

A study on brand image and brand attitude in brand equity (Special reference of FMCG product)

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Abstract- Brand equity has been criticized by some for an alleged lack of managerial relevance. This paper reports a study which operationalizes brand equity and empirically tests a conceptual model adapted from the work of Aaker (1991) and Keller (1993) considering the effect of brand attitude and brand image on brand equity. The results indicate that brand equity can be manipulated at the independent construct level by providing specific brand associations or signals to consumers and that these associations will result in images and attitudes that influence brand equity. The results suggest that focusing on the constructs that create brand equity is more relevant to managers than trying to measure it as an aggregated financial performance outcome.

I. INTRODUCTION

The concept of brand image has a rich history in the marketing literature dating back to the 1950s. Generally, brand image functions to define the product for consumers and differentiate the firm's offering from competitive offerings. Definitions of brand image range from very broad and general to more specific, such as those equating brand image with the idea that brands have personality like meanings associated with them (see Dobni and Zinkhan 1990 for a review). Levy and Glick (1973) and Martineau (1958) offer definitions of brand image that seem sufficiently encompassing, yet concise enough, to delimit brand image in a useful way for advertising research. Levy and Glick (1973) contend brand image is a summary concept that implies consumers buy brands for their physical attributes and functions and the meanings connected with the brands. Martineau (1958) describes store image as being composed of functional qualities and psychological attributes. Both of these definitions are compatible with Gardner and Levy's (1955) suggestion in their seminal article on brand image that consumers buy products or brands not only because of their attributes and functional consequences, but also for the symbolic meanings associated with them.

At the foundation of the concept of brand image is an understanding of the attributes and functional consequences, and the symbolic meanings, consumers associate with a product. Hence, for services, we can state that service brand image includes the attributes and functional consequences

and the symbolic meanings consumers associate with a specific service. Such meanings are attached to a service through a combination of personal experience, communication with other people, and advertising. It is the composite of those meanings associated with a service brand that influences behavior toward the brand, with advertising playing the important roles of informing, persuading, and reminding (Kotler and Armstrong 1996; Shimp 1997). In sum, service brand image is the consumer's mental picture of the brand created in response to brand-related stimuli (including, but not restricted to, advertising stimuli).

II. BRAND IMAGE AND BRAND ATTITUDE IN BRAND EQUITY

The essence of being in business by any business outfits is to produce for sales and profits. In order to remain in business an organization must generate enough sales from its products to cover operating costs and post reasonable profits. For many organizations, sales estimate is the starting point in budgeting or profit planning. It is so because it must be determined, in most cases, before production units could be arrived at while production units will in turn affect material purchases.

However, taking decision on sales is the most difficult tasks facing many business executives. This is because it is difficult to predict, estimate or determine with accuracy, potential customers' demands as they are uncontrollable factors external to an organization. Considering, therefore, the importance of sales on business survival and the connection between customers and sales, it is expedient for organizations to engage in programmes that can influence consumers' decision to purchase its products. This is where advertising and brand management are relevant. Advertising is a subset of promotion mix which is one of the 4ps in the marketing mix i.e product, price, place and promotion. As a promotional strategy, advertising serve as a major tool in creating product awareness and condition the mind of a potential consumer to take eventual purchase decision. Advertising, sales promotion and public relations are mass-communication tools available to marketers. As its name suggests, mass communication uses the same message for

everyone in an audience. The mass communication tools trade off the advantage of personal selling, the opportunity to tailor a message to each prospect, for the advantage of reaching many people at a lower cost per person (Etzel et al., 1997). Today, definitions of advertising abound. We might define it as communication process, a marketing process, an economic and social process, a public relations process or an information and persuasion process (Arens, 1996). Dunn et al. (1978) viewed advertising from its functional perspectives, hence they define it as a paid, non-personal communication through various media by business firms, non-profit organization, and individuals who are in some way identified in the advertising message and who hope to inform or persuade members of a particular audience.

III. REVIEW OF LITERATURE

Brand attitudes are the final type of brand associations. Attitudes are “a learned predisposition to respond in a consistently favorable or unfavorable manner with respect to a given object” (Fishbein & Ajzen, 1975, p. 6). Hence, brand attitudes represent summary judgments and the consumer’s overall evaluation of a brand, which typically depend on the beliefs about the attributes and benefits. Researchers often examine attitudes in terms of three dimensions: affective, cognitive, and behavioral (e.g., Rosenberg & Hovland, 1960). In contrast, attitudes can also be defined as solely affective constructs that reflect predispositions toward an object, which might lead to overt behavior (Lutz, 1991). We follow this un dimensional approach for two reasons: (1) The fan’s behavior is modeled in our behavioral loyalty concept; and (2) the belief system that underlies fans’ brand attitudes is related to nonfunctional benefits, so the attitudes are predominantly affective. Because brand attitudes are overall evaluations of a brand, they are abstract and are above the other more specific types of brand associations.

We built on the TAM (Gladden & Funk, 2001, 2002) to develop a convenient brand-image measure. We therefore had 13 dimensions of brand associations that constitute brand equity in the team-sport setting, with each dimension measured by three or four items. The measure consisted of 40 items. To measure the fans’ perceptions concerning brand attributes, we formulated our measures in keeping with Keller’s (1993) suggestions. Consequently, we used three indicators to measure the favorability, strength, and uniqueness of each brand attribute. (This measurement departs from Gladden and Funk [2001, 2002], who did not consider favorability, strength, and uniqueness.). Regarding the associated benefits, respondents were merely asked for the strength and uniqueness because benefits are favorable by

definition. For the exploratory and confirmatory factor analyses, the mean value of these two or three items for each benefit or attribute is used, that is, items were aggregated for the analyses.

Advertising expenditure, as the main marketing communications tool in the consumer market, should be considered when determining the effects of marketing communications on consumers, and the perceptions that the messages are provoking among different target individuals (Angel and Manuel, 2005). Keller (2003) notes that the firm’s marketing communications contribute to brand equity. That is, effective communication enables the formations of brand awareness and a positive brand image. When consumers perceive high spending on advertising, this contributes to their perception of the level of confidence that marketing managers have in the product (Kirmani and Wright, 1989). Perceived advertising spending has positive effects, not only on brand equity as a whole, but also on each of the elements it is made up of: loyalty, awareness, perceived quality and brand associations (Cobb-Walgreen, Ruble and Donthu, 1995).

Research has traditionally posited that sales promotions erode brand equity. Usually, price adapted by the manufacturer as a direct promotion method will increase the purchase willing of customer. Most of the effect of a price cut is seen in consumers’ short-term brand choices. Promotions increase the price sensitivity of non loyal customers (Mela, Gupta and Lehman, 1997). But it does not hold when long-term effects are considered. In this regard, using price promotions means deterioration in brand equity. Lichtenstein et al. (1993) pointed out that price is regarded as indirect scale standards of product quality by the customer. It is a concept that price is positively correlated with product quality, i.e. higher the price , better the quality. The use of price promotions has a negative effect on brand equity, since it is considered that the consumer perceives a negative relationship between brand equity and the need to use incentives for sales that affects the established level of prices(Aaker, 1991; Yoo, Donthu and Lee, 2000). Sales promotions in general, and especially price promotions, have been considered to weaken brand equity in spite of the short-term benefit that they provide to the consumer (Yoo, Donthu and Lee, 2000). Overall, the long-term effects of price promotions on sales are negative. Therefore, price promotion may have negative influence on customer perceptions making differential consciousness of customer on perceived quality, and then influences the brand equity of product and purchase willing of customer. Activities based on lowering prices can place brands in danger by provoking consumer confusion, instability and variability leads to an image of unstable quality (Winer, 1986).

A true brand loyalty can be called when consumers are both inclined to these two factors, otherwise, it can only be called a spurious brand loyalty if only attitude or behavior factors are found (Baldinger & Rubinson, 1996). Loyalty can also be separated from short term loyalty and long term loyalty. Short term loyalty is not a real brand loyalty because a long term customer will not buy other brands even if there is a better choice (Jones & Sasser, 1995). In addition, Bloemer and Kasper (1995) argue that a real brand loyalty should include brand preferences and repurchase behaviors that present in a long term commitment, brand commitment and psychological processing (decision making and evaluation) function while Fornell (1992) proposes that brand loyalty can be measured from customer repurchase intention and price tolerance. Consumers with a strong commitment to a particular brand will constantly search for any marketing activity related to the brand (Brown, 1952; Barwise & Ehrenberg, 1987; Chaudhuri, 1995; Baldinger & Rubinson, 1996; Bandyopadhyay, Gupta, & Dube, 2005). Furthermore, brand loyalty can be measured in two dimensions: affective loyalty and action loyalty. Affective loyalty is a specific brand preference from accumulative satisfaction to previous using experiences. However, affective loyalty just represents that a repurchase intention. It does not mean that consumers will take purchase action. It is very hard to say that consumers hold brand loyalty (Jacoby & Chestnut, 1978; Oliver, 1999; Kan, 2002). Action loyalty indicates that consumers not only have preferences to a specific brand but also perform purchase action repetitively, and become an action inertia (Jacoby & Chestnut, 1978; Oliver, 1999; Kan, 2002, Lin, 2005).

Perceived quality is defined as the customer's judgment about a product's overall excellence or superiority in comparison to alternative's brand (Zeithaml, 1988; Aaker, 1996) and overall superiority that ultimately motivates the customer to purchase the product (Aaker and Jacobson, 1994). It is difficult for customers to make a rational judgment of the quality. They are likely using quality attributes like colour, flavor, form, appearance of the product and the availability of production information (Bernués et al., 2003) to 'infer' quality (Acebrón and Dópico, 2000).

IV. SCOPE OF THE STUDY

The impact of advertising on consumer attitudes and brand equity has been studied extensively. The power of advertising in building strong brands has been proposed by marketing practitioners (e.g. Martin, 1989) and academics (Aaker, 1991; 1996). Most advertising dollars are directed at consumers and typically are accompanied by specific objectives to improve consumer attitudes (Quelch, 1989). By building a strong position in the market, advertising allows a

firm to command higher prices for its products, and thus increase profits. This rationale is borne out by studies on the effects of advertising on consumer attitudes (e.g., Alden et al., 1999; Wansink and Ray, 1996). Aaker (1991) and Shimp (1997) propose that higher relative spending on advertising can generate favorable consumer attitudes towards the advertised product.

V. PROPOSED CONCEPTUALIZED RESEARCH MODEL

The image concept is considered as a multidimensional attitude construct that represents all the noncorrelated denotative and connotative attribute associations related to an object (Biel, 1992; Ferrand and Pages, 1996; Keller, 1993). Because event marketing is a communication tool mainly aimed at addressing customers emotionally, it seems rather suitable for influencing the connotative aspect of brand image. Due to the lack of appropriate models, the assessment of this assumption makes it necessary to look at findings concerning other communication tools. In this respect, the attitude toward advertising research marks the starting point. Several studies and meta-analyses on this issue (Brown and Stayman, 1992; Heath and Gaeth, 1994; Muehling and McCann, 1993) assert an influence of "Attitude toward the Advertisement" (A^d) on the advertised brand (Attitude toward the Brand, A^{brand}). Furthermore, the effects of emotions caused by the advertisement were assessed (Bagozzi, Gopinath, and Nyer, 1999). It was found that the emotions affect both A^{Mnd} and A^a .

Because image is understood as a multidimensional attitude construct, these insights can be applied to the process of image manipulation. Because both A^{ij} and emotions are affective constructs, changes in the connotative image component are to be expected. The interpretation of A^j as the image of the marketing event and, in addition, the transfer of the abovementioned results from A^A research to the issue of event marketing yield the following assumptions: First, the emotions caused by the marketing event influence the event's image (in the sense of $A_{,,(i)}$) on the connotative dimension. Second, the emotions caused by the marketing event influence the image of the event object (in the sense of A^{brand}) on the connotative dimension. Third, the image of the event (in the sense of A^{ad}) influences the image of the event object (in the sense of A^{brand}) on the connotative dimension. This leads to the following set of hypotheses (see Figure 1):

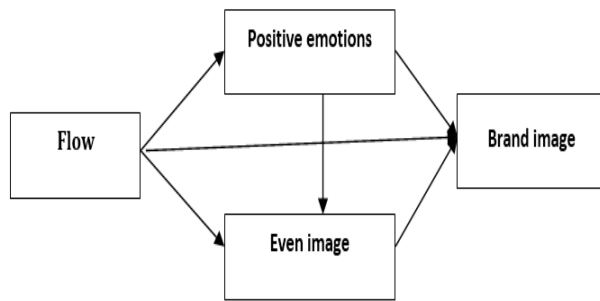


Figure 1. Proposed research model

This article is aimed at advancing knowledge about the impacts of event marketing. Therefore, the construct flow experience has been included in an explanatory model with the image of the brand organizing the event as the target variable. Outlined in the following section are: the model development, the method, the measures applied, and the results and implications of an empirical study, which has been performed to test the model with partial least squares (PLS) structural equation modeling.

VI. HYPOTHESES

The research hypotheses are proposed as follows:

- The more positive the perceived emotions of an event participant are, the more positive is his or her evaluation of the event's image on the connotative dimension.
- The more positive the perceived emotions of an event participant are, the more positive is his or her evaluation of the brand image on the connotative image dimension.
- The more positive an event participant's evaluation of the event's image on the connotative dimension is, the more positive is his or her evaluation of the brand image on the connotative image dimension.
- The stronger the active flow experience of an event participant is, the more positive is his or her perception of emotions.
- The stronger the active flow experience of an event participant is, the more positive is his or her evaluation of the event's image on the connotative dimension.
- The stronger the active flow experience of an event participant is, the more positive is his or her evaluation of the brand image on the connotative image dimension.

VII. SIGNIFICANCE OF THE STUDY

This study will serve the field of marketing as additional empirical evidence in the knowledge base of marketing practitioners and academicians regarding the

variables of interest of this study. It may also elevate the awareness of the concept of “brand” in a market where there is an abundant availability of unbranded FMCG products. Moreover, the current study undertakes customer driven approach. In Pakistan’s markets where advertisement and marketing is mostly organizational oriented, implying customer driven approach will provide the marketers with an insight into the consumer’s perception of their marketing efforts in an attempt to focus their efforts for more effective outcome.

VIII. FINDINGS/SUGGESTION OF THE STUDY

Most important is the result of a dominant path of effects leading from the flow experience during the soccer match to the perception of positive emotions that in turn has a high impact on the positive evaluation of the event image. the introduction of the flow construct allows us to examine whether the active participation of the target group in the communication process during a marketing event actually has a favorable brand image effect. It means that the company cannot only communicate directly with its customers, but that this communication between customer and company can be enhanced. The findings suggest that this particular advantage of event marketing can be used to successfully influence the brand image. Our research clearly shows that flow can occur during social interaction (e.g., while playing soccer). Therefore, an additional recommendation is that event marketers should focus on providing appropriate opportunities. It is not just the interaction between the company and the event participants that should be promoted. Managers should also take care to create a setting that facilitates communication among the attendees. As a result, a positive impact on brand image can be expected. Active interpersonal communication about the event and the company or brand responsible may furthermore stimulate word-of-mouth communication, which in turn positively influences sales or extends the effects of communication strategies (Hogan, Lemon, and Libai, 2004; Liu, 2006).

Marketing events do not automatically produce flow. Because the flow experience requires active participation by the individual, the event only creates a positive setting that makes it easier for the event participants to reach that state. In order to achieve this, the organizer first has to choose an event content that is of interest to the target group. Second, the conditions (i) to (iv) mentioned above should be taken into account when setting up the event: (i) Corresponding requirements: The requirements should correspond to the abilities of the participants (e.g., choosing equal opponents for competitions). (ii) Clear activity structure: The participants should get concrete and easily understandable instructions

about what to do during the event (e.g., rules of the game). (iii) Immediate feedback: The participants should get immediate feedback about the success of their activity (e.g., positive feedback from the event staff). (iv) Make it easy to concentrate on the task: Distractions (e.g., noise) and interruptions should be avoided during the event (e.g., by choosing and decorating an appropriate event location). Barriers (e.g., social hierarchies), which hinder the participants from quickly entering the sports experience world, should be lowered too (e.g., by choosing homogenous groups of event participants).

IX. CONCLUSION

We present several novel insights that have potential for furthering research and understanding in the area of services advertising. First, we address the ongoing debate over advertising effectiveness, and introduce the concept of service brand image as a laudable objective of advertising that seeks to delineate and differentiate a service brand. The concept provides a goal for services advertising that stresses the importance of consumer perceptions whereas historically much research has focused on production-related issues. In addition, as a focal goal of services advertising, the idea of service brand image encompasses not only the functional attributes and consequences realized by purchasing services, but also the symbolic and experiential components inherent in the experience of consuming services. Second, we point out the experiential nature of many services (the consumption of many services involves complex experiences) and introduce narrative understanding as a primary mode of understanding used in everyday life, especially by people trying to make sense of experiences. To accommodate the fact that people often engage in narrative understanding of phenomena, especially experience, we suggest that an effective way of communicating service experience is through narrative-based (storied) appeals that involve causally and chronologically connected events enacted by characters.

Thus, we present the service experience as a key consumer-oriented concept for studying the consumption of services from the customer's point of view. Third, we recommend an argumentative/narrative dichotomy for investigating brand-related meanings in ads. The dichotomy represents a continuum ranging from storied to argumentative presentations of information. Further, we suggest that advertisers can manage service brand image by using a combination of narrative and argumentative advertisements. Storied advertisements are especially effective for conveying symbolic information related to service brand image, whereas argumentative ads are useful for conveying functional service brand image information. Also, we introduce propositions

about how the content and structure of ads might influence their ability to convey service brand image. We hope our work will spur efforts to explore the propositions and lead to new and alternative directions for understanding services advertising.

X. LIMITATIONS OF THE STUDY

Finally, some limitations of this study and consequences for further academic work have to be noted. We focused on a particular target group, event content (sport), and event object (retail company). It follows that replications in other contexts could help answer the question of external validity. Furthermore, future research should also address the denotative image dimension.

Even if we found no significant effects of sex and age on the flow experience, demographic effects should be subject to further studies, because our study deals with a relatively homogenous age group (children and youngsters between 11 and 15 years of age). Studies from other academic disciplines on flow show positive influences of this construct on theoretical constructs other than those scrutinized here (Clarke and Haworth, 1994; Csikszentmihalyi and LeFevre, 1989). In particular, the impact of flow on the efficiency of information processing or the recall of the flow inducing experience seem to be promising for future research in the field of event marketing effects.

XI. SCOPE FOR FURTHER STUDY

The test of advertising effectiveness is determining whether consumers associate the desired functional benefits and symbolic meanings with the service brand. In other words, does the ad engender a positive service brand image? From our discussion of the strengths and weaknesses of argumentative and narrative advertising, we expect argumentative ads to be most useful for building the functional aspects of service brand image and narrative ads to be most useful for associating symbolic meanings with the service brand. An interesting question based on the idea of experience as a foundation for addressing service brand image is whether one ad type or another would be more effective for different services. We consider two different sets of services: more experiential versus less experiential services and consumer versus business services.

Some services are more experiential than others? Consuming services of an ATM is less experiential (requires fewer behaviors, thoughts, and feelings during consumption) than consuming services of a vacation resort or a restaurant meal. Are narrative ads equally effective for all services or are

such ads useful only for highly experiential services? We suggest that narrative ads are equally effective for demonstrating the symbolic aspects of service brand image for all services. We base that claim on the idea that the experience we are interested in conveying through advertising is the consumption experience, not the production experience. For example, an ATM service experience involves freedom and avoiding the hassle of lines and limited business operating hours, not just the act of interacting with the teller machine (although that is also part of the experience). Rather than arguing for the superiority of one type of ad over another for more or less experiential services, we contend that the relative percentages of narrative ads and argumentative ads should be different for more and less experiential services. Services that are low in experiential qualities are typically functional (ATM, dry cleaning, lawn work, etc.), and therefore should require few narrative ads because the symbolic aspect of service brand image may have little influence in determining customer behavior. However, narrative ads should still be a primary means of establishing the symbolic meaning of consuming the service.

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