on the nonalignable attribute of ingenuity to assess their emotional response when they are uncertain than when they are certain with the free gift before purchase. Sun *et al.* (2012) reported that uncertainty underlies the weighting of alignable vs nonalignable attributes in consumer brand emotion. This study specifies the role of alignable vs nonalignable attributes on consumer emotion between the contexts, wherein the consumers are either certain or uncertain with the free gift before purchase.

Cost is a special attribute for free gifts because free gifts are purchased by e-retailers but not by consumers. In the context of consumers certainty with free gifts before purchase, e-retailers usually show attractive free gifts with relatively high value to entice consumers to buy their products, which may be the reason perceived cost has no significant effect on the happiness of consumers. In the context of uncertainty with free gifts before purchase, some e-retailers offer free gifts with proper value which can show sincerity to consumers, whereas some e-retailers offer free gifts of lower value that show relatively low sincerity. This may be the reason perceived cost has a significant effect on the happiness of consumers when they are uncertain with free gifts before purchase. Larsen and Watson (2001) asserted that gifts with higher costs would be more highly valued. According to Bodur and Grohmann (2005), business-to-consumer (B2C) gifts of higher value are not evaluated more favorably than gifts of lower value. Their findings about the cost tactic of free gifts are mixed. The conclusion of the present study suggests that e-retailers should employ different cost tactics for free gifts with purchase in different presentation approaches.

The control variables, gender, and expectation degree toward free gifts, positively affect the purchase satisfaction of consumers in the context of certainty and uncertainty with free gifts before purchase, respectively. Confirmation affects the purchase satisfaction of consumers in both contexts. Before considering the moderating effects of uncertainty, the result shows that the effect of gender on purchase satisfaction is not significant. However, the effect of gender on purchase satisfaction is different by considering the moderating effect of uncertainty. Previous findings about gender vary within different gift-giving contexts (Areni *et al.*, 1998; Sprott and Grohmann, 2000; Bodur and Grohmann, 2005). The present study specifies the control role of gender in different online purchase with free gifts contexts. In keeping with ECT, the present study suggests that expectation confirmation about the product, which has been purchased online, is another crucial driver of purchase satisfaction in the context of free gift with purchase. Moreover, considering that

offering a free gift with purchase is a common marketing tool in the online retail context, the present study reveals that the expectation degree of the consumers toward receiving free gifts is a significant control variable of purchase satisfaction when they are uncertain with free gifts before a purchase. In the context of consumers' certainty with free gifts before a purchase, their expectation toward receiving free gifts has been confirmed before purchase; thus, the expectation degree toward free gifts is not a significant control variable.

6. Conclusion, implications, and future research
Giving a free gift with purchase is a common marketing tool used by e-retailers. This study examined how free gifts with purchase influence the purchase satisfaction of consumers through happiness. The moderating role of uncertainty was also examined. This study has important implications in academic and industry research.

The findings of the current study have implications for academic research. First, our study examines the effect of online purchase with free gifts on the purchase satisfaction of consumers through the happiness generated toward the free gifts. Prior studies have investigated the strategy of giving free gifts in the offline context; however, the goal of our study is to empirically examine the role of free gifts with purchase on consumer purchase satisfaction in various approaches of presenting free gifts in the online retail context. The present study is one of the first to examine the effect of online purchase with free gifts on the post-purchase responses of the consumers, thus demonstrating the complementary role of online free gifts with purchase. In addition, the findings that demonstrate happiness is involved in the consumers' processing of free gifts with purchase, thus revealing the psychological mechanism of the effects of online purchase with free gifts. Second, previous studies have paid little attention on the uncertainty referred to whether consumers will receive a gift in the context of free gifts with purchase. The present study finds that this kind of uncertainty is an important moderator; it also specifies the role of alignable vs nonalignable attributes on consumer emotion between the contexts, wherein the consumers are certain or uncertain with the free gifts before a purchase. This study provides additional insights into the role of uncertainty and (non) alignable attributes in the context of online purchase with free gifts. Third, previous studies have yet to fully examine cognitive appraisals of free gifts. The current study finds that the cognitive appraisals of consumers on free gifts are based on the attributes of usefulness, quality, cost, and ingenuity. Fourth, as the role of gender varies among gift-giving contexts, the current study is one of the first to specify the control role of gender on purchase satisfaction in the online free gift with purchase context. Five, this study reveals that the expectation confirmation is another crucial driver of purchase satisfaction in the context of free gift with purchase.

In addition, the findings of the study have implications for e-retailers. The findings demonstrate the complementary role of online free gift with purchase, and provide e-retailers with a deep understanding of how free gifts with purchase can affect the purchase satisfaction of their respective online consumers. First, e-retailers should pay attention in matching the features of the free gifts and the approach of presenting these free gifts. This is because different attributes (i.e. usefulness, quality, ingenuity, and cost) of free gifts have different influences on consumer emotion in various approaches of giving gifts.

Second, given that perceived usefulness positively affects the happiness of consumers in gift presentation approaches, e-retailers should carefully choose useful

gifts for the consumers. When presenting the free gift on the homepage of a product, with the aim of informing consumers before making a purchase (i.e. consumers are certain with free gifts before purchase), the gift can be chosen from the related products, and may come in the form of samples, complementary products and accessories, because the free gift the buyers received is the same. When directly mailing a free gift to a consumer depending on the product purchased (i.e. consumers are uncertain with free gifts before purchase), the free gift can be chosen based on the personal characteristics of the consumer.

Third, useful gifts with high quality, which can increase the sales of a promoted product, can be presented directly on the product homepage to inform consumers before they make a purchase. This is because consumers rely on the alignable attributes of usefulness and quality to assess their emotional response when they are certain with the free gift before making a purchase. In this context, "the higher the better" cannot be applied to the cost of the free gift. E-retailers can use the effect of free gifts in increasing sales of the promoted products as the basis upon which to decide on the suitable cost of the free gifts.

Fourth, as consumers rely on the alignable attributes of usefulness and cost as well as the nonalignable attribute of ingenuity to assess their emotional response when they are uncertain with the free gift before purchase, useful and ingenious gifts can be directly sent to the consumers within their product packages. However, the cost of these gifts cannot be too low. Moreover, given that the potential consumers can identify the particular gifts from the online reviews of the previous buyers, e-retailers may send different gifts to different consumers to increase the surprise factor, and ultimately, the consumers' satisfaction.

The findings of this study provide meaningful implications, but several limitations exist that should be addressed in future research. First, this study collected data from Taobao users in China. Taobao comprises B2C and C2C marketplaces. Consumers with different culture and e-retailer characteristics must be considered in future studies. Second, this study did not distinguish the type of goods and the number of free gifts. Finally, this study did not consider the strength of the relationships between e-retailers and consumers. Such limitations must be considered in future research.

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