

# Sensitivity to sales promotion: Between profitability and criticism

Zrelli Iman

PHD, Assistant professor, Human resources department, College of Business - University of Jeddah, Khulais, Saudi Arabia

---

## ARTICLE DETAILS

### Article History

Published Online: 13 March 2019

### Keywords

Sales promotion sensitivity, consumer behavior, brand switching, purchase behavior, loyalty.

### \*Corresponding Author

Email: [Imen\\_zrelli@yahoo.com](mailto:Imen_zrelli@yahoo.com)

---

## ABSTRACT

This document highlights the different representations of sensitivity to sales promotion. Through a reading of the literature, we have determined the aspects that make the consumer's sensitivity to promotional action negative to his future purchases. The advantage of this work is to present a solution to minimize the negative effects of sales promotion on consumer loyalty.

## 1. Introduction

The place reserved for sales promotion in business strategies is evidenced by the high rates of sales volumes during promotional actions. The amplification of the promotional phenomenon is not without danger, both on the general economic level and on the long-term results of firms in terms of maintaining consumers (Zrelli, 2004).

It is indeed known that promotional actions have a paradoxical character and can be at the same time the worst and the best of things. In the short term, they are profitable, while in the long run they do not systematically guarantee consumer loyalty (Dodson, Tybout and Sternthal, 1978, Froloff, 1992-1994-2000).

Knowing that 84% increase of sales during a promotional action is explained by the change of brand (Gupta, 1988), it is normal that during a promotional action the companies seek to attract the customers of competition based on their sensitivity to promotion, thus reinforcing the change of brands.

Knowing that the primary goal of every business is maintaining and promoting its market share, any promotional program is followed by a decline in sales (Dodson, Tybout and Sternthal 1978, Lattin and Bucklin 1989).

If the negative effects of sales promotion are increased customer awareness of promotion and reduced brand loyalty, Froloff's (1992) idea that brand loyalty is negatively linked sensitivity to promotion and price sensitivity is positively related to it "takes on its full meaning.

The problematic of understanding sensitivity to promotion lies in the fact that it must be questioned in its attitude dimension and at the same time in the multiple connections that it induces and assumes.

Reducing awareness for promotion is therefore about defining what it is like and identifying the implications and the underlying relationships.

Research on reducing sensitivity to promotion can not save itself the search for the process by which a consumer passes to

reduce his positive attitude towards the promotion and the steps that compose it. Here introduce the paper, and put an important

## 2. Literature Review

### 2.1. Promotion sensitivity

Despite extensive literature on sales promotion, there has been little investigation of the notion of promotion sensitivity (Mittal 1994, Volle 1996). To define this concept, one must first specify the nature of the approach to be adopted. There are two types of approaches: the first is behavioral and the second is attitudinal in nature.

#### *Behavioral approach*

The first approach is based on observed or reported behavioral data (promotional purchase, quantity purchased on promotion), by a panel of consumers, or a sample survey. Sensitivity to promotion is the degree to which the consumer is influenced by such action in terms of brand choice, buying pace, quantity purchased, or active search for promotions (Blattberg and Neslin, 1990). Thus, these authors introduce the notion of the influence of a promotional action on the consumer's sensitivity when buying a brand, and this, by accelerating the pace of purchase, orienting its choice between brands, by maximizing the quantity purchased and accentuating its tendency to look for promotional products. Certain variables of the environment intervene strongly in this process of influence. This is how we can talk about a response behavior to the promotion.

#### *Attitudinal approach*

By criticizing the behavioral approach, an attitudinal approach has developed considering the promotion sensitivity as an attitude upstream of the behavior (Kalika, 1982, Lichtenstein, Netemeyer and Burton, 1990, Froloff, 1992, Chandon, 1994). It is, therefore, a variable that occurs during the purchase, and not the result of an influence of the promotion action, it is actually an intervening psychological variable. Chandon (1994) defines it, moreover, as an attitudinal variable coming from beliefs and attitudes towards promotional actions. Sensitivity to promotion is upstream of the behavior and it is manifested in the consumer's evaluation of the brand. A consumer who is sensitive to promotion is a consumer who deals primarily with the presence of promotional presence or

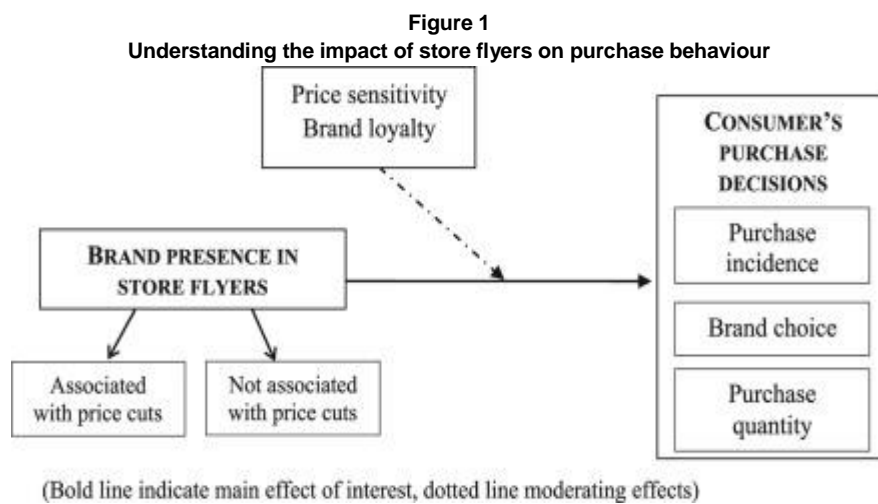
not in his process of choice between brands (Froloff, 1992-1994). Referring to the characteristics of promotion-sensitive clients, sensitivity to promotion is an individual variable that expresses the influence of promotion action on consumers on two levels: cognitive and decision-making. It manifests itself in terms of the pace of purchase, the choice between brands, the quantity purchased or the active search for promotion.

Such a synthesis makes us say that the two approaches (behavioral and attitudinal) are not contradictory but rather complementary. But sensitivity to promotion has been considered at length as an attitude (Froloff 1992, Chandon 1994, Zrelli 2004-2006, and Fourati Hachicha 2007). It is not a result of the promotional action, but it intervenes during the purchase, it is an intervening psychological variable.

**2.2 Sensitivity to sales promotion and brand switching: Which report?**

The existence of negative effects of susceptibility to promotion has been confirmed by several researchers (Dodson, Tybout and Sternthal, 1978, Froloff, 1992, Papatla, Krishnamurthi, 1996). According to Papatla, Krishnamurthi (1996), "if one is able to reduce sensitivity to promotion compared to the previous week, the average price paid per household should increase". From then on, a question arises: What makes that the sensitivity to the promotion does not ensure the long-term profitability of the company? Is it true that a promotional offer attracts non-loyal buyers more easily, but does not hold them back (Kotler and Dubois, 1992).

A study by Gupta (1988) shows that the increase in sales from a promotional action is attributable to the change of brand. Knowing that sales promotion primarily attracts consumers who are sensitive to this action, we can conclude that a consumer who is sensitive to promotion is a brand changer. Figure N ° 1 shows an example.



Source: Gázquez-Abad, J. C., & Martínez-López, F. J. (2016).

**3. Explanatory theories of brand switching**

The factors that explain brand change are essentially self-perception theory, object perception theory, and price perception theory (Pauwels, Hanssens, Siddarth, 2002). Kahn and Louie (1990) associate brand change with the theory of the information economy. Neslin, Shoemaker (1989) add another factor relating to statistical aggregation.

**3.1 Theory of self-perception**

The theory of self-perception explores post-promotional behavior (Dodson et al., 1978). The consumer seeks justifications for his behavior in the face of sales promotion, self-representation is subjective, and can not give a clear idea of the objective perception that subjects make of themselves. Also, it is likely that consumers attribute their purchases to external causes (taking advantage of a promotion), and not to internal causes (loving the purchased product).

**3.2 Theory of the perception of the object**

Several researchers have demonstrated the negative effect of a promotional purchase on the perception of the object (Kalwani, Yim, Rinne, Sugita, 1990). Such a purchase can even undermine the image of the brand. The multiplication of

promotional actions adversely affects the subsequent choice behavior between brands (Lattin and Bucklin, 1989).

**3.3 Theory of price perception**

The exposure of the consumer to promotional activities gives rise to expectations reflected in the reference price (Lattin and Bucklin, 1989). Any subsequent price increase is no longer accepted by him. Thus, the reference price affects the consumer's expectations by lowering the probability of buying the same brand without promotion.

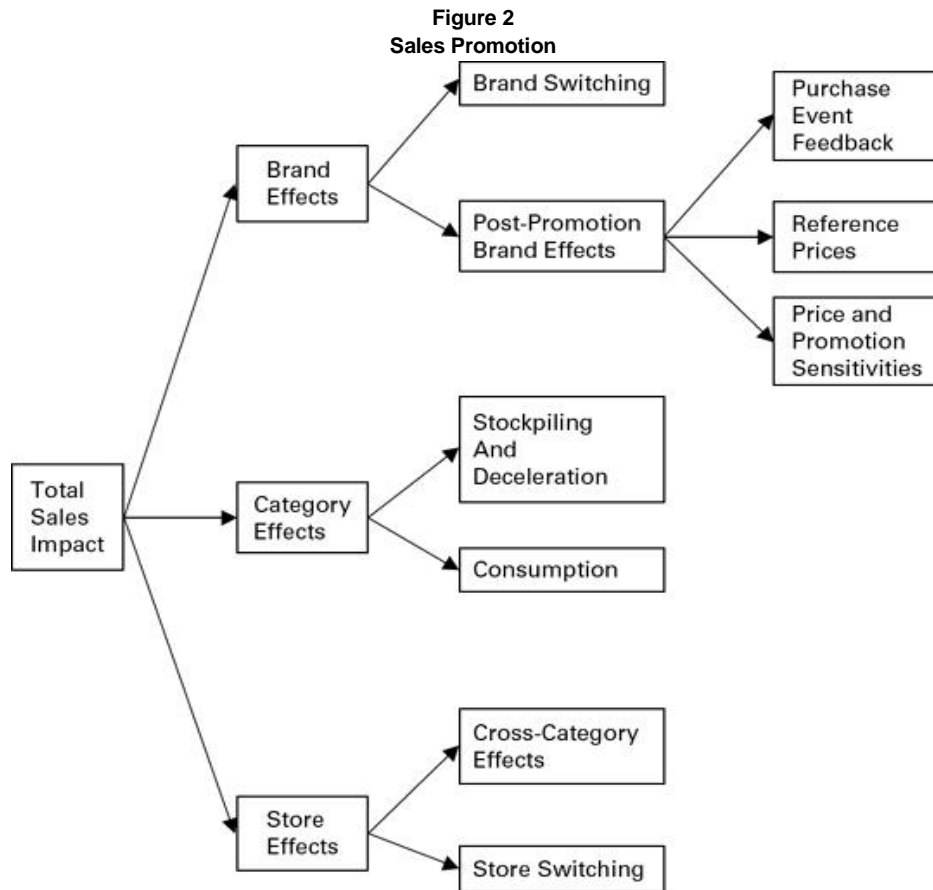
**3.4 Theory of the information economy**

To explain the causes of the reduction in the pace of sales after a promotional action, the economic literature gives us some arguments. The market is characterized by the asymmetry of information between the buyer and the seller about the products offered. As long as the consumer can not judge the quality of the purchased brand, he looks for a signal to trigger his purchase decision. Sales promotion is an incentive to purchase. However, a high price is a signal of good quality; in other words, promotion (price reduction for example) is a poor quality signal and pushes the consumer to change brands at the time of his next purchase (Kahn and Louie, 1990).

**3.5 Statistical aggregation**

Statistical aggregation is the tendency of consumers to look alike on the basis of well-defined behavior. Sales promotion momentarily attracts many consumers who, in non-

promotional circumstances, have a low probability of buying the promoted brand (Neslin, Shoemaker, 1989, Zrelli, 2004-2006). Figure 2 shows an example.



Source: Neslin Scott A 2002

**4. Terms of reduction of sensitivity to promotion**

The theory of learning helps to explain how consumers change from one course of action to another (Petrof, 1988). Psychologists associate it with the impact of experience on later behavior. Learning is the major element that allows us to understand the behavior of the human being, if we understand how consumers manage to buy the same brand, we can, therefore, maintain them. The value of learning theory is still evident when we realize that forecasting future purchases can only be made if we have studied past experiences with the same brand or similar products. Despite this interest, the impact of learning on sensitivity to promotion is neglected (Rothschild, Gaidis, 1981). Petrof (1988) equates learning with "the progression of the activities of the mind, which results in a change of behavior or the birth of a new behavior in response to a new situation". This shows that learning influences consumer behavior by causing them to react differently to different situations.

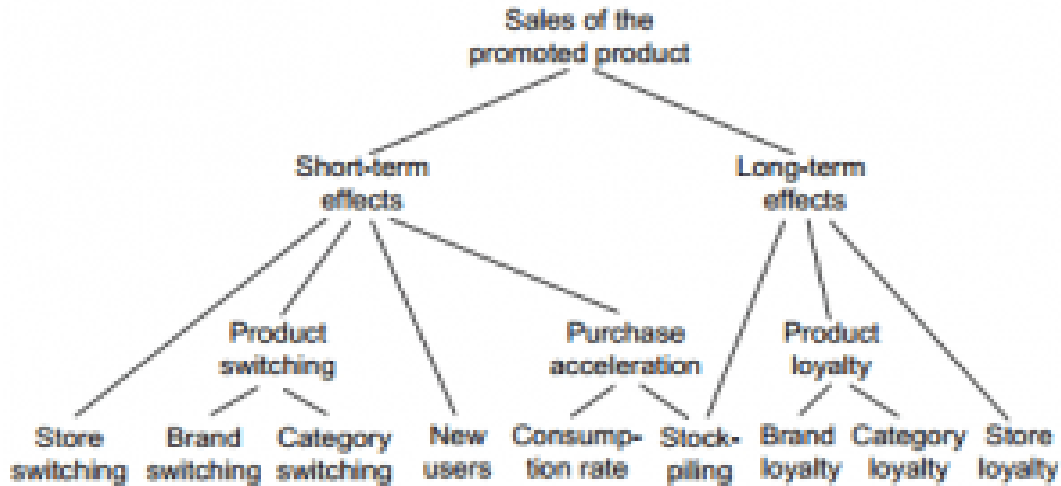
Several authors have demonstrated the existence of a relationship between the non-use of a trademark and the

repurchase. According to Kuehn, Rohloff (1967), if the promotion makes a user consumer, the average redemption after the promotion usually becomes higher than before the promotional action. Lattin and Bucklin (1987-1989) suggest that the discounted purchase has a positive effect on redemption. As long as the promotion offers a risk premium for new consumers, some will buy the brand later.

In a postmarked brand selection study, Bawa and Shoemaker (1987) found that the likelihood of repurchasing a brand is high for a consumer who did not use the brand and who bought for the first time on sale. Bawa and Shoemaker (1989) conducted a buy-back study on both segments: buyers and non-buyers. They took as reference the promotion period to present two phases; before and after the promotion.

They found that the increase in non-buyer (non-users) redemption share was higher (3.9%) than buyers (-2.4%). As a result, if a company targets only non-buyers, it will have a promotional advantage both in the short and long term. Figure 3 shows the shaping of consumer habits through sales promotion.

Figure 3  
Shaping of consumer habits through sales promotion



Source: Kinsman M. 2002

## 5. Conclusion

The purpose of this paper is to explore the possibility of reducing sensitivity to promotion. This reduction is interesting because, according to a long-term vision, it is not beneficial. The review of the literature reveals that the sensitivity to promotion negatively influences the subsequent pace of purchase since it encourages the change of brands. Knowing that a promotion-sensitive consumer is a promotional tester and that learning applies to unfamiliar products and brands, it has been argued that the application of the learning principle influences sensitivity to the promotion.

The results of this research show that:

- Brand change is the negative effect of sensitivity to promotion.

- The use of the theory of learning allows the realization of the redemption and the change of the positive attitude towards the promotion.
- There is a positive relationship between satisfaction, in a first promotional trial, and the repurchase of the same brand.
- Redemption positively influences the change of attitude and forms a preference for a brand.
- The usual training, through repeated purchase, is essential for establishing the feeling of preference towards a brand.
- Preference training allows the establishment of an affective relationship between the consumer who is sensitive to the promotion and the brand.
- The good management of promotional actions and the formation of the habit of the brand can serve to reinforce the change of attitude.

## References

1. BENTLER, P. M. , 2006 : "EQS Structural Equations Program Manual", Encino, California: Multivariate Software.
2. CHANDON, P., 1994, « Dix ans de recherches sur la psychologie et le comportement des consommateurs face à la promotions », *Recherche et Application en Marketing*, volume 9, numéro 2, pp.83-108.
3. DODSON J.A., TYBOUT A.M. et STERNTHAL B., 1978, « Impact of deals and deal retraction on brand switching » *Journal of Marketing Research*, volume 15, pp.72-81.
4. DUSSART C., 1983, *Comportement du consommateur et stratégie de marketing*, Mc Graw-Hill.
5. FOURATI HACHICHA F. (2007), : « Les antécédents psychologiques de la sensibilité du consommateur à la promotion des ventes : test et validation d'un modèle », *Actes du XXIII ème Congrès International de l'AFM – 31 mai et 1<sup>er</sup> juin Aix-les-Bains, France.*
6. FROLOFF L., 1992, « La sensibilité du consommateur à la promotion des ventes : de la naissance à la maturité » *Recherche et Application Marketing*, volume 7, numéro 3, pp.69-88.
7. FROLOFF-BROUCHE L.(1994), L'influence de la promotion des ventes sur le consommateur: essai de Conceptualisation, *Recherche et applications en Marketing* 25, 4, 342-355.
8. FROLOFF –BROUCHE L. (2000), *Le comportement d'achat en promotion : déterminants et variables modératrices*, Thèse de Doctorat ès Sciences de Gestion, SA Grenoble, Université Pierre Mendès France.
9. Gázquez-Abad, J. C., & Martínez-López, F. J. (2016). Understanding the impact of store flyers on purchase behaviour: An empirical analysis in the context of Spanish households. *Journal of Retailing and Consumer Services*, 28, 263-273.
10. GUPTA S., 1988, « Impact of sales promotions on when, what, and how much to buy », *Journal of Marketing Research*, volume 25, numéro 4, pp.342-55.
11. KAHN B. E., LOUIE T. A., 1990, « Effects of retraction of price promotions on brand choice behavior for variety-seeking and last-purchase-loyal consumers », *Journal of Marketing Research*, 1990, volume 27, numéro 3, pp. 279-289.

12. KALIKA M. (1982), Perception et mémorisation des campagnes promotionnelles dans la distribution, *Revue Française de Marketing* 90, 3, 67-87.
13. KALWANI M.U, YIM C.K., RINNE H.J., SUGITA Y., 1990 «A price expectations model of customer brand choice» *Journal of Marketing Research*, volume 27, pp. 251-262.
14. KOTLER P. et DUBOIS B., 1992, *Marketing Management*, Publi-Union.
15. KUEHN, J. W., ROHLOFF, A. C., 1967, "Consumer Response to Promotions", *Promotional Decisions Using Mathematical Models*, Ed. Robinson P.J. Boston, Allyn et Bacon, Inc.
16. LACOEUILHE J., 2000, « L'attachement à la marque : proposition d'une échelle de mesure », *Recherche et Application en Marketing*, volume 15, numéro 4, pp.61-77
17. LATTIN J.M. et BUCKLIN R.E., 1989, « Reference effects of price and promotion on brand choice behavior » *Journal of Marketing Research*, volume 26, numéro 3, pp. 299-310.
18. LICHTENSTEIN D.R, RIDGWAY N.M et NETEMEYER R.G, 1993, « Price perceptions and consumer shopping behavior : A field study », *Journal of Marketing Research*, volume 30, numéro mai, pp. 234-245
19. MARSH, H.W., BALLA, J.R., et HAU, K. , 1996:"An Evaluation of Incremental Fit Indices: A Clarification of Mathematical and Empirical Properties", *Advanced structural equation modelling: Issues and techniques*, Mahwah, NJ: Lawrence Erlbaum, pp315-354.
20. MITTAL B. (1994), An Integrated Framework for Relating Diverse Consumer Characteristics to Supermarket Coupon Redemption, *Journal of Marketing Research*, 31, 533-544.
21. NESLIN S.A., SHOEMAKER R.W., « An Alternative Explanation for Lower Repeat Rates Following Promotion Purchases », *Journal of Marketing Research*, 1989, volume 26, numéro mai, pp.205-213.
22. PAUWELS K., HANSSSENS D.M., SIDDARTH S., 2002, « The long term of price promotion on category incidence brand choice and purchase quantity », *Journal of Marketing Research*, volume 39, numéro 4, pp.421-439.
23. PETROF J. V., 1988, *Comportement du consommateur et marketing*, les presses de l'université de Laval
24. RAJU P. S., 1980, "Optimum stimulation level: its relationship to personality, demographics and exploratory behaviour", *Journal of Consumer Research*, volume 7, 3, 272-82.
25. ROTHSCCHILD M. L., GAIDIS W. C., 1981, «Behavioral learning theory: Its relevance to marketing and promotions », *Journal of Marketing*, volume 45, numéro 2, pp. 70-78.
26. TRIVEDI M. 1999, «Using variety-seeking-based segmentation to study promotional response», *Journal of the Academy of Marketing Science*, volume 27, numéro1, pp.37-49.
27. VOLLE P. (1996), Impact du marketing promotionnel des distributeurs sur le choix du point de vente et rôle modérateur de variables individuelles, Thèse de Doctorat en Sciences de Gestion, Université de Paris IX Dauphine.
28. ZRELLI I. (2004), « vers la réduction de la sensibilité à la promotion des ventes », *mémoire de troisième cycle*, à l'Institut Supérieur de Gestion de Tunis, Tunisie, 1995p.
29. ZRELLI I. (2006), « Réduction de prix et réaction des consommateurs: Quel impact sur le comportement d'achat ultérieur? », *5<sup>ème</sup> Colloque International de la Recherche en Sciences de Gestion Compétence, Engagement et Performance*, le 16, 17 et 18 mars, Hammamet, Tunisie