PLEASE! WRAP THIS GIFT FOR ME: THE BRAND´S EFFECT WITH DIFFERENT PROMOTIONAL FRAMES

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Abstract

The main purpose of this study is to analyze the brand´s effect on advertising with different promotional frames [Discount vs. Save]. In total 178 individuals participated in the study. In experiment 1, results showed that, consumer has a higher intention to recommend and product quality perception when the brand is recognized by the market. In experiment 2, it was found that, recognized and unrecognized brands were better evaluated when the term Discount is used in promoting the offer. Therefore, managers should consider the term Discount to improving their sales when competing with recognized brands.

Keywords:

Brand, Framing, Promotion, Discount, Save

1. INTRODUCTION

A number of studies have shown that brand is very important for consumer evaluating an offer and to make decision. Some studies have addressed the influence of brand personality [1] the role of credibility and prestige of the brand [2] evaluation of brand portfolio [18], the value brand loyalty and customer satisfaction [20]. However, there is a lack in marketing literature about the impact of a brand with different promotional frames in retail stores.

Strong brands take advantages to the company's image, add value to the product, increase corporate profits and hamper the entry of new competitors in its market segment [1].

To face the competitiveness imposed by companies that have strong brands, it is common to use promotions when launching new brands on the market [13]. The goal of a promotion is to stimulate a first contact with the new brand. In such cases, the use of persuasive messages is one of the most common actions to promote these brands, and aims to strategically frame the information to the consumer by improving their perception of the offer.

The literature shows promotional strategies and message frames of price presentation. These strategies are due to the fact that the price is an important factor in purchasing decisions and their presentation stimulate purchase intent and product quality perception [1] [3] [4] [9] [13] [29] [31]. Retail stores are aggressive in using promotion messages and use it as the main tool to stimulate consumer behavior in favor of the offer.

From the academic point of view, there is still need to investigate the brand´s effect related to promotional messages in advertising. This study considers two important cues in promotions, brands [1] [27] and promotional´s message framing [15] [13] having focus on the impact of a brand with different types of framing in advertising. On this context, we decided to

conduct the present study with the scientific question: What is the brand´s effect with different promotional frames in intention to recommend the product and product quality perception?

The purpose of this study is to analyze the consumer behavior regarding the brand´s effect with different promotional messages [Discount *versus* Save].

With this goal in mind, two experiments were conducted. First experiment confirmed the brand´s effect on the intention to recommend and product´s quality perception. The second experiment examined the brand´s effect [recognized brand versus unrecognized brand] with different product´s promotional messages [Discount *versus* Save].

In general, this study is structured in three parts; we present the theoretical approach, following the research method, the results and references.

2. BRANDS

Studies have shown that one of the main attributes considered by consumers in their purchasing decisions refers to product brand [1] [3] [5] [16] [27] [30]. Having it in mind, analyzed the brand´s alphanumeric effect on consumer behavior [10]. An example of this brand is the 3M Company. The survey results showed the use of this name brand strategy facilitates the identification of the brand, among others available in the market, and also suggests new to the consumer, influencing quality perception and the intention to recommend the product [10].

Other useful strategy is to associate the country´s image to a brand. Consumers have a more positive product´s quality perception and purchase intent when the country is well regarded [18]. The evidence found in this study indicates that, the manufacturer country meanings serve as attribute to the consumer making its assessment [27]. The country language also influences the brand evaluation. [26] analyzed brand´s effect in foreign language and found that brand´s name in French are perceived as hedonic, as the country has a hedonic image.

Another type of strategy is brand extension, which investigated how this strategy affects the consumer´s assessment [28]. They observed that a negative experience with an extended brand, leads the consumer to evaluate more negatively the original brand that originated the brand extension. Conversely, when a brand extension is well evaluated by consumer, he or she tends to prefer it in other buying occasions.

Brand is a powerful cue to attract consumers and a signal of quality perception. Brand attributes influencing customer´s satisfaction and boosts the intention to recommend the store where the brand is sold [16].

So, based on studies that showed the brand importance to consumer and as the brand influences the product evaluation [1], [5] [27] [30], hypotheses are proposed: **h1**: consumer will have greater intention to recommend a recognized brand by the market compared to a not recognized brand; and **h2**: consumer will have a greater quality perception of a recognized brand by the market compared to a not recognized brand.

2.1 FRAMING THEORY

According to framing theory the way which the information is displayed changes the individual´s perception leading him to judge the same message in different ways [7]. This theory has its origins in the field of psychology, but has been used to explain how consumers process promotional messages in advertisements and how information influences consumer evaluation about an offer [14] [13]. It is claimed the framing effect leads the individual to superficial decisions without careful evaluation of message [7].

In an experimental study was found that consumers tend to evaluate more positively the discount in absolute monetary value, compared to the same value as a percentage [35].

Other research analyzed price presentation effect in absolute and percentage monetary value. The results showed that consumers are most influenced both in purchase intent and quality perception, when discount value is displayed in percentage compared to the same value in absolute format [32].

As mentioned before, consumer takes consideration to making decision is product brand [1] [5] [16] [27]. Assuming that, consumer anchors in the brand to make purchasing decision, it is suggested that a recognized brand by the market, will not be influenced by the promotional message used in advertising; thus, are propose the following hypotheses, **h3** - the intention to recommend a recognized brand by the market not depend on the promotional frame [Discount vs. Save], and **h4** – product´s quality perception of a recognized brand by the market not depend on the promotional Discount frame [vs. Save].

In other cases, the frame has proven effective as the embodiment of the information for the individual [7]. In the marketing field, it is expected that a not recognized brand by the market will be more positively evaluated by frame Discount versus Save, which is more common in promotions context, compared to the term Save. Thus, it is expected in **h5**: the intention to recommend a not recognized brand will be greater with Discount frame [*versus* Save], and **h6**: quality perception of a recognized brand is will be greater with Discount frame [versus. Save].

3. EXPERIMENTAL DESIGNS - EXPERIMENTS 1 & 2

The hypotheses were tested by two experiments. Experiment 1 - factorial design 2 × 1 [Brands: recognized vs. unrecognized] × 1 [Product: Computer] and Experiment 2 - factorial design 2 × 2 [Frames: Discount vs. Save] × 2 [Brands: recognized vs. unrecognized].

3.1 DEVELOPMENT OF STIMULI

For the experiments, we consulted a group ($n = 5$) business students to identify a common product to their profile. We asked to make a list of products considered very useful in their day-to-day. In consensus, they mentioned computer as a product of prime importance in the light of studies.

After the product definition, the next step was to identify a brand of interest of those consumers. Four brands were mentioned; LG, Acer, Sony and Samsung. Sony was the brand best evaluated by students because they considered as more traditional brand and recognized by the market. For price setting, we consulted a website specializing in quotations, which indicated U$ 1,120.00, as average price for Sony computer.

To create a not recognized brand, that is, a brand invented for the purpose of the study, was asked to a group ($n = 8$) students to suggest names to use as a brand to a new computer model to be launched Marketplace. The group suggested *TechPower*, claiming to be the junction of Technology plus Power (power) and suggesting good performance.

For the promotional message frame to be used in advertising was conducted brainstorming with ($n = 4$) students to identify promotional messages known by the group profile of the study sample. The terms mentioned were, Discount, Save, Black Friday and Clearance Sale burning. For the promotion of a computer, this group judged the terms Discount and Save would be most appropriate. Another group composed of five marketing students was asked about which one would be the best term, Discount or Save in an advertising. Whole of them considered Discount as more arouse attention in an advertisement. So, the term Discount was better evaluated and associated with words like; customer satisfaction, benefit and advantage. However, the term Save was associated with money, economic situation, financial situation, and a technical term. So, we concluded that, Discount was a better term to be used as frame in an advertising compared to the term Save.

3.2 SAMPLE AND CONTROL PROCEDURES

The same data collection procedure was used in both experiments. Questionnaires were given to business students. We chose this sample by a researcher at the ease of access to individuals and the use of computer in day-to-day. The majority of the students have a gainful occupation and a purchase decision making profile.

4. ANALYSIS OF PLAN OF EXPERIMENTS DATA

For data analysis we used techniques of descriptive analysis and analysis of variance - ANOVA, with significance level of p <0.05 [11]. The statistical software SPSS for Windows version 19 was used for analysis.

4.1 GENERAL DESIGN DATA COLLECTION TOOL

The data collection method consisted in the application of a self-administered questionnaire at University environment (in class). The research instrument (questionnaire) was structured in

three parts. The first (Part 1) informed the purpose and relevancy of the study (investigation about electronic product), and requested an analysis of the notebook advertisement by the respondent. The control question for this questionnaire was the brand awareness. Next step (Part 2), the respondent could express his intention to recommend the product and quality perception of the computer. To measure the intention to recommend the product it was used three (03) affirmatives: <speak to others about the brand of this computer>; <Speak positively about the advertising of this brand to others; <Indicate this computer brand to close people > ($\alpha = 0.765$) and quality perception: three (03) affirmatives - <*I* realize that this computer has high quality>; <*I* realize that this computer is reliable>; <*I* realize that this computer has good performance> ($\alpha = 0.889$). A one (01) affirmative was used to check the brand recognition manipulation (I know this brand); and three (03) affirmatives to check the frame of promotional message in advertising <The price of this computer brand in the ad is very low>; <The price of this computer brand in the ad is very affordable>; <The promotional brand of this computer is very good> ($\alpha = 0.868$).

For all affirmatives a Likert scale of 7 points was applied, as 1 = "totally disagree" and 10 = "totally agree". Finally, we asked respondents to tell their personal data such as gender, income, monthly expenses and marital status.

5. EXPERIMENT - 1

In this first experiment, we used a factorial design with design 2×1, and - 2×(Brands: recognized versus unrecognized)×1 (Product: Computer).

5.1 EXPERIMENT 1: RESULTS

In this experiment, a group of 30 business students evaluated the recognized brand (Sony) and other 31 unrecognized brand (*TechPower*). The total sample consisted of 61 subjects, 32 (52%) men and 29 (48%) women, with a mean age of 26 years; average reported income of U$ 872,52 and monthly expense of U$ 232.00. Of these, 32 (52%) are married and the other 29 (48%) singles.

First, we proceed to the check manipulation of brand recognition. Results showed ($Sony_{mean} = 6.75$, SD = 3.26 and $TechPower_{mean} = 2.25$, $SD = 1.67$; t (57) = 6.752, p <0.01). Occurred as expected, recognized brand (Sony) was better evaluated compared to brand unrecognized (TechPower).

By ANOVA, it was identified the main effect to intended to recommend (F (1,59) = 20.486; p <0.01) and quality perception (F (1,59) = 35.467; p <0 , 01).

Student t test indicated the intention to recommend ($Sony_{mean}$ = 5.82 and $SD = 2.22$; $TechPower_{mean} = 3.69$ and $SD = 1,35 t$ (59) = 4.492, p <0.01) and quality perception ($Sony_{mean} = 6.60$ and SD = 2.65; $TechPower_{mean} = 3.34$ and $SD = 1.46$; t (59) = 3,34, p <0.01). The Fig.1 summarizes the results of this experiment.

5.2 EXPERIMENT 1: DISCUSSION

In this first experiment, it was found that a recognized brand (Sony) was better evaluated compared to unrecognized brand (*TechPower*) on intend to recommend and quality perception. This result evidenced that recognized brand are stronger than not recognized brand, as identified by [34]. So, brand is the main

attribute considered by consumer to make their purchasing decision. This result converges with study done by in which brand attributes influencing customer satisfaction and intention to recommend the product [6].
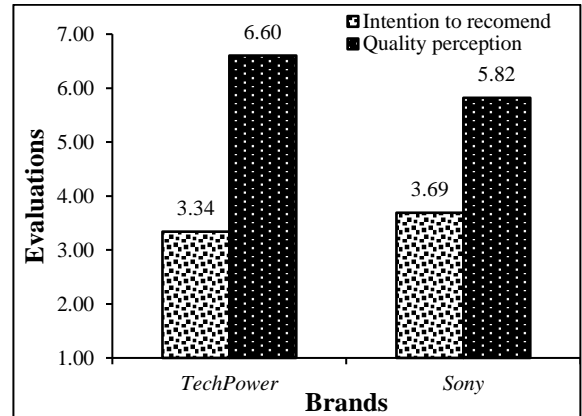

Fig.1. Brand Evaluations

6. EXPERIMENT - 2

In this experiment, we used a factorial design with 2×2 design, and - 2×(brands: recognized versus unrecognized)×2 (Frames: discount vs. save).

6.1 EXPERIMENT RESULTS 2

In this experiment, a group of 61 business students evaluated the recognized brand (Sony) brand and other 56 students evaluated the unrecognized brand (*TechPower*). The total sample consisted of 117 subjects, 51 (44%) men and 66 (56%) women, with a mean age of 22 years; average reported income of R $ 1,877.77 and monthly expense of R $ 1,005.90. Of these, 19 (16%) are married and the other 97 (83%) singles.

In the sequence, manipulation check of promotional message was done [Discount vs. Save]. Results indicated ($Discount_{mean}$ = 4.85 and $SD = 2.90$ and $Save_{mean} = 3.23$ and $SD = 1.67$, t (115) = 93.081, p <0.01). Thus, it was considered the term Discount is more persuasive compared to save in relation to their use in advertising. With regard to brand recognition ($Sony_{mean} = 4.96$ and $SD = 3.72$ and $TechPower_{mean} = 2.46$ and $SD = 2.39$; t (114) = 4.332, p <0.01). As in experiment 1, Sony was better evaluated compared to TechPower.

We identified main effect of the brand to intention to recommend (F (1,116) = 63.679; <0.01 and quality perception (F (3,116) = 34.765; p <0.01). To promotional message was also found main effects to intended to recommend (F (1,116) = 47.043; <0.01) and quality perception (F (1,116) = 51.271, p <0.01).

The brand´s effect with different frames [Discount vs. Save] were ($Sony_{Discount} = 6.90$ and $SD = 1.85$ and $Sony_{Save} = 3.79$ and $SD = 1.35$; t (57) = 6.781, p <0.01) and $TechPower_{Discount} = 3.44$ and $SD = 1.24$ and $TechPower_{Save} = 2.26$ and $SD = 1.35$ t (57) = 3,227; p <0.01) intention to recommend.

For quality perception results were ($Sony_{Discount} = 7.09$ and SD = 1.75 and $Sony_{Save} = 3.41$ and $SD = 1.42$; t (57) = 5.3 [13], p <0.01) and $TechPower_{Discount} = 3, 86$ and $SD = 1.22$ and T $TechPower_{Save} = 2.52$ and $SD = 1.29$ t (57) = 2.291; p <0.01).

On average, the intention to recommend both brands with Discount Frame ($Sony_{Discount}$ = 6.90 and SD = 1.85 and $TechPower_{Discount}$ = 3.44 and SD = 1.23; t (57) = 6.781, p <0.01) and with the term Save ($Sony_{Save}$ = 3.79 and SD = 1.25 and $TechPower_{Save}$ = 2.26 and SD = 1.[13]; t (57) = 4.1[13], p <0.01) and for quality perception ($Sony_{Discount}$ = 7.09 and SD = 2.47 and $TechPower_{Discount}$ = 3.86 and SD = 1.89 t (57) = 3.233, p <0.01) and the frame Save ($Sony_{Save}$ = 3.41 and SD = 2.42 and $TechPower_{Save}$ = 2.52 and SD = 1.82 t (57) = 3.380, p <0.01). The Fig.2 and Fig.3 summarize the results of this experiment.
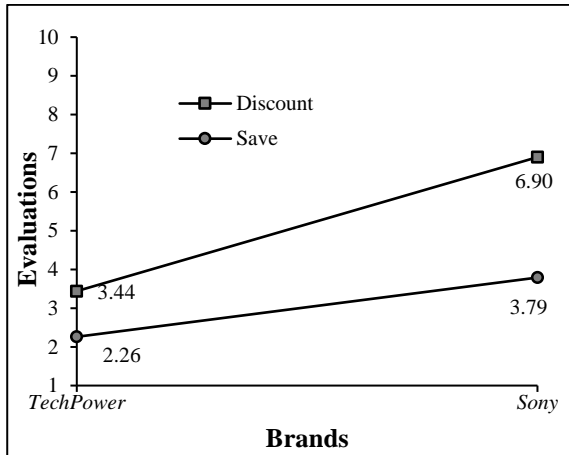

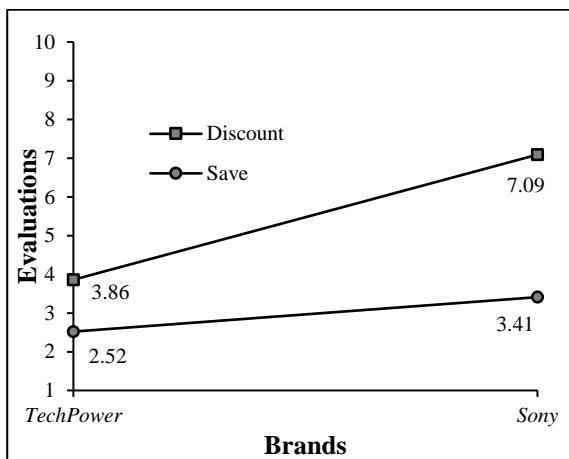Fig.2. Intention to Recommend

Fig.3. Quality Perception

6.2 EXPERIMENT 2 - DISCUSSION

In this experiment, it was observed that the frame Discount influenced more positively the intention to recommend and quality perception of the product, compared to the frame Save. The results suggest that, the most positive assessment of the discount frame, and its most striking influence on the assessment of the respondents, due to the fact that this term is more usual than the term Save.

Based on the literature, recognized brand not depend of the frame, however, the respondents showed high intention to recommend the product and also higher quality perception when the frame Discount was used in advertising. It was also noted, that unrecognized brand (*TechPower*) was better evaluated with the

term Discount, and however, its assessment was less than the recognized brand (Sony).

7. GENERAL DISCUSSION OF THE RESULTS OF EXPERIMENTS

In Experiment 1, was confirmed that, recognized brand by the market influences more positively consumer behavior in favor of the product compared to a not recognized brand, as shown in previous studies [34].

In Experiment 2, was observed that, the advertising frame influences both brands evaluations. The results suggest that, in the case of brand promotion, including those recognized by the market, promotional frame can reinforce the desire to purchase the product. The intention to recommend the product and the quality perception for both brands were also better evaluated when counted with the frame discount, unlike Save. However, it is possible to confirm that brand is more importantly than promotion frame, for the absence of interaction effect.

The influence of the frame Discount may have boosted consumer evaluation to be more usual as opposed to the term Save. Another point to note is that, in a qualitative phase for development of stimuli to be used in this study, it was mentioned the term Discount refers to customer satisfaction, benefits and advantages; however, the term Save, refers to money, financial situation and technical term, which could hamper consumer understanding. Finally, Table.1 shows the hypotheses tested in this study.

Table.1. Tested Hypothesis

h1	Consumer will have greater intention to recommend a recognized brand by the market compared to a not recognized brand	**supported**
h2	Consumer will have a greater quality perception of a recognized brand by the market compared to a not recognized brand	**supported**
h3	The intention to recommend a recognized brand by the market not depend on the promotional frame [Discount vs. Save]	**Not supported**
h4	Product quality perception of a recognized brand by the market not depend on the promotional Discount frame [vs. Save].	**Not supported**
h5	The intention to recommend a not recognized brand will be greater with Discount frame [versus Save]	**supported**
h6	Product quality perception of a recognized brand by the market not depend on the promotional Discount frame [vs. Save].	**supported**

8. THEORETICAL CONTRIBUTIONS, SUBSTANTIAL AND RESEARCH RECOMMENDATIONS

The main theoretical contribution of this study was to identify that even when it comes to recognized brand by the market, the form of promotional message frame enhances consumer interest in recommending it, and also the quality perception. This study establishes together with others researches that addressed the theme brand [1], [2] and consumer behavior [33].

The substantial contribution of this study was to demonstrate through experiments that companies with recognized brands, or the same ones that are launching new brands on the market, can improve their performance using the frame Discount. As seen in the stimulus design stage, the Discount frame seems to suggest more benefits to the consumer compared to the frame Save, which seems to be associated with financial situation, as well as being considered a technical term.

It is recommended to carry out further studies with the use of different frames, product categories and discount levels. The sample extension is also recommended for better understanding of the studied phenomenon and generalization of the results.

9. CONCLUSIONS

Based on this study we identified that brands have a significant influence on consumer behavior, even, an unrecognized brand. Therefore, both, recognized and unrecognized brands were better evaluated when the massage was framed by the term discount instead save. In line with this study, sales manager can potentiate their sales of different brands in promotion strategies. Future studies could shed light on brands' evolutions of different product´s categories, measure brand equity and intention to repurchase.

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