A Unified Model of Consumer Promotional Usage

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LOYOLA UNIVERSITY OF CHICAGO

A UNIFIED MODEL OF CONSUMER PROMOTIONAL USAGE

A DISSERTATION SUBMITTED TO
THE FACULTY OF THE GRADUATE SCHOOL
IN CANDIDACY FOR THE DEGREE OF
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DEPARTMENT OF PSYCHOLOGY

BY

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CHAPTER 1

LITERATURE REVIEW

Introduction

Consumer promotions have become an increasingly greater presence in American culture in recent years. In fact, it would be difficult for an average person to make it through a typical day without coming into contact with at least twenty or thirty consumer promotions. Simply eating breakfast at home may bring a multitude of promotional contacts such as a free premium gift offer shown on the side of an orange juice carton, a small sample envelope of a new cereal found inside a regular size cereal box, or a coupon offer printed on the back of a toaster pastry box. Even reading a newspaper or magazine during a lunch hour can open up an additional world of promotional opportunities ranging from advertising containing perforated coupons and tear out samples of perfume to special cookbook and recipe offers. Driving home from work in the afternoon, consumer promotions can appear in the form of a billboard for a brand of soda which announces sponsorship of the Olympic team or they can appear as a prize in a "happy meal" purchased at a fast-food drive-thru window. Finally, while opening the mail at the end of the day, a sweepstakes offer for a magazine clearinghouse may just be part of the bundle of envelopes that needs to be sorted through. Promotional contacts such as these, surprisingly, are made every hour of every day without the average consumer ever having to sit in front of a television set or step foot inside a store.
Given the tremendous proliferation of consumer promotions, what is truly amazing is how little is known about their effect on consumers. Many basic questions have yet to be adequately answered, such as: How do the various types of promotions differ in the effect they have on a consumer’s purchase decision? Are there differences in the basic antecedents to usage of the various types of consumer promotions? Do the different types of promotions appeal to different segments of consumers? Answers to such questions would allow marketers to appropriately target consumer segments with the promotional vehicle most likely to impact their purchase decision and least likely to be a waste of valuable marketing budget dollars.

Early attempts at understanding promotions focused on the economic impact they have on purchase behavior. The commonly held belief was that consumer promotions make purchasing a particular product a better economic "deal" in the consumer’s mind. Thus, much of the early research in this area attempted to clarify the financial benefits of promotional usage to a consumer. The problem for marketers, however, was the tunnel vision in promotional planning engendered by this line of research. By focusing on economic benefits, and by default economically motivating types of promotions (e.g., coupons), early research failed to acknowledge the multifaceted nature of promotional usage and, therefore, failed to provide marketers with a full understanding of how to create and target promotions to have the greatest effect on consumers.

Encouragingly, research on consumer promotions has picked up momentum in recent years, bringing to light the more complicated nature of promotional usage and allowing promotion planners to make more informed budget allocation decisions. The present research initiative will attempt to substantively add to the marketer’s understanding of the promotional usage decision by assessing consumer
reactions to several types of promotions via a holistic decision making model which allows factors besides just the economic ones to have an impact on the decision process. This research will build directly from the published findings and insights provided by academics, marketers and market researchers over the past thirty years.

The Marketing Mix

In order to clarify the topic of this research initiative, it may first be helpful to distinguish consumer promotions from the other major type of sales promotion available to marketers - trade promotions. While both types of sales promotion are designed to increase sales among consumers, they do so via different routes. Trade promotions are incentives offered by manufacturers of products to retail outlets (i.e., stores). Trade promotions are designed to give the retailer a reward for giving a particular product "special treatment" such as a better shelf position, more facings on the shelf, an opportunity to be featured on the end of an aisle, or a chance to be sampled in the store. The idea is that such "special treatment" will help get better exposure for the promoted product. Trade promotions can take the form of cash allowances, trade coupons redeemable for cases of a product, special financing plans to be used when ordering cases of a product, or even entries into contests with prizes offered to the retail winners. In effect, trade promotions take an indirect route to targeting consumers. They are often referred to as the "push" component of a marketing plan since they push the product out in front of the consumer.

As their name suggests, consumer promotions are incentives offered directly from the manufacturer to the end consumer of a product. They are considered to be part of the "pull" effort of a marketing plan, given that they are
supposed to help pull the consumer into buying the promoted product. As noted above, consumer promotions can take many forms ranging from common coupons available in newspapers and sweepstakes advertised on packaging to charitable sponsorship of events like the Olympics or causes such as the Ronald McDonald House. Ideally, consumer promotions are tied to appropriate trade promotions to optimize their leverage among consumers. For example, a sweepstakes offer to consumers is more likely to be noticed if it is advertised with an attention getting end-aisle display and in order to get the space for an end-aisle display a manufacturer will likely have to provide the retailer with an appealing incentive. Thus, a very large percentage of consumer promotions are purposefully and strategically tied to a complementary trade promotion.

In fact, consumer promotions are only one part of a general marketing plan. They have long been considered to be one of the three crucial elements in the marketing mix as shown in the traditional Tripartite Model in Figure 1 (Beem & Shaffer, 1981). At the base of this model rests the product itself suggesting that at the base of every good marketing plan should be a product which can deliver some substantive benefit to the consumer. This benefit should by itself appeal to consumers once they have heard about it and/or tried the product. The second leg of this Tripartite Model highlights the importance of traditional communications such as television, radio, print and outdoor advertising. The role of traditional communications in this model is to convey and enhance the impressions of the benefit and of the product as a whole. In other words, traditional communications are the persuasive message about the product (Petty & Cacioppo, 1981) which should help to create a positive or negative attitude about the brand and in turn create an intention to buy it. Making up the third leg of this model, consumer promotions are supposed to further motivate action or increase the probability of a
product purchase. Consumer promotions are traditionally supposed to be that little extra incentive or "pull" which gets the consumer to purchase the promoted product.

![Persuasive Communications] ![Promotional Inducements]

**Figure 1. The Tripartite Model of Promotions**

While consumer promotion has lagged behind both trade promotion and traditional communications such as advertising in terms of budget allocation through the years, recent statistics suggest that the gap may be closing as marketers seek more economically efficient ways to motivate consumers to purchase products. According to a survey conducted by Donnelly Marketing (1991) among executives who manage a large portion of all sales promotions for nondurable goods in the U.S., the largest share of a marketing budget is usually spent on trade promotions (44.3%). The trade portion of the marketing budget is considered to be the fixed cost of being in the store, keeping up with the competition in terms of shelf "treatment" and developing good relationships with the retailers. Marketers often feel much more flexibility in deciding how to allocate the other half of their
promotional budget between traditional advertising and consumer promotions. While advertising's share of spending surpassed consumer promotion spending by 8% as recently as 1988, that gap had closed to only 5% just two years later in 1990. This trend toward consumer promotion and away from traditional media has been attributed to a number of factors including: the high cost of producing, distributing and airing traditional forms of advertising, the difficulty of "breaking through" the glut of media with a meaningful communication, and the reportedly increasing interest in some kinds of consumer promotions among the average shopper. Whatever the reasons, marketers today are clearly signaling their ever increasing confidence in and use of consumer promotions, even when it means cutting budgets for traditional advertising.

Types of Consumer Promotions

There are several types of consumer promotions widely used by marketers today. Two types of promotions, coupons and in-store price features, generally allow the consumer to realize a savings when they purchase a product in the store. The most common form of a coupon requires that a consumer clip it from some printed advertisement and redeem it at the check-out counter in the store for a specified value. The most common in-store price feature takes the form of a special sale price advertised right on the product shelf such that consumers know that they are buying the product at an already reduced price. As with all consumer promotions, these two common forms can be altered in a number of ways. Particularly in recent years, coupons and in-store price features have been creatively designed to appeal to consumers. For instance, rather than receiving a product for a specified price off, either with a coupon or price feature, the product could be sold on a "two-for-one" deal or a "buy one large size package and get
another smaller size package free." However they are designed, consumers have become accustomed to seeing both coupon offers and in-store price feature offers.

Another form of consumer promotion with which shoppers have become familiar is the refund offer. While refunds also allow a consumer to save money, that savings is generally not realized until they write to the manufacturer and show some proof-of-purchase in return for a check in the amount of the sale or a voucher for a free or reduced priced product in the future. For example, Gerber recently offered a $5.00 refund for proof-of-purchase of fifty jars of baby food. Like coupons and price features, refunds have taken many creative forms in the past ten years. Consumers can be required to buy more than one unit of the product or to buy more than one product from a family of products that the manufacturer sells. The two things that all refunds generally have in common are the requirements that a written request must be made to the manufacturer and some proof-of-purchase must be shown such as the UPC code from the product label or a register receipt.

A fourth type of consumer promotion, the sample offer, has gained widespread acceptance in the past few years. Samples are usually small amounts of a product provided to consumers to give them a first time trial of the product or to get them to try it again after a period of nonuse. Samples can be small amounts of free product handed out to shoppers to taste or drink right there in the store or they can be small size packages for consumers to use at home in their own good time. While many samples are provided free of charge, some are sold in small packages at a low enough price to entice consumers to give the product a try. A few samples have even been distributed only upon request via a 1-800 number (e.g., CheerFree Laundry Detergent provided only to skin sensitive consumers who called the advertised phone number and requested a sample).
Another type of consumer promotion, the premium offer, has long captured the imagination of marketers. This is probably because of the opportunity a premium can provide in terms of building a positive attitude about a product among consumers by giving them something really "special," preferably with the product's brand name printed all over it. A premium is a special gift offered to a consumer who meets the requirements of a particular product purchase. The special gift is usually not money and it is often tied in some way by its very nature to the product it is intended to promote. For example, Tropicana recently offered their users a "free" Tropicana branded juice pitcher in exchange for proof-of-purchase of Tropicana Orange Juice and Cheerios packed into each box a free color change cereal spoon featuring a Lion King character on the top. Not surprisingly, premium gifts have taken many forms from the very expensive such as a free trip (given an enormous number of purchases of a product) to the not so expensive such as a free baseball card in a package of Cracker Jacks. Premiums can be included right in or on the package of a product or they can require writing the manufacturer and sending in UPC's, cash receipts, and at times some amount of money to defray the manufacturer's cost of the gift and/or the shipping and handling.

Although many people consider them just another form of advertising, both sweepstakes and contests are technically a form of consumer promotion. While the two are often confused, they require significantly different things from consumers. Sweepstakes are simply games of chance which require nothing on the part of the consumer except a willingness to try their luck. In fact, by law, manufacturers must give all individuals a chance to win a sweepstakes even if they do not purchase the product it is supposed to promote. The hope of most manufacturers, of course, is that only purchasers of the product will see and be
motivated to enter the sweepstakes. Entering a sweepstakes can require nothing more than opening a package, scratching a game card, or matching lucky pieces to an in-store display, but some may require sending in an entry form and waiting for the results of a drawing to be announced. A very familiar example is the sweepstakes promoted by the Publishers Clearinghouse. In contrast to sweepstakes, contests require some special skill or accomplishment on the part of the consumer such as taking a winning picture, completing a word puzzle, or writing an essay. In general, most consumer contests are designed to be easy enough for the user of the product to enter without having to work hard at it, otherwise it is said the contest may decrease the likelihood of future purchase by promoting a negative attitude toward the brand.

The last of the seven common types of consumer promotion is sponsorship of a special event or program. This is a particularly difficult type of promotion to define since it can take on vastly different forms. The type of event sponsorship consumers would probably be most familiar with would be sponsorship of a charity event such as McDonald's sponsoring the Jerry Lewis Telethon and the Ronald McDonald House for children with illnesses or sponsorship of a sporting event like M&M/Mars sponsoring the Olympics. Manufacturers can also sponsor their own event like budgeting money to have the 7-up "spot" character or Pillsbury "doughboy" character show up at a grocery store for a special occasion. While there are many types of sponsorship of events, they are all usually designed to help build a positive brand image, and therefore, generate greater sales among consumers.

Although the majority of consumer promotions take the form of one of the individual types described above, some of the most creative initiatives have been combinations of two or more promotions. Such combinations are called "cross
promotions" and have been growing in use by manufacturers in the past few years. Examples of cross promotions would include: a coupon which can be redeemed for a regular size package at reduced price or a small trial size package for free, a sponsored event at which prizes are offered to winners of a sweepstakes, or an in-store sampling program where the samples are passed out along with coupons for the promoted product. Cross promotions often occur simply because of the efficiencies inherent in running two promotions at the same time, but there is also a strong belief that combining promotions will increase their impact on the consumer. The logic behind this follows the old adage of "a whole is often greater than the sum of its parts."

In addition to being combined, consumer promotions can also be delivered in a variety of ways. Some of the more common vehicles of delivery include newspapers, magazines, direct mail, in/on pack, in-store displays, and traditional advertising. There are a number of less common delivery vehicles which are used at times to reach specific consumer target groups. Such less common vehicles include door-to-door, mall-intercept, retail demonstration, consumer request (via mail or phone), and electronic media (in-store coupon dispensers, computer shareware). For a marketing executive, choice of delivery vehicle depends on the probability of reaching the consumer group via each particular vehicle and the average cost of delivery per consumer.

Manufacturer/Consumer Usage of Promotions

While the seven consumer promotions discussed above are the most widely used, there are clear differences among them in the extent of their usage as a marketing tool by manufacturers. Importantly, the three types of promotions viewed as the most economically motivating to consumers (coupons, price features
and refunds) are also the three most often used. Of those three, coupons and in-store price features are used more often by manufacturers than refund offers. In fact, Donnelly Marketing (1991) noted that 95% of the manufacturers they surveyed reported having used coupons and 88% reported having used price features as part of their promotional arsenal in 1990. Interestingly, smaller companies, those with less than 1 billion dollars in annual sales, were more likely to have used coupons (97%) and price features (92%) than had companies with larger annual sales of which 93% said they had used coupons and 82% said they had used price features. This may reflect the fact that larger companies tend to divert more of their promotional dollars into traditional advertising or into more creative types of promotions such as premiums and samples. Refunds were used about equally by both large and small companies, averaging about 75% reported usage as a consumer promotional tool.

Each of the other types of consumer promotions, samples, sweepstakes and contests find their greatest usage among larger companies. In general, over half of these manufacturers reported using samples (68%), sweepstakes (68%), and premiums (62%) in 1990. Not surprisingly given the more complicated demands they make on both the manufacturer and participating consumer, contests were reportedly used by fewer companies (31%). No current reliable estimates of usage are available for event sponsorship. This is due in large part to their rather undefined nature as well as their extremely short term duration in many cases.

Many companies use available estimates of general manufacturer usage of the various types of consumer promotions to help guide their own promotional allocation decisions. This results in what is tantamount to a "follow the leader approach" to budgeting. Unfortunately, accurate estimates of the number and type of consumers who actually choose to participate in many of the various
promotions offered to them are not available. Obviously, marketers could make better allocation decisions if they were able to evaluate their choices based on consumer reactions as well as industry usage trends.

Unlike most other promotions, estimates of consumer use of coupons are readily available due to the fact that coupons must be processed through one of the few large coupon clearinghouses in the United States. Recent estimates show that of the 292 billion coupons distributed in 1991, approximately 2.5% or 7.5 billion were redeemed by consumers, resulting in a total savings of over 4 billion consumer dollars. A.C. Nielsen's coupon control center has reported that 77% of respondents to a national survey of primary grocery shoppers classified themselves as coupon users. In fact, on average these respondents reported redeeming about 8 coupons per week. These numbers are, of course, inflated by the 29% of coupon users who are actually very heavy users, redeeming nine or more coupons on average each week (Nielsen Clearing House Promotional Services, 1992).

In general, accurate estimates of participation are unavailable for most other types of consumer promotions. A.C. Nielsen has reported that redemption rates for refund offers that pass through their clearinghouse have ranged from about 1% to 5% depending on the delivery vehicle and size of the refund offer (Nielsen Clearing House Promotional Services, 1992). However, this underestimates product purchase stimulated by interest in refunds given that many consumers purchase a product with the intention of mailing in for the refund, but never quite get around to it. Few other published estimates exist which help to document redemption or participation rates by consumers. As unbelievable as it may seem, many manufacturers simply do not spend the extra money to keep track of the consumer response to their promotions (Gardner & Shuman, 1987). Even when
such estimates of participation are determined, they are seldom made available to
the marketing or research communities at large.

Most marketers would probably agree that what they lack most in terms of
making their consumer promotional design and budget decisions is a basic
understanding of how often and why promotions affect shoppers. As noted,
simple participation rates are often unavailable. When they are available, they are
often incomplete or inaccurate. Even more difficult to obtain is a unified theory or
set of principles about consumer reactions to promotions to help guide the decision
making process. While most of the research in this area has focused on minute
aspects of consumer reactions to promotions (e.g., What should the face value of a
coupon be? What size coupon elicits the greatest redemption?), a few general
theories have been put forth to help form a more comprehensive explanation of
consumer promotional usage. Taken in combination, past research on specific
aspects of consumer reactions to promotions and general marketing and
psychological theories about those reactions can provide good direction for future
research.

The Consumer Dynamics of Promotional Usage

A review of the literature on consumer reaction to promotions revealed that
the focus of past research has been on four major determinants of promotional
usage. Those determinants include: 1) the perception of costs and benefits, 2) the
influence of past behavior, 3) the effects of preexisting category involvement and
brand loyalty, and 4) the influence of person predisposition factors. Coupons and
point-of-purchase (POP) price reductions have been the dominant stimuli of
interest in each of these research areas because in the past they have been the most
widely used forms of promotion by manufacturers.
The Perception of Costs and Benefits

Taken as a whole, past research has shown that the psychology of promotional usage can be at least partially understood via an information processing approach to the determination of behavior. That is, many promotional usage decisions have been shown to be heavily motivated by the outcome of a decision process which weighs the costs against the benefits of participating in a promotion. Specifically, promotions are more likely to be used by a consumer when the perceived rewards of usage outweigh by some acceptable margin the perceived risk or trouble involved in usage. While there are a variety of costs and benefits which have been demonstrated to be factors in the consumer decision making process, most studies have attempted to isolate the effects of only one of them at a time. The following discussion will outline those key studies and their various findings.

As noted, a number of published reports have shown that consumer promotional decisions can be heavily negatively influenced by the perceived costs involved in participation. Those costs can be classified into four major types including: 1) financial, 2) cognitive time and effort, 3) physical time and effort, and 4) opportunities lost or bypassed. Of course, not all of these costs come into play in every situation or for every consumer, which in addition to the many varieties of promotions used as stimuli, is one of the reasons that research findings have not always been consistent.

The most obvious cost that can be incurred by promotional participation is a financial cost. While coupons and POP price reductions rarely require that the consumer incur a direct financial cost beyond purchasing the product, other forms of promotion often do. A few examples would include: a mail-in premium offer which requires submitting money along with proof-of-purchase, a sweepstakes
which requires postage for sending in entries, and a telephone request for a free trial size which can only be obtained by calling a 1-900 number. As expected, promotions which involve lower financial costs usually result in the greatest participation rates (Donnelly, 1991; Nielsen Clearing House Promotional Services, 1992). So, coupons for free products result in greater redemption than coupons which provide cents-off the regular price, free premiums sell out faster than premiums which require an additional cost, and 1-800 numbers generate a greater response than 1-900 numbers. In other words, the numbers show that when seeking a good "deal," consumers want to spend as little money as possible.

Research has also shown that consumers want to incur as few non-financial costs as possible, costs such as the expenditure of cognitive effort and time. A quick trip to the supermarket will confirm the considerable cognitive cost which can be involved in shopping, in general, and in promotional usage, in particular. Just deciding when, where and what to buy can require the consumer to make decisions about how far they want to travel, how much time they want to devote and how much they want to spend. Promotional decisions can significantly add to that expenditure of cognitive effort and time as consumers evaluate and decide which promotions to use and try to remember to collect or redeem proofs-of-purchase, coupons, refund slips or entry forms.

The fact is, however, that consumers often do not want to commit such valuable cognitive resources to choosing which loaf of bread to buy this week. The average consumer seems unwilling or unable to carefully process every detail of every purchase decision, even to find a good deal. In their study of consumers' search for products and knowledge of prices, Dickson and Sawyer (1990) found that consumers seem to expend surprisingly little cognitive effort while grocery shopping. Trained observers in four stores, posing as employees stationed at the
point-of-purchase in four product categories, found that only 55% of consumers said they had checked the prices of the product they put in their shopping cart. Only 32% bothered to compare prices to help choose between brands. Dickson and Sawyer also found that neither shoppers who were aware of specially priced items (via store advertising) nor those who actually purchased the "special" items spent any more time at the point-of-purchase comparing brands than unaware shoppers. Many of the shoppers it seemed, were relying on the store to determine the best deal for them and then to cue them to that deal through shelf signage or in-store circulars.

Inman and McCalister (1991) and others (Buzas & Marmorstein, 1988; Dickson & Sawyer, 1990; Inman, McCalister & Hoyer, 1990) have shown that many consumers do, in fact, rely on the presence of an explicit price promotion as an easy cue to finding the best deal. In a field test conducted in a campus grocery store in nine product categories over a ten week period, Inman and McCalister noted a tendency for some consumers to react to any P-O-P promotion signal such as a sale sign as if it were an indication of significant savings, even when there was no actual reduction in the shelf price of the advertised brand. In their product search and price knowledge study, Dickson and Sawyer (1990) noted that even when promotions did offer some savings, consumers typically overestimated their savings by 10%. A number of authors have agreed that this promotion signal effect may indicate the existence of a cognitive short cut or heuristic for consumers (Grover & Srivinisan, 1989; Guidagni & Little, 1983). Such a short cut could be used by manufacturers to increase profit margins by as much as 11% if a viable interspersion of significant and nonsignificant discount promotions could be identified (Inman & McCalister, 1991).
Consumers have used similar short cuts to reduce cognitive processing costs when considering participation in other types of promotions such as sweepstakes and contests. In their review and synthesis of information processing research and gaming research, Ward and Hill (1991) noted that rather than computing the actual odds of winning a contest or sweepstakes, consumers usually use heuristics or simplifying rules to help them determine whether or not to participate. The authors suggested that consumers rely heavily on the Availability and Representativeness Heuristics (Kahneman & Tversky, 1982) which is why advertising for these two types of promotions may work best when descriptions of the odds of winning are designed to create top of mind examples (e.g., 5000 people will win!) or familiar/similar examples (e.g., Joe Average won last month!). Again, it seems that consumers prefer to rely on manufacturers to help them get a good "deal," this time a better chance to win something for nothing.

Overall, studies have shown again and again that given a choice, consumers prefer promotional practices which help decrease their cognitive resource expenditure. In a study which investigated the effect of price reductions at two different levels, each expressed in two different forms (absolute price and price per unit) on the relative market share of brands, Anderson (1974) showed that when there was little else to differentiate between brands in a category, consumers would choose the brand where savings were expressed in absolute terms rather than in per unit terms. In fact, in this study less than 10% of shoppers reported ever using the unit price information in store. Bearden, Lichtenstein and Teel (1984) noted a similar tendency to prefer simplistic comparison information in two separate studies of over 500 primary grocery shoppers. Their results confirmed the earlier report by Blair and Landon (1981) that consumer reactions to retail newspaper advertisements were enhanced when both a regular and sale price were
included rather than just the sale price alone. Inclusion of both prices seemed to make it easier for consumers to calculate their overall savings and, therefore, to simplify their cognitive workload.

Of course, setting out to find a good promotional deal can add significantly to physical time and effort costs as consumers begin reviewing/sorting offers, saving/clipping/organizing coupons and refunds, buying/trying samples, and playing sweepstakes or contests. All of these activities require time and effort that consumers are loathe to spend. A variety of studies have found that participation in promotions of all types significantly decreases as physical costs increase (Jain, 1990; Nielsen Clearing House Promotional Services, 1985). Chakraborty and Cole (1991) investigated the effects of coupon characteristics on brand choice among 120 college students who were asked to purchase candy bars on ten separate occasions. On the seventh occasion students were randomly given a coupon which characterized one of four conditions (high value/low effort, high value/high effort, low value/low effort, low value/high effort). Redemption rates were found to be highest for the high value/low effort condition and lowest for the low value/high effort condition. In another study among 232 adult consumers, Gould (1987) found participation highest in sweepstakes and contests which were perceived to be easier to enter. These findings were supported by Nielsen Clearing House Promotional Services (1985) two years later in a national telephone survey of 2000 primary grocery shoppers. Similar results have been reported for both premiums (Seipal, 1971) and rebates (Jolson, Wiener & Rosecky, 1987). Interestingly, Jolson, Wiener and Rosecky reported that the perception of physical effort and time costs was a better discriminator between frequent, light and non-users of rebates than the actual physical costs incurred. Overall, studies
seem to suggest that consumers strive to spend as little cognitive and physical time and effort on promotional participation as possible.

The fourth type of cost involved in promotional participation is the perception of opportunities lost or bypassed during the decision process and once a decision has been made. While there has been little research in this area it would seem that the choice of one product over another or one brand over another would create a perception of a lost opportunity. For example, choosing a specially priced bottle of ketchup over a bottle which offers a free sample of barbecue sauce with every purchase could be considered an opportunity lost. For many brand loyalists, choosing a promoted brand over their favorite brand would clearly create the loss of opportunities to enjoy the product they have come to know and trust.

Marmorstein, Grewal and Fishe (1992) recently developed a model of the subjective value of time in an effort to explain the additional opportunity costs of time spent comparison shopping for a good deal. As with all decisions, the purchase and promotional decision involves some gains and some losses (including opportunities lost). In the end, the question becomes do the perceived losses outweigh the perceived gains in the consumer's mind.

As consumer participation has increased in recent years, quite a few studies have been published concerning the perceived gains or benefits of the decision to use a promotion. In a review of relevant research, Schindler (1989) noted that there are two major types of benefits which can be derived from promotional usage, financial benefits and psychological benefits. Financial benefits refer simply to the utility of the money saved by using a promotion. A few examples would include the future usefulness of money saved by: a) using a $.50 coupon on the purchase of a box of cereal, b) receiving a free coffee mug for the purchase of a pound of coffee, or c) winning a free vacation in a sweepstakes sponsored by a
cigarette manufacturer. Each of these examples demonstrate either a direct financial savings when purchasing a product (e.g., $.50 price reduction) or an indirect savings due to receipt of a "free" gift from a manufacturer (e.g., free mug, free trip). The second type of benefit, the psychological benefit, refers to the effect of a promotional decision on a consumer's affect or self-concept. Specifically, how does participation in a promotion make the consumer feel? Winning a free vacation is likely to make most people feel wonderful, but the psychological effect of getting a $.50 reduction on the price of a box of cereal or receiving a free coffee mug can also make consumers feel pretty good.

One major point made by Schindler (1989) in his review paper on the excitement of getting a bargain is that both financial and psychological benefits are acknowledged only to the extent that the consumer feels responsible for them. Forced purchase of a promoted brand due to the unavailability of a regular brand will likely incur little benefit as will an unknowing purchase of a promoted brand (Kahneman & Tversky, 1982; Schindler, 1984a). Studies have shown clearly that consumers were more satisfied when they took some action, either mental or physical, to find a discount (Schindler, 1984a; 1984b). It seems interesting, indeed, that in order to gain a benefit from some types of promotional participation, consumers have shown a need to incur at least a minimal level of mental or physical cost. Scott (1976) noted a similarly surprising finding in a study on the effects of trial and incentive on repeat purchase behavior. He found that small incentives were often more effective than either no trial incentive or a very large trial incentive. In other words, in weighing the benefits against the costs of promotional usage, research has shown that the scale should not be too lopsided in either direction.
In an investigation specifically of financial benefits, Diamond and Campbell (1989) demonstrated that consumers perceive two types, reduced losses and value added. In their study, 103 students from a marketing class were assigned to one of four groups. Each group was exposed to a different promotional history for the same laundry detergent brand via a 20 week pricing and promotion information packet. Each page of the packet represented the price/promotion status of the detergent on a given week. In the control group, the weekly price ranged from $3.30 to $3.62. In each of the other groups, a promotion was offered every 3 weeks. In group 2 the promotion was $1.00 off of the retail price (compared to control), group 3 was offered extra amounts of the product (28% more - a $1.00 value) and group 4 was offered a premium (a free fabric softener - valued at $1.00). After exposure to the 20 week history, students were asked several questions regarding the price and quality of the product. Findings from the study indicated that the three types of promotions produced no significant differences in the perception of product quality as compared to the control group, but did produce some differences in the perception of price. Price of the laundry detergent was perceived to be significantly lower in group 2 where the monetary discount promotion was offered. Price perceptions were found to be statistically similar for the premium offer group, the extra product group and the control group. The authors suggested that both the "value-added" promotions (premiums and extra product) were perceived by consumers as gains, while the monetary price reduction was viewed as a reduced loss. This investigation was the first to indicate that different kinds of promotions are perceived by consumers to provide different kinds of financial benefits. Prior to this, the heavy use of monetary promotions as research stimuli had created an overwhelming belief that all promotions were perceived by consumers as reduced losses.
A variety of studies on the perception of reduced loss have been conducted over the years using monetary promotions as stimuli. Fairly consistently the results have shown participation to be positively correlated with the face value of a promotion (Jolson, Wiener & Rosecky, 1987; Nielsen Clearing House Promotional Services, 1992). In a prototypical field experiment designed to determine the effect of different coupon face values on sales of an established brand, Bawa and Shoemaker (1987) reported that higher face values generally yielded greater redemption rates. They also showed, however, that at some point a threshold level was reached where the redemption rate stabilized. NCH Services, which has reported similar findings over the years, recently published product category specific threshold levels of coupon redemption to help manufacturers determine the most efficient face values for their coupons.

The increase in redemption which occurs as face values rise has been at least partially explained by the fact that more valuable monetary promotions attract a wider audience of consumers. Shoemaker and Tibrewala (1985) conducted personal interviews with 280 shoppers in the greater New York metropolitan area in order to assess the relationship between past purchasing of a brand, face value and redemption rate. Consumers were asked about their past five purchases of brands in four product categories. They were then asked to assess the likelihood that they would save and use a coupon with a specific face value. The findings corresponded with later work by Neslin and Clarke (1987) in that the percentage increase in redemption was greater among non-regular brand buyers than among regular buyers as face values increased. Similar findings have been reported for redemption of rebates (Jolson, Wiener & Rosecky, 1987). Results from studies such as these have served to highlight the importance of the derivation of financial benefits as a key factor considered in any promotional usage decision.
As noted previously, however, another key factor can weigh in on the plus side of a promotional usage decision. That factor is the perception of psychological benefits which can be derived from promotional participation. In their most recognizable form, psychological benefits can be simple rewards which positively effect a consumer's immediate affective state. A few such simple psychological benefits would include the "fun" of attending a promotional event, the "excitement" of scratching the silver coating off of a sweepstakes game card or the "mental challenge" of competing in a promotional contest. In a number of studies and reviews, researchers have shown the value to consumers of such simple motivators (Schindler, 1989; Ward & Hill, 1991).

Research has also shown that the promotional usage decision can be heavily influenced by a more complex type of psychological benefit, a benefit which impacts a consumer's self-concept (Schindler, 1989). That is, by participating in promotions consumers may be able to find outlets for demonstrating some desirable personality characteristics which they can not demonstrate easily in other aspects of their life. For example, in interviews with over 200 adult consumers on their experience with promotional games, Gould (1987) found that games with charitable sponsors had greater participation (35%) than those sponsored by businesses (20%). Gould also noted that consumers reported feeling good about their donation, even when they lost the game. All else being equal, it would seem that participation in sweepstakes with charitable sponsors provided some benefit to the participants beyond that provided by other sweepstakes. It could be argued that charitable sponsorship allowed Gould's consumers to feel a little like "good Samaritans" through participation. If this were true, the perceived costs of participation may be small for some consumers in comparison to the ego-boost which could be derived.
Another self-concept related benefit which has been reported to be derived from promotional participation is much less humanitarian in nature. A number of studies have shown that consumers may get an ego boost from perceiving themselves as getting a good deal and, therefore, perceiving themselves as "smart shoppers" (Conover, 1989; Jain, 1990; Schindler, 1984a, 1984b, 1989). In a study examining the impact of three factors on coupon usage (attention/awareness, discount information and price choice), Schindler (1984a) coined the phrase "coupon effect" to refer to the fact that participants in his study preferred coupons to other types of promotions because they said coupons made them feel as if they had acted intelligently to win a discount. In this study, a laboratory shopping game was devised in which players made 48 brand choices based on value and quality perceptions. In each experiment, two opponents began with equal amounts of money. The participants were told that the one with the most money after the game ended was the winner. Each was given a list of 12 grocery categories and the prices of five brands within each category as well as corresponding coupon offers. The coupon offers were available for half of the brands in each category. Other promotions such as shelf talkers (ads without dealing) and sale signs were also available. In addition to shopping for price value, players also received $.25 for selecting the highest quality brand in each category. The findings clearly showed that players preferred coupons over low POP shelf prices, shelf talkers and "on sale" signs because coupons created more of a perception of "actively winning" a discount by being a smart shopper.

In their field studies on coupon and POP sale usage, both Schindler (1984a, 1989) and Jain (1990) reported that consumers often had a positive ego related reaction to searching for and getting a good deal. That is, when a deal was obtained, consumers said they often felt thrifty, satisfied, proud of their
accomplishments and fulfilled in their role as either a consumer or as a homemaker. In comparison, when consumers felt a better deal existed that they were not able to take advantage of, they felt wasteful, gullible, incompetent, resentful and even "taken for a ride." In fact, it has been suggested that for some full-time homemakers, getting a bargain may be one of the few available opportunities to demonstrate intelligence and competence outside the home. In essence, providing some consumers with the ability to feel like "smart shoppers" may be one of the most powerful benefits of promotional participation.

A Holistic Cost/Benefit Perspective Via Attitudinal Theory

While most of the studies discussed above have focused on only one or two specific costs or benefits of promotional usage, a few others have taken a more holistic approach to the promotional participation decision, at least as it relates to coupons. These studies have generally used attitudinal theory as a basis for understanding how consumers process cost and benefit information to arrive at a valent attitude and eventually a behavioral intention. Several studies, in fact, have been conducted on the application of the Theory of Reasoned Action (Fishbein & Ajzen, 1975) to couponing behavior (Miniard & Cohen, 1983; Ryan, 1982; Ryan & Bonfield, 1980; Shimp & Kavas, 1984). In short, the Reasoned Action Model is an information processing model which suggests that attitudes and subjective norms are direct predictors of behavioral intent, which in turn is the best predictor of actual behavioral.

What makes the Fishbein and Ajzen model particularly well suited for at least partially understanding the coupon usage decision is the fact that both of the two antecedents to behavioral intention, the attitude toward the object and the subjective norm, have costs and/or benefits at their root as shown in Figure 2.
In this model, attitude toward a behavioral object such as coupons is determined by a consumer's beliefs about the behavioral outcomes of coupon usage as well as by the consumers' beliefs about the valence of those outcomes. Outcomes with a positive valence (e.g., saves money on the grocery bill) are perceived as benefits and outcomes with a negative valence (e.g., takes time to clip coupons) are perceived as costs. The overall attitude toward the object is then determined by the weighted perceptions of the outcomes of usage or, in other words, the sum of those perceived costs and benefits in the consumer's mind. The subjective norm component of the model, on the other hand, incorporates the social costs and benefits which can be derived from interaction with the attitude object. In the case of coupons, the subjective norm component includes the social costs and benefits which are incurred from coupon usage due to how other people in a consumer's life feel about coupon usage. In essence, the subjective norm component allows
for the impact of social pressure on behavioral intentions. For a consumer considering coupon usage, how others (e.g., family, friends, neighbors, society) feel about using coupons may be an important determinant of future intention. The importance of the social component in this arena can be attested to by the positive change in attitudes toward coupon usage and the resulting change in redemption rates which have been reported over the past decade.

Early work in this area was largely concerned with extending and validating Fishbein and Ajzen's original model (Fishbein & Ajzen, 1975). Market researchers including Ryan and Bonfield (1980), Ryan (1982), Miniard and Cohen (1983) and Shimp and Kavas (1984) probed thousands of shoppers about their use of coupons in order to analyze the proposed relationships between the original model's components. Of particular interest to most of these investigators was the existence of a nonrecursive relationship between the attitude toward the act and subjective norm components of the model. Their efforts proved fruitful in that the major constructs and relationships defined by the Reasoned Action Model (which all in some way help identify costs and benefits of behavior) were shown to be moderately useful in predicting people's intentions to use coupons in the future. Clearly, however, the predictive power of the original model, which did not directly account for consumer predispositions to use promotions or past usage of promotions (habits) was not strong enough to warrant widespread notice by marketers or market researchers.

The Influence of Past Behavior

In a logical extension of work on the original Fishbein and Ajzen theory, Bagozzi, Baumgartner and Yi (1991) heightened significantly the explanatory power of the Reasoned Action Model for the promotional arena by adding the
important factor of past behavior. The addition of this variable, of course, follows similar work in other behavioral areas by researchers such as Triandis (1979), Bentler and Speckart (1979) and Ajzen and Madden (1986). In their study on coupon use and the Theory of Reasoned Action, Bagozzi, Baumgartner and Yi asked a sample of 149 female staff members between the ages of 18 and 63 at a major university to complete two consumer questionnaires one week apart. The first questionnaire measured each of the Reasoned Action constructs including: attitudes toward coupons, attitudes of relatives, friends and society toward coupon usage, and behavioral intention to use coupons. The second questionnaire measured interim coupon usage. The findings suggested that when past usage (habit) was included, the model proved to be a fairly good predictor of claimed intent to use coupons, accounting for roughly 65% of the total variance measured. Importantly, past coupon usage was the single best direct determinant of intention to use coupons, exceeding the direct individual influence of both the attitude component and the subjective norm component. One explanation of this finding is that moderate to heavy past usage may actually tap into habitual patterns of usage (Triandis, 1980). Habits would be expected to bypass the active decision process to have a direct influence on behavior.

The importance of prior experience using promotions has been documented time and time again in a variety of other less attitudinally based studies (Conover, 1989; Nielsen Clearing House Promotional Services, 1985; Price, Feick & Federovich, 1988). In one such study, Bawa and Shoemaker (1987), who examined 300,000 purchase records from the purchase diaries of 3000 households over a year, noted that heavy coupon users in one product category were likely to be heavy coupon users in other product categories. In another purchase record based study of 8,500 households, designed to explore the effectiveness of
manufacturer's coupons on stimulating trial among consumers, Shababb (1987) reported that coupon redemption was highest among previously heavy coupon redeemers, suggesting the existence of a habitual behavior pattern. In fact, he found that 25% of households in his study accounted for 70% of the total coupon usage. Shoemaker and Tibrewala (1985) similarly found that in 280 personal interviews 61% of consumers who had made five or more previous brand purchases with a coupon definitely planned to use a coupon to purchase that brand in the future. This was compared to only 7% of consumers who had never previously purchased that brand with a coupon, but planned to do so in the future. Parallel findings have been reported for other types of promotions including rebates, sweepstakes and contests (Gould, 1987; Jolson, Wiener & Rosecky, 1987).

Kalwani and Yim (1992) recently published the results of an interactive computer shopping experiment among 200 undergraduate students which suggested another logical reason why prior promotional experience may be fairly predictive of future use. Findings from this research, which exposed students to price and promotion information for two competing brands of laundry detergent, corroborated a previous report by Shoemaker and Shoaf (1977) that as consumers became used to receiving the financial benefits of monetary promotions, they became unwilling to pay full price. In fact, their results indicated that as both the number of price promotions and the level of discount offered by those price promotions increased, consumer willingness to pay full price proportionally decreased. Taken more generally, it may be reasonable to hypothesize that as consumers become accustomed to receiving either reduced financial costs or an increase in other types of benefits from participation in promotions of all types, they become increasingly less likely to buy products which do not provide those
benefits. In essence then, past promotional usage may indirectly affect future use or intent to use promotions by impacting expectations about the costs and benefits which can be derived from their use.

The Effects of Category Involvement and Brand Loyalty

Two additional factors which have been shown to heavily influence promotional usage are category involvement and brand loyalty. Both have been demonstrated to be better predictors of usage than any purely demographic profile devised thus far. While these factors have generally been explored separately, they should be understood to function similarly. Each seems to function primarily as a mediator of the cost and benefit decision by defining the acceptable set of brands that a consumer would be willing to consider buying or the acceptable range of brand related costs and benefits a consumer would be willing to incur. Buying outside that acceptable set of brands would theoretically cause the opportunity costs (lost opportunity to use acceptable brands) to be too great. In the end, by determining the range of brands to be considered, category involvement and brand loyalty eventually define the set of promotions available to a consumer.

The first of these two factors, category involvement, refers to a true interest on the part of the consumer in the products available in a category and the products purchased for personal use. A category involved individual generally wants to find the "best" available product. Of course "best" may mean different things to different consumers. In the cereal category, for example, best could be defined by nutritional value, taste, fruit and nut content, texture, legitimacy of parent brand name and a multitude of other dimensions. For each consumer, category involvement is probably best determined within the context of each
individual category. It seems unlikely that consumers are equally involved in all categories of their purchases. While a consumer may be highly involved in the cereal category, he or she may care very little about the purchase of a type or brand of yogurt. In essence then, the factor of category involvement depends heavily on the specific individual and the specific category of interest.

Research has suggested that in some ways strong category involvement should serve to increase a consumer's propensity to use promotions. In consumer research, the assumption is made that consumers are more likely to attend to information that is useful to them in making a product judgment (Lynch & Srull, 1982). Specifically then, interest in a product category should result in a heightened awareness or attention to category relevant information. It would make sense for category involved consumers to be more likely to seek information which would help them choose the "best" product to purchase. Highly involved consumers could seek such purchase relevant information prior to a store visit, compare products while at the store, and discuss products and deals with friends and family (Holmes & Lett, 1977). The increase in exposure to promotions resulting from this information search may translate into a greater likelihood to use promotions.

However, strong category involvement has also been shown to simultaneously translate into a decreased likelihood to use promotions. In a study designed to investigate the relationship between category involvement and the importance of product related deals (i.e., price cues) in making purchase decisions in the wine category, Zaichowsky (1988) noted that highly involved consumers relied heavily on product attributes unrelated to pricing/dealing. However, these highly involved consumers, who responded to the self-administered questionnaire which presented prices and grape variety information for nine wine brands, did not
completely ignore pricing information. Their ability to later recall prices was as accurate as consumers less involved in the category. In comparison, less involved consumers were reported to have made a simplified decision based solely on price as shown by their inability to recall grape varieties with the same accuracy as involved consumers.

Studies have shown, however, that when the category of interest has few product attribute differences by nature, all consumers, including highly category involved consumers, are forced to simplify their purchase decision by focusing solely on price. In a study which investigated the effect of price reductions on the relative market share of brands in two categories, one with product attribute differentiation (canned chili) and one with very minimal attribute differential (canned peas), Anderson (1974) noted that price became more important to the overall decision process when there was little else available on which to evaluate brands. This would suggest that for all consumers, including those that are highly involved, promotions may be most effective in categories where prices and dealing are the only factors which distinguish between brands.

Generally speaking, however, past research has made it increasingly clear that category involved consumers make more complex decisions about what brands to purchase (Jain, 1990) than the average consumer. In addition to considering product attributes more heavily, as shown by Zaichowsky (1988), category involved consumers have also been shown to consider the issue of getting a good deal more thoroughly. In a study which examined the difference between coupon proneness and value consciousness, Lichtenstein, Netemeyer and Burton (1990) reported that involved consumers tended to make more sophisticated judgments about getting the most for their money. In a survey of 350 shoppers, the authors found that category involved consumers tended to be comparison
shoppers who used coupons when coupons actually provided the "best value" (compared to other types of price deals) instead of relying on coupons as signals to the best deal (the coupon effect). In sum, research seems to suggest that category involved consumers evaluate many more dimensions before making a purchase decision than non-involved consumers. In addition to simply being exposed to more product information and promotions from the very start as a consequence of actively searching for the "best" brand, involved consumers also take the time and expend the energy to evaluate a range of product attribute and deal/value options.

Like category involvement, brand loyalty functions primarily as a mediator of the cost and benefit decision by defining the acceptable set of brands that a consumer would be willing to review or consider. Compared to category involved individuals who seek out information about many brands within the category, brand loyalists probably only consider information relevant to their purchase decision of a much smaller set of acceptable brands due to the brand attachments they develop. Brand loyalty has been operationalized in many ways, but in its broadest sense it refers to a preference for one or more brands over other brands in the category. This preference has been measured in the industry in a variety of ways including strength of brand appeal, history/length of prior usage and share of total requirements (amount of one brand's usage as a percent of total category usage). Measures which rely on actual previous behavior rather than attitudes may be most appropriate given the dual nature of brand loyalty, a nature which can stem from an active belief that the best brand has been found or from the sheer habit of buying a particular brand.

Obviously, some consumers may become loyal because they have evaluated all product alternatives based on some set of personal preference criteria and determined that a particular brand or set of brands rise above the rest of the
category. Unlike category involvement, however, brand loyalty may not always be based on this search for the "best" brands or types of product. Instead, it may be based on sheer habit. Some of the most ardent coffee brand loyalists have probably used their particular brand of coffee for years simply because it is what they have always used. Such loyal coffee drinkers give new meaning to the phrase "good to the last drop." In any case, little active decision making or information searching is necessary to maintain this type of brand loyalty. In fact, it may just be that some consumers become brand loyal to decrease the cognitive costs incurred when engaging in an active decision process requiring a review of available information about a variety of brands and deals in a category.

Early support for the thesis that brand loyalists selectively attend to promotions available within their set of acceptable brands was provided in a landmark study on deal proneness conducted by Webster (1965) which combined four consumer variables including brand loyalty into a deal proneness index through the use of regression analysis. Unfortunately, the four variables combined explained only a small percentage of the total variation in deal usage observed. More recent work by Brown (1974), Guidagni and Little (1983) and Shoemaker and Tibrewala (1985) has served to reaffirm the finding that brand loyalty is an important determinant of a consumer's response to promotions. In personal interviews among 280 shoppers, Shoemaker and Tibrewala assessed both prior use of a brand and future intent to use the brand when provided with a coupon. Results of the study indicated that as the number of previous brand purchases increased, the probability of future purchases also increased. Specifically, only 7% of those who had never purchased the brand before claimed that they would definitely purchase the brand given a coupon. This compared poorly to the 61%
who had purchased the brand five or more times previously and said that they would buy the brand with a coupon given a chance in the future.

Additional support for the selective attention hypothesis was provided by Jain (1990) who reported that brand loyalty was negatively correlated to total deal use. In fact, in a study which investigated the cost and benefit factors associated with coupon usage based on data from a panel of 530 households in the greater Buffalo area, Jain noted that usage was positively influenced by the availability/opportunity for consumers to use coupons and negatively influenced by two factors including: brand loyalty and the time/effort costs involved in coupon usage. Similar reports of the limited range of promotions considered by loyals have been made by Bawa and Shoemaker (1987) and Fader and McCalister (1990). In addition, unlike category involvement, the influence of brand loyalty has been so well accepted by the marketing community that it often determines the strategy of brands with a significant loyalist user base or brands which have a competitor with a large loyalist base (Raju, Srinivasan & Lal, 1990).

The Effects of Person Predisposition Factors

As seen in research on both category involvement and brand loyalty, the cost/benefit decision for promotional usage seems to be influenced by some relevant consumer characteristics or predispositions. A fair amount of research, in fact, has demonstrated the moderately influential effects of a few consumer characteristics which can be categorized as either person predispositions or demographic factors. Theoretically, like brand loyalty and category involvement, person predispositions and demographic factors should have a largely indirect impact on the usage decision by influencing the perception of costs and benefits. As time goes on, however, the active decision making process involved in category
and brand purchases may give way to the formation of habits which in turn may be less related to the original consumer characteristics from which they came than would be expected. This is due to the fact that some consumer characteristics are subject to change over time (e.g., age, marital status). Overall, a few person predispositions and demographic factors have been demonstrated to be related, albeit moderately at times, to the promotional usage decision.

The person predisposition factor which has proven to be most fruitful in terms of predicting promotional usage is that of "deal proneness." Deal proneness refers to a tendency on the part of the consumer to be favorably disposed to use promotions. Generally, this construct has been measured behaviorally in that deal proneness has been identified via an index of the percentage of purchases made on deal (Montgomery, 1970; Wieranger, 1974) sometimes adjusted for the relative prevalence of deals (Carmen, 1969; Webster, 1965). Historically, these studies have failed to present a cohesive definition or portrait of the deal prone consumer.

In fact, investigators of the proneness construct have failed to agree on much except the fact that there is a group of consumers (although there has been little agreement on how to identify them) who seem more likely to use consumer promotions (although there has been little agreement on which promotions and why). As noted previously, Webster (1965) coined the phrase "deal prone" in his early work which combined the four factors of age, percentage of most frequently purchased brand, number of different brands purchased and total units purchased into an index of proneness using weights derived from a regression analysis. A variety of authors since that time including Tat and Cornwell (1992), Bawa and Shoemaker (1987), and Lichtenstein, Netemeyer, and Burton (1990) have focused on consumers who are prone to use coupons specifically. Again, while each of these studies has served to suggest the existence of a deal prone segment,
researchers have had trouble clearly defining that segment of consumers and its value to marketers.

Henderson (1990) suggested that inconsistent findings concerning the deal proneness construct may be the direct result of failing to consider the inherent differences in consumer product categories. Henderson pointed to the results of studies by Carmen (1969) and Blattberg, Peacock and Sen (1976) which produced within study differences between product categories. She argued that such findings should be expected given that the motivation (costs/benefits) to use deals probably differs between categories just as the availability of deals differs between categories. This argument gains strength in light of very recent work by Krishna, Currin and Shoemaker (1991) which suggested that deals on frequently promoted brands were not surprises to consumers. Instead, deals on specific brands were expected, especially by frequent users who seemed to have been trained to purchase from deal to deal. Could it also be that consumers have become trained to expect deals overall and to use deals in categories where dealing is common or cyclical in nature (e.g., cereal, yogurt, ice cream)?

Henderson also suggested that generalizing across deal types may not be a very good idea. She noted work by Dodson, Tybout and Sternthal (1978) in which the purchasing patterns of 459 households in a Chicago area diary panel were analyzed for two product categories (margarine and flour) across three different types of deals (media distributed coupons, POP price reductions and on-pack coupons). The authors found support for their hypothesis that the different types of deals would have differing effects on consumers. They found that only the media distributed coupons and POP price reductions resulted in greater brand switching than if no deal was offered. They also found that on-pack coupons were more likely to attract current users while media distributed and cents-off POP
coupons attracted more triers of a product. Unfortunately, while the results of this study highlighted the importance of not generalizing across types of promotions, it limited itself to only price-oriented consumer promotions. Other types of promotions such as sweepstakes, contests, events and premiums have rarely been included in studies of deal proneness.

In a study designed to investigate the effects of different consumer promotions and different product categories on defining a deal prone segment, Henderson (1984), focused mainly on price promotions. In this study which used scanner panel data from 2463 households reporting purchases of the two product categories of coffee and bathroom tissue, Henderson reported finding five distinct consumer groups which responded differently to three types of promotions including coupons, POP price reductions and special deal packs such as extra product, reusable containers, and premarked discounts. She also included local advertising as a type of "promotion." Each of the four derived consumer groups was made up of consumers who were more or less "prone" to use one or more of the four promotion types. While her study has its own problems of limited categories and promotion types, Henderson's point remains clear. Deal proneness must be defined within the context of the categories and promotions of interest.

In general, the second category of consumer characteristics, demographics, has not been found to be a reliable indicator of promotional usage. In fact, even summarizing across the bulk of research on demographics is difficult given the conflicting findings which have been reported. Two demographic factors, however, have demonstrated a fairly consistent positive relationship to promotional usage. The first is a combination variable of educational level and household income and the second is gender.
Several studies have found that higher income and better educated consumers use more promotions (Teel, Williams & Bearden, 1980) or at least use them for reasons which differ from lower income and less educated consumers (Ward & Hill, 1991). In an analysis of diary data (299 households) for the paper towel category, Levedahl (1988), evaluated the validity of two competing hypotheses designed to explain the higher educational levels and income levels of coupon redeemers compared to non-redeemers. The first hypothesis, the efficiency hypothesis, suggested that households with larger incomes and/or a higher educational level are efficient and organized, so they are better able to use coupons. The second hypothesis, the preference hypothesis, suggested that households with higher incomes and educational levels are already more likely to prefer to purchase brands that frequently offer coupons (i.e., higher priced, national brands), and, therefore, are able to redeem coupons more often. In an analysis of the diary data, both the preference and the efficiency hypotheses were supported. Higher income, higher achieved educational level households already purchased more often promoted brands, but they also tended to use more coupons just to organize and increase shopping efficiency.

The second demographic variable which has shown some semblance of a consistent pattern in terms of promotional usage is that of gender. In the majority of studies in this area, women have been shown to be more likely to use promotions than men, but again most of these studies have focused primarily on price promotions (Feick & Price, 1987; Price & Feick, 1988) and most of these studies have been conducted with nonrepresentative gender samples. That is, the majority of studies have analyzed data gathered solely from female primary grocery shoppers (i.e., women who do the 'majority', defined as 75% - 100%, of grocery shopping for the family), or from diary panels where it has not been
determined whether the males, females, or both determine whether or not to use promotions on any given purchasing occasion. In fact, until very recently, men did very little of the household grocery shopping. As women have found their time divided between home and office, men are finding themselves in the grocery store with more opportunity than ever before to use promotions. As this trend continues, the pattern of heavier female than male promotional usage may disappear.

A Unified Model of Consumer Promotional Usage

As a whole, past research has painted an insightful, yet fragmented picture of the motivations behind consumer promotional usage. That is, while each of the various motivators reviewed was shown to be correlated with or predictive of promotional usage to some degree, in isolation the extent of each motivator's association with usage was shown to be fairly limited. Taken in combination, however, it was believed that the explanatory power of the various motivators could be greatly enhanced. In fact, the previous review and organization of research in this area strongly suggested that each of the major determinants of promotional usage could be effectively represented by a single predictive model in which each determinant functioned as either a direct or indirect influence on usage behavior. The success of tests of the enhanced Reasoned Action Model in the promotional arena served as a strong indication of the predictive power of a more "holistic" model of consumer promotions. The Reasoned Action Model itself served as a structural blueprint for the development of an expanded model which included each of the factors shown to be valuable predictors of promotional usage behavior.
The model shown in Figure 3 represented a logical structure for the proposed predictive model of promotional usage. The model, hereafter referred to as the Unified Model, consisted of five general areas of predictor variables or constructs. Two of the constructs (the cost/benefit attitude index and past behavior or habits) were believed to directly influence the behavior of promotional usage, while three other variable areas were believed to work more indirectly (brand loyalty, category involvement and person predispositions).

Figure 3. The Unified Model of Promotional Usage

The cost/benefit decision process variable shown in Figure 3 symbolized the active decision process engaged in by an individual when confronted with a promotional offer. Taking an information processing approach, it was conceived
of as the summed value of the perceptions of costs and benefits of a particular promotion. As discussed, many promotional usage decisions have been shown to be heavily motivated by the outcome of a decision process weighing the costs against the benefits of participating in a promotion. It was believed that promotions were more likely to be used by a consumer when the perceived rewards of usage outweighed the perceived risk or trouble involved in usage by some acceptable margin. Five major types of costs and benefits were identified as influencing the participation decision including: financial costs, cognitive time/effort costs, physical time/effort costs, financial benefits, and psychological benefits. In theory, the five major costs and benefits, taken in combination and weighted for importance (much like the attitude component of the Reasoned Action Model (Fishbein & Ajzen, 1975)) were believed to represent the results of a well considered decision. In fact, it should be noted that this portion of the Unified Model of Consumer Promotional Usage relied heavily on the Reasoned Action Model for its theoretical underpinnings and basic structure.

The position of prior behavior in the Unified Model shown in Figure 3 reflected both the directness and strength of the relationship of past behavior, particularly habitual behavior, to promotional usage. As noted previously, past promotional usage has been reported to be the single best direct determinant of intention to use future promotions (Bagozzi, Baumgartner & Yi, 1991). One explanation for this finding, which was formerly discussed, is that moderate to heavy past usage may actually tap into habitual patterns of usage and habits. Thus, within the model, habits would be expected to bypass the active decision process at times to have a more direct influence on behavior. This portion of the Unified Model stems directly from the expanded model of Reasoned Action set
forth by Bagozzi, Baumgartner and Yi (1991) which was heavily influenced by the holistic model work of Triandis (1979).

Three additional variable areas included were believed to influence the behavior of promotional usage indirectly. Brand loyalty, category involvement and person predisposition were each believed to indirectly effect usage behavior. It was believed that they do so by influencing consumer perceptions of the costs and benefits of promotions.

As noted previously, both brand loyalty and category involvement were shown to function primarily as mediators of the cost and benefit decision by defining the acceptable set of brands that a consumer would be willing to consider buying or the acceptable range of brand related costs and benefits a consumer would be willing to incur. By narrowing the range of brands to be considered, category involvement and brand loyalty eventually define the set of promotions available to a consumer for consideration.

To review, the category involvement construct referred to a true interest on the part of a consumer in the products available in a category and the products purchased for personal use. A category involved individual was generally described as a consumer who wanted to find the "best" available product from among all alternatives available at any given time. The construct of brand loyalty, on the other hand, referred to a consumer preference for one or more brands over other brands in the category. In theory, the brand loyalist believes that he or she has already found the "best" or personally acceptable brand(s).

Person predisposition was included in the model as a general category of variables that identifies characteristics of the individual consumer. Variables within the person predisposition category were believed to be indirect determinants of usage behavior via their effect on perceptions of costs/benefits.
Variables which fell under the heading of person predispositions included: deal proneness, education, and income level. Either individually or in combination these person predispositions were believed to impact the behavior of promotional usage only to the extent that they influence the perception of costs and benefits of promotions. Consistent with previous research therefore, the Unified Model predicted that consumers who are deal prone and have higher income/educational levels are more likely to have weighed the costs and benefits of promotional activities positively. Gender was not included in the Unified Model given the ambiguous nature of previous findings on this variable.

Areas for Further Development/Research Questions

A thorough review of the literature on the dynamics of consumer promotions suggested four main areas for further research development. Each of the four areas related to the idea of developing a Unified Model of Consumer Promotional Usage. Clearly, while there had been a significant amount of investigation into a variety of facets of promotional usage, little work had been done to construct a multifaceted view of this important part of the total marketing mix. The following four questions were designed to develop a deeper understanding of the motivations behind consumer promotional participation across a variety of categories, promotional types, and consumer types.

Of course, the first question to be explored concerned the proposed predictive model of promotional usage shown in Figure 3. Was the proposed model, a fair representation or valuable predictor of a consumer’s use of promotions? Did each of the variables included in the model add significantly to the predictive power of the model? Were the relationships between variables in the model represented accurately? In particular, were the direct and indirect
relationships of variables in the model with promotional usage fairly represented? In essence, the question was: how helpful would the proposed Unified Model be in helping marketers understand the underlying motivators to promotional participation?

In order for the proposed model to truly be "unifying" model, it needed to provide insight across a variety of categories and a variety of promotional types. In particular, two questions needed to be answered. The first question was: Could the proposed model be fairly predictive across categories with different price points (average price per package/unit) and buying cycles (average time between purchase occasions)? The second question was: Could the model be equally predictive for promotions considered by consumers to be value added (e.g., premiums) versus reduced loss (e.g., refunds) and those perceived to require less effort (e.g., coupons) versus more effort (e.g., refunds) for participation? In sum, the question was: Could the model be applied to a variety of promotional situations?

The final question related to the value of the explanatory power of the proposed Unified Model. In order for this model to be truly useful to marketing practitioners it needed to provide keen insight into what distinguishes a user from a non-user of promotions. The final question then related to the previous three questions in that the model could only provide significant insight into consumers if it proved to be predictive. If the model proved to be predictive, the most revealing question would be: How does a promotional participant differ from a non-participant in terms of the major components of the model? Of course, an answer to this question would give marketers clear direction for targeting and designing future promotions.
CHAPTER 2

METHOD

In order to explore each of the four main questions related to developing a Unified Model of Consumer Promotional Usage, a two phase study was conducted among primary grocery shoppers who regularly purchase products within the two categories of cereal or cigarettes. The purpose of phase I, completed as a national telephone survey, was to identify appropriate questions for inclusion to the final telephone survey used in phase II. In the national telephone survey of phase II, respondents were asked questions covering each of the six major content areas of the Unified Model of Consumer Promotional Usage. Those areas included: the cost/benefit ratio involved in the decision, reported past behavior, brand loyalty, category involvement, person predisposition, and, of course, intention to use promotions in the future. Planned analyses, following final data collection, focused on providing clear evidence for the predictive value of the model in general as well as across the two category (cereal and cigarettes) and three promotional (coupons, refunds and premiums) types. Additionally, the variables of the model were used to distinguish between users and non-users of the two promotional types included in the study. Specifically, descriptions of users and non-users were developed on the basis of comparison of the two groups on each of the variables of the Unified Model.
Phase I

Purpose

Phase I of this study, which was completed six months before Phase II, served two very specific purposes. First, it allowed estimates to be made of the total number of telephone calls which would need to be made to achieve the desired cell sizes for phase II of the study. Second, it provided very specific feedback on the types of costs and benefits which consumers perceive to be involved in using each of the three types of promotions under investigation (coupons, refunds, and premiums). That information, elicited from consumers, was used to construct relevant questions about costs and benefits for use in the telephone survey in phase II.

Subjects

A total of 505 male and female primary grocery shoppers were contacted via a computer assisted telephone interview (CATI) using a modified random digit dialing (RDD) technique. The dialing procedure was modified to extract blocks of unused and business-oriented telephone numbers. In order to elicit a list of category-general rather than category-specific costs and benefits, the consumers contacted were not screened for usage of any particular product categories. Shoppers, both male and female, were, however, screened to be between the ages of 18 and 54.

Instrumentation

In order to serve the dual purposes of phase I, two sets of questions were included in the questionnaire for the telephone survey. One set of questions,
specifically focused on estimating the extent of consumer usage of each of the three promotional types under consideration (coupons, refunds, and premiums). The second set of questions served to elicit directly from consumers their perceptions of the costs and benefits involved in usage of these three types of promotions.

This survey was conducted as a 'tag-on' to another national telephone survey which was being conducted. This allowed the data to be collected at a minimal cost. The survey to which the questions for this study were attached had nothing to do with grocery products. Its focus was on describing some at-home, advertising related behaviors of primary grocery shoppers.

An outline of the order and specific wording of the questions included in this survey is included in Appendix A. The overall appearance of the survey, was much different, however, given that it was adapted for use on a CATI System. As part of that system, each question, the accompanying set of responses and some relevant interviewer directions appeared directly on the computer screen. Some directions which would normally appear on a traditional paper and pencil questionnaire, however, did not appear on the computer screen, but were directly built into the programming for the computerized interview. One example would be instructions for the branching of questions. Allowing the computer to handle tasks such as branching, made the job of the interviewer much more simple, and may therefore, have reduced human error.

The questions included to estimate consumer participation in each of the three types of consumer promotions were straightforward. Consumers were given a brief set-up which explained that they would be asked to respond to a few questions about their 'participation in three types of promotional offers for grocery products.' They were then asked to respond to three questions, each of which
measured the length of time since the consumer had: 'redeemed a coupon at the checkout counter in your grocery store,' or 'responded to a manufacturer rebate offer where you mail in proofs-of-purchase in return for a cash or check rebate,' or 'responded to a manufacturer premium offer where you mail in proofs-of-purchase in return for a special gift which was advertised on the package.' Respondents in this first phase were asked about their general use of coupons, refunds, and premiums rather than their use within specific product categories (e.g., cereal and cigarettes) to avoid biasing or limiting their responses to the cost and benefit elicitation questions which followed. The response options available for each of those three questions included: 'within the last month,' 'within the last 2 to 3 months,' 'within the last 4 to 6 months,' 'within the last 7 to 12 months,' and 'not at all in the past year.'

Using the same descriptions noted above, the six questions which followed asked respondents specifically for information about their perceptions of the costs and benefits of using coupons, refunds, or premiums. Because these questions were intended to elicit the full spectrum of possible costs and benefits, they were designed to be open-ended in nature. Thus, for each of the three promotional types, a question was asked about the 'sorts of positive things or benefits (which) come to mind when you think of using (a specific promotion with description)' and a question followed about the 'sorts of negative things or costs (which) come to mind when you think of using (a specific promotion with description).' Two demographic questions about gender and age directly followed.

Procedure

As noted, respondents were contacted as part of a 'tag-on' survey. They were given the brief introduction to this promotional topic and asked specific
questions about their use of the three specific promotional types over the last year. Interviewers were instructed to read the entire list of time options after each of these three questions and then record one response from the respondent for each question.

Respondents were then asked consecutive questions pertaining to the perception of costs and benefits involved in each specific promotion. Interviewers were instructed to probe 'anything else' and type in verbatim responses until probing became unproductive. Questions about the costs and benefits of using the three promotional types were randomized by type of promotion to insure that a fatigue bias in the productivity of the elicitation, if it emerged, would be spread across the three types of promotions. Following the elicitation procedure, respondents were asked two final demographic questions about gender and age and then thanked for their assistance with the survey.

Phase II

Purpose

The purpose of phase II of this study was to develop a deeper or multifaceted understanding of the motivations behind consumer promotional participation across a variety of categories, promotional types, and consumer types. Four specific research questions were addressed. Could the proposed Unified Model of Consumer Promotional Usage be a fair representation or valuable predictor of a consumer's general use of promotions? Could the model be predictive across categories with different price points (average price per package/unit) and buying cycles (average time between purchase occasions)? Could the model be equally predictive for different types of promotions including
those considered by consumers to be value added (e.g., premiums) versus reduced loss (e.g., refunds) and those perceived to require less effort (e.g., coupons) versus more effort (e.g., refunds) for participation? In other words, could the model generalize to a variety of promotional situations? The final question was: How useful would the components of the model be in differentiating between users and non-users of promotions?

Subjects

Exactly 300 primary grocery shoppers were recruited in the CATI telephone interview in phase II of this study. Once again, the nationally representative RDD procedure was modified to extract blocks of unused and business-oriented telephone numbers. A primary grocery shopper was defined as someone who does at least half of the grocery shopping for a household. The sample was allowed to naturally represent males and females without a quota system, but respondents were screened to be between the ages of 18 and 54.

Consumers were also screened to be regular purchasers of the cereal or cigarette category based on respondents' own perceptions of whether or not they "regularly purchase products" within those categories. Previous experience had shown that consumers differ in their volume of purchases and time lapse between purchases within specific product categories. Therefore, it was believed to be counterproductive to dictate to them what constitutes a "regular" user. Instead, it was believed best to allow each consumer to determine whether he or she perceived himself/herself to be a regular purchaser within a product category. As shown in Figure 4, a quota system was instituted to insure that at least 150 regular cereal purchasers were recruited and 150 regular cigarette purchasers were recruited.
Quotas were also used to insure that within each product category (cereal and cigarettes) and promotion type (coupons, refunds, and premiums) 50 interviews were completed. In other words, this study provided for six promotional situations or cells in that there were two product category and three promotional types about which respondents were asked. Within each of those cells, 50 respondents were asked about their attitudes and usage of that particular promotion within that particular product category. In the interest of time and in order to eliminate any cross-over response effects, respondents were not interviewed about more than one product category or more than one promotional type. This also served to meet the statistical assumptions of the intended modeling analyses by creating a completely between subjects design.
Quotas were also instituted to insure that an appropriate percent (25%) of respondents within the cereal category cells were also regular purchasers of cigarettes (Mediamark Research Inc., 1993). This was done to reduce the possibility of confounding which may have occurred if interviewers were allowed to assign all respondents reflecting usage in the lower incidence product category (i.e., cigarettes) to the cigarette category cells. In effect, the quotas were used to be sure that the cereal respondent groups were not different from the general population in their cigarette consumption simply because all smokers had been assigned to the harder to fulfill quota groups - the regular cigarette purchasing groups.

As shown in Figure 4 and mentioned above, respondent quotas were instituted to insure that at least one half of the respondents in each of the six cells were prior users of the particular promotion within that cell and one half were non-users. Prior usage for the purposes of this study was defined as having used a promotion type at least once a year or more. While the actual number of users and non-users within each cell was rather small for analytic purposes at this level (25 prior users and 25 non-users), it allowed for some analysis of the differences between these two types of consumers. In sum, the design of this study allowed data collection from 300 total respondents, 100 respondents for each of the three promotion types, 50 for each of the six possible promotion/product category combinations.

Instrumentation

In order to understand the motivations behind consumer promotional usage across a variety of categories, promotional types, and consumer types, a questionnaire was designed to measure each of the key component areas of the
proposed Unified Model. As noted above, the questionnaire was structured such that qualified respondents were, for the most part, funneled through a series of questions about one of the three types of consumer promotions, (i.e., coupons, refunds, and premiums) and only one of the two product categories (i.e., cereal or cigarettes).

An outline of the order and specific wording of the questions included in this survey can be found in Appendix B. Again, the overall appearance of the survey, was much different on the computer screen given that it was adapted for use on a CATI System. As part of that system, each question, the accompanying set of responses, and relevant interviewer directions appeared directly on the computer screen. Some directions which would normally have been shown on a traditional paper and pencil questionnaire, however, were not shown on the computer screen. Rather, they were built directly into the programming for the computerized interview. As noted previously, branching questions were one of the most important types of directions not readily apparent on the computer screen, but built into the internal programming of the computerized interview as were directions for randomization, termination of the interview, and tracking of quota specification fulfillment. Mechanization of some of these directions, should have reduced the level of interviewer error in the survey process.

A brief set-up was given during the initial phone contact which identified the interviewer, the research company making the call and the purpose of the call to potential respondents between the ages of 18 and 54. A series of qualifying questions followed. The first qualifying question was designed to insure that respondents were "typical" consumers with no particular expertise (beyond that of the general public) in market research. The format of both the question and the response set (yes or no) is fairly standard in the industry. The second qualifying
question, also using a yes/no format was designed to screen for respondents who had enough experience purchasing grocery and convenience type items to have formed opinions about the consumer promotions which sometimes accompany them. The third qualifying question was designed to determine whether or not the potential respondent was a "regular purchaser" of at least one of the two product categories of interest. In order to avoid cueing potential respondents to the specific product categories of interest, a brief list of five categories was read. This was done to help discourage respondents who make a "profession" of participating in every study with which they come in contact. If the respondent was not a regular purchaser of either cereal or cigarettes, the interview was terminated. If the potential respondent was a regular purchaser of one or both of the categories, the CATI system determined which of the two product categories to continue to ask the respondent about on the basis of need for quota fulfillment. Following a question about age, interviewers were instructed in the fifth question to record (not ask) the respondent's gender by tenor of voice if possible, or by first name if necessary. As noted, both age and gender were recorded, but were not used as qualifying or quota satisfying questions.

The sixth question referred specifically to the three types of consumer promotions of interest. That is, respondents were asked about their future intent to use each of the three types of consumer promotions within one of the two product categories. This did not serve as a qualifying question. After cueing the respondent to the subject of the question (e.g., consumer promotions) and the nature of the response that was required (e.g., likelihood of future use within that product category), interviewers read the short description (used with success in phase I) of each of the three consumer promotions one at a time. The descriptions were randomly rotated by the CATI System for each interview. Following each
promotional description, interviewers prompted the respondent to identify their future usage intent on a 6 point scale where 6 meant extremely likely to use, 5 meant very likely to use, 4 meant somewhat likely to use, 3 was somewhat unlikely to use, 2 was very unlikely to use, and 1 was extremely unlikely to use. A scale without a neutral midpoint was consciously chosen to encourage respondents to make a choice. A no response option was included, but not read to respondents. This allowed interviewers to record the responses of consumers unwilling or unable to make a choice. For coding purposes, a positive intention to use was defined as a response of extremely, very or somewhat likely to use. A negative intention to use was defined as a response of extremely, very or somewhat unlikely to use.

Respondents were then probed in the seventh question for past behavioral usage of each of the three promotions within the product category using much the same format as for intended usage above. This question served as the final qualifying question. Responses to this question were used to satisfy the user/non-user quota within each of the six cells. Respondents were read the same description of each promotion and then prompted to use a 6 point scale to indicate the extent of their past usage of the promotion. The promotion descriptions were read in the same order as the random order determined for the previous future intent question. As noted, respondents were asked to use the following 6 point scale to indicate the extent of their past usage: 6 meant use the promotion nearly every week, 5 meant use it several times a month, 4 meant about once a month, 3 was several times a year, 2 was about once a year, and 1 was less often than that (once a year). Again, the don't know or no answer option was provided for the interviewer on the screen, but was not read to respondents. Users were identified
as respondents who said they engaged in a particular promotional activity at least once a year or more.

Respondents were then asked to answer only one of the following questions outlined in Appendix B (questions 8, 9 and 10). Which question a respondent was asked to answer depended entirely on which of the six cells they had been assigned to on the basis of their responses to the qualifying questions outlined above. Respondents satisfying coupon, refund, and premium cell quotas were asked to respond to questions eight, nine, or ten respectively.

Specifically, these three questions provided information on the relative importance of the major costs and benefits of each of the three types of consumer promotions. The costs and benefits for inclusion to these questions were derived directly from the elicitation procedure conducted in phase I. For each promotion, a series of statements about two factors, relevant costs and relevant benefits, were constructed in such a way that respondents were able to determine whether they agreed or disagreed with them. The statements were randomly rotated and read to respondents. Respondents were then asked to use a 5 point scale to indicate how strongly they agreed or disagreed with each statement. Once again, the don't know or no answer option was provided for the interviewer on the screen, but was not read to respondents. Given that there were exactly 9 statements to be read for each promotion, the interviewer was encouraged to read the entire response scale after each statement until it no longer became necessary. It was expected that respondents would become accustomed to using the scale at some point without having it read each time in its entirety. At the very least, interviewers were expected to remind the respondent of the total response scale at the beginning of each full question.
Category involvement, brand loyalty and deal proneness were measured for all respondents in question eleven using a similar question format for simplicity's sake. Respondents were told that they were going to be asked to describe how they go about buying products within the particular category of interest. They were told that they were again going to be read a list of statements and asked to use the same 5 point scale to agree or disagree with them. Four statements were included to measure brand loyalty, three statements for category involvement, and three statements for deal proneness.

The four brand loyalty statements included in question eleven were designed to distinguish between consumers who were loyal to a particular brand versus those who were switching among brands. Of the two statements which identified loyalists, one identified consumers who bought only one brand within the category and did it for a long period of time (as perceived by the consumer himself/herself), the other statement identified consumers who bought only one brand within the category, but did so for a much shorter period. In effect, this person remained brand loyal, but only for a short time. The remaining two loyalty statements identified brand switchers, consumers who did not buy any one particular brand within the category for any length of time. The difference between these two statements was in the motivation behind the switching behavior. One described the individual who switched purely on the basis of pricing and dealing. The other described the individual who "switched" in what they purchase occasionally because they buy more than one brand for different uses, occasions, or people in the household.

The three category involvement statements focused on describing an individual who was truly interested in the category. Thus, the three statements focused on the following: how much the individual enjoyed shopping for products
within that category, how interested they were in comparing products and information within that category to find the "best" product/brand, and how likely they were to try new products within that category.

The last three statements which were included in question eleven pertained to the degree of deal proneness evident in each respondent. Each of the statements referred to the level of enthusiasm the respondent had for "getting the best deal," "comparing prices and deals" before making a purchase decision, and "looking through newspapers and fliers for sales and deals." These statements were randomly rotated with the brand loyalty and category involvement statements and read to respondents one at a time. As described above, respondents were prompted to respond using the same 5 point agree/disagree scale which with they had become familiar. Once again, the don't know or no answer option was provided for the interviewer on the screen, but was not read to respondents.

The final few questions which respondents were asked to answer were demographic questions pertaining to: level of education (less than high school graduate through post graduate), employment status (unemployed, part-time employed, full-time employed), number of children living at home, and level of household income (under $20,000 through over $100,000). Each of these questions had been designed to be as non-intrusive as possible and were included at the end of the interview to decrease the chance of the respondent becoming threatened prior to completion of the majority of the interview. In addition, respondents were told that their responses to these questions would be used only for statistical purposes. Following completion of the 5 demographic questions, respondents were thanked for their assistance with the survey and the interview was terminated.
Procedure

As noted, respondents were randomly contacted by a trained interviewer via a CATI System. Following a brief introduction to the interviewer, the research company and the project, respondents were asked a series of questions which were used to qualify them for the survey and for assignment to one of the six cells included in the survey design. After being assigned to one of the six cells, respondents were asked questions which were designed to measure each of the key component areas of the Unified Model within the context of only one of the two product categories, and one of the three consumer promotions of interest.

Interviewers read each question outlined in the survey (Appendix B) to respondents and read the appropriate response set when necessary. They repeated anything that respondents did not hear the first time or found confusing in any way. They were allowed to offer further explanation, but were trained not to introduce bias into respondents' answers. Interviewers recorded (keypunched) appropriate number corresponding to respondents' answers following each question. They also recorded any additional relevant comments or trouble spots encountered during the course of the interview. Once all questions had been answered, interviewers thanked respondents and terminated the interview. The CATI System, of course, alerted interviewers of questions which had not been adequately answered so that interviewers were able to clear up any confusion before respondents hung up. The CATI system routinely orchestrated the skip patterns inherent in the interview, so there was no way in which an interviewer could accidentally skip questions or probe for answers to questions not required.
Overview of Phase I

In total, 250 males and 255 females were contacted. In terms of age, 103 males between the ages of 18 and 25 were contacted, 93 between the ages of 26 and 39, and 53 between the ages of 40 and 54. Of the females, 88 were between the ages of 18 and 25, 84 were between the ages of 26 and 39, and 79 were between 40 and 54 years of age. Thus, respondents for this phase of the study provided a wide array of primary grocery shoppers in terms of age and gender.

The results of this first phase of the study provided good working estimates of what to expect in phase II in terms of the upper limit for cell sizes based on the difficulty in efficiently contacting appropriate respondents for the promotion types demonstrating less frequent usage. Among the total group of respondents, past year usage of coupons was reported to be 80%, while refund usage was reported to be 52% and premium usage was reported to be 30%. Most of that past year usage was perceived to have occurred within the past 6 months (79% for coupons, 45% for refunds, and 25% for premiums).

The questions designed to elicit perceptions of costs and benefits of each of the three types of consumer promotions proved fruitful. Interviewers noted that
respondents had little or no difficulty outlining their reasons either for or against using each of the promotional types. While respondents' answers varied in terminology or phraseology, for the most part a consistent pattern emerged. That is, for each of the promotions (coupons, refunds, and premiums) a fairly specific and compact set of costs and benefits were identified for inclusion to the telephone survey in phase II.

Respondents provided a good number of answers to the two open-ended questions inquiring about the perceived costs and benefits of using coupons. Almost unanimously (99%), respondents mentioned financial value or "money saved" as a benefit of using coupons. It was usually the first benefit they mentioned. A distant second place benefit, in terms of the percent of respondents who mentioned it (35%), was that coupon usage could make them "feel" something good about themselves such as feeling "smart," "competent," or just plain "good." Two other benefits of using coupons were mentioned with some consistency. The first, mentioned by 14% of all respondents, was the fun involved in cutting coupons, organizing them or looking for the coupons with the highest face values. The second, mentioned by 12% of all respondents, was the positive side of the social norm benefit. Specifically, that using coupons could make respondents appear "smart" or "sly" to other people including husbands, wives, children, and other people in the grocery checkout line.

In terms of the costs of coupon usage, respondents were equally clear with their responses. In rank order of the percent of respondents who mentioned them, the following factors were perceived by respondents to be the primary costs of using coupons: (a) time spent cutting, organizing, comparing and cashing them in (76%), (b) effort or work involved in cutting, organizing, and cashing them in (41%), (c) often requires purchase of more expensive brands/products/sizes
(25%), (d) makes you "look cheap" to others including husbands, wives, children, and other people in the grocery checkout line (21%), (e) often means losing or "missing out" on another sales/couponed product purchase (11%), and (f) may require going to a specific store to use the coupon - particularly in-store coupons (3%).

Not surprisingly, respondents perceived refund promotions to have many of the same costs and benefits. In order of the percent of respondents who mentioned them, the major benefits of refunds included: (a) their financial value or "money they save you" (100%), (b) their ability to make a person feel "smart," "competent," or "like a good consumer" (41%), (c) their ability to make a person look "smart" to others (9%), and (d) the fact that it can be fun to cut, organize, and send them in (7%). In terms of costs, four major factors were mentioned by respondents including: (a) the effort or work involved in cutting, saving proofs, sending in, and cashing in (73%), (b) the time spent cutting, saving, sending in, waiting for response, and cashing them in (52%), (c) the cost of postage and envelopes (19%), and finally, the negative social norm component of making you look "cheap" or "like a tightwad" (11%).

Premiums probably showed a slightly different pattern of costs and benefits from coupons and refunds because of the nature of the average premium offer (a value-added offer) which requires sending in several proofs of purchase and possibly a financial payment to the manufacturer. A majority of the respondents (87%) mentioned the item itself as the major benefit of the promotion. The strength of that benefit lay in the perceived value of the item. Many respondents were skeptical about the value of items you "send away for." A number of respondents described receiving items that had not met expectations either financially, aesthetically, or in their utility. If the item met expectations, however,
it was seen as the key benefit of the promotion. The second benefit of this type of promotion, in terms of the number of mentions it received (25%), was the savings that could be realized by purchasing items at a believed to be reduced price by trading in proofs-of-purchase. The next most mentioned benefit of premium usage was the "fun" or "excitement" (anticipation) generated when sending away and waiting for a premium (21%). Many respondents talked about this type of promotion with almost childlike wonder at times. One such respondent said:

I remember sending away for a spy glass when I was a kid. I was so excited about it ... but I don't think it ever came. I think about it when I send away for things with my own kids.

The final benefit mentioned with any consistency was the feeling of competency connected with getting "a bargain." This benefit was noted by 15% of all respondents.

Not surprisingly, the financial cost often involved with sending away for a premium offer, was perceived by many to be a major cost of this type of promotion. In fact, 63% of all respondents specifically mentioned having to send money or a check with the offer as a negative thing about participating in most premium offers. In terms of the number of mentions it received, the risk involved in sending away for a promotion that may or may not meet expectations was the second biggest cost involved in premium participation (47%). In addition, approximately 31% of all respondents noted that the effort involved in cutting, organizing, saving and sending in proofs-of-purchase was a cost of premium usage, as was the time involved in those same activities (21%).
In all, the cost/benefit elicitation procedure provided solid information for use in the construction of the final questionnaire for phase II of this study. It demonstrated that while there were similarities in the costs and benefits involved in each of the three types of promotions under investigation, there were some important differences in how consumers talked about them, the order of their importance (or at least top-of-mind importance), and how they related to the very nature of the premium itself. In the final questionnaire, questions about costs and benefits were clearly tailored for each promotional type based on the information gathered in the elicitation procedure of phase I.

Phase II

Overview of Phase II

Data were collected as planned with responses from exactly 300 respondents recorded. Of those 300, 150 classified themselves as regular cereal purchasers and 150 classified themselves as regular cigarette purchasers. Additionally, those 300 consumers were classified as either users (within the past year) or non-users of one of the three promotions (coupons, refunds and premiums). In sum, data was collected from 50 consumers (25 users and 25 non-users) within each of the six planned category/promotion type cells as shown in Figure 4. The number of respondents included in each analysis varied because some respondent records contained missing or nonproductive responses.

Total Sample Demographics

The demographic breakdown of the total sample group held few surprises as shown in Table 1. Approximately three quarters of the interviews were
conducted among women. This was as expected given that women presently still do a majority of household grocery shopping. The total number of children under the age of 18 reported to be living in respondent households ranged from zero to six. Only a small percentage of interviews were completed among consumers in the youngest age group of 18 to 25 as shown in Table 1. This young group of consumers has traditionally been more difficult to reach at home due to their active lifestyle. A bit more surprising was the fact that more interviews were conducted among consumers between the ages of 26 - 34 and 35 - 44 than among consumers in the slightly older age group of 45 - 54. Interestingly, consumers in the slightly older age group have generally been easier to reach at home due to their less active lifestyle. An analysis of the telephone logs from the Unified Model Study was completed to shed some light on the surprisingly lower incidence of completed interviews among the slightly "older" group of consumers. A quick review of the logs indicated that respondents in this oldest acceptable age range were often terminated from the interview after reporting that they were not "regular purchasers" of either cigarettes or cereal. The overall socioeconomic status of the total group of respondents was fairly disperse as evidenced by responses to questions about education, employment status, and income level (see Table 1).

In an attempt to explore the relationships between demographic variables previously reported or simply suspected to be predictive of promotional usage an analysis of the relationships between each of the seven demographic variables was conducted. The results of chi-square testing indicated that males were significantly more likely to be employed outside of the home ($\chi^2 (1, N = 290) = 16.22, p < .01$) and to be employed full-time rather than part-time ($\chi^2 (1, N = 215) = 9.30, p < .01$). A $t$ test indicated that males were also more likely than females to have higher levels of education ($t (291) = 2.42, p < .01$). Educational level was
<table>
<thead>
<tr>
<th>Demographic Variable</th>
<th>n</th>
<th>Percent of Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>295</td>
<td>24</td>
</tr>
<tr>
<td>Female</td>
<td>300</td>
<td>76</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 - 25</td>
<td>295</td>
<td>8</td>
</tr>
<tr>
<td>26 - 34</td>
<td>300</td>
<td>30</td>
</tr>
<tr>
<td>35 - 44</td>
<td>290</td>
<td>42</td>
</tr>
<tr>
<td>45 - 54</td>
<td>293</td>
<td>19</td>
</tr>
<tr>
<td>Number of children at home</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>300</td>
<td>35</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td>27</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>24</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>4 or more</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Employed outside of home</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>290</td>
<td>26</td>
</tr>
<tr>
<td>Yes</td>
<td></td>
<td>74</td>
</tr>
<tr>
<td>Extent of employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time</td>
<td>215</td>
<td>83</td>
</tr>
<tr>
<td>Part-time</td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>Educational Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than high school degree</td>
<td>293</td>
<td>5</td>
</tr>
<tr>
<td>High school degree</td>
<td></td>
<td>38</td>
</tr>
<tr>
<td>Some college</td>
<td></td>
<td>23</td>
</tr>
<tr>
<td>College degree</td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>Post graduate</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>Annual household income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $20,000</td>
<td>295</td>
<td>11</td>
</tr>
<tr>
<td>$20,000 - $39,999</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>$40,000 - $59,999</td>
<td></td>
<td>32</td>
</tr>
<tr>
<td>$60,000 - $79,999</td>
<td></td>
<td>14</td>
</tr>
<tr>
<td>$80,000 and over</td>
<td></td>
<td>14</td>
</tr>
</tbody>
</table>
positively correlated to respondent age ($r (293) = .16, p < .01$) and to household income ($r (293) = .43, p < .01$) and, as expected, respondent age was positively correlated to household income ($r (289) = .25, p < .01$).

In order to identify any demographic differences between the two product categories, $t$ tests using a Bonferroni adjustment were conducted. Probability adjustments were made separately for each analysis. Findings indicated that, as expected, there were demographic in the promotional user groups for each of the categories. Specifically, the two category user groups differed significantly in educational level ($t (291) = 5.48, p < .01$) and household income level ($t (293) = 3.49, p < .01$) with cereal product users reporting higher levels of both education and household income. There were no differences between the two groups in terms of age or number of children in the household.

**Total Sample Past/Future Promotional Usage**

As outlined, all 300 respondents were asked to report their past usage and future intention to use all three types of promotions. Past promotional usage was used as a qualifying question to help assign respondents to one of the six cells in the research design. Early in the project it was also intended that past usage would serve as the predicted variable in the proposed modeling analysis. Reported usage in the second phase of the study (see Table 2) seemed at least visually consistent with usage reports from the first phase in which 80% of respondents reported using coupons in the past year, 52% reported using refunds in the past year, and 30% reported using premiums in the past year. In the second phase of the study, the vast majority of respondents (79%) reported past usage of coupons at least once a year. In comparison, refund usage was reported by only 40% of respondents while premium usage was reported by 28% of respondents.
Table 2. --Past Usage of Promotions

<table>
<thead>
<tr>
<th>Past Usage</th>
<th>Coupons (%)</th>
<th>Refunds (%)</th>
<th>Premiums (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nearly every week</td>
<td>33</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Several times a month</td>
<td>18</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>About once a month</td>
<td>15</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Several times a year</td>
<td>8</td>
<td>18</td>
<td>13</td>
</tr>
<tr>
<td>About once a year</td>
<td>5</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>Less often than that</td>
<td>21</td>
<td>59</td>
<td>72</td>
</tr>
</tbody>
</table>

Note: Percentages were derived from a base N of 300. Columns may not sum to 100% due to rounding error.

Men and women significantly differed in their past usage of coupons ($t$ (298) = 3.10, $p < .01$) with women most likely to have reported usage or more frequent usage. Women were also more likely to have used or more frequently used refunds ($t$ (298) = 2.16, $p < .01$). A $t$ test indicated that there was no significant difference between men and women in past usage of premiums. There were also no significant differences in past usage of any of the three promotional types among respondents reporting a different employment status. Each of these comparisons was conducted using a $t$ test with a Bonferroni adjustment.

Correlational analyses using probability levels adjusted downward for multiple significance tests indicated that for the total group there was no relationship between any of the remaining demographic variables (age, educational level, household income, or number of children) and past usage of the three promotions.

Once again, analyses were conducted to determine specifics of differences between users of the two product categories in an attempt to understand the outcome of the modeling analyses. Three Bonferroni adjusted $t$ tests revealed clear differences between users of the two product categories in terms of their past
promotional usage. Cereal purchasers reported using coupon promotions significantly more often than cigarette purchasers ($t(298) = 2.69, p = .01$). There were no differences in frequency of past usage of refunds or premiums.

For the total group, past usage of each of the three promotional types was highly and significantly intercorrelated as shown in Table 3. The acceptable probability level was adjusted downward to compensate for the multiple significance tests reported in this table. Past usage of coupons was strongly associated with past usage of both refunds and premiums. Interestingly, the strongest association was between past usage of refunds and premiums. This was demonstrated by the fact that the correlation coefficient for that relationship significantly differed from the correlation coefficient for past usage of coupons and refunds ($z = 3.33, p < .01$) and the correlation coefficient for past usage of coupons and premiums ($z = 3.90, p < .01$).

<table>
<thead>
<tr>
<th></th>
<th>Past Coupon Use</th>
<th>Past Refund Use</th>
<th>Past Premium Use</th>
<th>Future Coupon Use</th>
<th>Future Refund Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past Refund Use</td>
<td>.33 *</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Past Premium Use</td>
<td>.30 *</td>
<td>.49 *</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Future Coupon Use</td>
<td>.64 *</td>
<td>.23 *</td>
<td>.12</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Future Refund Use</td>
<td>.24 *</td>
<td>.61 *</td>
<td>.40 *</td>
<td>.31 *</td>
<td>---</td>
</tr>
<tr>
<td>Future Premium Use</td>
<td>.22 *</td>
<td>.47 *</td>
<td>.64 *</td>
<td>.20 *</td>
<td>.59 *</td>
</tr>
</tbody>
</table>

Note: Correlations were derived from a base $N$ of 300.

* $p < .0001$
In addition to past promotional usage, respondents were also asked to report their future intention to use each of the three promotional types. Not surprisingly, a majority of respondents (88%) reported that they were likely to use coupons in the future as shown in Table 4. Future intention to use refunds was expectedly lower than intention to use coupons ($t(298) = 2.73, p < .01$). Exactly one half of all 300 respondents reported they were likely to use refunds in the future. Future usage intent was also lower for premiums than for coupons ($t(298) = 2.92, p < .01$). The majority of respondents (67%) stated that they were unlikely to send away for premiums in the future. There was no difference in intention to use refunds and premiums in the future. These comparisons were made with $t$ tests and Bonferroni adjustments.

<table>
<thead>
<tr>
<th>Future Intention to Use</th>
<th>Promotion Type (% Response)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coupons</td>
</tr>
<tr>
<td>Extremely likely</td>
<td>51</td>
</tr>
<tr>
<td>Very likely</td>
<td>23</td>
</tr>
<tr>
<td>Somewhat likely</td>
<td>14</td>
</tr>
<tr>
<td>Somewhat unlikely</td>
<td>2</td>
</tr>
<tr>
<td>Very unlikely</td>
<td>3</td>
</tr>
<tr>
<td>Extremely unlikely</td>
<td>7</td>
</tr>
</tbody>
</table>

Note: Percentages were derived from a base $N$ of 300.

As with past promotional usage, men and women significantly differed in their future intent to use coupons ($t(298) = 3.80, p < .01$) and future intent to use refunds ($t(298) = 2.12, p < .01$) with women the most likely to report intended usage. Once again, however, there was no significant gender difference in intended usage of premiums. Additional analysis indicated that there were no
significant differences in future intent to use any of three promotional types among respondents of different age groups, with different numbers of children at home, with different employment situations or with different levels of household income and education. Probability levels for significance tests were adjusted for multiple comparisons.

Analyses were conducted to determine specifics of differences between users of the two product categories in an attempt to understand the outcome of the modeling analysis. Clear differences between purchasers of the two product categories in terms of their future intent to use each of the three promotional types were revealed in Bonferroni adjusted t tests. While past usage revealed differences for coupon promotions only, future intentions revealed significant differences for the other two promotional types: refunds and coupons. Cigarette users were significantly more likely to intend to use refunds (t (298) = 2.40, p < .01) and premiums (t (298) = 3.45, p < .01) in the future. There were no differences in future intentions to use coupons.

Future intentions to use each of the three promotional types were found to be highly intercorrelated as shown in Table 3 where probability levels were adjusted downward for multiple significance tests. Future intent to use coupons was positively correlated with future intent to use both refunds and premiums. Future intention to use refunds was also positively and significantly correlated with future intention to use premiums. As was the case with past usage, the correlation between intent to use refunds and intent to use premiums was the strongest of the intercorrelations between the three promotional types. This was demonstrated by the fact that the correlation coefficient for that relationship significantly differed from the derived correlation coefficient for future usage of coupons and refunds.
(z = 6.86, p < .01) and the correlation coefficient for future usage of coupons and premiums (z = 8.19, p < .01).

Analysis of the intercorrelations between past usage of promotions and future intention to use promotions demonstrated some very strong associations not only within promotional types, but also across the three promotional types (see Table 3). As expected, past usage was very highly and significantly correlated with future intent to use each of the three promotional types. A bit more surprising was the substantial level of association between past usage of each particular promotional type and future intent to use the other promotional types as shown in Table 3.

Development of Education/Income Index

In order to provide a single index of educational achievement and household income level (shown to be predictive in previous research (Teel, Williams & Bearden, 1980)), the two variables were simply combined additively. The range, mean, and standard deviation on this index are reported in Table 5 along with summary statistics for the other Unified Model components which were created.

<table>
<thead>
<tr>
<th>Index</th>
<th>n</th>
<th>Range of Scores</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education/Income</td>
<td>289</td>
<td>0 - 11</td>
<td>5.73</td>
<td>2.16</td>
</tr>
<tr>
<td>Coupon Cost/Benefit</td>
<td>93</td>
<td>21 - 48</td>
<td>37.00</td>
<td>7.23</td>
</tr>
<tr>
<td>Refund Cost/Benefit</td>
<td>90</td>
<td>17 - 48</td>
<td>34.00</td>
<td>7.21</td>
</tr>
<tr>
<td>Premium Cost/Benefit</td>
<td>95</td>
<td>16 - 48</td>
<td>34.00</td>
<td>8.11</td>
</tr>
<tr>
<td>Category Involvement</td>
<td>300</td>
<td>6 - 18</td>
<td>11.00</td>
<td>3.64</td>
</tr>
<tr>
<td>Deal Proneness</td>
<td>300</td>
<td>6 - 18</td>
<td>16.00</td>
<td>2.96</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>300</td>
<td>20 - 60</td>
<td>41.00</td>
<td>8.11</td>
</tr>
</tbody>
</table>
In contrast to the work of Teel, Williams and Bearden (1980), correlation analysis revealed only one association between higher income and better education to increased promotional usage (past or future) overall and among the three specific types of promotions. A very weak negative association between the education and income variable and future intention to use premiums was observed ($r (289) = -.12, p < .05$). Associations between education/income and future intention were found not to be significant within each of the two product categories. However, the absolute level of the education/income variable did differ significantly for the two product categories ($t (287) = 5.23, p < .01$) with cereal users reporting a higher level of education/household income.

Cost/Benefit Index Construction

As discussed previously, consumers were asked to rate their perceptions of the costs and benefits of a particular promotion. The specific costs and benefits which were rated were developed in phase I of the Unified Model Study. The prepared statements revealed a fairly positive picture of respondents' attitudes toward the ratio of costs and benefits of usage.

Not surprisingly, results indicated that as a total group consumers found the benefits of coupon usage far outweighed the costs of coupon usage. In fact, rank ordered by strength of agreement among consumers, most of the benefits of usage rose to the top of the list while the costs remained at the bottom. Similar to the impression received from respondents during the open-ended elicitation procedure of phase I, the positive financial aspect of usage seemed to be the primary benefit of coupons. A total of 84% of respondents agreed with the statement that "Coupons are a good way to save money."

The psychological benefits of coupon usage rank ordered second and third in terms of strength of agreement among
consumers. That is, 77% of consumers agreed with the statement that "When I use coupons, I feel like a smart shopper" and 67% agreed that "When I use coupons, I feel good." The benefit statement of "It's fun to cut, organize and compare coupons rated only seventh in terms of strength of agreement among consumers (37%). In terms of the costs rated, only 39% of consumers agreed that "Using coupons often means I have to buy more expensive brands or larger sizes," only 38% agreed that "It takes too much effort to cut, organize and cash-in coupons" and only 37% felt that "Coupons take too much time to cut, organize and cash-in." Additionally, the statements "Using coupons for one brand often means missing out on deals for other brands" and "Using coupons can make me look a little cheap to other people" were agreed with by as few as 31% and 16% respectively.

Like coupons, the primary benefit of refunds as evidenced by strength of agreement among the total group of consumers was the financial benefit. In all, 81% of respondents agreed that "Refunds are a good way to save money." And like coupons, the psychological benefits of feeling like a smart shopper and feeling good ranked second (68%) and third (64%) respectively in terms of strength of agreement among respondents. The other two benefit statements, however, were agreed with by only about a third of the respondent group. Those statements included "When I send in for a refund, I look smart or efficient to other people" (35%) and "Its fun to cut, organize, and send in for refunds" (28%). Both the effort and time costs involved in redeeming refunds were considered to be too much by 52% of respondents. While about 32% of respondents agreed that "It generally costs too much in postage and envelopes to send in for refunds, only 4% of respondents believed that "Sending in for a refund can make me look a little cheap to other people."
As was the case for both coupons and refunds, the benefits associated with premium usage rose to the top of the list of cost and benefit statements rank ordered by strength of agreement among respondents. A total of 73% of respondents agreed that "Premium offers can help save money by allowing me to trade in proofs-of-purchase for special items at a reduced price" while 64% agreed that "Premium offers allow me to purchase useful or valuable items." Once again the psychological benefits followed the financial benefits in the rank ordered list with 59% agreement with the statement that "When I send away for a premium gift, I feel good" and 58% agreement that "When I send in for a premium gift, I feel like a smart shopper." Additionally, 53% agreed with the benefit statement that "It's fun to send away for premium gifts." The costs associated with premiums, however, were not forgotten by respondents. The two statements reflecting the time and effort costs involved in premium usage were agreed with by 56% and 46% of respondents respectively. A full 45% of respondents agreed that "It's too risky to send away for premium gifts that may not be what you expected," while 40% believed that "It generally costs too much in cash, postage and envelopes to send away for a premium gift."

In order to construct appropriate indices of consumer's perceptions of the costs and benefits of a particular promotion, an initial item analysis was conducted. The item analysis consisted of tabulating the interitem correlations between each of the nine cost or benefit statements rated for a particular promotion type. Thus, three separate item analyses were conducted, one for each of the promotion types (coupons, refunds and premiums). As stated, an internal consistency estimate was computed for the nine items using Cronbach's coefficient alpha to determine which items should be removed from the index in order to develop a more reliable estimate of the construct under consideration. As noted
previously, cost/benefit statements were rated along a 5 point scale ranging from strongly agree which carried a rating of 6 to strongly disagree which carried a rating of 2. All items reflecting a negative attitude were recoded to reverse the weighting of the scale. All "don't know" responses were coded as missing values and were not included in the item analysis.

The results of the coupon item analysis shown in Table 6 were very encouraging in that only one item was dropped from the nine cost/benefit statements rated for each of the three promotional types. Each of the other cost/benefit statements elicited during phase I proved to be both important to consumers and to be consistent with ratings of the other cost/benefit items for that particular promotional type. In addition, in each case the total internal consistency index was fairly high given the wide range of costs and benefits included. In fact, Cronbach's coefficient alpha was over .81 in all three cases.

Cronbach's coefficient alpha for the nine original statements included in the cost/benefit attitude component for coupons was .80. Analysis of the change in Cronbach's alpha as each item was deleted suggested that one item be removed from further analysis (see Table 6). Removal of the item "Using coupons often means I have to buy more expensive brands or larger sizes" increased the overall alpha to .82. Removal of additional items would not have increased internal consistency of the cost/benefit index for coupons.

The overall Cronbach's coefficient alpha for the nine original statements included in the cost/benefit attitude component for refunds was .79. As in the case of coupon promotions, review of the individual items suggested the removal of one item from further analysis (see Table 7). Once the item "Sending in for a refund can make me look a little cheap to other people" was removed from analysis, Cronbach's alpha increased to .81. Removal of any additional items would
<table>
<thead>
<tr>
<th>Coupons Items</th>
<th>All Items Included</th>
<th>Low Alpha Items Removed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Correlation with Total</td>
<td>Coefficient Alpha</td>
</tr>
<tr>
<td>Coupons are a good way to save money.</td>
<td>.57</td>
<td>.78</td>
</tr>
<tr>
<td>When I use coupons, I feel good.</td>
<td>.72</td>
<td>.76</td>
</tr>
<tr>
<td>When I use coupons, I feel like a smart shopper.</td>
<td>.55</td>
<td>.78</td>
</tr>
<tr>
<td>It's fun to cut, organize, and compare coupons.</td>
<td>.42</td>
<td>.80</td>
</tr>
<tr>
<td>It takes too much effort to cut, organize and cash-in coupons.</td>
<td>.57</td>
<td>.78</td>
</tr>
<tr>
<td>Using coupons can make me look a little cheap to other people.</td>
<td>.35</td>
<td>.80</td>
</tr>
<tr>
<td>Using coupons for one brand often means missing out on deals for other brands.</td>
<td>.39</td>
<td>.80</td>
</tr>
<tr>
<td>Coupons take too much time to cut, organize and cash-in.</td>
<td>.71</td>
<td>.75</td>
</tr>
<tr>
<td>Using coupons often means I have to buy more expensive brands or larger sizes.</td>
<td>.27</td>
<td>.82</td>
</tr>
</tbody>
</table>

Note: Analysis was based on an n of 93.
<table>
<thead>
<tr>
<th>Refund Items</th>
<th>All Items Included</th>
<th>Low Alpha Items Removed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Correlation with Total</td>
<td>Coefficient Alpha</td>
</tr>
<tr>
<td>Refunds are a good way to save money.</td>
<td>.43</td>
<td>.80</td>
</tr>
<tr>
<td>It takes too much effort to cut, organize and save proofs of purchase for refunds.</td>
<td>.70</td>
<td>.76</td>
</tr>
<tr>
<td>When I send in for refunds, I feel good.</td>
<td>.55</td>
<td>.78</td>
</tr>
<tr>
<td>Sending in for a refund can make me look a little cheap to other people.</td>
<td>.27</td>
<td>.81</td>
</tr>
<tr>
<td>When I send in for a refund I feel like a smart shopper.</td>
<td>.64</td>
<td>.77</td>
</tr>
<tr>
<td>It generally costs too much in postage and envelopes to send in for refunds.</td>
<td>.46</td>
<td>.79</td>
</tr>
<tr>
<td>It's fun to cut, organize, and send in for refunds.</td>
<td>.41</td>
<td>.80</td>
</tr>
<tr>
<td>It takes too much time to cut, organize and save proofs of purchase for refunds.</td>
<td>.53</td>
<td>.78</td>
</tr>
<tr>
<td>When I send in for a refund, I look smart or efficient to other people.</td>
<td>.49</td>
<td>.79</td>
</tr>
</tbody>
</table>

Note: Analysis was based on an n of 90.
not have increased the internal consistency index for the cost/benefit attitude index for refunds.

Cronbach's coefficient alpha for the nine original cost/benefit statements for premiums was .82. As shown in Table 8, removal of the item "It's too risky to send away for premium gifts that may not be what you expected" increased the coefficient alpha to .84. Removal of any additional items would not have increased the internal consistency index for the cost/benefit attitude index for premium promotions.

Following the item analysis, a separate cost/benefit index was constructed from the eight remaining cost/benefit statements rated for each promotional type. As noted, items had been rated on a 5 point scale where 2 indicated strong disagreement with the statement and 6 indicated strong agreement with the statement. As stated previously, items that reflected a more negative attitude toward using a particular promotion were recoded in reverse order in preparation for creating the summed index. That is, items reflecting a negative attitude such as "coupons take too much time to cut, organize and cash-in" were recoded so that a response of 2 was recoded to a response of 6, a rating of 3 was recoded to a rating of 5 and so on.

A single cost/benefit index was then constructed for each promotional type by summing respondent ratings for the eight cost/benefit statements. Theoretically, respondent scores on the cost/benefit index for the promotion rated could have ranged from 16 to 48 with a higher rating indicating a more positive attitude toward using a promotion. Higher scores indicated greater agreement with benefit statements and lower agreement with cost statements. The mean, standard deviation, and range of cost/benefit scores for each individual promotional type are shown in Table 5. An analysis of differences between the two product categories
Table 8. -- Item Analysis of Premium Cost/Benefit Index

<table>
<thead>
<tr>
<th>Premium Items</th>
<th>All Items Included</th>
<th>Low Alpha Items Removed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Correlation with Total</td>
<td>Coefficient Alpha</td>
</tr>
<tr>
<td>Premium offers allow me to purchase valuable items.</td>
<td>.59</td>
<td>.80</td>
</tr>
<tr>
<td>It takes too much effort to cut, save and send in proofs of purchase for premiums.</td>
<td>.59</td>
<td>.80</td>
</tr>
<tr>
<td>When I send away for a premium gift, I feel good.</td>
<td>.52</td>
<td>.81</td>
</tr>
<tr>
<td>It's too risky to send away for premium gifts that may not be what you expected.</td>
<td>.20</td>
<td>.84</td>
</tr>
<tr>
<td>When I send in for a premium gift, I feel like a smart shopper.</td>
<td>.57</td>
<td>.81</td>
</tr>
<tr>
<td>It generally costs too much in cash, postage and envelopes to send away for a premium gift.</td>
<td>.52</td>
<td>.81</td>
</tr>
<tr>
<td>It's fun to send for premiums.</td>
<td>.67</td>
<td>.79</td>
</tr>
<tr>
<td>It takes too much time to cut, save and send in proofs of purchase for premium offers.</td>
<td>.63</td>
<td>.80</td>
</tr>
<tr>
<td>Premium offers can help save money by allowing me to trade proofs of purchase for special items at a reduced price.</td>
<td>.49</td>
<td>.81</td>
</tr>
</tbody>
</table>

Note: Analysis was based on an n of 95.
revealed that cigarette users reported a significantly higher level of total promotional benefits to costs ($t(276) = 3.17, p < .01$). The average cigarette purchaser score was 36.92 with a standard deviation of 7.24 while the average cereal purchasers score was 34.07 with a standard deviation of 7.77.

**Category Involvement Index Construction**

A simple review of the frequency distributions of responses to the three category involvement items indicated that a fair number of respondents appeared to be involved in the category of interest. That is, 42% agreed that "I like to try new kinds of (the product category) when they come out" and 28% agreed that "I like to compare different brands of (the product category) to make sure I am getting the best one." Additionally, 23% reported that "I like shopping and picking out (product category)."

Results of a simple item analysis conducted of the three statements included in the questionnaire to measure each respondent's degree of personal involvement with the product category of interest are shown in Table 9. All "don't know" responses were coded as missing values and were not included in the item analysis. Cronbach's coefficient alpha for the three items was .70. Removing any of the three items would not have increased the internal consistency by enough to warrant reducing the index to only two items.

An index of each respondent's personal involvement with the category of interest was constructed by summing the ratings of the three individual category involvement statements. The mean, standard deviation, and range of this score are reported in Table 5. Subjects who rated the category involvement items as "don't know," of course, received scores of 0 on this index and their responses were not included in further analysis utilizing the category involvement construct.
An analysis was conducted to determine category differences. The purchasers of cereal reported a significantly higher level of category involvement \((M = 12.67, SD = 3.15)\) than cigarette purchasers \((t (298) = 10.77, p < .01)\) as defined by the three statements included in the index (e.g., trying new products, comparing brands, and picking out brands). A review of the frequency distribution of this index for each category revealed that the two categories skewed in opposite directions. That is, while 75% of cereal purchasers received scores above 10, 75% of cigarette purchasers received scores below 10. This finding had important implications for the results of the modeling of the two categories separately.

**Deal Proneness Index Construction**

A review of the frequency distributions of responses to the three deal proneness items revealed a very high interest among most consumers to seek a good deal. Specifically, 91% of the total group agreed that "I like to make sure I am getting the best deal on most things I buy," 86% reported that "I like to compare prices and available deals before buying most things," and 78% agreed that "I generally like to look through newspapers and fliers for sales and deals."
Another simple item analysis was conducted of the three statements included in the questionnaire to measure each respondent's overall degree of deal proneness (see Table 10). All "don't know" responses were coded as missing values and were not included in the item analysis. Using Cronbach's coefficient alpha, it was determined that the total internal consistency for the three items rated was .77. Removing any of the three items would not have increased the internal consistency index significantly.

<table>
<thead>
<tr>
<th>Deal Proneness Items</th>
<th>Correlation with Total</th>
<th>Coefficient Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>I like to make sure I am getting the best deal on most thing I buy.</td>
<td>.51</td>
<td>.78</td>
</tr>
<tr>
<td>I like to compare prices and available deals before buying most things.</td>
<td>.72</td>
<td>.55</td>
</tr>
<tr>
<td>I generally like to look through newspapers and fliers for sales and deals.</td>
<td>.61</td>
<td>.70</td>
</tr>
</tbody>
</table>

An index of each respondent's overall degree of deal proneness was constructed by summing the ratings of the three individual deal proneness statements. The mean, standard deviation and range of this index are reported in Table 5. The average score of 16 on this index again demonstrated the pervasive interest in deals and promotions among the total group of respondents.

An analysis to identify category specific differences determined that while users within both categories were highly deal prone, cigarette purchasers were a bit more deal prone than the cereal purchasers interviewed (t (298) = 2.16, p <.01). The average cigarette user received a deal proneness score of 16.26 with a
standard deviation of 2.61 while the average cereal user received a deal proneness score of 15.49 with a standard deviation of 3.30. Unlike the category involvement index, scores on deal proneness for both product categories were skewed positively.

**Brand Loyalty Index Construction**

The brand loyalty component was constructed a bit differently due to the unique nature of the four statements used to measure brand loyalty. In essence, the four statements rated by respondents represented four different categories of loyalty behavior. According to the literature, some consumers show strong long-term loyalty to a brand. This group of consumers, therefore, should theoretically receive the highest brand loyalty scores in any analysis of the data. Other consumers were reported in the literature to show loyalty to more than one brand within a product category. Such consumers were said to show a rotating pattern of purchases as they tried to keep several brands in stock in the household. Given this definition, this group of consumers could be said to have a moderately high level of brand loyalty. A third group of consumers was shown in the literature to have short bursts of loyalty to brands within a category. Such a short loyal consumer could be said to have a moderately low level of brand loyalty. The fourth group of consumers discussed in the brand loyalty literature was said to show little loyalty in that they will choose their brand purchases on the basis of price and promotional availability. This consumer group could be said to have the lowest level of brand loyalty. Under those theoretical assumptions weights were assigned to the four brand loyalty statements to reflect the degree of brand loyalty associated with each. Thus, the statement reflecting long loyalty to a particular brand within a particular product category was assigned the weight of 4, the
statement reflecting rotation among brand purchases was assigned the weight of 3, the statement reflecting short loyalty was assigned a 2, and the price/promotion sensitivity statement was assigned a 1.

In constructing an index of brand loyalty for each respondent, self-ratings for each of the four statements were first multiplied by the appropriate loyalty rating for each statement. Of course, the response of 1 or "don't know" had previously been recoded to 0. The products of the four weighted ratings were then summed to arrive at a total brand loyalty score which reflected not only an individual's self-perceptions of loyalty, but also reflected the theoretical underpinnings of the categorization of loyalty. For example, using the scale of 2 to 6 where a 2 meant strongly disagreed with a statement and 6 meant strongly agreed with a statement, a respondent could have rated himself or herself as a 6 on long loyalty, a 4 on rotation, a 2 on short loyalty, and a 2 on price sensitivity. As part of the brand loyalty index construction, those self-ratings would have been multiplied by the weights of 4, 3, 2 and 1 respectively. The products of the weighting would have been 24 on long loyalty, 12 on rotational purchasing, 4 on short loyalty, and 4 on price sensitivity. The summed products of the weighted ratings would have been 42. The mean, standard deviation, and range of this score are reported in Table 5.

This method of constructing the brand loyalty index was chosen over two alternative methods. Obviously, respondent ratings on the four statements could not have been summed without weights. Such a non-weighted summation would have led to an inability to discriminate between the four statements since degree of brand loyalty would not have been reflected clearly. Thus, a respondent who strongly agreed (6) with the long loyalty statement and strongly disagreed (2) with the other three statements would have received the same summed brand loyalty
score of 12 as someone who agreed strongly with the price sensitive statement (6), but strongly disagreed with the other three statements. The weighted method chosen was, therefore, considered preferable to an non-weighted method. The weighted method was also considered preferable to a forced choice between the four statements either on the respondent's part at the time of completion of the questionnaire or on the part of the investigator during the course of analysis. Allowing respondents to rate themselves on the four statements allowed for the very likely possibility that consumers did not always fall neatly into only one category. It seemed entirely possible that a consumer could see themselves as being long loyal to one brand, but rotating purchases among a couple of additional brands. The summed multiple weighted rating system used allowed respondents to express mixed loyalty types while allowing the degree of loyalty to be expressed through the weights assigned to the statements. This system also avoided the necessity of having to remove from further analysis respondents who gave themselves the same exact rating on one or more of the four brand loyalty statements. The alternative method of assigning loyalty on the basis of the statement which received the highest rating would have posed the problem of being unable to assign a clear loyalty rating to individuals with identical statement ratings.

Once again an analysis was conducted to determine if category specific differences existed. Results of a t test revealed that the purchasers of cereal reported a significantly higher level of brand loyalty than cigarette purchasers (t (298) = 10.83, p < .01). The average cereal purchaser score on the brand loyalty index was 45.93 with a standard deviation of 8.09 while the average cigarette purchaser score was 37.06 with a standard deviation of 5.25.
Association Between Unified Model Indices

Results of an analysis of the correlations between the predictor indices constructed for the Unified Model for each promotional type including: perception of costs and benefits, category involvement, brand loyalty, deal proneness and the combination education/income index are shown in Table 11. Probability levels in this table were adjusted downward to compensate for multiple significance tests. This table fairly reflects the predicted model matrix for the structural equation modeling on the total group data. As expected, deal proneness was significantly and positively correlated to each of the three indices of costs and benefits of promotional use. Deal proneness was also significantly negatively related to the combined education and household income variable. It was not significantly related to category involvement or brand loyalty, however. In fact, brand loyalty was related mainly to category involvement. That correlation was positive and fairly strong. Besides deal proneness, the combination variable of education and income positively correlated with brand loyalty.

Comparison of Users/Nonusers on Model Indices

An analysis of the differences between identified users and nonusers of each of the three types of consumer promotions within the two product categories proved interesting. Significant differences between users and nonusers when considering all five of the key Unified Model components were found in the cigarette category for the two promotional types of coupons ($F (22, 23) = 2.28, p < .05$) and premiums ($F (22, 22) = 4.59, p < .05$). Significant differences between users and nonusers on the model components were also found in the cereal category for coupon promotions ($F (22, 22) = 6.82, p < .05$) and premium promotions ($F (22, 23) = 4.26, p < .05$). Specific Bonferroni adjusted paired
### Table 11. -- Pearson Correlations among Unified Model Components

<table>
<thead>
<tr>
<th></th>
<th>Category Involvement</th>
<th>Brand Loyalty</th>
<th>Deal Proneness</th>
<th>Education Income</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coupon</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost/Benefit</td>
<td>.10 (.93)</td>
<td>-.14 (.93)</td>
<td>.61** (.93)</td>
<td>-.16 (.93)</td>
</tr>
<tr>
<td><strong>Refund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost/Benefit</td>
<td>-.02 (.90)</td>
<td>-.11 (.90)</td>
<td>.25* (.90)</td>
<td>-.20 (.90)</td>
</tr>
<tr>
<td><strong>Premium</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost/Benefit</td>
<td>.13 (.95)</td>
<td>-.06 (.95)</td>
<td>.30* (.95)</td>
<td>-.15 (.95)</td>
</tr>
<tr>
<td><strong>Category</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Involvement</td>
<td>1.0 (.300)</td>
<td>.48** (.300)</td>
<td>.13 (.300)</td>
<td>.08 (.300)</td>
</tr>
<tr>
<td><strong>Brand</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loyalty</td>
<td>1.0 (.300)</td>
<td>.07 (.300)</td>
<td>.15* (.300)</td>
<td></td>
</tr>
<tr>
<td><strong>Deal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proneness</td>
<td>1.0 (.300)</td>
<td>-.14* (.300)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: Figures in parentheses are base n's for the adjacent correlations.

* p < .01  
** p < .0001

Comparison tests within the cereal product category cells indicated significant differences between users and nonusers of coupons in terms of brand loyalty ($t(44) = 2.54, p < .01$), deal proneness ($t(44) = 4.09, p < .01$) and attitudes toward the costs/benefits of usage ($t(44) = 5.01, p < .01$) and significant differences between users and nonusers of premiums in terms of category involvement ($t(45) = 3.15, p < .01$) as well as attitudes toward the costs/benefits of usage ($t(45) = 3.02, p < .01$). Within the cigarette category, users and nonusers of coupons differed in level of deal proneness ($t(45) = 2.30, p < .01$) and attitudes toward the costs/benefits of usage ($t(45) = 2.74, p < .01$) while users and nonusers of premiums significantly differed only in the cost/benefit attitude component ($t(44) = 4.52, p < .01$).
Preparation for Structural Equation Modeling

Early analyses focused on "cleaning" the data in preparation for structural equation modeling. Frequency distributions and scatter diagrams were used to identify and correct several outliers from the dataset which may have resulted in poor estimates or grossly incorrect standard errors and hypothesis testing. Three respondent records were corrected for data entry errors which caused variable values to be abnormal and extreme in some cases. A total of 22 respondent records were not used because respondents had not provided usable information on one or more of the key model components. Many of these missing values were nonresponses or "Don't know" responses on the cost/benefit statements or the education and income variables. As part of the screening process, variables were examined for normality to reduce the possibility of kurtosis which may have led to poor estimation of relationships between variables. As mentioned previously, the variable of deal proneness in particular showed signs of kurtosis which needed to be addressed in choosing the particular robust type of modeling procedure (CALIS) and interpretation. In order to facilitate the modeling procedure chosen, all variables were converted to z-scores with a mean of 0 and a standard deviation of 1.

Testing the General Viability of the Unified Model

The first objective of the modeling analysis was to establish the general viability of the proposed Unified Model of Consumer Promotional Usage. That is, an analysis was conducted to assess the potential for the Unified Model as shown in Figure 3 to accurately describe the relationship between the proposed key variables involved in promotional usage regardless of type of promotion or product
category. This analysis was conducted on the total respondent sample of which 278 possessed data for each of the variables in the model.

While the model shown in Figure 3 served as the theoretical outline of what motivates consumers to use promotions, it was expected that it would be difficult for respondents to differentiate past behavior from future intention due to the single point in time and self report nature of the data collected. Actual behavior was not measured due to the length of time which would have been needed as well as the extreme difficulty in obtaining permission to obtain such an accurate measurement within stores. Given that respondents were asked about both past and future behavior at the same point in time, the two responses, and therefore the two model components, were expected to be so highly correlated in all three promotional cases that there would have been little variance remaining to the other variables in the model. While past usage or habit was believed to be a strong direct determinant of the predicted variable of future intention, theoretically it should not have dominated the entire process. As anticipated, extremely high correlations between past usage and future intention were observed and were believed to have been inflated by measurement error due to the single point in time, self-response measurement used in this study. To avoid introducing this measurement artifact into the modeling analysis, it was necessary to choose between future intention and past behavior as the dependent variable.

Based on previous research in the area of the attitude and behavior relationship, past behavior was chosen as the preferred dependent variable for the modeling analysis. Triandis (1980) provided the clearest rational for this choice in explanation of his theoretical model of attitudes, values, behavioral dispositions, and behavior. Triandis hypothesized that the probability of any specific act occurring may be a function of the sum of behavioral intentions (multiplied by
several other factors). Habits in Triandis' terminology refer to actions or patterns of actions that occur frequently, causing people to learn to rely on automatic processing rather than direct self-instruction (i.e.: intention). Triandis argues that such learned behaviors or "habits" can be measured by asking how frequently the behavior has occurred in the past. Triandis hypothesized that as the frequency of an act increases, reports of past behavior (habits) become most predictive of future behavior. He further hypothesized that reported intentions of behavior become less predictive of past behavior for two reasons: 1) cues that elicit verbal responses to questions about behavior (e.g., intentions) may not be the same as cues that elicit actual actions (e.g., past behavior) and, 2) intentions may be more crucial when active cognitive processing is required (e.g., novel situations) versus situations requiring little active processing (e.g., repetitive/routine situations such as grocery shopping). A large body of empirical support for Triandis' hypothesis has developed (Brinberg, 1979; Landis, Triandis & Adamopoulos, 1978; Mobley, Horner & Hollingsworth, 1978; Pomazal, 1974; Ryan, 1970; Schachter, Festinger, Willerman & Hyman, 1961). Given the repetitive nature of promotional behaviors for users and the repetitive nature of grocery shopping for consumers, past behavior was deemed a more appropriate dependent variable for the modeling analysis as shown in Figure 5.

For modeling purposes, each of the variables outlined in the content area of person predisposition were entered separately into the predictive equation. That is, deal proneness and education/income level were each entered into the model as a separate variable on par with the brand loyalty and category involvement variables.

The modeling analysis involved structural equation modeling using the robust CALIS procedure outlined under the LINEQS statement in the
mainframe computer version of SAS 6.0. Under the LINEQS statement, the analysis was completed using a set of structural equations to describe the model. This system used was very similar to the system first developed by Bentler (1985). In this structural model system, all variables were considered to have random rather than fixed levels. The set of equations used to describe the Unified Model (variable identification corresponding to Figure 5) were as follows:

Figure 5. The Unified Model Used for Analysis.
Category Involvement = Y_1 \text{ Brand Loyalty} + Y_5 \text{ Education/Income} + E_1

Brand Loyalty = Y_2 \text{ Category Involvement} + Y_4 \text{ Education/Income} + E_2

Deal Proneness = Y_3 \text{ Education/Income} + E_3

Cost/Benefit = Y_6 \text{ Category Involvement} + Y_7 \text{ Brand Loyalty} + Y_8 \text{ Deal Proneness} + Y_9 \text{ Education/Income} + E_4

Past Behavior = Y_{10} \text{ Cost/Benefit} + E_5

There were no constant terms included in these equations because the variables were standardized. This modeling procedure allowed for testing of the predictive value of the proposed Unified Model through the use of causal modeling with parameters and their standard errors estimated with the asymptotically distribution free weighted least squares estimation method. This method was used because it accounted for kurtosis of variables within the model. Each variable within the model was tested for confirmation of its added value in terms of explaining observed variance. The modeling procedure also tested the relationships between the key model components providing tests of the model's goodness-of-fit and standardized parameter estimates.

An initial matter was whether the weighted least squares estimates for the Unified Model shown in Table 12 provided a satisfactory fit to the data. The goodness-of-fit (GFI) and adjusted goodness-of-fit indices both minimally met the requirement of falling between 0 and 1.0. Goodness-of-fit indices that were negative or much larger than 1.0 would have indicated that the data were probably a poor fit to the model. Additional evidence of fit was provided by the incremental fit index (IFI) of Bentler and Bonett (1980) which was greater than .90. The incremental fit index, which compares a theoretical model's chi-square value with
Table 12. -- Structural Model Results of Total and Promotional Samples

<table>
<thead>
<tr>
<th>Path</th>
<th>Coefficient</th>
<th>Total</th>
<th>Coupons</th>
<th>Refunds</th>
<th>Premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exogenous Paths</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education/Income $\rightarrow$ Deal Proneness</td>
<td>$Y_3$</td>
<td>-.17*</td>
<td>-.25*</td>
<td>-.10</td>
<td>-.03</td>
</tr>
<tr>
<td>Education/Income $\rightarrow$ Brand Loyalty</td>
<td>$Y_4$</td>
<td>.11*</td>
<td>.28*</td>
<td>-.04</td>
<td>.06</td>
</tr>
<tr>
<td>Education/Income $\rightarrow$ Category Involvement</td>
<td>$Y_5$</td>
<td>.04</td>
<td>.07</td>
<td>.09</td>
<td>-.03</td>
</tr>
<tr>
<td>Education/Income $\rightarrow$ Cost/Benefit</td>
<td>$Y_9$</td>
<td>-.16*</td>
<td>-.18*</td>
<td>-.23*</td>
<td>-.10</td>
</tr>
<tr>
<td><strong>Endogenous Paths</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category Involvement $\rightarrow$ Brand Loyalty</td>
<td>$Y_1$</td>
<td>.26*</td>
<td>.15*</td>
<td>.22*</td>
<td>.37*</td>
</tr>
<tr>
<td>Brand Loyalty $\rightarrow$ Category Involvement</td>
<td>$Y_2$</td>
<td>.27*</td>
<td>.22*</td>
<td>.23*</td>
<td>.37*</td>
</tr>
<tr>
<td>Category Involvement $\rightarrow$ Cost/Benefit</td>
<td>$Y_6$</td>
<td>.13*</td>
<td>.17*</td>
<td>.05</td>
<td>.20*</td>
</tr>
<tr>
<td>Brand Loyalty $\rightarrow$ Cost/Benefit</td>
<td>$Y_7$</td>
<td>-.18*</td>
<td>.09</td>
<td>-.17</td>
<td>-.30*</td>
</tr>
<tr>
<td>Deal Proneness $\rightarrow$ Cost/Benefit</td>
<td>$Y_8$</td>
<td>.30*</td>
<td>.60*</td>
<td>.22*</td>
<td>.25*</td>
</tr>
<tr>
<td>Cost/Benefit $\rightarrow$ Past Behavior</td>
<td>$Y_{10}$</td>
<td>.43*</td>
<td>.72*</td>
<td>.39*</td>
<td>.48*</td>
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<tr>
<td>Goodness of Fit (GFI)</td>
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<tr>
<td>Adjusted Goodness of Fit (AGFI)</td>
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<td>.99</td>
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<tr>
<td>Incremental Fit Index (IFI)</td>
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<td>.90</td>
<td>.93</td>
<td>.98</td>
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<td>Root Mean Squared Residuals</td>
<td>.06</td>
<td>.10</td>
<td>.06</td>
<td>.10</td>
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* $p < .05$
that obtained from a null model that constrains all parameters except error coefficients to zero. According to Bentler and Bonett, model fits of less than .90 are inadequate. The root mean of the squared residuals (RMR) was a bit above the acceptable level. As a rule of thumb an RMR of about .05 provides good corroboration that a model may be a reasonably good representation of the data. Further examination of the residuals indicated a normal distribution.

Examination of the structural parameters as shown in Table 12 and Figure 6 revealed that three of the four exogenous paths were statistically significant (indicated by asterix). The standardized weight for the relationship of education/income to deal proneness was significant as were the standardized weights for the relationship of education/income to the cost/benefit component and the brand loyalty index. All of the six specified endogenous paths demonstrated significant path coefficients. The final direct endogenous path, specifying the relationship of the cost/benefit component to past promotional behavior resulted in a standardized weight of .43 and 19% of variance accounted for in the data.

**Testing the Model Within Promotional Types**

The next stage of the structural equation modeling involved testing the generalizability of the model within specific promotional types. Under the CALIS procedure using specific by group processing statements, the model was tested for its fit to the data within each of the three promotional types including those that were added-value (premiums) vs. reduced loss (coupons and refunds) and those that required less effort (coupons) vs. those that required more effort (refunds and premiums). As was the case with the previous modeling analysis, a weighted least squares estimation technique was used with standardized scores for components of the Unified Model.
Results of the modeling analysis for each of the three promotional types are shown in Table 12. As was the case in the modeling analysis for the total data, when the model was run separately for the data of each of the three promotional types, the goodness-of-fit indices fell minimally below the cutoff point of 1.0. Additionally, each of the three models met the Bentler and Bonett (1980) incremental fit index criterion of .90. The root mean squared residuals for the models of each of the three promotional types were low, but not as low as expected.
In general, most of the path coefficients which were significant for the total data model were significant for the model fitting the coupon data. The only path coefficient which no longer demonstrated significance was the coefficient for the path between brand loyalty and the cost/benefit index. The final path from the cost/benefit component to past promotional behavior accounted for 52% of the variance in the data. In terms of the path coefficients for the model fitting the refund data, four paths no longer demonstrated significance. The paths of education/income to brand loyalty (Y4), education/income to deal proneness (Y3), brand loyalty to the cost/benefit index (Y7), and category involvement to the cost/benefit index (Y6) were not significant for the refund data. The final path between the cost/benefit index and past refund usage accounted for only 15% of the variance in the data. For the model fitting the premium data, none of the exogenous paths proved to be significant. All six of the endogenous paths, however, reached significance with the final path between cost/benefits and premium usage accounting for 23% of the variance in the data.

Testing the Model Within Product Categories

The final stage of the structural equation modeling involved testing the generalizability of the model within each of the two product categories of interest, cereal and cigarettes. Under the CALIS procedure using specific by group processing statements, the model was tested for its fit to the data within the two product categories. As with the previous modeling analyses, a weighted least squares estimation technique was used with the standardized scores for components of the Unified Model.

The results of the analysis were not surprising in that the two product categories demonstrated very apparent differences from each other in terms of the
components of the Unified Model. What was surprising was that the model seemed to fit the data from the total group a bit better than it fit the individual data for either of the two product categories. As shown in Table 13, while the goodness-of-fit indices for both product categories remained marginally below the criterion level of 1.0, the incremental fit criterion of at or above .90 was not met for the data from either product category. In addition, the RMR for the cereal category was fairly high while the RMR for the cigarette category remained approximate to the .05 or lower criterion. In essence, while the Unified Model provided a good fit to the data from neither of the two categories, the model seemed to fit the cigarette data marginally better.

In terms of the parameter estimates, the two product categories differed quite a bit. While three exogenous paths were significant for the data from the cereal category, none of the exogenous paths proved significant for the data from the cigarette category. All significant paths within the cigarette data were endogenous. Each of the six endogenous paths modeled on the cigarette data were not only significant, but visually seemed to approximate the path coefficients derived from the total data model. As for the cereal data, three endogenous paths which were significant for the total data were no longer significant when modeled on the data from users of only that category. The final path between the cost/benefit component and past promotional usage accounted for 15% of variance in the cereal data and 21% of the variance in the cigarette data.

In comparing the parameter estimates derived from each of the two product categories to estimates based on the total data, one striking finding emerged. In four cases, the path coefficients for the total model were not simple approximations to the pooled coefficients derived from the two product categories. For instance, the value of the standardized path coefficient for the relationship of
Table 13. -- Structural Model Results of Total and Product Category Samples

<table>
<thead>
<tr>
<th>Path</th>
<th>Coefficient</th>
<th>Total</th>
<th>Cereal</th>
<th>Cigarettes</th>
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<tr>
<td><strong>Exogenous Paths</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education/Income → Deal Proneness</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Y3</td>
<td>-.17*</td>
<td>-.19*</td>
<td>-.12</td>
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<tr>
<td>Education/Income → Brand Loyalty</td>
<td></td>
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<td></td>
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<tr>
<td>Y4</td>
<td>.11*</td>
<td>-.04</td>
<td>.09</td>
<td></td>
</tr>
<tr>
<td>Education/Income → Category Involvement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y5</td>
<td>.04</td>
<td>-.15*</td>
<td>-.03</td>
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</tr>
<tr>
<td>Education/Income → Cost/Benefit</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Y9</td>
<td>-.16*</td>
<td>-.18*</td>
<td>-.05</td>
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<td><strong>Endogenous Paths</strong></td>
<td></td>
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<td></td>
<td></td>
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<td>Category Involvement → Brand Loyalty</td>
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<td></td>
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<td>Y1</td>
<td>.26*</td>
<td>-.04</td>
<td>.19*</td>
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<td>Brand Loyalty → Category Involvement</td>
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</tr>
<tr>
<td>Y2</td>
<td>.27*</td>
<td>-.06</td>
<td>.19*</td>
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<td>Category Involvement → Cost/Benefit</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y6</td>
<td>.13*</td>
<td>.17*</td>
<td>.13*</td>
<td></td>
</tr>
<tr>
<td>Brand Loyalty → Cost/Benefit</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y7</td>
<td>-.18*</td>
<td>-.08</td>
<td>-.21*</td>
<td></td>
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<tr>
<td>Deal Proneness → Cost/Benefit</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y8</td>
<td>.30*</td>
<td>.20*</td>
<td>.36*</td>
<td></td>
</tr>
<tr>
<td>Cost/Benefit → Past Behavior</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Y10</td>
<td>.43*</td>
<td>.39*</td>
<td>.46*</td>
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</tr>
</tbody>
</table>

Goodness of Fit Index (GFI) | .99 | .99 | .99 |
Adjusted Goodness of Fit (AGFI) | .98 | .99 | .99 |
Incremental Fit Index (IFI) | .92 | .83 | .87 |
Root Mean Squared Residuals | .06 | .15 | .06 |

* p < .05
education/income to brand loyalty derived from the total data did not fall between the values of the path coefficients for the two separate product categories. The same unusual situation occurred for the exogenous path of education/income to category involvement (Y5) and for the two endogenous reciprocal paths between category involvement and brand loyalty (Y1, Y2). This finding was the direct result of the fact that users of the two product categories differed very significantly on the variable of deal proneness which was critical to these paths.
Promotional Usage

The promotional usage findings were consistent with previously reported research as well as consistent with expectations of usage based on the kinds of costs and benefits involved in each of the three promotional types. The greatest percentage of respondents reported usage of coupons which were hypothesized to be the easiest to use, followed distantly by usage of refunds and then usage of premiums. While comparable numbers have not been identified for refunds and premiums, the percentage of respondents reporting usage of coupons was extremely similar to the percentage of respondents (77%) Nielsen Clearing House Promotional Services (1992) reported from their national survey which allowed respondents to classify themselves as coupon users or nonusers. The moderately large numbers of consumers who reported usage of refunds and premiums was somewhat surprising. Given the time and energy costs involved in each, their overall usage was expected to be somewhat lower.

Of interest regarding the promotional usage numbers was the fact that when asked to rate themselves as users or nonusers of a specific promotion in terms of the last time the promotion was personally used, most users reported having used a specific promotion within the last six months. That is, while users in phase II were
operationalized to be consumers reporting usage of a specific promotion within the last year, most users tended to report usage within half of that time. In particular, the most commonly used form of promotion, coupons, was reported to be used within the past six months by 98% of those who were operationalized as users. Refunds and premiums were respectively reported to be used within the past six months by 86% and 83% of respondents eventually defined as users. This finding suggested that users of a particular promotional type were very likely to be fairly consistent users rather than very seldom users - users who redeem a coupon once every year or send away for a premium once "in a blue moon." Users of the most simple, accessible, and familiar form of promotion (coupons) seemed most likely to be regular or conscientious users. This may be due to the relatively favorable balance of the perceived benefits of coupon usage compared to the perceived costs as discussed later.

Attitudes Toward Costs/Benefits of Promotional Usage

Each of the costs and benefits reported by consumers during this phase were anticipated in light of previous research or surmised from the theoretical framework of a practical information processing approach to promotional usage. Given the top-of-mind, open-ended elicitation procedure used, it was somewhat surprising that the pattern of costs and benefits was so consistent within the total group of respondents. As mentioned, a fairly specific and compact set of costs and benefits were identified for each promotional type by the total group of respondents despite the fact that answers often varied in terminology or phraseology. This fact not only made construction of the cost and benefit statement section of the final questionnaire much easier, it also served to provide strong assurance that all of the key costs and benefits of usage of each of the
promotional types were included in the questionnaire for phase II and in the resulting modeling analysis.

Less surprising than the consistency among respondents were the similarities and differences in the types of costs and benefits identified for each of the three promotions. As expected, the two promotional types of coupons and refunds showed the greatest similarities in the specific costs and benefits elicited from consumers. Both of these promotions were believed to be of the "reduced loss" type which were previously reported by Diamond and Campbell (1989) to be perceived by consumers to be monetary price reductions. In contrast, the premium type of promotion while still similar to some extent, showed the greatest differences in terms of specific costs and benefits mentioned by respondents. Diamond and Campbell's work had noted that consumers perceive premiums to be of the "value-added" type in which they gain something above and beyond the specific product they purchase. The observed pattern of similarities and differences between promotional types in terms of consumer perceptions of costs and benefits supported the selection of the three specific promotions included in the study (coupons, refunds and premiums). The three types provided a much broader view of the promotional field than most previous work which focused on one specific promotion at a time.

As expected, respondents perceived the greatest benefit of the two types of reduced loss promotions, coupons and refunds, to be the financial benefit. This was not only the most often mentioned benefit of both of these promotions, it was also the first top-of-mind response of most respondents. The almost unanimous perception of the financial benefits of these two promotions further supported the work of Diamond and Campbell (1989) in which coupons and refunds were categorized as reduced loss promotions.
While a distant second in terms of the number of top-of-mind mentions received, the psychological benefits inherent in usage of both coupons and refunds were very apparent. Nearly one third to one half of all respondents mentioned without prompting the good feelings they got from redeeming coupons or refunds. Those good feelings included feeling smart, feeling like a good consumer or just having a little fun. While mentions of each of these psychological benefits had been expected, the number of top-of-mind responses received was somewhat surprising. That is, given the expectedly strong financial nature of these two types of promotions, it was somewhat surprising that so many respondents mentioned their less tangible benefits so readily. This finding supported the work of Schindler (1989) outlining the psychological benefits of promotional usage separately from the more often researched financial benefits. It also legitimized the inclusion of several specific benefit statements in the cost/benefit section of the questionnaire for phase II.

In addition to the good self-directed psychological feelings engendered by these two types of promotions, respondents also indicated that they perceived a social normative component to promotional usage. As hypothesized, respondents noted, albeit at a low level, that promotional usage may make them appear to others to be smart or sly consumers. This was spontaneously mentioned as a benefit by about 10% of consumers on average across the two promotions of coupons and refunds. The flip side of this social component was that about 15% of consumers on average believed that usage of coupons or refunds could make them appear to others to be cheap or penny pinching. As theorized from the work of Fishbein and Ajzen (1975), the findings from phase I suggested that the psychological aspects of promotional usage were produced both by what the
consumer felt about promotional usage and what the consumer perceived others felt about promotional usage.

Respondents also noted two specific costs involved in using coupons or refunds. By far the most often mentioned cost of usage was the time or the effort involved in cutting, saving, organizing and redeeming coupons or refunds. The time and effort costs were mentioned spontaneously by one half to three quarters of the consumers interviewed. Respondents also acknowledged that there could be financial costs involved in usage. Specifically, coupons were perceived to require purchasing more expensive products while refunds required envelopes and postage. Although respondents were asked specifically to list the costs as well as the benefits of usage of each of the promotions, the fact that most respondents were able to provide their own personal perceptions of both costs and benefits provided some initial evidence that consumers have at least the basic ingredients necessary to arrive at a promotional usage decision via an information processing approach as suggested. If instead, users had only been able to provide information about the benefits of coupon or refund usage while nonusers had mainly been able to provide information about the costs of usage, the information processing approach suggested by the cost/benefit index included in the Unified Model would have been questionable.

As expected, the elicitation procedure resulted in a somewhat different pattern of costs and benefits for premium promotions. While the main two benefits still remained the financial benefits followed by the psychological benefits, the specific benefits within each of those categories were a bit different. Of most importance was the fact that the financial benefit was no longer one of saving money as with coupons and refunds, but instead was one of getting a premium item of perceived value above and beyond the initial product purchase instead of having to purchase
that premium item outright at the store. Once again, this supported the work of
Diamond and Campbell (1989) and supported the inclusion of premiums as one of
the specific types of promotions investigated as part of this broad based study
aimed at devising a model of promotional usage generalizable across the different
promotional types.

In terms of the psychological benefits of premium usage, the perceived fun
involved in sending away for a premium surpassed in number of mentions the
positive self-directed feelings of being a smart or competent consumer. While the
positive feelings of being a good consumer were still apparent, the fun of
premiums tended to elicit a sense of nostalgia among respondents. For almost one
fifth of respondents, premiums seemed to elicit memories of other times and other
places when they or a family member had sent away for a premium. In most
cases, that nostalgia surrounded the excitement of anticipating the premium items
arrival. In a number of cases that nostalgia seemed tainted by the realization that
premiums do not always meet expectations.

As expected, the most often mentioned cost of premium usage was the
financial cost given that premiums often require sending in several proofs-of-
purchase, a check, or a money order. As noted, however, the risk involved in
sending away for a premium simply to have it arrive and be a disappointment
turned out to be almost equally as important in terms of the perceived costs of
premium usage. Nearly one half of the respondent group mentioned the risk or
disappointment that was involved in sending away for premiums. Time and effort
involved in preparing and waiting for a premium were also identified by
respondents as costs of usage.

Interestingly, there were no mentions of the social costs (or benefits for that
matter) of premium usage. Unlike coupons and refunds, respondents seemed
unworried that significant others would find the behavior distasteful or objectionable. Sending away for a premium can be done in the privacy of a consumer's home just like sending away for a refund. So why then did respondents seem to be concerned about what significant others thought when they redeemed refunds, but not when they sent away for a premium? While no answer was provided by the present study, it was hypothesized that the difference was money. Coupons and refunds as reduced loss types of promotions involve attempts to save money (as the number one benefit), while value-added premiums do not have saving money at their core.

One overall very encouraging finding given the inclusion of several specific variables in the Unified Model (e.g., deal proneness, psychological components to the cost/benefit index) was the prevalence of the smart shopper effect (Conover, 1989; Jain, 1990; Schindler, 1984a, 1984b, 1989) evidenced in the open-ended elicitation procedure of phase I. While some of the previous research in this area focused on identifying specific consumers who exemplified the smart shopper effect, the large number of unsolicited mentions that the effect received in this phase of the study indicated that it may, in fact, be a benefit for a greater number of consumers (albeit a small benefit for some consumers) than expected.

Probably the most important finding to come out of the first phase of this project was support for the idea that promotional usage is not purely financially driven. Respondents identified many costs and benefits of usage, some of them financial, but many not financial in nature at all. Even for the most simple and seemingly financially based promotions, coupons, respondents identified a good number of other benefits of usage as well as costs of usage. This finding supported the work of a few creative researchers endeavoring to understand promotional usage. Evidence of a "bigger picture" also provided reasonable
dynamics of promotional usage as later discussed (gender was not included as a key component to the Unified Model). The fact that more females reported being at home a greater percentage of the time, may have resulted in females having a greater opportunity to be promotional users and possibly having a different value structure for the costs and benefits involved in promotional usage. Theoretically, the time and effort costs as well as the psychological perks provided by being a smart shopper should be perceived differently by consumers who have more domestic time on their hands or who have the responsibility to make the household finances efficient.

Additionally, analysis of the association between demographic factors indicated that older respondents and those from households with higher levels of income had higher levels of education. The fairly strong association between education and income, in particular, provided strong support for the creation of the education and income combination variable included in the Unified model and supported the work of several researchers (Levedahl, 1988; Teel, Williams & Bearden, 1980).

As part of an effort to illuminate possible category specific differences in terms of the modeling analysis, several interesting and very revealing demographic differences were noted. As discussed, the two categories of interest, cereal and cigarettes, were chosen because they were expected to differ in terms of their consumer purchasing dynamics. Previous work by Carmen (1969), Blattberg, Peacock and Sen (1976), and Henderson (1990) highlighted the importance of within study differences attributed to product category differences. Henderson suggested that between category differences should be expected given that the motivation (cost/benefits) to use promotions probably differs between categories just as the availability of deals differs between categories. Demographic
differences noted between users of the two product categories investigated provided initial evidence that the two categories chosen were indeed different in some very important ways. Specifically, significant differences between users of cereal and cigarettes were noted for the two variables of education and income. Cereal users were significantly more educated and reported higher levels of household income. Once again, the consistent pattern of findings for these two variables provided support for the creation of the combination education and income variable included in the model. This pattern of findings also served as an initial indicator that differences between users of the two categories existed and that those differences would have a significant effect on the outcome of the modeling results.

Total Sample Past Promotional Usage

It was highly encouraging that reported usage numbers for each of the three types of promotions were visually consistent in phase II with the results of the national telephone survey in phase I of the study as well as consistent with available outside estimates of usage (Nielsen Clearing House Promotional Services, 1992). Once again, coupon usage within the past year was very high at 80% of all respondents and frequency of coupon usage within a significant percentage of respondents was also very high. One third of coupon users reported using coupons on a weekly basis. This large percentage of regular coupon users provided some peripheral evidence to support the concept of a deal prone consumer, one who reportedly uses deals very frequently. The numbers of consumers who used refunds or premiums were also surprisingly high. In fact, one third of consumers admitted usage of premiums while over one half reported usage of refunds within the past year. Again, given the time and energy costs
involved in each, the overall usage of refunds and premiums was unexpectedly high. The similarity in the lower reported frequencies of usage of refunds and premiums partially explained the surprisingly close association between the two types of promotions versus the third type of coupons.

The only demographic difference identified in past promotional usage was gender related. While previous reports suggested that there would be no differences, women reported higher past usage of coupon and refund promotions. The same was not true for premium promotions. Women showed no more likelihood of premium usage than men. The fact that women showed the most likelihood of usage may once again have provided support for the idea that women may on average have the greatest opportunity to come into contact with promotions given a higher percentage of time spent domestically and the greatest motivation to use promotions given a larger responsibility for household finances. Interestingly, differences between men and women in likelihood of usage was greater for the two types of promotions categorized by Schindler as reduced losses whereas the value-added promotion of premiums showed no differences. The fact that female usage patterns were most similar for the two reduced loss types of promotions highlighted the specific relationship between these two promotions versus the categorically and theoretically different premium promotions. For women, the benefit of reduced losses may have outweighed the benefit of gains made through value-added promotions. Given that gender had shown inconsistencies in predicting promotional usage in previous research, the decision was made not to include gender as a key variable in the Unified Model. This decision may, however, have reduced the explanatory power of the model.

Analysis of the differences between the cereal and cigarette purchasers in terms of past promotional usage provided evidence that the two product categories
differed significantly in promotional dynamics. While quotas were established which insured that the absolute numbers of users and nonusers of each promotional type were approximately equal, those quotas did not fix as a constant the frequency of participation within the promotional user groups. The fact that reported past coupon usage differed significantly for the two product categories highlighted once again the possibility for significant differences between the two categories to effect dramatically the modeling analysis. It was not surprising that the differences in usage occurred for coupon promotions given that coupons have proliferated in the cereal category in the past few years while coupons have been much less common in the cigarette category. Although no differences in frequency of usage of refunds or premiums were noted, that may have been due to the fact that overall usage of these two promotions tended to be restricted in frequency in general.

The analysis of the intercorrelations between the past usage indices for the three promotional types brought to light some interesting contrasts and some insight to the later results of the modeling analysis for the separate promotions. Of course, usage indices for all three promotional types were significantly and fairly strongly correlated. Given that by nature all three provided consumers with a deal of one sort or another, this was not surprising. The promotions were also expected not to be perfectly correlated because of the inherent differences between them. What was surprising (given some of the earlier findings regarding gender differences in usage) was the fact that while the highest correlation between usage of the three promotional types would have been expected for the relationship between coupons and refunds (both reduced losses), the highest correlation was actually found between refunds and premiums. Several noncompeting explanations for this finding can be offered. The first explanation would be that
these two types of promotions have been perceived to be most similar because they were the two types which required the most costs (e.g., time, effort, financial). Second and perhaps the most important, coupons have been the most frequently offered promotion historically, thus setting them apart from other promotions in terms of past usage. Finally, the cereal user group demonstrated very high usage of coupons and their responses may have skewed the overall differences in usage of the three promotional types.

Overall, the findings concerning past usage of the three types of promotions provided much needed insight into 1) the absolute levels of usage, 2) the frequency of usage, 3) the demographic differences in usage, and 4) the similarities and differences in usage of coupons, refunds and premiums. While much research had been available regarding coupon usage, little light had been shed on consumer usage of refunds and premiums. Clearly, coupon usage should not be interpreted as absolutely indicative of overall promotional usage. As noted, promotions demonstrated different patterns of usage and that usage seemed very likely related to different patterns of costs and benefits of usage as well as different profiles of users and nonusers.

**Total Sample Intended Promotional Usage**

In general, the findings concerning intended future usage of the three promotional types were extremely similar to the findings for past usage of the promotions. In terms of absolute percentages of respondents reporting any intention to use promotions in the future, coupons were the most likely to be used by far, followed by refunds, and premiums. Visual inspection suggested that those percentages were slightly higher than those reported for past usage indicating that a small group of respondents who reported no past usage thought or felt that they
should have been using promotions and reported an intention to do so in the future. This finding supported extensive work by researchers such as Fishbein and Ajzen (1980) documenting differences in intentions and actual behavior.

As noted for past usage, the only significant demographic difference in intention to use each of the promotions was a gender related difference. Once again, females reported being significantly more likely to intend to use coupons and refunds in the future. They were not, however, more likely to intend to use premiums. The fact that females showed a greater intention than males to use coupons and refunds in the future may once again have reflected the similarities between those two types of promotions, both hypothesized to be of the reduced loss type rather than the value-added type. As previously suggested, female respondents may have perceived the benefit of reducing the costs of a product to far outweigh the benefit of a value-added promotion.

Once again, specific category differences were apparent. Previously discussed findings concerning past usage indicated that cereal purchasers were significantly more likely to have used coupons. There were no category related differences in past usage of refunds or premiums. Interestingly, the category differences observed for future intentions were specific only to refunds and premiums. Cigarette purchasers were significantly more likely to intend to use refunds and premiums in the future. There were no category related differences in future intentions to use coupons. Several reasons exist to explain the observed category differences in intention to use refunds and premiums. The most likely explanation would be that refund and premium promotions have been the most common form of promotions for cigarettes while coupons have seemed to dominate the cereal category. Purchasers may simply have reflected their perceptions of what has been and what will be available to them within each
category. It should also not be forgotten that coupons, refunds and premiums each has been perceived to involve some costs and while past usage seems to have reflected that reality, future intentions may have been more idealistic and less practical.

As was the case with past promotional usage, intercorrelations of the indices of future intention to use each promotion were all significantly positively, but not perfectly correlated reflecting the inherent similarities and differences between the promotions. Also as was the case with past promotional usage, the strongest correlation between the three types of promotions was between refunds and premiums (the two types of promotions requiring more effort) rather than among the two reduced cost promotions of coupons and refunds. The association between refunds and premiums may have been enhanced by the responses of cigarette users who reported being much more likely than cereal users to intend to use both refunds and premiums in the future.

Relationship of Past and Future Promotional Usage

In terms of the planned modeling analysis, the relationship of the past promotional usage and the future intention to use indices was vital. The theoretical Unified Model was designed to predict future usage via a number of independent variables including past usage of promotions. As discussed, actual promotional behavior data would have been extremely difficult to collect. As expected given previous research (Bagozzi, Baumgartner & Yi, 1991), however, the correlation between past usage and intended usage given the methodology of the study was much too high to include both variables in the model. Past usage of each of the promotional types was found to be correlated with future intention to use that promotion at approximately the .60 level. It was determined that such a
strong correlation would have made the modeling nearly impossible since past promotional usage would have accounted for a majority of the observed, measurable variance. Other variables in the model would have been given short shrift. Therefore, solid evidence was provided for revising the model to include and predict only past promotional behavior as shown in Figure 5.

In addition to the modeling insight provided by correlations between past and future use within each promotional type, interpretive insight for the modeling analysis was provided by the correlations between past and future use across promotional types. Not surprisingly, all such correlations were significant suggesting that the similarities in the decision process regarding usage between the three promotions were probably fairly strong.

The Education/Income Hypothesis

While as discussed above many of the findings of the study supported the creation of an education/household income variable, that variable proved not to be highly associated with promotional usage. Clearly, the two variables of education and income were positively associated. In fact, as discussed above many findings true of one variable proved true of the other. However, the correlational analysis demonstrated no significant associations between the individual variables and promotional usage or between the combination variable and promotional usage, either actual past behavior or future intention to behave. Although previous work by Teel, Williams and Bearden (1980) had suggested that higher income and higher educated consumers used more promotions or at least used them for different reasons, that finding was not replicated in the present study. This, of course, made the inclusion of this combination variable in the Unified Model
questionable. While making theoretical sense, the variable may have contributed little to the overall explanatory power of the model within the total dataset.

In comparing across models based on each category of interest, however, the variable helped to explain differences in specific paths outlined. One rational explanation for a couple of specific differences found in modeling each of the two categories was that cereal users reported significantly higher levels of income/education than cigarette users. Any specific paths outlined in Figure 5 containing the income/education variable were expected to have been effected by the category differences observed.

**Perceptions of Costs/Benefits of Promotional Usage**

Overall a very positive picture of consumer perceptions of costs and benefits emerged. For all three promotional types, the benefits of usage generally outweighed the costs of usage as evidenced by the fact that rank ordered by strength of agreement among respondents (percent of respondents agreeing with the statement) benefits rose to the top of the list while costs remained toward the bottom. In fact, for each promotional type, the strength of agreement with the highest rated benefit was at least 20% higher than the strength of agreement with the highest rated cost.

Both phase I and phase II of the present project supported Schindler's (1989) work which suggested that promotional usage has two types of benefits, those that are financial and those that are psychological. While responses to the open-ended elicitation procedure elicited the strongest evidence of this categorization (all responses fell neatly into the two categories), responses to the cost/benefit ratings from phase II provided further substantiation. Interestingly, the patterns of financial and psychological benefits for each of the three promotional types were
remarkably similar. In all three cases, financial benefits were the primary benefits of usage according to 70% - 80% of respondents, followed by psychological benefits according to 60% - 80% of respondents. The most important of the psychological benefits was reportedly the "smart shopper" feelings engendered by usage. The strong showing of this particular benefit supported the work of several researchers (Conover, 1989; Jain, 1990; Schindler, 1989).

Costs on the other hand tended to break into the two categorizations of financial and personal investment. While the financial costs were perceived to be the biggest costs of coupon usage (e.g., buying more expensive items), personal investment costs in terms of time and effort were seen as the biggest costs of refund and premium usage. This break down of the perception of costs involved in each of the three types of promotions provided insight into the similarities in reported past and future usage of refunds and premiums as well as similarities in the fitted models for refunds and premiums. As hypothesized, these two promotional types were perceived by consumers as requiring more work.

One important finding in terms of the average cost/benefit scores was revealed through a comparison of the two product categories. Purchasers of the cigarette category scored significantly higher on the cost/benefit index than purchasers of the cereal category, once again highlighting the extreme differences in the purchasing and promotional dynamics between those two categories.

The high internal consistency estimates derived from the cost/benefit indices for the three promotions suggested stability in the cost/benefit construct included in the Unified Model. The Cronbach's alpha coefficients which were all approximately equal to .80 were fairly high. The stability of this construct was critical given its placement in the model as the predicted variable of four other
constructs (brand loyalty, deal proneness, category involvement, and education/income level).

**Category Involvement, Brand Loyalty, and Deal Proneness**

The category involvement, brand loyalty, and deal proneness indices revealed some interesting as well as critical insights to the promotional dynamics under investigation. Each of the constructs was theorized to influence the cost/benefit decision in some way. Category involvement referred to the desire on the part of the consumer to look around for and identify the "best" available product, while brand loyalty referred to a preference on the part of the consumer for one or more brands within the category. Both category involvement and brand loyalty were believed to impact the promotional decision by defining the acceptable set of brands a consumer was willing to consider and, therefore, the set of promotions that would be considered. Deal proneness was defined as a tendency to be favorably disposed toward deals or promotions. The degree of deal proneness exhibited by a consumer was believed to directly impact the cost/benefit decision in that consumers more favorably oriented toward promotions would perceive the benefits of usage to outweigh the costs.

Respondent scores on each of the three indices were moderate to high. For the total group, average scores on both the category involvement and brand loyalty indices were moderately high. The average deal proneness score, however, was very high for the total group. A total of 78% - 91% of all respondents agreed to each of the three individual items within the index and the average score on the index was a 16 on a scale ranging from 6 to 18. This high average score revealed an unexpectedly high interest among the total group of consumers to seek a good
This highly positively skewed index was problematic and partially prompted the use of a robust estimation technique for the modeling analysis.

An analysis of the differences between the two categories in terms of category involvement, brand loyalty, and deal proneness highlighted a very important trend that was first noted among the demographic variables and then among the usage and cost/benefit components. In the case of each index, the two categories differed significantly. In terms of category involvement, in particular, the category difference was critical. As shown in the analysis, cereal purchasers reported a significantly higher degree of category involvement than cigarette purchasers, indicating that they were much more likely to have looked around and compared products within the category, particularly new products. Cigarette purchasers reported having been much less interested in trying out new brands. The absolute average size of this difference as well as the fact that the two categories skewed on this index in different directions were expected to cause significant differences in the modeling analyses conducted separately on the two categories. The expected effects were that the category involvement variable's parameters would differ across the two categories and that the variable (as a predictor of other variables) would effect the parameters of other variables differently across the two categories. Once again, the highly skewed category involvement indices within each of the two categories was problematic and prompted the use of a robust estimation technique for the modeling analysis.

Category comparisons revealed that while both brand loyalty and deal proneness demonstrated significant differences, those differences were not as large and were certainly not skewed in different directions. Surprisingly, given their propensity toward category involvement, cereal purchasers reported being significantly more brand loyal than cigarette purchasers. This finding may be
explained by the fact that cigarette purchasers generally use only one brand at a time while cereal purchasers often use more than one brand at a time. Thus, when cigarette purchasers buy another brand to get a promotion or switch brands just to try something new, their loyalty index fell. Cereal purchasers, who often keep more than one brand in the cupboard, could switch brands to try something new, but still may have perceived themselves as loyal since they still have half of a box of their regular brand at home. In terms of willingness to participate in promotions, however, cigarette purchasers reported higher levels of deal proneness than cereal purchasers. This finding supported Henderson's (1990) hypothesis that inconsistencies in previous research on deal proneness were caused by a disregard for category and promotional specification. The fact that cigarette purchasers reported higher levels of deal proneness may have reflected the fact that expenditures on cigarettes may far surpass expenditures on cereal. Thus, the need to reduce losses or at least get value-added purchases may have become highly salient to cigarette purchasers.

Insights from Correlation Model Matrix and User/Nonuser Comparisons

A review of the predicted model matrix provided some early insight to the findings of the modeling analysis for the total sample group. That is, the model matrix supported some of the very basic structure or paths outlined by the Unified model in Figure 5. As expected, the construct of deal proneness was significantly associated with the constructs for cost/benefits and education/household income. The association between deal proneness and the cost/benefit indices supported the theory that deal prone consumers perceived the benefits of promotional usage to outweigh the costs. The association between deal proneness and the combination education/income variable was also significant, but not as strong as expected and
not in the direction expected. The two constructs were, in fact, negatively related which disputed the findings of Teel, Williams and Bearden (1980) and Levedahl (1988) which suggested that the relationship should be a positive one. Levedahl had reported that consumers with higher education/income levels were either more efficient (so could organize and use promotions better) or had preferences for national brands that tended to promote more often. The weak negative association between deal proneness and the combination education/household income variable was consistent, of course, with previously noted negative correlations between educational level and future intent to use refunds and future intent to use premiums. Among the total group, respondents with lower education/income levels tended to report greater levels of deal proneness, possibly due to need. Overall, however, the model matrix provided good early support for the general path structure between deal proneness and the cost/benefit construct as well as the combination education/income construct.

As expected, deal proneness showed no association to brand loyalty. It had been hypothesized that as brand loyalty increased the number of acceptable brands considered by a consumer decreased, the number of available promotions decreased, and therefore, total deal proneness would be dependent on a more limited number of promotions. This limitation suggested that no association between deal proneness and brand loyalty would exist and the data substantiated that assertion.

Deal proneness also showed no association to category involvement. Category involved individuals had been reported to make purchase decisions based on product attributes rather than on price considerations unless no significant product attribute differences existed within the category (Anderson, 1974; Zaichowsky, 1988) which was not the case for either the cereal or cigarette
category. The data from the model matrix substantiated the decision not to include a path in the Unified Model to account for the existence of a relationship between deal proneness and category involvement. It was believed that the effect of greater exposure to promotions would generally cancel the effect of making decisions on the basis of product attributes.

Category involvement was found to be related to brand loyalty. While the direction of this relationship had been unclear during the theoretical development of the Unified Model, the strong positive relationship between the two variables evidenced within the total sample data left little room for doubt. Respondents that reported higher levels of category involvement also reported higher levels of brand loyalty. In effect, consumers that reported that they really cared about a specific product category, also reported that they were very likely to have become loyal to one or more brands. These consumers looked for the best products continuously and having found such a product(s), they were loyal until a better product(s) was found. The matrix data, therefore, provided strong evidence for the general path structure between category involvement and brand loyalty.

Analysis of the differences between users and nonusers of each of the three promotions within each of the two product categories provided additional early insight into the results of the modeling procedures. Differences among users and nonusers were apparent for the two promotions of coupons and premiums, which foreshadowed the existing differences between the promotional types. In most cases, users and nonusers differed significantly in their perceptions of the costs/benefits of usage. These differences provided evidence for the strength of the relationship between the cost/benefit construct and past usage as specified in the Unified Model tested.
Total Sample Model Implications

The modeling analysis seemed to clearly suggest that the data collected across two product categories and three promotional types were a reasonable fit to the Unified Model tested. All indicators of the fit between the model and the data were fairly encouraging. The general goodness-of fit, adjusted goodness-of-fit and incremental fit indices all met minimal criterion levels. Additionally, the residuals were moderately minimal and normally distributed. Overall, the Unified Model as shown in Figure 5 seemed to accurately describe at least a reasonable amount of the variance involved in the past usage of promotional behavior. As further evidence of the general viability of the model, all but one of the ten paths specified between key model components demonstrated significance.

Three of the four exogenous paths emanating from the combination education/household income construct proved to be significant, although each demonstrated only a weak association. Of interest was the fact that the education/household income construct was negatively related to both deal proneness and the overall cost/benefit construct. Once again, the negative direction of these path coefficients was in opposition to the findings of previous researchers who had suggested that consumers with higher educational levels and household incomes demonstrated higher promotional usage (Levedahl, 1988; Teel, Williams & Bearden, 1980). The negative path coefficients derived from the total sample suggested that respondents with higher education/household income levels tended to be much less deal prone in general and, in fact, perceived the costs of usage to outweigh the benefits of usage. According to the parameter estimates, both factors served to decrease the likelihood of past promotional usage. Interestingly, the derived parameter estimates also indicated that to a small degree brand loyalty increased with educational/household income level. Whether these
households became more habitual or sincerely invested in a specific brand or brands was not determined within the course of the study. The fourth exogenous path of education/household income to category involvement failed to reach significance. This was not surprising in light of the failure to replicate the findings of Teel and his colleagues.

Encouragingly, in support of the model, all six endogenous paths outlined within the Unified Model demonstrated significance for the total sample group. The first two specified recursive paths between the two predictor variables of category involvement and brand loyalty. Both resulted in moderately sized parameter estimates providing insight into the close relationship between these two variables. As previously discussed, to a moderate degree category involved respondents communicated their brand loyalty. In effect, consumers that reported that they really cared about a specific product category, also often reported that they were very likely to have become loyal to one or more brands. These consumers combed the category for the best products regularly and having found those products, they became loyal until better products were found. The structural modeling, therefore, substantiated the general path structure between category involvement and brand loyalty.

The third endogenous path demonstrated that category involvement was slightly predictive of the cost/benefit construct. In theory, the relationship between category involvement and the cost/benefit index was very similar to the relationship between category involvement and deal proneness. The significant parameter estimate of the relationship of category involvement to the cost/benefit construct may have been due to the fact that category involved consumers had been exposed to more promotions because they had attended to more category relevant information in their search for the "best" product (Holmes & Lett, 1977;
Lynch & Srull, 1982). As part of this exposure, they may have been more likely (just due to sheer numbers) to run across promotions where benefits were perceived to outweigh costs. The correlation may have been weakened, however, by the fact that category involved consumers have been reported in purchase decisions to weigh product attributes more heavily than price considerations (Anderson, 1974; Zaichowsky, 1988).

The fourth endogenous path, brand loyalty to the cost/benefit index, was slightly and negatively predictive of the cost/benefit construct. It had been theorized that as brand loyalty increased the number of acceptable brands considered by a consumer decreased, and therefore, the number of available promotions decreased. In contrast to category involved consumers, brand loyal consumers would have had much more limited exposure to promotions and may have been less likely to have seen promotions where they would have perceived the benefits to outweigh the costs. This point becomes even more poignant in light of the fact that one of the costs of promotional usage has traditionally been purchasing a different brand, different form, or different size. Brand loyals would have been more sensitive to such trade-offs.

Very encouragingly, the final two endogenous paths were both moderately strong. The fifth path which specified the effect of deal proneness on the cost/benefit construct was both positive and highly significant. This parameter estimate was expected to be significant given the straightforward nature of the relationship. As discussed previously, the association between deal proneness and the cost/benefit index substantiated the theory that deal prone consumers perceived the benefits of promotional usage to outweigh the costs. It was not surprising that the final endogenous path of the cost/benefit construct to past promotional usage
was also significant. This path accounted for the combined explanatory power of all of the predictive constructs included in the Unified Model.

Overall, the Unified Model seemed to be a fair predictor of promotional usage across a variety of promotions and at least a couple of very different product categories. Each variable included in the model demonstrated its importance in the promotional decision. The total model should be useful to researchers in marketing and practitioners wishing to better understand the dynamics of promotional usage in that it expands the knowledge base by considering each of the key predictor constructs within the scope of a holistic model across a variety of promotional and category situations. As noted, many of the inconsistencies in previous research have been attributed to the isolational approach taken by many researchers who studied one variable, one promotion, or one category at a time. Studying one variable within one category at a time may have provided a basis for reaching exact conclusions, but practitioners in the real world of marketing need to make more holistic judgments based on general principles applied to their particular promotional situation.

Implications of Modeling Promotional Samples

As with the total sample, the modeling analysis seemed to suggest that the data collected for each of the three promotional types were a reasonable fit to the Unified Model proposed. All indicators of the fit between the model and the three separate datasets were fairly encouraging. The general goodness-of-fit, adjusted goodness-of-fit and incremental fit indices all met minimal criterion levels. While normally distributed, the residuals for the coupon and premium data were unfortunately somewhat larger than those for the total modeling analysis suggesting a slightly poorer overall fit. In general, the Unified Model as shown in
Figure 5 seemed to accurately describe at least a reasonable amount of the variance involved in the past usage of each of the three types of promotional behavior. However, as shown in Table 5, coupons, refunds, and premiums differed dramatically in the pattern of significant structural paths defined within the Unified Model. This pattern of differences provided insight into the slightly poorer fit of the promotional samples to the general model.

The category of coupon promotions was identified for inclusion to the study because coupons represented the reduced loss type of promotions. Coupons were also identified as the most simple, least taxing form of promotion. According to respondents, they were additionally the most frequently used, very likely because they have been the most frequently offered by manufacturers. Clearly, the analysis suggested that of the estimated structural models for the three promotional types, the estimated model for the simple to use coupon most closely resembled the estimated model for the total sample.

As discussed, all but one of the paths found significant among the total data were found significant for the coupon data suggesting that the relationship among variables for coupon promotions may have heavily influenced the total estimated model parameters. As substantiation for that premise, visual inspection of the data demonstrated that many of the parameter estimates derived from the coupon data were larger than those derived from the total data. One additional interesting point about the model derived from the coupon data was that the path of brand loyalty to the cost/benefit construct which was significant and negative for the total model failed to reach significance within the coupon data. The prevalence and simplicity of coupons may have had an effect in that even for brand loyalists with their limited set of acceptable brands, deals have been available frequently allowing for the
development of a clear belief that at times (when the coupon is for an acceptable brand) the benefits of coupon usage outweigh the costs.

The categories of refund and premium promotions were identified for inclusion to the study because while one represented the reduced loss type of promotions and the other represented the value-added type, both were more taxing or complicated in terms of cost expenditures. According to respondents, they were the least frequently used, very likely due to the fact that in addition to requiring greater perceived costs, they have also been the least frequently offered by manufacturers. Clearly, the analysis suggested that of the estimated structural models for the three promotional types, the estimated models for refunds and premiums were more similar to each other than to the estimated model for coupons. This suggested that in categorizing promotional types, distinctions made on the basis of perceived costs and complexity may be more insightful than those made on the basis of reduced losses versus value-added.

Unlike coupons, none of the four exogenous paths emanating from the education/household income variable were significant for the refund and premium models which suggested the decreased importance of the socioeconomic status of consumers in predicting the precursors to usage of those two promotions. In general, all of the significant paths in the models derived from the refund and premium data were endogenous in nature. Two critical differences between the models derived from the refund, premium and coupon data provided actionable insights for marketers.

The first critical difference observed between the three promotional models involved the negative direction of the relationship between brand loyalty and the cost/benefit construct for the models derived from the refund and particularly premium data. This negative relationship substantiated the premise that increased
brand loyalty led to a decreased acceptable set of brands and a decreased likelihood to find promotions within the refund and premium genre where the benefits of usage outweighed the costs of usage. For a loyalist the costs of usage would have very likely involved switching brands, flavors or sizes. The negative relationship was most clearly established for premiums suggesting that premiums may be even less likely to entice brand loyalists. While refunds have typically involved a universally appealing benefit of cash-back, premiums have generally been branded item offers. For a brand loyalist, the costs of switching from their usual brand to receive a premium item with another brand's logo or name on it may be too high. The negative direction of this relationship did not appear for the model derived from the coupon data. As discussed previously, this may have been due to the simplicity involved in coupon usage as well as the recent proliferation of coupons.

The second critical difference observed between the three promotional models involved the relationship between the category involvement construct and the cost/benefit construct. While the parameter estimate for this path was significant for each of the other models, it failed to reach significance for the model derived from the refund data. This finding suggested that for category involved consumers while the benefits of usage outweighed the costs of usage for both coupons and premiums, they did not necessarily do so for refund usage. In theory, the simplicity of coupons may have made them somewhat attractive to category involved consumers interested in trying new brands anyway. Premium offers (e.g., mug offers for coffee category) may have been somewhat attractive to consumers with a sincere interest in the benefits of the category (e.g., sipping a good tasting cup of coffee early in the morning) because they have often been tied to product experiences, uses or attributes. Refund offers on the other hand, while
worth more financially, have also been perceived to be more complex and time consuming. For category involved consumers, the results suggested that the increased effort and time involved in refund usage outweighed the increased financial benefit.

Overall, the results of the modeling analysis across the three types of promotions provided some very actionable insights for marketers in that the individual models provided a clarity of understanding of the dynamics of usage of coupons, refunds, premiums, and possibly some of the other related promotional types. That clarity of understanding can be evidenced through several very specific indications which were elicited from the modeling analysis. For example, when dealing in a product category where a large number of category involved consumers has been identified, premium offers may be more effective than coupons and especially refunds in promoting usage. In categories where large numbers of brand loyalists exist, refunds and particularly premiums may be less effective in promoting usage, unless the target is a brand's own loyalist base. Coupons may be the best bet among promotions when soliciting brand switching behavior, although even that relationship may be weak.

Implications of Modeling Product Category Samples

Evidence from the modeling of the two product category samples provided strong support for Henderson's (1990) assertion that in order to avoid confounding factors promotional research must consider category differences. The fact that the total sample data provided a better fit to the model than data from either product category suggested that the total sample model represented the general idea of promotional usage across categories better than it represented the specifics of promotional usage within each category. The goodness-of-fit indices, incremental
fit indices and root squared means revealed that the data was not a very reasonable fit to either of the two categories alone. While neither model was interpreted as accurately reflecting the dynamics of promotional usage, a review of the differences between the two models provided some initial useful insights into the differences alluded to by Henderson's work.

Of course, the categories seemed to differ dramatically in terms of promotional dynamics. In fact, the two categories had been chosen specifically to show such differences. They were expected to vary in terms of such variables as brand loyalty, category involvement, deal proneness, types of deals offered, types of deals used, perceptions of costs/benefits of usage and demographic profiles of user groups. Many such differences have been noted and discussed at length within the present research. While, not surprisingly, the results of the modeling analysis failed to provide reasonable holistic models for each of the two categories, the results did highlight the fact that differences can be extreme.

The results of the modeling conducted on the two product categories substantiated Henderson's notion that promotional research should be conducted across a variety of categories in order to increase its generalizability. As noted previously, the two categories differed significantly in the direction and significance of the parameter estimates derived from their respective data. While the exact parameter estimates derived may not have been stable enough to consider using to make promotional decisions or budgetary allotments, the pattern of differences taken as a whole and supported by previously reported significance tests suggested that the two categories worked very differently in terms of promotional usage by consumers. At times those differences were extreme in nature. For example, the paths which involved the construct of category involvement were heavily influenced by the fact that cereal users tended to have
higher scores on the category involvement index while cigarette users tended to have lower scores. Paths which depended on this variable in combination with other variables demonstrating category differences tended to demonstrate extreme category discrepancies which were obscured in the total sample model.

In sum, the results of the modeling analysis across the three types of promotions provided a very important lesson for market researchers and practitioners alike. Research conducted across several categories will provide the most generalizable results, results that can be translated into real world guides for decision making. Promotional decisions for one category based on research or even experiences in other categories should be carefully made. Just as buying cycles, price elasticities and shelf presence differ across categories, promotional dynamics differ across categories. While the construct of costs and benefits (along with prior promotional usage) may predict promotional usage across categories, the precursors of the cost/benefit decision clearly differ across categories, or at least they did across the two categories of cereal and cigarettes.

Conclusions

As discussed, consumer promotions have become an increasingly important marketing tool. The present research project attempted to address some of the previously unanswered questions such as: How do the various promotions differ in their ability to effect consumer purchasing decisions? Are there basic differences in the precursors to promotional usage across the various promotional types? Are there significant differences in the promotional dynamics across different categories and across different consumer groups? The present investigation attempted to provide initial answers to such questions in order to allow marketers to appropriately target consumer segments with the promotional vehicle most
likely to impact their purchase decision and least likely to be a waste of valuable marketing budget dollars. It also provided valuable, previously unavailable information about two less commonly used types of promotions (refunds and premiums).

While a fair amount of research had been previously conducted in the area of consumer promotions, few projects had attempted to provide a holistic perspective. Many had concentrated on one aspect of consumer promotional usage (e.g., What should the face value of a coupon be?) at a time. Ultimately, while the past research conducted in this area provided a useful guide for understanding the dynamics of promotional usage, it first needed to be pieced together like the pieces of a jigsaw puzzle. The present project took each of the key pieces developed and substantiated by numerous market researchers and combined them into a single Unified Model. That model included each of the key determinants reported by other researchers to be a predictor of promotional usage including: the perception of costs and benefits, the influence of past behavior, the effects of preexisting category involvement and brand loyalty, and finally the effects of person predispositions such as deal proneness and demographics. The goal of the Unified Model was to provide a single, interpretable framework from which marketers could make decisions about promotional expenditures and through which marketing researchers could design future consumer based studies to expand the field's understanding of the dynamics of promotional usage. To that end, the project was considered a success.

The study extended its perspective by taking into account the inherent differences between promotional types and product categories. As noted by Henderson (1990), many seemingly inconsistent findings reported in previous studies may have resulted from a failure to recognize those basic differences. The
findings of the current investigation highlighted the importance of recognizing the similarities and differences between promotional types. Similarities and differences were demonstrated to exist between promotions providing different types of benefits (reduced loss vs. value-added) and particularly between promotions requiring different levels/types of costs (simple vs. complex/more time/effort). The study also demonstrated the dramatic differences that can exist in the promotional dynamics of two different product categories due to differences in the users of those categories. The implications were clear for marketers and marketing researchers alike. Decisions about the types of promotions to use must be made within the context of a category and with a basic understanding of the promotional dynamics as they pertain to the specific promotions being considered. Gleaning insights about general promotional usage from one category or one specific type of promotions can be costly.

While the current project provided an initial holistic framework from which to understand promotional dynamics, much research still needs to be done. In terms of the model itself, clearly a number of relationships should be better understood: Are there truly any demographic variables besides education/income which would assist in predicting promotional usage? Would the theoretical model (which includes past behavior as a predictor variable) be more viable? How did use of past behavior as the dependent variable in the model create or obscure important differences between the three promotional types? Given that past (habitual) behavior would be expected to be most predictive of future use of coupons (the most often used promotion), results of the modeling analysis in this study may be more representative of coupon promotions than refund or premium promotions. In addition, future research should continue to extend findings across promotional types and product categories. The broader the network of research experiences in
terms of promotions and categories, the more stable and generalizable the framework of findings.
CATI TELEPHONE QUESTIONNAIRE ON CONSUMER PROMOTIONS: PHASE I

(INTerviewer Read) The following questions ask about your participation in three types of promotional offers for grocery products.

Q1. Approximately when was the last time you redeemed a coupon at the checkout counter in your grocery store? (READ LIST. RECORD RESPONSE.)

   A. Within the last month
   B. Within the last 2 to 3 months
   C. Within the last 4 to 6 months
   D. Within the last 7 to 12 months
   E. Not at all in the past year

Q2. Approximately when was the last time you responded to a manufacturer rebate offer where you mail in proofs-of-purchase in return for a cash or check rebate? (READ LIST. RECORD RESPONSE.)

   A. Within the last month
   B. Within the last 2 to 3 months
   C. Within the last 4 to 6 months
   D. Within the last 7 to 12 months
   E. Not at all in the past year

Q3. Approximately when was the last time you responded to a manufacturer premium offer where you mail in proofs-of-purchase in return for a special gift which was advertised on the package or in an ad? (READ LIST. RECORD RESPONSE.)

   A. Within the last month
   B. Within the last 2 to 3 months
   C. Within the last 4 to 6 months
   D. Within the last 7 to 12 months
   E. Not at all in the past year
(INTERVIEWER READ) Now, I'm going to ask you to tell me a little bit about each of the three types of promotions we mentioned: coupons, refunds, and premiums. Your answers can be in complete sentences or in simple phrases that you feel would get your ideas across.

Q4. What sorts of positive things or benefits come to mind when you think of using coupons? (RECORD RESPONSE VERBATIM. PROBE: ANYTHING ELSE?)

Q5. What sorts of negative things or costs come to mind when you think of using coupons? (RECORD RESPONSE VERBATIM. PROBE: ANYTHING ELSE?)

Q6. What sorts of positive things or benefits come to mind when you think of responding to a manufacturer rebate offer where you mail in proofs-of-purchase in return for a cash or check rebate? (RECORD RESPONSE VERBATIM. PROBE: ANYTHING ELSE?)

Q7. What sorts of negative things or costs come to mind when you think of responding to a manufacturer rebate offer where you mail in proofs-of-purchase in return for a cash or check rebate? (RECORD RESPONSE VERBATIM. PROBE: ANYTHING ELSE?)

Q8. What sorts of positive things or benefits come to mind when you think of responding to a manufacturer premium offer where you mail in proofs-of-purchase in return for a special gift which was advertised on the package or in an ad? (RECORD RESPONSE VERBATIM. PROBE: ANYTHING ELSE?)

Q9. What sorts of negative things or costs come to mind when you think of responding to a manufacturer premium offer where you mail in proofs-of-purchase in return for a special gift which was advertised on the package or in an ad? (RECORD RESPONSE VERBATIM. PROBE: ANYTHING ELSE?)
Q10. (INDICATE GENDER BELOW. DO NOT ASK.)

A. Male
B. Female

Q11. Please tell me which of the following age groups you are in. Are you:

(READ LIST. RECORD RESPONSE)

A. 18 - 25
B. 26 - 39
C. 40 - 54

THAT'S ALL OF THE QUESTIONS I HAVE FOR YOU. THANKS FOR YOUR ASSISTANCE WITH OUR STUDY!
APPENDIX B
(INTERVIEWER READS) Hello, my name is (INSERT NAME) and I'm calling from (INSERT COMPANY NAME), a consumer opinion company in Chicago.

Today we're calling people all over the country and asking their opinions about a variety of topics. May I please talk to someone in your household who is 18 years or older? (IF NO, TERMINATE OR RESCHEDULE. IF YES, ENGAGE APPROPRIATE RESPONDENT.)

Q1. Do you, or does anyone in your household, work in marketing research or for an advertising agency? (DO NOT READ LIST. RECORD RESPONSE.)

1. Yes - TERMINATE INTERVIEW
2. No - CONTINUE INTERVIEW

Q2. Do you do one half or more of the grocery or convenience store shopping for your household? (DO NOT READ LIST. RECORD RESPONSE.)

1. Yes - CONTINUE INTERVIEW
2. No - TERMINATE INTERVIEW
Q3. Which, if any, of the following products do you regularly buy? Do you buy... (READ LIST. RECORD RESPONSE.)

A. Cereal
   1. Yes
   2. No

   MUST RESPOND YES TO A, B, OR BOTH TO CONTINUE, OTHERWISE TERMINATE.

B. Cigarettes
   1. Yes
   2. No

Q4. We want to represent all age groups in our survey. Please tell me which of the following age groups you are in. Are you... (READ LIST. RECORD RESPONSE.)

1. Under 18 - TERMINATE INTERVIEW
2. 18 - 25
3. 26 - 34
4. 35 - 44
5. 45 - 54
6. Over 55

   CHECK QUOTAS IN PRODUCT CATEGORY, CONTINUE WITH ONLY ONE CATEGORY

   - TERMINATE INTERVIEW

Q5. (RECORD GENDER. DO NOT ASK. IF UNSURE, ASK FOR FIRST NAME.)

1. Male
2. Female
Q6. **(INTERVIEWER READS)** Now I am going to read to you a short list of general manufacturer promotions or offers, specifically for (PRODUCT CATEGORY) that you may have seen in a newspaper ad, on a product package, on a sign, or in your local store. As I read this list, I am going to ask you to tell me how likely you would be to use these kinds of offers in the future for (PRODUCT CATEGORY).

***(INTERVIEWER READS BEFORE EACH ITEM A-C)*** In the future, how likely are you to use . . .

***(ITEMS A-C ARE RANDOMLY ROTATED AND READ ONE AT A TIME. AFTER EACH ITEM A-C, INTERVIEWER READS RESPONSE PROMPT AND RESPONSE SCALE.***

A. coupons that you redeem at the checkout counter in your grocery store?

B. manufacturer rebate offers where you mail in proofs-of-purchase in return for a cash or check rebate?

C. manufacturer premium offers where you mail in proofs-of-purchase and/or cash in return for a special gift which was advertised on the package or in an ad?

***(INTERVIEWER READS RESPONSE PROMPT AND RESPONSE LIST, THEN RECORDS RESPONSE.***

Response prompt: Are you . . .

6. Extremely likely
5. Very likely
4. Somewhat likely
3. Somewhat unlikely
2. Very unlikely
1. Extremely unlikely
0. D/K, N/A (DON'T READ)
Q7. (INTERVIEWER READS) Now, I'd like you to tell me how often you have used these same kinds of offers in the past for (PRODUCT CATEGORY).

(INTERVIEWER READS BEFORE EACH ITEM A-C) In the past, how often have you used . . .

(ITEMS A - C ARE READ IN THE SAME ORDER AS Q6. ONE AT A TIME. AFTER EACH ITEM A - C, INTERVIEWER READS RESPONSE PROMPT AND RESPONSE SCALE.)

A. coupons that you redeem at the checkout counter in your grocery store?

B. manufacturer rebate offers where you mail in proofs-of-purchase in return for a cash or check rebate?

C. manufacturer premium offers where you mail in proofs-of-purchase and/or cash in return for a special gift which was advertised on the package or in an ad?

(INTERVIEWER READS RESPONSE PROMPT AND RESPONSE LIST, THEN RECORDS RESPONSE.)

Response prompt: Have you used them for (PRODUCT CATEGORY) . . .

6. Nearly every week
5. Several times a month
4. About once a month
3. Several times a year
2. About once a year
1. or less often than that
0. D/K, N/A (DON'T READ)
ASK ONLY FOR RESPONDENTS SATISFYING COUPON QUOTAS.

Q8. (INTERVIEWER READS) Now, I'd like to ask you specifically about (coupons). I'm going to read you a list of statements that people such as yourself have used to describe (coupons) for (PRODUCT CATEGORY) and I'd like you to tell me how strongly you agree or disagree with each statement.

(INTERVIEWER READS BEFORE EACH ITEM A - J UNTIL UNNECESSARY.) How much do you agree or disagree that . . .

(ITEMS A - J ARE RANDOMLY ROTATED AND READ ONE AT A TIME. AFTER EACH ITEM A - J, INTERVIEWER READS RESPONSE PROMPT AND RESPONSE SCALE UNTIL UNNECESSARY.)

A. Coupons are a good way to save money.
B. When I use coupons, I feel good.
C. When I use coupons, I feel like a smart shopper.
D. It's fun to cut, organize and compare coupons.
E. When I use coupons, I look smart or efficient to other people.
F. Coupons take too much time to cut, organize, and cash-in.
G. It takes too much effort to cut, organize, and cash-in coupons.
H. Using coupons can make me look a little cheap to other people.
I. Using coupons for one brand, often means missing out on deals for other brands.
J. Using coupons often means I have to buy more expensive brands or bigger sizes.

(INTERVIEWER READS RESPONSE PROMPT AND RESPONSE LIST, THEN RECORDS RESPONSE.)

Response Prompt: Do you . . .

5. Strongly agree
4. Somewhat agree
3. Neither agree nor disagree
2. Somewhat disagree
1. Strongly disagree
0. D/K, N/A (DON'T READ)
ASK ONLY FOR RESPONDENTS SATISFYING REFUND QUOTAS.

Q9. (INTERVIEWER READS) Now, I'd like to ask you specifically about refunds. I'm going to read you another list of statements, this time about (refund offers) for (PRODUCT CATEGORY) and I'd like you to tell me how strongly you agree or disagree with each statement.

(INTERVIEWER READS BEFORE EACH ITEM A - I UNTIL UNNECESSARY.) How much do you agree or disagree with the statement that . . .

(ITEMS A - I ARE RANDOMLY ROTATED AND READ ONE AT A TIME. AFTER EACH ITEM A - I, INTERVIEWER READS RESPONSE PROMPT AND RESPONSE SCALE UNTIL UNNECESSARY.)

A. Refunds are a good way to save money.
B. When I send in for a refund, I feel good.
C. When I send in for a refund, I feel like a smart shopper.
D. When I send in for a refund, I look smart or efficient to other people.
E. It's fun to cut, organize and send in for refunds.
F. It takes too much time to cut, organize, and save proofs-of-purchase for refunds.
G. It takes too much effort to cut, organize, and save proofs-of-purchase for refunds.
H. It generally costs too much in postage and envelopes to send in for refunds.
I. Sending in for a refund can make me look a little cheap to other people.

(INTERVIEWER READS RESPONSE PROMPT AND RESPONSE LIST, THEN RECORDS RESPONSE.)

Response Prompt: Do you . . .

5. Strongly agree
4. Somewhat agree
3. Neither agree nor disagree
2. Somewhat disagree
1. Strongly disagree
0. D/K, N/A (DON'T READ)
ASK ONLY FOR RESPONDENTS SATISFYING PREMIUM QUOTAS.

Q10. (INTERVIEWER READS) Now, I'd like to ask you specifically about the third kind of offer we mentioned, (premium offers). Again, I'll read you a list of statements about (premiums) for (PRODUCT CATEGORY) and I'd like you to tell me how strongly you agree or disagree with each statement.

(INTERVIEWER READS BEFORE EACH ITEM A - I UNTIL UNNECESSARY.) How much do you agree or disagree that . . .

(ITEMS A - I RANDOMLY ROTATED AND READ ONE AT A TIME. AFTER EACH ITEM A - I, INTERVIEWER READS RESPONSE PROMPT AND RESPONSE SCALE UNTIL UNNECESSARY.)

A. Premium offers allow me to purchase useful or valuable items.
B. Premium offers can help save money by allowing me to trade in proofs-of-purchase for special items at a reduced price.
C. It's fun to send away for premium gifts.
D. When I send away for a premium gift, I feel good.
E. When I send away for a premium gift, I feel like a smart shopper.
F. It generally costs too much in cash, postage, and envelopes to send away for a premium gift.
G. It's too risky to send away for premium gifts that may not be what you expected.
H. It takes too much effort to cut, save and send in proofs-of-purchase for premiums.
I. It takes too much time to cut, save and send in proofs-of-purchase for premium offers.

(INTERVIEWER READS RESPONSE PROMPT AND RESPONSE LIST, THEN RECORDS RESPONSE.)

Response Prompt: Do you . . .

5. Strongly agree
4. Somewhat agree
3. Neither agree nor disagree
2. Somewhat disagree
1. Strongly disagree
0. D/K, N/A (DON'T READ)
Q11. (INTERVIEWER READS) Now, I have just a few questions to ask you concerning how you go about buying (PRODUCT CATEGORY). I'm going to read you a short list of statements that some people have used to describe themselves and how they go about buying (PRODUCT CATEGORY) and I'd like you to tell me how strongly you agree or disagree with each statement.

(INTERVIEWER READS BEFORE EACH ITEM A - J UNTIL UNNECESSARY.) How much do you agree or disagree that . . .

(ITEMS A - J ARE RANDOMLY ROTATED AND READ ONE AT A TIME. AFTER EACH ITEM A - J, INTERVIEWER READS RESPONSE PROMPT AND RESPONSE SCALE UNTIL UNNECESSARY.)

A. I've been buying the same brand of (PRODUCT CATEGORY) for a long time.
B. I often buy a brand of (PRODUCT CATEGORY) for awhile, then move on to a different brand.
C. I usually have two or three brands of (PRODUCT CATEGORY) on hand at home.
D. I buy whichever brand of (PRODUCT CATEGORY) is on sale.
E. I like shopping for and picking out (PRODUCT CATEGORY).
F. I like to compare different brands of (PRODUCT CATEGORY) to make sure I'm getting the best one.
G. I like to try new kinds of (PRODUCT CATEGORY) when they come out.
H. I like to be sure that I'm getting the best deal on most things I buy.
I. I like to compare prices and available deals before buying most things.
J. I generally like to look through newspapers and fliers for sales and deals.

(INTERVIEWER READS RESPONSE PROMPT AND RESPONSE LIST, THEN RECORDS RESPONSE.)

Response Prompt: Do you . . .

5. Strongly agree
4. Somewhat agree
3. Neither agree nor disagree
2. Somewhat disagree
1. Strongly disagree
0. D/K, N/A (DON'T READ)
(INTERVIEWER READS) I have just a few quick questions to ask you which will help us to group people together for statistical purposes.

Q12. How many children under 18 do you currently have living at home? _____ (RECORD RESPONSE.)

Q13. What was the last grade of school you completed? (DO NOT READ LIST. RECORD RESPONSE.)

1. Less than high school graduate
2. High school graduate
3. Some college
4. College graduate
5. Post graduate
6. Refused/No answer

Q14. Are you currently employed outside the home or not? (DO NOT READ LIST. RECORD RESPONSE.)

1. Yes
2. No (SKIP TO Q16.)

Q15. Are you employed full-time or part-time? (DO NOT READ LIST. RECORD RESPONSE.)

1. Full-time
2. Part-time

Q16. Which of the following best represents your total annual household income? (READ LIST. RECORD RESPONSE.)

1. Under $20,000
2. $20,000 - $39,999
3. $40,000 - $59,999
4. $60,000 - $79,999
5. $80,000 - $99,999
6. Over $100,000

(INTERVIEWER READS) Thank-you for helping us with our survey today.
REFERENCES


VITA

Denise L. Archambault was born in Holyoke, Massachusetts on February 13, 1963 to the parents of Marcel and Alice Archambault. She received her Bachelor of Arts and Sciences Summa Cum Laude from Western New England College in Springfield, Massachusetts and her Masters degree in Applied Social Psychology from Loyola University of Chicago. During the course of her academic training, Ms. Archambault continually sought to apply the theories and methods of the science of Psychology to the professional realms of a modern society. She has held professional positions within mental health, government, advertising, marketing, and academia, learning from each a bit more about human nature and bringing to each a cross disciplinary perspective founded in psychology and nurtured through diverse professional experiences.
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The dissertation is, therefore, accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy.

3/28/95
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