

1 An Experimental Investigation of Factors Affecting Consumers' 2 Perceptions of Digital Sales Promotions

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7

8 **Abstract**

9 Along with the existence of modern content-based digital goods, a promotional premium
10 product no longer need to be tangible - digital premiums are alternatives to traditional
11 physical premium products. This article reports the results of an experimental study, where
12 the purpose was to gain understanding of consumer perceptions of digital premium-based
13 promotional offers. Three characteristics related to digital premium-based promotions were
14 manipulated in the context of a bottled water purchase: the immediacy of receiving the
15 premium, the method the premium is earned and the tangibility of the premium. Covariate
16 included consumer perceptions of the promoted brand and product category both in terms of
17 the advertised product as well as the premium product. The results show that the examined
18 factors have interactive effects on consumer perceptions. Of the three factors, immediate
19 premium reception had the most impact on the overall appreciation of the promotion and was
20 less likely to be perceived as manipulative. Managerial implications as well as suggestions for
21 future research are provided.

22

23 *Index terms*— sales promotion, digital goods, digital marketing, promotional premium.

24 **1 I. Introduction**

25 y definition, sales promotion is a set of marketing tools designed to stimulate a consumer towards purchasing
26 goods or services by providing an incentive to do so (d'Astous & Landerville, 2003; ??lvarez & Castilles, 2010).
27 The difference between sales promotion and advertising is that advertising offers a reason to purchase a good
28 or a service whereas sales promotion offers a reason to purchase it now (Kotler & Armstrong, 2011; Rossiter
29 & Percy, 1987). A holistic definition by Rossiter and Percy (1987) describe sales promotion as "a more direct
30 form of persuasion, based frequently on external incentives rather than inherent product benefits, which is
31 designed to stimulate immediate purchase and to move sales forward more rapidly than would otherwise occur."
32 In practice this translates to the notion that sales promotion tries to trigger consumer purchase behavior by
33 focusing on the premium instead of the product itself. The primary objective of sales promotion is to have a
34 direct impact on buying behavior ??Alvarez & Castilles, 2010). Preferred effects vary from increasing short-
35 term sales, building long-term market share, getting consumers to try new products, obtain better visibility or
36 rewarding loyal customers (Kotler & Armstrong, 2011). The key to the elements of a successful sales promotion
37 are welldefined objectives and tools, and a carefully designed sales promotion program that works together with
38 the rest of the promotion mix elements and marketing communications ??Kotler & Armstrong, 2013).

39 In a non-monetary sales promotion, a premium is a tangible reward received for performing a particular act,
40 usually purchasing a product (Burnett, 1993). A premium-based promotion includes a product or service for free
41 or at a lowered price in return for the purchase of one or multiple items or services (d' ??stous & Landerville,
42 2003). Premiums have been used as promotional tools for decades and are not by any means a new phenomenon:

1 I. INTRODUCTION

43 Companies use premiumbased sales promotions frequently and they form an important tactical decision-making
44 area for many business practitioners. Still, despite of their common utilization, premium based sales promotion
45 has had relatively little academic attention (d' ??stous & Landerville, 2003).

46 Electronic and online media is the fastest growing area within marketing (Alvarez & Castilles, 2010) and
47 marketers are embracing its various opportunities. Intangibility gives digital goods several advantages over
48 tangible goods. Digital products are stored and distributed with virtually no additional costs (Koiso-Kanttila,
49 2008; Rowley, 2008). These new opportunities have increased the use of content-based digital products as sales
50 promotion premiums, too. Digital products, such as mp3 music files, eBooks, tutorials, recipes and artwork have
51 been used as sales promotion premiums but their impact on consumer perceptions have not yet been reviewed in
52 academic literature. This creates the research gap in this study.

53 This study focuses on premium based sales promotions. The objective is to create a better understanding
54 of how a premium based sales promotion campaign should be executed and what are the different elements of
55 the campaign a marketer needs to understand to create a successful promotion as a whole. Previous studies of
56 premium based sales promotion have not taken into account the possibility of, Year () firstly, using digital
57 products as premiums or, secondly, incorporating the use of the Internet into the sales promotion campaign. In
58 this study the possibility of a non-tangible, digital premium will be utilized as a purchasing incentive. Also,
59 an online solution will be provided as an option to traditional coupon collecting in order for the consumer to
60 earn or receive the premium. These are commonly used features of modern sales promotion campaigns and,
61 thus, should not be overlooked in the academic literature. a) Sales promotion Sales promotion is the set of
62 marketing tools that use a non-monetary incentive, the premium, to stimulate consumers' purchase behavior
63 (d'Astous & Landerville, 2003; ??lvarez & Castilles, 2010). In recent years, sales promotions have accounted for
64 a significant share of companies' marketing expenditures due to immense sales pressure, homogenous competition,
65 advertising inefficiency and ever more deal-oriented consumers (Kotler & Armstrong, 2011). Still, nonmonetary
66 sales promotion, such as premium-based promotions, has received less academic attention than advertising and
67 monetary sales promotion (Liao & Ze, 2006; ??oonlertvanich, 2010).

68 While immediate sales are a good measure of the short-term success of advertising efforts, the longterm
69 measurability and evaluation is far more complicated (Kotler & Armstrong, 2011). Short-term effects of a premium
70 promotion have a less damaging effect than a monetary promotion (Magid & Lodish, 1990). Although often
71 seen as a "quick-fix", sales promotion is indeed intended to reinforce the products position and build a long-
72 term customer relationship. Marketers are increasingly avoiding price-only promotions that can be harmful to
73 the brand in the long term. Instead, companies are adopting more complex sales promotion tools that build
74 brand equity (Kotler & Armstrong, 2011). The persistence model by Dekimpe and Hanssens (1995) illustrates,
75 that long-run marketing impact emerges from a complex interaction of many different short-term marketing
76 actions. Several authors portray non-monetary promotions as a superior alternative to price promotions. Still,
77 the marketer should be aware of the possible negative aspects. It is without a doubt possible that a premium
78 campaign can have negative impacts, namely the consumers' brand image.

79 The strategic objective of sales promotion is to influence consumers buying behavior in order to increase short-
80 term sales, build long-term market share, get consumers to try new products, obtain better visibility or reward
81 loyal customers (Kotler & Armstrong, 2011; ??lvarez & Castilles, 2010;Liao & Ze, 2006;Rajagopal, 2008). To
82 meet these objectives, the marketer will develop a sales promotion program that will result in a promotion that is
83 meaningful to the consumer and successful to the company (Kotler & Armstrong, 2011). The key elements, that
84 are sized and type of the incentive, the conditions of participation and duration of the campaign are the very
85 basic structure of the promotion, but there are numerous other factors to consider, like the psychological and
86 demographic characteristics of the consumers who are targeted (Kotler & Armstrong, 2011; ??lvarez & Castilles,
87 2011).

88 A non-monetary sales promotion can have numerous types of incentives. Most commonly the incentive is
89 called a premium, that is, a tangible reward received for purchasing a product (Burnett, 1993). A premium-
90 based promotion includes a product or service for free or at a lowered price in return for the purchase of one or
91 multiple items or services (d' ??stous & Landerville, 2003). The premium can have different forms. It can be an
92 increased amount of the purchased product (same product premium) but it also can be a gift that may or may not
93 be related to the initial product the customer is purchasing (Burnett, 1993;Liao & Ze, 2006). Another dimension
94 of the premium relates to the reward-timing aspect of the premium. A direct premium is received immediately,
95 whereas the delayed premium is delivered to the consumer at a later instance (D'Astous & Landerville (2001).

96 There have only been few studies on the effectiveness of premium based sales promotions. In their study,
97 d'Astous & Landerville. (2003) concluded that a promotion with an incentive generally increases sales. Some
98 researchers have studied consumer preferences of different aspects of promotion campaigns and characteristics of
99 related premiums. The most notable study result has been that consumers appreciate the campaigns with direct
100 premiums highly more than those with delayed premiums (d'Astous & Jacob, 2002; d'Astous & Landreville 2003;
101 Liao & Ze, 2006). In addition to the reward-timing dimension, research has indicated that consumers prefer a
102 relatively low quantity of products to be purchased in able to receive the premium, they appreciate if the value of
103 the premium is mentioned and respond better to a good product-premium fit (d'Astous & Jacob, 2002; Simonson,
104 Carmon, & O'Curry, 1994). The notion that consumers would rather purchase a low quantity of products in
105 order to receive a premium might sound apparent. However, the marketer should be rational when deciding on

106 the quantity of products needed to receive the premium and the value of the premium. A campaign with a very
107 low amount of products to be purchased naturally will include a low value premium that might not be attractive.
108 On the other hand, like the previous studies concluded, a large amount of products that need to be purchased will
109 no longer trigger consumer purchases, even if the premium is of great value (d'Astous & Jacob, 2002; Simonson
110 et al., 1994).

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113 **3 A**

114 Consumers also appreciate the promotion when their brand attitude is positive and when the interest in the
115 premium is significant. Finally, consumer behavior such as deal-proneness and compulsive buying tendencies had
116 a definitive impact (d'Astous & Jacob, 2002).

117 It has been noted that the dimensions of the incentive alone cannot explain consumer perception on the
118 promotion. The product category (convenience goods, shopping goods or specialty goods) has a great impact.
119 As an example, Liao and Ze (2006) found that in the convenience goods category, a same-product incentive,
120 that is, a promotion where the consumer gets an extra amount of the product, works better than a premium.
121 Consumers do not always have a positive response to non-monetary sales promotions. Simonson et al. (1994)
122 found that consumers might feel the premium as an unneeded feature that they are actually paying for. Consumers
123 might even avoid premiumbased promotions out of reluctance. This notion of manipulation intent has received
124 a fair amount of acknowledgement (Simon et al., 1994; d'Astous & Landreville 2003; ??Ivarez & Casilles, 2004).

125 Some researchers have attempted to identify certain traits in consumers that make them more easily attracted
126 to promotions (Lichtenstein, Burton & Neteneyer, 1997; Laroche , Pons, Zgoll, Cervellon, & ??im, 2006).
127 Although this study will not focus on the consumer traits on deal-proneness, it is good to acknowledge that
128 promotions impose different levels of consumer benefits, mainly utilitarian and hedonic (Chandon , Wansink,
129 & Laurent, 2000). Understanding the two values that might trigger consumer's dealproneness gives insight to
130 the marketer, when formulating the sales promotion campaign. The premium, for example, must have either
131 utilitarian or hedonic value to the consumer.

132 **4 b) Digitality in consumption**

133 With the emergence of the computer era, and the Internet, new types of goods have come to market and
134 consumption has taken new digital forms. Digital goods can be of different nature and use. As goods, software,
135 online services, electronic journals, e-books, games, music or video serve a very different purpose but all share a
136 fundamental resemblance as they are all made from bits. Information product, electronic goods, digital products
137 or digital content, virtual products are all synonymous to digital goods (Koiso-Kanttila, 2008; Koukova, Kannan,
138 & Ratchford, 2008). Digital goods can also be categorized in tools and utilities (software), content-based digital
139 products (media) and online services (Hui & Chau, 2002). Essentially, digital goods are conceptualized as bit-
140 based objects distributed through online channels (Koiso-Kanttila, 2008).

141 Although stored in a physical medium (Rowley, 2008), digital goods are intangible and can only be exposed
142 to visual and hearing senses (Koiso-Kanttila, 2008; ??arache, Yand, McDougall, & Bergeron, 2005). The
143 physical intangibility is an asset for digital goods, as storing is relatively inexpensive compared to tangible
144 goods (Koiso-Kanttila, 2008). Digital products can also be delivered to the consumer instantly. The immediacy
145 of the distribution is an essential feature for digital content, which is also used as a variable in the present
146 study. Another distinctive quality is its extremely homogenous quality (Rowley, 2008). There are practically no
147 production failures and digital content can be duplicated without quality loss, meaning control becomes obsolete.

148 The intangibility of digital goods has an impact on consumer's decision-making. An intangible good or service
149 does not have the pre-purchase inspection possibilities that their tangible counterparts have (Laroche et al.,
150 2005;Phau & Poon, 2006). The lack of pre-purchase judgments, then translate into increased perceived risk
151 (Laroche et al., 2005). Still, it has been found that in the context of online shopping, nontangible products are
152 more easily purchased than tangible products (Phau & Poon, 2006).

153 Many traditional tangible consumer goods have online or digital equivalents (Rowley, 2008) and some
154 companies offer both physical and electronic goods in parallel. As an example, some publishers have both digital
155 and paper publications of books and magazines. Some argue that offering content in both forms in parallel may
156 lead to market share cannibalization ??Stahl, Schafer, & Maass, 2004) but the publishers themselves argue that
157 an online presence is necessary and an important part of increasing the reputation of the offline brand, among
158 other benefits (Rowley 2008).

159 Pricing digital content is challenging, but for this study the perceived value of the digital content to the
160 consumer is even more relevant. To make pricing even harder, the modern Internet user is highly likely to be
161 accustomed to free information, free music and free software (Swartman, Krueger, & Van der Beck, 2006). There
162 are different ways of implementing digital content pricing. Unit price, access based pricing or bundled pricing are
163 some of the most common ones with the addition of offering them free of charge (Koiso-Kanttila, 2008). According
164 to Koiso-Kanttila (2008) offering free content is a tactic used to introduce the new consumer technology. This

7 III. METHODOLOGY

165 method called acceptance building (Koiso-Kanttila, 2008). The study of consumer perceptions of the value of
166 digital and information content is rather ambiguous (Rowley, 2008). In the context of sales promotion the value
167 of digital content creates challenges when the marketer tries to find a digital premium, which perceived value
168 would match the deal itself, and the promoted product. Consumers alike will have difficulties in formulating the
169 value of the digital content (Rowley 2008).

170 One monetary sales promotion technique that has adapted to the digital era is coupon redemption. Although
171 there are no proven specific demographics of consumers that most embrace electronic coupons, it is clear that
172 they have reached the young and educated, that previously weren't a target segment (Chiou-Wei & Inman,
173 2008). Undoubtedly, there is an income threshold as well as issues relating to technology ownership that limits
174 the potential of electronic campaigning (Chiou-Wei & Inman, 2008). Considering that most of the people in
175 the developed countries have an access to a personal computer, the abovementioned way of marketing does not
176 exclude any consumers. An example of a digitally adapted nonmonetary sales promotion technique is product
177 bundling. The traditional product bundles have consisted of two, usually complementary tangible products (a
178 camera with a lens, stereos with speakers, etc.,) but recently bundles of tangible and digital goods (a paperback
179 book with an e-book) have emerged (Koukova et al., 2008). These examples of modern approaches show the
180 some possibilities how the use of technology can enhance sales promotion tools as we know them today.

181 5 II. Research Frame Work

182 This study investigates consumer perceptions of digital premium based sales promotion campaigns. The research
183 framework is based on studies on premium based sales promotions. d'Astous and Jacob (2002), studied consumer
184 perceptions of traditional sales promotions. In this study, the digital and online properties of the premium are
185 taken into consideration. This study will give an understanding of how consumers perceive digital premiums,
186 but also investigate other aspects of the sales promotion program (Kotler & Armstrong, 2011), namely how the
187 consumer earns the premium and is the premium a delayed or a direct one. Understanding how consumers react
188 to different setups of a sales promotion campaign will result in more applicable managerial implications. The
189 nature of the premium, the immediacy of the premium (Burnett, 1993 H1. Consumers' overall appreciation of a
190 promotional offer that includes a digital premium is better than of a promotional offer with a physical premium.

191 6 H2. Consumers' overall appreciation of a collectible

192 premium campaign where codes register online is better than of a campaign requiring traditional physical effort.
193 H3. Consumers' overall appreciation of a promotional offer that includes a direct premium is better than a
194 promotional offer with a delayed premium. H4. Consumers' overall appreciation of a promotional offer that
195 incorporates a digital premium uses an online earning method and is delivered with no delay, is higher than any
196 other combination of features.

197 7 III. Methodology

198 This research was a $2 \times 2 \times 2$ full factorial between-subjects design (premium: digital, tangible x earning method:
199 online, physical, x immediacy: right away, after the campaign is over). This method was chosen as it allows
200 interaction between the variables (Malhotra & Birks, 2006). A pretext was not necessary, Figure 1 : The
201 research framework for this paper is represented below as the experiment conditions used in the study were
202 objective in nature with no possibility of false operation. This study is an experimental research (Myers & Well,
203 2003) conducted in a laboratory environment (Malhotra & Birks, 2006). Each respondent was presented with
204 one alternative campaign advertisement. Eight different advertisements were created to correspond the eight ($2 \times$
205 2×2) different possibilities the different attributes enabled. This way it was later possible to examine how
206 changing one attribute reflected consumers' perceptions regarding the advertisement. The different images were
207 randomly distributed among the respondents who only got to see one version of the tested eight advertisements.

208 The brand of the promoted product as well as the premium brand was picked because they were both gender
209 neutral. The products were chosen on the assumption that both brands were familiar to the participants. Only
210 one brand was used as the promoted product and another for the premium product and there was no choice
211 between multiple available brands. The advertisements were made from graphics found on the brands' web pages
212 and edited together to create a realistic promotion a) Measures and data collection All respondents were students
213 from University of Jos. Respondents were recruited using e-mailing lists from different courses. E-mail was
214 sent with a link to the web-questionnaire. A sample of 135 respondents was randomly assigned to the different
215 advertisements. The respondents' average age was 25 years. 59 % of the respondents were female and 41 % were
216 male.

217 After the respondents were exposed to the imaginary advertisements, they were asked to answer several
218 questions regarding the overall attractiveness (The general impression of the promotion is good, The promotion
219 is interesting) and perceived manipulation intent of the advertisement (The promotion seems dishonest, The
220 deal makes me feel like I am being manipulated). They were also asked about their attitude towards the brand
221 of the promoted product, Swan natural Spring water (I have a positive image of Swan natural Spring water,
222 Swan natural Spring water is good, Swan is better than other spring waters) and the brand of the premium,
223 News-Watch magazine (News-Watch is an interesting magazine, I like News-Watch magazine, I have a positive

224 image about News-Watch magazine, News-Watch is a magazine of quality, News-Watch is better than the other
225 similar magazines). The participants were also asked about their interest in the product category of the promoted
226 product, Swan natural Spring water (I drink Swan natural Spring water, I am interested in Swan natural Spring
227 water, New Swan natural Spring water interest me, Swan natural Spring water are indifferent to me), and
228 premium product, News-Watch magazines (I am interested in News-Watch magazines, News-Watch magazines
229 interest me, News-Watch magazines are indifferent to me, I News-Watch magazines). Questions were answered
230 on a seven-point Likert-scale from 1 (Strongly disagree) to 7 (Strongly agree) (Malhotra & Birks, 2006). All
231 scales used in the study were adapted from the scales developed by d'Astous and Landerville ??2003).

232 The web survey results were analyzed using SPSS software. This section will demonstrate the results of
233 analyses that allowed the examination of the differences between the advertisements, as well as the interactions
234 between different features of the premium promotion advertisements. Tables and charts were included to add
235 coherency.

236 **8 b) Definition of variables**

237 The data had good qualifications for executing a factor analysis (KMO 0.828, $p < 0,001$). The scale data were
238 subjected to principal axis factoring (commonalities > 0.3). The rotation method was Varimax with Kaiser
239 normalization and it was converted in five iterations. The rotation showed six factors that represented 72.4 % of
240 the total variation. With respect to consumer reactions toward the offers, two factors were extracted (Eigenvalue
241 > 1). Together they explained 12.9% of the total variation. Two items ("The overall image of the offer is positive",
242 "The offer is interesting") loaded highly (average loading = 0.71) on the first factor that interpreted as "overall
243 appreciation" of the promotional offer. The second factor loaded (average loading = 0.73) on items relating to
244 manipulation ("The offer appears to be dishonest", "The offer makes me feel I am being manipulated). This factor
245 was interpreted as "manipulation intent" of the promotional offer. c) Anova models One-way ANOVA models
246 were made to analyze the experimental data (Keppel, 1991). A preliminary analysis of variance was executed
247 to be able to see if consumer appreciation and perception of manipulation intent vary across the eight different
248 versions of the campaign advertisement. Overall appreciation and manipulation intent were used as dependent
249 variables and the between-subject factor was the different versions of the advertisement. Results showed that
250 there were significant differences in the means of the two dependent variables across the eight versions of the
251 advertisement. In the case of overall appreciation, the differences were statistically significant ($F = 2.73$, $p <$
252 0.05).

253 Succeeding the preliminary analyses, ANOVA models were conducted. The first analysis of variance included
254 overall appreciation of the promotional offer as a dependent variable and the second included manipulation
255 intent as a dependent variable. For both models, the between-subject factors were the premium Covariates
256 (brand attitude towards the product, brand attitude towards the premium, Interest in the product category and
257 interest in the premium category) were also used as independent variables. The results of the two ANOVA models
258 are presented in It can be seen that in the case of the overall appreciation, the triple interaction between premium
259 types, earning method and premium immediacy were significant. Of the individual premium promotion features,
260 premium immediacy had a statistically significant impact (H3a: $F = 8.91$, $p < 0.05$) on overall appreciation. The
261 descriptive-chart shows the highest mean (= 0.36) on version number seven, which represented the advertisement
262 where the consumer would use the online method to earn a digital version of the premium and receive it
263 immediately (H4a supported). The lowest mean (= -0.71) loaded on version number six, which represented
264 the advertisement that used traditional earning methods and a delayed digital version of the premium. Out of
265 the covariates, the negative brand attitude towards the product was seen more manipulative. The result was
266 notable, but not significant ($F = 1.75$, $p < 0.1$).

267 Figure ?? presents the output of the nature of the premium x premium immediacy x earning method interaction
268 means in relation to the overall appreciation measure. The first plot represents the tangible premium output
269 and the second represents the output for the digital premium. The higher mean represents a higher overall
270 appreciation. The interaction means patterns represent the impact of premium immediacy on both the tangible
271 and digital premium. In the case of the tangible premium, it can be interpreted that there is a slight preference
272 to a direct premium although it is not drastic. However, in the case of the digital premium, the interaction
273 pattern demonstrates clearly how consumers much rather receive the premium immediately. If the premium is to
274 be received with delay, the online earning method is more favorable, but nevertheless not appreciated. Overall,
275 the pattern of interaction showed that the feature that is most relevant to overall attractiveness is the premium
276 immediacy whenever the premium is received directly, it is more appreciated.

277 **9 IV. Discussion**

278 The results show that in the context of the study as an individual feature, there is not a clear consumer preference
279 between a digital good or its tangible counterpart. Consumers found the digital version of the News-Watch
280 magazine as attractive as the printed publication. The manipulation intent between the two options was equally
281 neutral. This finding somewhat stands against the previous studies that implied the lack of physical pre-purchase
282 judgments would increase perceived risk (Laroche et al., 2005). It was surprising that the earning method, as an
283 individual feature, did not matter significantly. Assuming that it is easier for the customer to input codes online

284 versus via traditional mail, the amount of involvement needed by the consumer to earn the premium did not have
285 a direct impact on the appreciation of the promotion or manipulation intent. The immediacy of the premium
286 as an individual trait of the campaign did however have significant impact. Consumers highly appreciate being
287 able to receive the premium without delay. Results on the questions regarding immediacy are valuable, as they
288 validate the use of digital goods as premiums because of their ability of being rapidly distributed.

289 Although the digitality of the premium or the ability to load the codes online were not noted positively as
290 individual features, the interaction between the three features reveal interesting results. Out of the eight versions
291 of the advertisement, the most appreciated was indeed the one that offered a digital version of the News-Watch
292 magazine immediately when the consumer had loaded 3 codes online. The advertisement that was seen least
293 manipulative, had the same digital/online premium features, but surprisingly offered the incentive to delay.
294 Although high appreciation and low manipulation intent might not correlate directly, the results still indicate,
295 that the digitizer of the premium and its online earning method could be stand out features. What the most
296 appreciated and least manipulative versions of the advertisement had in common was that they presented a digital
297 premium and online earning method. Sending the codes via physical mail was the common feature in the least
298 appreciated and most manipulative versions of the advertisements. The investigation showed the importance of
299 not only measuring individual features of the campaign, but also the interaction between different variables to
300 make a thorough comparison of all possible combinations of features.

301 10 V. Conclusion and Implications

302 This study contributes to previous research of non-monetary sales promotion by offering insight to consumer
303 preference of digital and online adaptation of sales promotion campaigns. Previous studies within the field
304 have not considered digital goods as alternatives to traditional tangible premiums. Because of the unique
305 characteristic of digital goods, it is not only a simple matter of considering one incentive over another. The
306 most distinctive trait of the digital good, its intangibility, offers a solution to some logistical issues associated
307 with the traditional premium. The result presented throughout this study supported the digital adaptation of
308 non-monetary sales promotion. It was reported that digital goods are equally or even more appreciated than
309 their physical counterparts. Furthermore, consumers did not perceive the digital premium as being manipulative.
310 It was interesting to find that the online method of inputting promotional codes was perceived better than the
311 alternative of sending them via traditional mail.

312 Beginning from the most evident beneficial trait, digital goods offer logistical simplicity. For one, their
313 intangibility renders questions of storage and transport irrelevant. Traditionally, the premiums are mostly
314 produced in Asia and possibly stored in several locations before reaching their final destination. Transportation
315 and freight costs can account for over a third of the price of the premium. In addition to financial losses, the
316 time-consuming production and sea freight can take up to four months. Because of the time constraints, premium
317 sales promotion campaigns need to be planned several months ahead. The digital alternative could enable more
318 spontaneous and up-to-date promotions, meaning that the marketer would be able to respond to upcoming trends
319 more quickly and take advantage of sudden events. For instance, in the case of an unexpected national soccer
320 victory, the marketer could set up a promotion where the consumer could download the winning theme song
321 of the team as an incentive for a purchase. In the same way, the digital premium promotion allows for rapid
322 localization in other markets, if the promotion is found to be successful in one market.

323 As a whole, using digital goods as premiums allows certain flexibility. As an example, some premiums like
324 clothing accessories have been sizing issues or are either for boys or for girls. Traditionally, the marketer has
325 not been able to offer several different options for consumers to choose from, as there has been a risk that the
326 least pleasant option would have been overshadowed and overstocked. Digital content is often charged by the
327 download, so the company offering it as an incentive will not need to fear about goods remaining in stock if
328 they are not popular. The digital premium also brings other reliefs to the marketer because of its homogenous
329 quality. Still, although there are no production defects in digital goods, the digital infrastructure is vulnerable if
330 not properly set up.

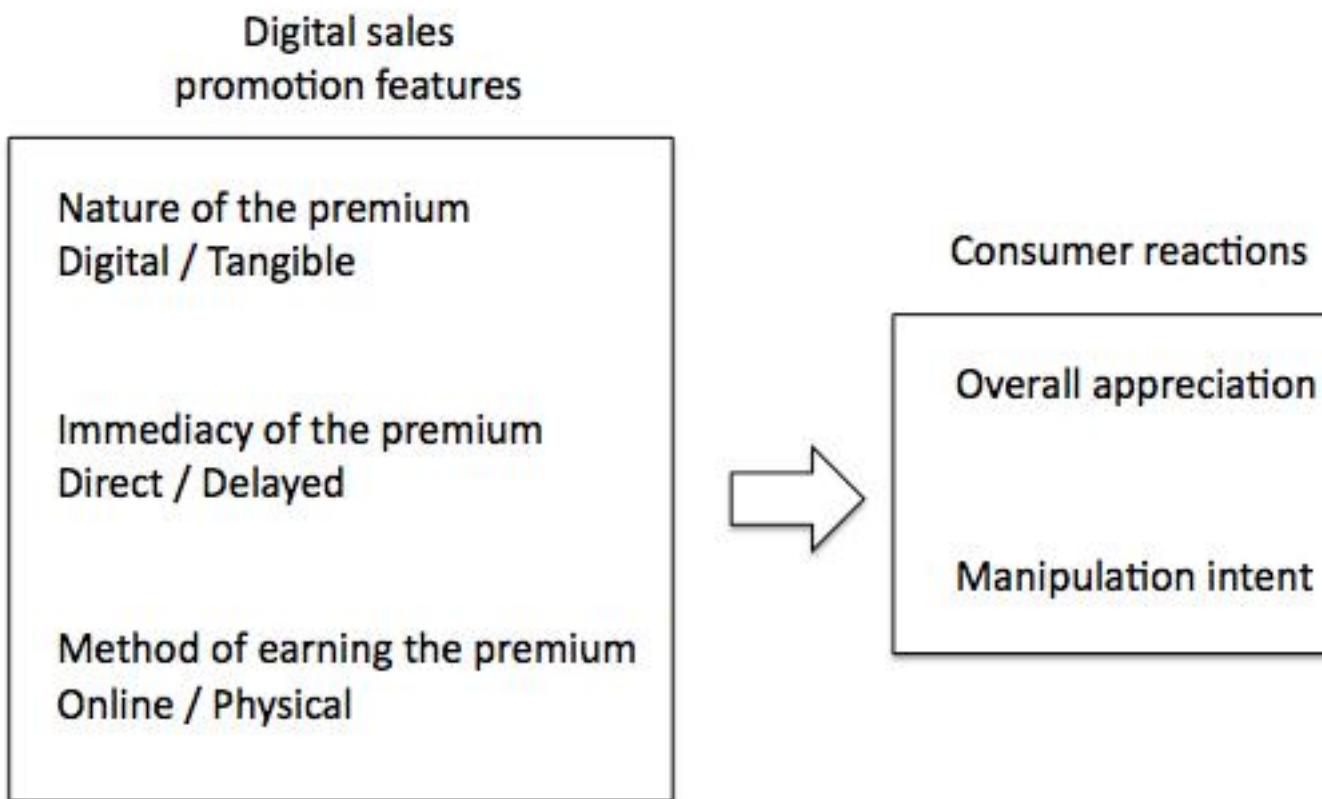
331 As the consumer uses online channels to receive the digital goods, there is a good potential for additional brand
332 exposure. A skillfully made campaign website should offer the consumer further stimulus and interesting content
333 to get him/her more involved with the brand. In the present day, consumer contracts, especially those of a deal-
334 prone consumer segment, are very valuable. If they are collected, the marketer will end up having an extremely
335 valuable database at the end of the campaign. Considering all positive traits of the digital adaptation of the
336 non-monetary sales promotion, the end result is beneficial to the consumer as well as the marketer. The marketer
337 can offer the consumer freedom of choice and deliver the goods instantly. The campaign will be contemporary,
338 adaptive and even allow interaction with the consumer. Something the marketer can also experiment with is the
339 parallel use of both a digital good and a physical premium. An example of such would be that the give-away of a
340 promotion would be a pair of 3D glasses. Inside the pack could then be a code that can be typed online to view
341 a 3D film. The possibilities are endless, but the idea would be that the physical and digital goods ^{1 2}

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Figure 1:



1

Figure 2: Figure 1

1

Dependent variable
Overall appreciation

Perceived manipulation intent

Figure 3: Table 1 :

342 An Experimental Investigation of Factors Affecting Consumers' Perceptions of Digital Sales Promotions
343 complement each other to create something new and exciting for the consumer.

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