



An investigation of consumers' exploratory tendencies as motivators of their responsive behaviour to deals



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Abstract An understanding of the motivators of consumer deal redemption behaviour is expected to enable marketers to use deals more effectively. In this study, consumers' exploratory tendencies (CET) have been assessed as potential motivators of proneness to eight types of deals, during the purchase of shampoo and refrigerator—two product categories. Consumers showed varying proneness to different types of deals depending on the type of exploratory tendency that they needed to satisfy and the type of good that was on sale. These findings can enable marketers to choose the most appropriate type of deal to achieve their sales target.

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Introduction and justification for this research

Consumer sales promotion (deal) is increasingly gaining importance (Shah & D'Souza, 2009) as such promotions are useful at all stages of the product life cycle, from encouraging trial to inducing brand switching, to maintaining loyalty (Prendergast, Poon, & Tsang, 2008). This is particularly the case because marketers are under severe pressure to show good bottom line results on short-term basis and keep consumers away from competitors' products (Stafford & Stafford, 2000). A deal relates to short-term incentives that companies offer to stimulate customers into buying their products (Pelsmacker, Geuens, & Bergh, 2001). In countries like India,

cultural factors also create an environment conducive to deals, as festivities are accompanied by offers and sales promotions made as part of the celebration; shopping is an integral part of these occasions, and consumers get attracted to sales promotion offers (Kumar, 2009).

To develop an effective sales promotional programme, a company needs to identify its target audiences and understand why they respond to sales promotions (Shah & D'Souza, 2009). Most theories of sales promotion assume that monetary savings (Blattberg & Neslin, 1990) are the only benefit that motivates consumers to respond to sales promotion (Gijsbrechts, Campo, & Goossens, 2003). This is because promotions provide a feeling of saving and reduce the pain of paying, and make higher-quality brands affordable (Kumar, 2009). However, Chandon, Wansink, and Laurent (2000) suggest that monetary savings cannot fully explain why and how consumers respond to sales promotions. For instance, the following questions remain unanswered: why do some consumers switch brands because of a deal but then not redeem

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it? (Soman, 1998), or respond more to an on-shelf coupon than to a similarly advertised temporary price reduction that offers the same monetary incentive (Dhar & Hoch, 1996), or respond to insignificant price deals? (Hoch, Kim, Montgomery, & Rossi, 1994). Martinez and Montaner (2006) found that consumers with more financial constraints do not seem to be more deal-prone than consumers with a higher economic level. Several non-monetary motivators of consumers' proneness to deals were also assessed such as socio-demographic, hedonic, normative and behavioural characteristics of consumers (Dastidar & Datta, 2008). However, empirical studies yielded a blurred demographic portrait of deal-prone consumers (Martinez & Montaner, 2006). So, psychological variables were recommended to identify the deal-prone consumer (Martinez & Montaner, 2006) as individual traits are considered to be stable within oneself (Kassin, 2003).

In this regard, consumers' exploratory tendency (CET), a concept that was introduced in the early 1980s (Raju, 1980) to designate behaviour aimed at modifying environmental stimulation, was proposed as a potentially important psychological motivator of consumers' deal responsive behaviour (Raju, 1980; Steenkamp & Baumgartner, 1992). The concept suggests that individuals have a preferred or optimal stimulation level (OSL) (Raju, 1980), which is stable within oneself but varies from one person to another (Steenkamp & Baumgartner, 1992). When stimulation (complexity and/or arousal) falls below this level, individuals become bored and try to increase it to the desired level (Soares, Farhangmehr, & Ruvio, 2008). In contrast, when stimulation surpasses the optimal level, individuals try to reduce it to a more comfortable level (Hoyer & Ridgway, 1984 and others). Applied to marketing, consumers with higher exploratory tendencies, that is, those with higher needs for stimulation, tend to seek more diversity in their information search activities and buying decisions (Soares et al., 2008). Consumers' tendencies of risk taking (Cox, 1967) and innovative behaviour (McAlister & Pessemier, 1982) in product purchase, variety-seeking (McAlister & Pessemier, 1982), recreational shopping and information search (Price and Ridgway, 1982), and interpersonal communication about purchases (Raju, 1980) are regarded as manifestations of exploratory tendencies in the consumer buying process (Steenkamp & Baumgartner, 1992). Consumers with higher exploratory tendencies may look for sales promotions as these can provide them with the stimulation required to address their intrinsic need for attaining OSL (Baumgartner & Steenkamp, 1996; Kahn & Raju, 1991). Hence, consumers' higher need for stimulation (that is, exploratory tendency) can be expected to partially influence their proneness to redeem deals (Ailawadi, Neslin, & Gedenk, 2001). In other words, consumers with higher exploratory tendencies can become more interested in sales promotions that offer stimulation and added value beyond the typical economic benefits (Chandon et al., 2000). Consequently, in this study, we examine the role played by CET, and how psychographic traits affect deal proneness. A preliminary analysis indicated that the demographic variables (gender, age, income and education) had no significant impact on CET (Dastidar & Datta, 2009), so, they were not included in the hypothesis testing as mediating variables. As the diversity of promotional tools being used is rapidly increasing (Prendergast et al., 2008), the challenge before marketers is to choose the most appropriate deal out of many alternatives for best results (Raju, 1995). To fill

this gap, this study is carried out across eight types of deals that are popular in the Indian marketplace. Consumers' deal proneness is chosen as the dependent variable in this study in terms of their response to deals. The construct of deal proneness—first used by Webster (1965)—has been defined as “a general proneness to respond to promotions because they are in deal form” (Gazquez-Abad & Sanchez-Perez, 2009). Deal proneness gives a measure of consumers' behavioural intentions rather than overt behaviour (Gazquez-Abad & Sanchez-Perez, 2009), reducing biased results that may be induced by situational factors. A number of studies have confirmed the validity of behavioural intention as a predictor of actual behaviour (Choo, Chung, & Pysarchik, 2004). This study is an evaluative and a diagnostic attempt to discover empirically the relationship between consumers' exploratory tendencies and their proneness to various deal types across the shampoo and refrigerator product categories.

To address the research problems stated above, the objective of this study is to evaluate the effect of consumers' exploratory tendencies on their proneness to eight types of deals, offered on the purchase of shampoo and refrigerator.

In this research, variety-seeking is studied in terms of brand-switching tendency (Raju, 1980). Variety seeking construct is studied by measuring only the “brand switching” variable but not the “repetitive behaviour proneness” variable (as per the original ETCBS scale) as they are closely related in an inverse fashion (Baumgartner & Steenkamp, 1996). Risk-taking is studied in terms of tendency of risk-taking/innovativeness (Raju, 1980). Risk-taking and innovativeness are studied as single construct because risk-taking and innovativeness are significantly correlated (Baumgartner & Steenkamp, 1991) and loaded on one factor (Dastidar & Datta, 2009). This is similar to Baumgartner and Steenkamp's finding (1996). Also, Midgley and Dowling (1978) state that risk taking is a component and motivator of innovativeness, and innovativeness is a form of risk taking behaviour (Foxal & Bhate, 1991). These findings and arguments suggest that risk taking and innovativeness conceptually imply the same thing. Curiosity is studied in terms of exploration through shopping, inter-personal communication, and information seeking (Raju, 1980).

This study is carried out in the context of eight types of consumer deals including Coupon, Sales, Rupees-off, Buy-one-get-one-free, Free gift with purchase, Shelf display, Rebate/Refund, and Contest. These deals are popular globally as well as in India (Dang & Koshy, 2004; Jethwaney & Jain, 2006) and include active and passive, price and non-price deal types (Lichtenstein, Burton, & Netemeyer, 1997). The various deals were identified from newspaper advertisements during the period of study in Kolkata.

An analysis of CET and the influence these intrinsic characteristics have on consumers' responses to sales promotions can assist marketers to identify target consumers and in turn, develop appropriate sales promotion programmes to persuade those consumers to react favourably by buying the product (Wakefield & Bush, 1998).

Review of literature and development of hypotheses

Sales promotions are the key promotional strategies that marketers employ (Shah & D'Souza, 2009) to provoke consum-

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