

SALES PROMOTIONS TO BUILD CONSUMER-BRAND RELATIONSHIPS

Despite today's boom in online shopping, 90% of supermarket purchases in France are made in-store and nearly 30% of the purchased goods are on promotion. Promotions can be quite effective, especially by boosting short-term sales. The three main types of promotions are price discounts, free samples, and bonus packs, games and contests. Manufacturers have many objectives for point-of-sale promotions: to build brand visibility, consumers' product knowledge, turnover, sales, market share, and even brand loyalty. In addition to increasing sales, promotions contribute to how the brand is experienced, which can be useful in the tightly controlled store universe. For SMEs, sales promotions are also easier to manage than relational programmes.

However, manufacturers' in-store promotions have never been specifically examined to determine whether they contribute to consumer-brand relationships. Although they are essential tools for building brand awareness and sales, little is known about their actual impact on brand relationships.

Yet SMEs need to know how to use these tools effectively to build relationships with their customers. They especially need comparisons to determine which is best for building customer loyalty: From a relational perspective, how can in-store brand performance be improved? Which sales promotions should be used to enhance customer-brand relationships?

We evaluated the performance of four types of promotions from the consumers' perspective. The data were collected in a 2014 study of 812 supermarket customers who purchased ice cream in-store and then responded to an online questionnaire.

Our results show that the overall consumer attitude towards promotions is positive. Consumers expressed a preference for coupons, which they frequently use for weekly shopping.

According to consumers, each of the four types of promotion – coupons, sample distribution, games, and lotteries – has distinct advantages. A strong point of sampling is that brands are able to demonstrate interactivity, dialogue and relationship with consumers. For the SMEs it is a tool to benefit from consumer proximity right into the supermarket aisles .

The tests also show that the relational antecedents of each brand with its consumers modify how the promotions affect the consumer-brand relationship.

¹ LabEx Entreprendre is government-funded through the National Research Agency as part of the "Invest in the Future" program; reference: ANR-10-LABX-11-01.



CONSUMER ATTITUDES TOWARDS PROMOTIONS

Overall, consumers have a positive attitude towards the promotions, with 55.2% describing them as ‘good’. More than 60% expressed positive feelings and appreciation. Only 16.4% reacted negatively, which could be explained by a feeling of boredom with weekly shopping and the perception that it is a real chore.

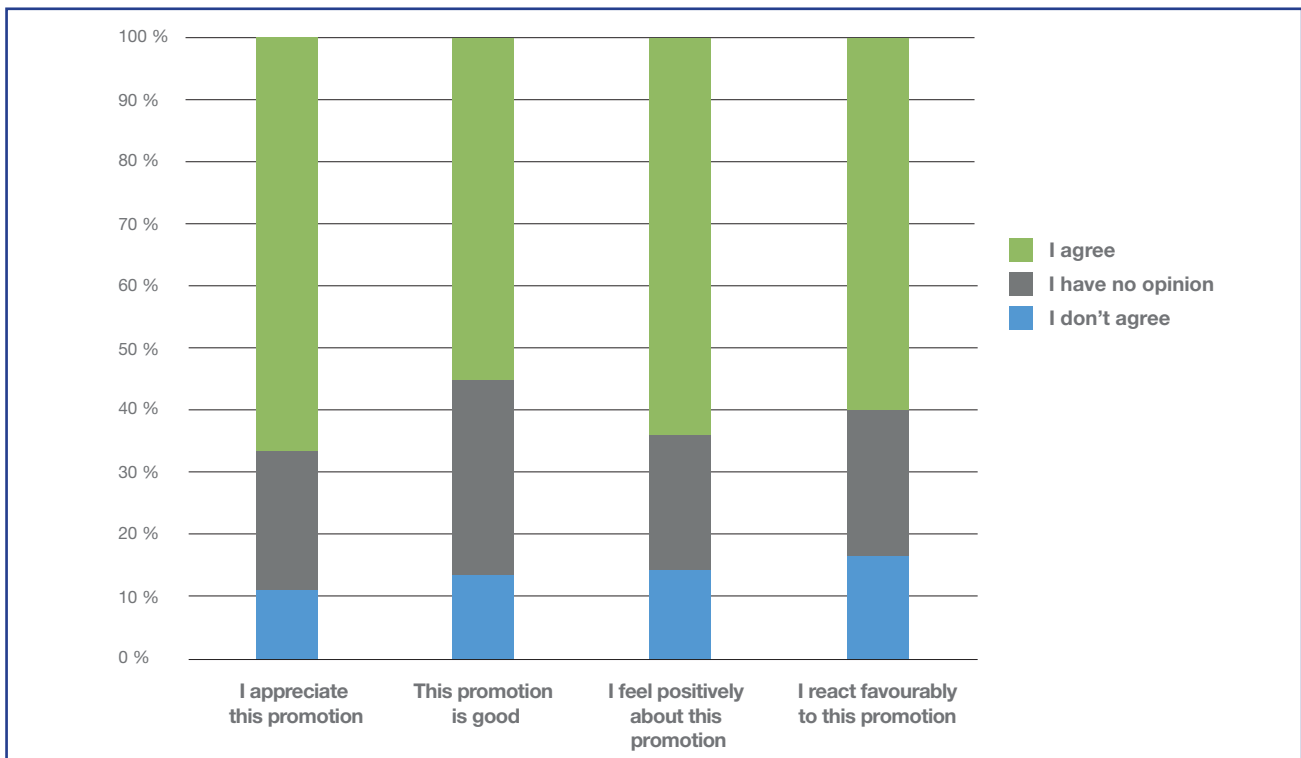
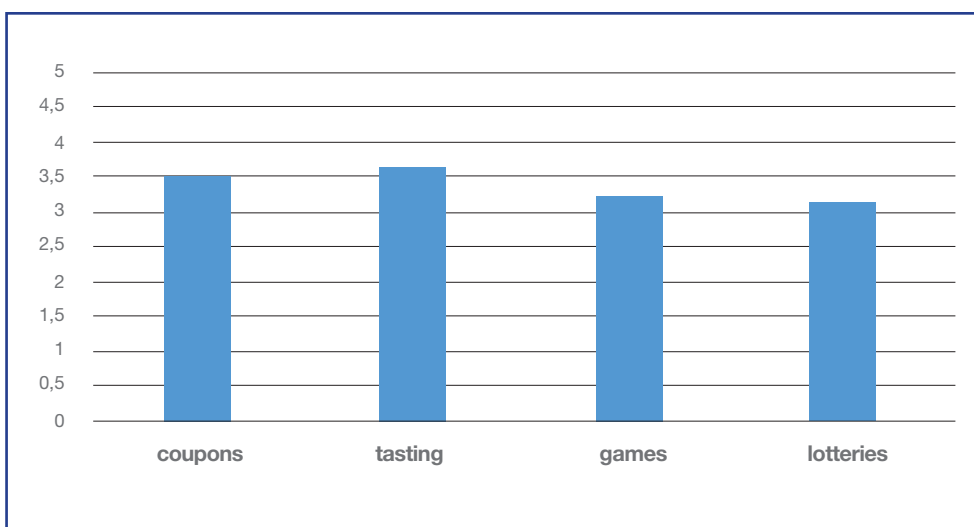


Figure 1. Consumer perceptions of promotions

We compared coupons, which are frequently used but may negatively affect the brand image, with other types of promotion that do not have the same unintended effects as systematic discounts. Consumers perceive big differences between the types of promotions. They are more accustomed to coupons and tasting stands and prefer them to games or lotteries, which are perceived as unwanted interruptions.

CONSUMER PERCEIVED BENEFITS OF PROMOTIONS



Promotions offer mainly functional benefits: They save time and money and add pleasure. Samplings (mainly tasting) were judged as more amusing and entertaining than coupons. They offer the opportunity to enjoy products or new brands.

Figure 2. Overall attitude towards the different promotions (mean score out of 5)

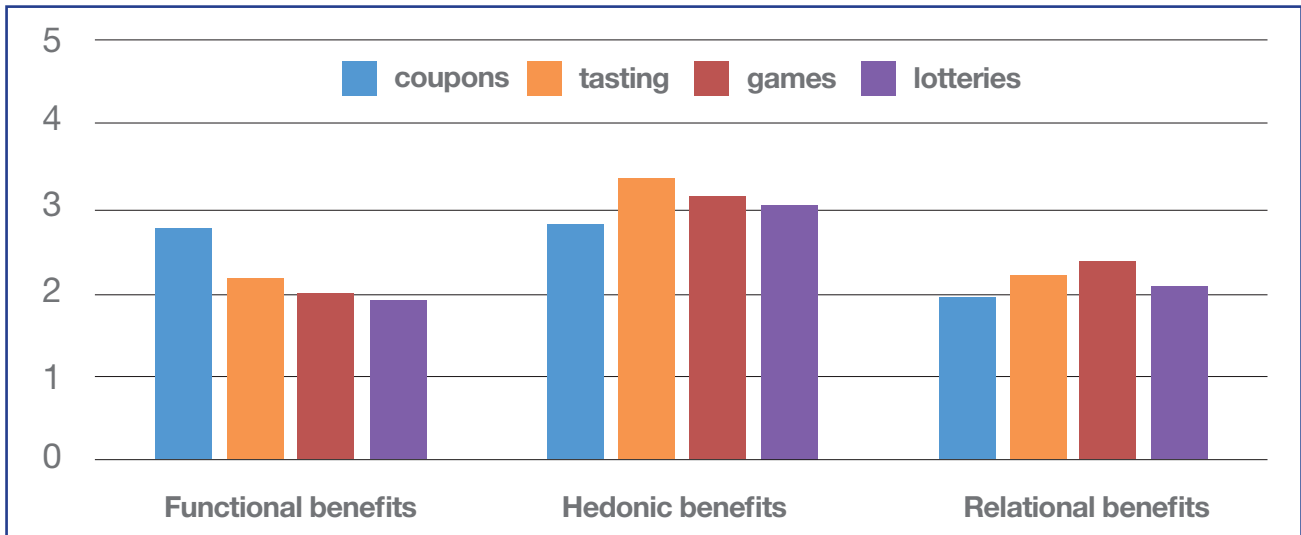


Figure 3. Perceived benefits of different promotions (mean score out of 5)

Over all, promotions are not valued much for relational benefits. However, when we compared the different types, the perceptions of proximity and of sharing values with the brand were stronger for non-monetary promotions (tasting, games, lotteries) than for coupon distribution. These promotions show customers that brands matter. They thus have greater relational potential and help create an in-store experience for consumers.

PROMOTIONS AS TOOLS FOR DIALOGUE

Games and lotteries strengthened the feeling that a brand purchase is a guarantee of quality. Furthermore, the perception of the brand's effort varied with how the promotion was displayed. Consumers benefiting from coupons perceived less interactivity, dialogue and commitment with the brand (M=3.45/5) than those who were exposed to games (M=3.66/5) or lotteries (M=3.65/5).

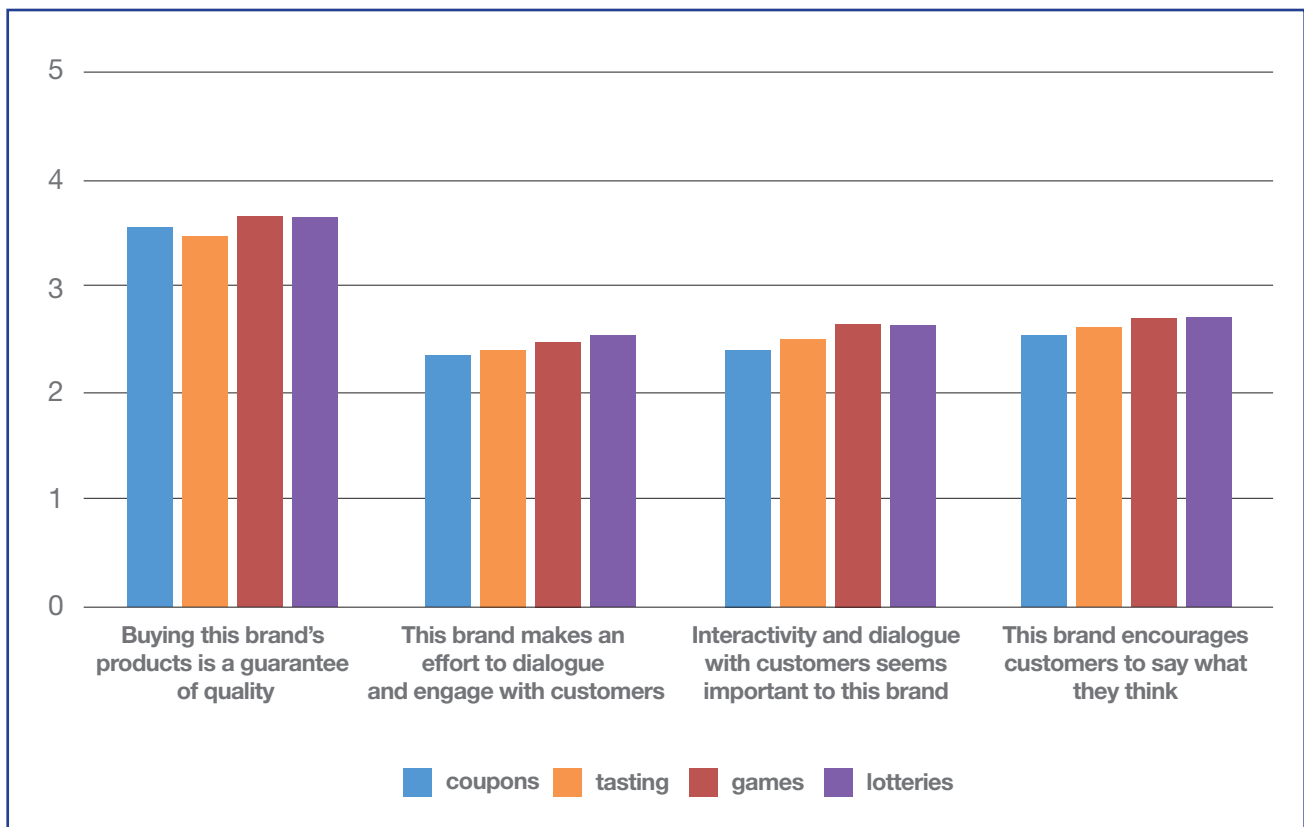


Figure 4. Perceived relationship orientation of different promotional types (mean scores out of 5)

RELATIONAL ACTIONS ARE MORE EFFECTIVE FOR MORE TRADITIONAL BRANDS

The brand's perceived relational orientation is linked to its ability to show consumers that it can enter into relationship with them and generate dialogue and experience. This is easily accomplished with sampling. In our study, the effect was more powerful for the most traditional brands (Carte d'Or, La Laitière). Brands that projected an image of youth (Häagen-Dazs, Ben & Jerry's) and that emphasized their consumers' relationship powerfully through their communications and other tools did not benefit as much from samplings compared with coupons. For these brands, their relational orientation was strong no matter what action they took. SMEs can therefore demonstrate their relational orientation simply by using coupons as well as by creating proximity with in-store samplings.

POINTS TO REMEMBER

By using different types of promotions, brands avoid price barriers to their products. This is an advantage for both consumers and manufacturers. Samplings and games, for example, have a substantial impact on the perceived brand relationship orientation and the perceived relational benefit. For the same cost, the perceived value of these promotions is thus greater in consumers' eyes. The potential gain is greater and the purchasing experience is unparalleled.

These types of promotion can thus be an alternative to other ways of building brand loyalty, as they offer SMEs an affordable way to create in-store dynamic, where, it should be noted, the environment is often controlled by the retailer.

This study was conducted as part of the doctoral thesis of Sarah Mussol, under the direction of Philippe Aurier and Gilles Séré de Lanauze.

The authors thank the consumers who took the time to answer the questions, as well as all those who tested the questionnaire and gave their valuable recommendations.

For information about our activities:

Labex Entreprendre, programme A2P3 « Stratégies de marché, gouvernance et performance durable »

<http://labex-entreprendre.edu.umontpellier.fr>