

A Benefit Congruency Framework of Sales Promotion Effectiveness

Are monetary savings the only explanation for consumer response to a sales promotion? If not, how do the different consumer benefits of a sales promotion influence its effectiveness? To address the first question, this research builds a framework of the multiple consumer benefits of a sales promotion. Through a series of measurement studies, the authors find that monetary and nonmonetary promotions provide consumers with different levels of three hedonic benefits (opportunities for value expression, entertainment, and exploration) and three utilitarian benefits (savings, higher product quality, and improved shopping convenience). To address the second question, the authors develop a benefit congruency framework, which argues that a sales promotion's effectiveness is determined by the utilitarian or hedonic nature of the benefits it delivers and the congruence these benefits have with the promoted product. Among other results, two choice experiments show that, as predicted for high-equity brands, monetary promotions are more effective for utilitarian products than for hedonic products. The authors then discuss the implications of the multibenefit and the benefit congruency frameworks for understanding consumer responses to sales promotions, reexamining the value of everyday-low-price policies, and designing more effective sales promotions.

Marketers and academics often view the reliance on sales promotions, especially monetary promotions, as a suboptimal consequence of price competition caused by myopic management (Buzzell, Quelch, and Salmon 1990). These critics argue that, in the short run, the proliferation of monetary promotions erodes their capacity to rent market share, which explains why so many are unprofitable (Abraham and Lodish 1990; Kahn and McAlister 1997). In the long run, it is feared that sales promotions increase price sensitivity and destroy brand equity—both with retailers and consumers (Mela, Gupta, and Lehmann 1997). As a result, many industry experts are calling for more effective and cost-efficient promotions that rely less on price (Promotion Marketing Association of America Inc. 1994), and some go so far as to recommend eliminating most promotions by switching to an everyday-low-price policy (Kahn and McAlister 1997; Lal and Rao 1997).

The central premise of this research is that the value that sales promotions have for brands is related to the value, or benefits, that sales promotions have for consumers. Adopting this consumer perspective leads to the fundamental question of why consumers respond to sales promotions. Most econometric or game-theoretic studies assume that monetary savings are the only benefit that sales promotions have for the consumer. If this is true, an everyday low price may indeed represent an efficient solution for providing consumers with these savings while minimizing search costs

for the consumer and logistical costs for the firm. Conversely, if, as this research argues, sales promotions provide consumers with an array of hedonic and utilitarian benefits beyond monetary savings, everyday low prices cannot fully replace sales promotions without the risk of alienating consumers who value the nonmonetary benefits of sales promotions. From a research perspective, the existence of multiple consumer benefits may also help explain some puzzling consumer responses to sales promotions that cannot be fully explained by the search for savings (e.g., Dhar and Hoch 1996; Hoch, Drèze, and Purk 1994; Inman, McAlister, and Hoyer 1990; Schindler 1992; Soman 1998).

Beyond its intended contribution to the general debate on the value of sales promotions or on the antecedents of consumer response to them, studying the consumer benefits of sales promotions has practical implications for improving their effectiveness. The existence of multiple types of consumer benefits provides a stepping stone for a benefit congruency framework, which argues that a sales promotion's effectiveness is determined by the congruency between its benefits and those of the promoted product. In particular, the benefit congruency framework argues that because monetary and nonmonetary sales promotions offer different benefits, they should be more effective for different types of products.

In the next section, we show how fragmented explanations for consumer "deal proneness" can be integrated into a framework of the hedonic and utilitarian consumer benefits of consumer sales promotions (defined as temporary and tangible monetary or nonmonetary incentives intended to have a direct impact on consumer behavior). In the second section, we report the results of three measurement studies that validate the consumer benefit framework through multi-order confirmatory factor analyses and structural equation models. In the third section, we develop a benefit congruency framework and examine its implications for the effectiveness of monetary and nonmonetary promotions for different types of products and for brands with various levels of

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brand equity. This framework is supported by the results of the two experimental studies we present in the fourth section. In the discussion section, we explore the implications of the consumer benefit and the benefit congruency frameworks for sales promotion theory and practice.

Hedonic and Utilitarian Consumer Benefits of Sales Promotions

Why Do Consumers Respond to Sales Promotions?

Behavioral research on sales promotions has tended to focus on the demographics of deal-prone consumers (Bawa and Shoemaker 1987; Blattberg et al. 1978; Narasimhan 1984) and the identification of personal traits such as “coupon proneness,” “value consciousness,” or “market mavenism” (Feick and Price 1987; Lichtenstein, Netemeyer, and Burton 1990, 1995; Mittal 1994). These studies offer a coherent portrait of the demographic and psychographic characteristics of deal-prone consumers (for a review, see Blattberg and Neslin 1990, pp. 65–82). However, because of their focus on individual variables, these studies do not examine the nature and the number of the specific consumer benefits of sales promotions. As a result, most analytic and econometric models of sales promotions simply assume that monetary savings are the only benefit that motivates consumers to respond to sales promotions (Blattberg and Neslin 1993).

Yet some robust empirical results suggest that monetary savings cannot fully explain why and how consumers respond to sales promotions. For example, why do consumers respond more to an on-shelf coupon than to a similarly advertised temporary price reduction that offers the same monetary incentive (Dhar and Hoch 1996; Schindler 1992)? Why do consumers respond to insignificant price reductions (Hoch, Drèze, and Purk 1994; Inman, McAlister, and Hoyer 1990), and why do consumers switch brands because of a coupon or a rebate but then not redeem it (Bawa and Shoemaker 1989; Dhar and Hoch 1996; Soman 1998)?

To account for these findings, researchers have advanced explanations related to achievement motives (Darke and Freedman 1995), self-perception (Schindler 1992), fairness perception (Thaler 1985), or price and quality inferences in low-involvement processing (Inman, McAlister, and Hoyer 1990; Raghurir 1998; Raghurir and Corfman 1999). However, the extent of support for some of these explanations is limited. For example, the achievement and self-perception arguments are contradicted by the finding that lucky bargains are enjoyed as much as those acquired skillfully (Darke and Freedman 1995) and that some consumers may feel embarrassed to buy a promoted brand (Simonson, Carmon, and O’Curry 1994). That consumers enjoy paying prices that are lower than the reference price and that are therefore not fair to the seller indicates that fairness perceptions cannot alone explain the puzzles mentioned previously. Finally, most existing studies examine only the consequences of these nonmonetary benefits without directly measuring them. When nonmonetary benefits are directly studied (e.g., Shimp and Kavas 1984), the use of single-item measures precludes the study of their construct validity.

In summary, the contributions of the personality studies, the parsimony of the economic perspective, and the existing work on the nonmonetary benefits of sales promotions have greatly contributed to the understanding of consumer response to sales promotion. An integrated study of the consumer benefits of sales promotions, however, would help reconcile the fragmented nature as well as the empirical and conceptual limitations of these seemingly disparate studies.

A Multibenefit Framework of Sales Promotions

Following Keller (1993), we define the benefits of sales promotion as the perceived value attached to the sales promotion experience, which can include both promotion exposure (e.g., seeing a promotion on a product) and usage (e.g., redeeming a coupon or buying a promoted product). This definition implies that consumers respond to sales promotions because of the positive experience they provide or, consistent with Holbrook’s (1994) definition, because of their customer value.

To develop a framework of the different consumer benefits of sales promotions, we elaborated on the literature on consumer response to sales promotions, customer value, and hedonic consumption with nine in-depth consumer interviews (for more information, see Chandon, Wansink, and Laurent 1999). The result of this inductive investigation is the multibenefit framework presented in Table 1, which lists six consumer benefits of sales promotions and offers a definition of each benefit, supporting research, and interview excerpts. In Table 1, we indicate that one of the benefits of sales promotions for the consumer is the monetary savings they provide (the savings benefit). However, sales promotions may also enable consumers to upgrade to higher-quality products by reducing the price of otherwise unaffordable products (the quality benefit), which will often lead to a higher price being paid. Because they signal the availability of the brand at the point of sale and advertise its promotional status, sales promotions can also reduce consumer search and decision costs and therefore improve shopping convenience (the convenience benefit). Furthermore, sales promotions can enhance consumers’ self-perception of being smart or good shoppers and provide an opportunity to reaffirm their personal values (the value expression benefit). Because they create an ever-changing shopping environment, sales promotions can also provide stimulation and help fulfill consumers’ need for information and exploration (the exploration benefit). Finally, sales promotions are often simply fun to see or use (the entertainment benefit). It is worth noting that the last five benefits can be achieved above and beyond any monetary savings.

Distinguishing Hedonic from Utilitarian Benefits

These six benefits can be more parsimoniously classified. Most classifications of customer value and the different types of consumer benefits start with the distinction between utilitarian (extrinsic) and hedonic (intrinsic) benefits (Furse and Stewart 1986; Holbrook 1994). Utilitarian benefits are primarily instrumental, functional, and cognitive; they provide customer value by being a means to an end. Hedonic benefits are noninstrumental, experiential, and affective; they are appreciated for their own sake, without further regard to their practical purposes (Hirschman and Holbrook 1982, p. 100).

Babin, Darden, and Griffin (1994) show that this distinction applies to shopping, because this activity provides utilitarian benefits (by helping consumers efficiently find and buy the best products) and hedonic benefits (by creating entertainment and raising self-esteem). Similarly, the benefits of sales promotions can be classified as utilitarian when they help consumers maximize the utility, efficiency, and economy of their shopping and buying and as hedonic when they provide intrinsic stimulation, fun, and self-esteem.

Through these definitions, the savings, quality, and convenience benefits of sales promotions can be tentatively classified as utilitarian, because they help consumers increase the acquisition utility of their purchase and enhance the efficiency of the shopping experience. In contrast, the entertainment and exploration benefits of sales promotions can be tentatively classified as hedonic, because they are intrinsically rewarding and related to experiential emotions, pleasure, and self-esteem. As Table 1 shows in more detail, the value expression benefit of sales promotions is different, because it entails both hedonic and utilitarian dimensions. On the one hand, buying a promoted product can provide shoppers with the moral satisfaction of behaving according to their principles and values (e.g., being good or thrifty shoppers)—an intrinsic or hedonic benefit. On the other hand, buying a promoted product can be a means of increasing shoppers' prestige and achieving higher social status or group affiliation (e.g., becoming a recognized smart shopper or a market maven)—an extrinsic or utilitarian benefit. This classification needs to be validated with an empirical analysis of consumer perceptions of the benefits delivered by different monetary and nonmonetary sales promotions.

Measuring and Validating the Benefits of Sales Promotions

In this section, we present the results of three measurement studies, that examine whether consumers perceive all the benefits hypothesized in the multibenefit framework and use them when evaluating a promotion.

Studies 1 and 2: Scale Development and Validation

Scale development. To measure and validate the benefits of sales promotions derived from the consumer interviews, we followed Churchill's (1979) scale development paradigm. To develop and purify a scale of promotion benefits, we used two convenience samples consisting of graduate students ($n = 37$) and staff ($n = 28$) recruited at a major French university. We asked respondents to consider 24 promotions as an exemplar of an unspecified category of sales promotions and indicate their level of agreement with 45 statements measuring the ability of a promotion to provide each benefit. These statements were chosen by sales promotion experts from a corpus of 200 statements generated from the literature and the consumer interviews described previously. The data were aggregated across consumers and promotions. We analyzed the resulting 45×45 correlation matrix through a principal component analysis followed by an oblique rotation, using a state (versus a trait) analysis in a procedure similar to the one Aaker (1997) uses to identify brand personality factors. These analyses provided a set of three indicators for each benefit as well as preliminary sup-

port for the six hypothesized benefits (for more details, see Table 1 and Chandon, Wansink, and Laurent 1999).

Validating the benefits of sales promotions. Validating the dimensionality and the higher-order structure of the multibenefit framework required collecting additional data and analyzing them with confirmatory factor analyses (Gerbing and Anderson 1988). Following the same procedure as in Study 1, in Study 2 we asked 118 graduate students and staff at another French university to evaluate 4 promotions each (of a sample of 24 new promotions) using the 18-item scale presented in Table 1. Using AMOS 3.6 (Arbuckle 1997), we first validated the internal consistency and reliability each of the six congeneric models. We then tested the convergent and discriminant validity of each benefit through first-order confirmatory factor analyses. These analyses show that the proposed model with six distinct but correlated benefits significantly outperforms any models that force two benefits to be perfectly correlated and, a fortiori, outperforms the prevailing unidimensional model (for more details, see Chandon, Wansink, and Laurent 1999).

Second-order factor analyses. As predicted, the six benefits are not orthogonal. To test the utilitarian and hedonic higher-order structure of the six benefits, we estimated the model with the two second-order factors shown in Figure 1 and compared it with a single second-order factor model (see Bollen 1989; Lichtenstein, Netemeyer, and Burton 1995). All fit indices support the two higher-order factor model over the unidimensional solution ($\chi^2_{127} = 565$; $p < .01$, goodness-of-fit index [GFI] = .881, adjusted goodness-of-fit index [AGFI] = .840, incremental fit index [IFI] = .882, root mean square error of approximation [RMSEA] = .087 for the two-construct model, and $\chi^2_{128} = 830$; $p < .01$, GFI = .851, AGFI = .801, IFI = .810, RMSEA = .109 for the one-construct model). The difference in χ^2 between the two models is highly significant ($\chi^2 = 265$, degrees of freedom [d.f.] = 1, $p < .01$). The proposed model provides the best fit of all possible classifications of benefits into two higher-order constructs. The correlation between the two factors is high ($r = .67$) and comparable to the one ($r = .55$) reported by Batra and Ahtola (1990). However, the correlation does not include the value of 1 in its confidence interval (estimated by bootstrap analyses), and the amount of variance shared between the second-order factors is lower than the average variance extracted for each factor. These results therefore support the discriminant validity of the two utilitarian and hedonic factors.

Study 3: How Do Promotion Benefits Influence the Evaluation of Monetary and Nonmonetary Promotions?

So far, the measurement studies have shown that consumers perceive the six benefits of sales promotions as significantly different and related to two different higher-order utilitarian and hedonic dimensions. We now examine the predictive validity of each benefit by estimating its ability to predict the overall evaluation of monetary as well as nonmonetary promotions.

Data and analyses. We collected three items measuring the overall evaluation of the promotion in Study 2 that we have not yet discussed ("I like this type of promotion a lot,"

TABLE 1
Utilitarian and Hedonic Consumer Benefits of Sales Promotions

Benefit	Existing Support	Excerpts from Interviews	Measures ^a (Disagree/Agree)
Savings (Monetary savings)	Sales promotions can provide perceptions of monetary savings by lowering the unit price of the promoted product, offering more of the same product for free, or providing refunds or rebates on subsequent purchases of the same or other products. Both the size of the price reduction and the deviation from a reference price can create perceptions of monetary savings and can reduce the pain of paying (Blattberg and Neslin 1990).	<p>“A promotion is a price cut or a larger package size for the same price.”</p> <p>“A promotion is like new money in your pocket that you can use to buy something else.”</p>	<ol style="list-style-type: none"> 1. I really save money. 2. I feel that I am getting a good deal. 3. I really spend less.
Quality (Increase in the quality of the product bought)	By reducing the price of the product or by offering a smaller package size, sales promotions can relax budget constraints and enable consumers to upgrade to a better product. Similar to the savings benefit, the quality benefit boils down to increasing value for money, but unlike the former, it usually involves spending more money. It can therefore be linked to the “excellence” type of customer value discussed by Holbrook (1994). This benefit can explain cross-promotional asymmetries. This benefit is a critical component of the price discrimination theory of coupons (Blattberg and Wisniewski 1989; Narasimhan 1984).	<p>“I normally don’t buy packaged salads because they are too expensive. But I buy them when they cut the price.”</p>	<ol style="list-style-type: none"> 1. I can have a higher-quality product at the same price. 2. I can afford a better-than-usual product. 3. I can upgrade to a better brand.
Convenience (Reduction in search and decision costs)	Sales promotions can improve shopping efficiency by reducing search costs. This is done by helping consumers find the product they want or by reminding them of a product they need to buy. This advertising effect is documented in field experiments (Bawa and Shoemaker 1989; Inman, McAlister, and Hoyer 1990) and in-store surveys (Dickson and Sawyer 1990; Inman and Winer 1998). Sales promotions can also improve shopping efficiency by reducing decision costs. This is done by providing consumers with an easy decision heuristic for purchase incidence or purchase quantity (Wansink, Kent, and Hoch 1998) and by signaling product price and quality (Hoyer 1984; Raghurir 1998; Raghurir and Corfman 1999; Simonson, Carmon, and O’Curry 1994).	<p>“Sometimes I remember that I need a product when I see it on sale.”</p> <p>“I buy the brand on deal because I don’t know which one to buy.”</p> <p>“I like promotional packs because they make shopping fast and easy.”</p>	<ol style="list-style-type: none"> 1. These promotions remind me that I need the product. 2. These promotions make my life easy. 3. I can remember what I need.
Value expression ^b (Expression and enhancement of self-concept and personal values)	Some consumers respond to sales promotions to meet personal or moral values such as being a responsible buyer (Mittal 1994). The value expression benefit can thus be linked to the morality value defined by Holbrook (1994). This type of customer value encompasses the gratification earned from fulfilling a duty. Other consumers respond to sales promotions to express and enhance their sense of themselves as smart shoppers and earn social recognition or affiliation (Bagozzi, Baumgartner, and Yi 1992; Feick and Price 1987; Schindler 1992; Shimp and Kavas 1984). This dimension of the value expression benefit can be linked to Holbrook’s (1994) utilitarian politics and esteem values, because it describes how consumers respond to sales promotions to earn status and control over others.	<p>“When my husband comes back from his shopping trip, he is always very proud to tell me about the bargains he found.”</p> <p>“I sometimes feel guilty when I could have used a coupon but didn’t.”</p>	<ol style="list-style-type: none"> 1. I feel good about myself. 2. I can be proud of my purchase. 3. I feel like I am a smart shopper.

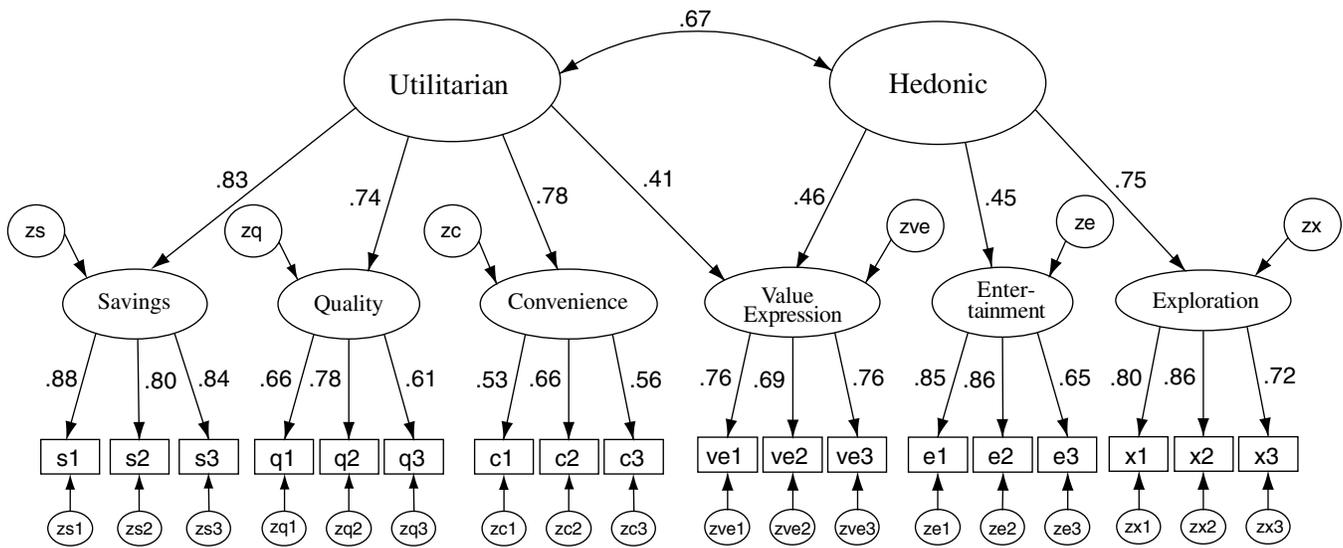
TABLE 1
Continued

Benefit	Existing Support	Excerpts from Interviews	Measures^a (Disagree/Agree)
Exploration (Stimulation and variety)	Because sales promotions are constantly changing, and because they attract consumers' attention, they can fulfill intrinsic needs for exploration, variety, and information (Baumgartner and Steenkamp 1996; Kahn and Louie 1990; Kahn and Raju 1991). The exploration benefit has been documented in the context of shopping (Babin, Darden, and Griffin 1994), variety seeking (Kahn 1995), and exploratory behavior (Baumgartner and Steenkamp 1996).	"My husband likes to look at the promotion in the papers even though he never does the shopping!" "When I buy, I look at sales promotions to get new ideas and to find variety."	1. I feel like trying new brands. 2. I can avoid always buying the same brands. 3. I can get new ideas of things to buy.
Entertainment (Amusement and aesthetic value)	Many sales promotions, such as sweepstakes, contests, and free gifts, are intrinsically fun to watch and to participate in. The entertainment benefit encompasses both the active play and reactive aesthetic values of Holbrook's (1994) typology. It is distinct from the overall enjoyment resulting from buying a promoted product often used to measure deal-proneness, which is part of the affective response to a promotion rather than one of its antecedents (e.g., Lichtenstein, Netemeyer, and Burton 1990).	"I read the contests on the cereal boxes every morning; they are fun." "Sweepstakes in the store create a nice and exciting atmosphere."	1. These promotions are fun. 2. These promotions are entertaining. 3. These promotions are enjoyable.

^aAll measures begin with "(With) this type of promotion ..." and are translated from French.

^bAs discussed in the text, the value expression benefit has both a utilitarian and a hedonic component.

FIGURE 1
Validating the Multibenefit Framework of Sales Promotions
(Second-Order Confirmatory Factor Analysis)



“I wish there were more promotions like this,” and “With this type of promotion, I feel like buying the product”). We selected these items on the basis of a pretest. The reliability of the measure is conventionally acceptable (Cronbach’s $\alpha = .83$). We used AMOS 3.6 to estimate a structural equation model in which the overall evaluation of the promotion (modeled as a latent construct with the three indicators presented previously) is regressed on the six latent constructs (benefits) measured with the items described in Table 1. To examine the differences between monetary and nonmonetary promotions, we estimated a multigroup model that allowed for different regression coefficients, means, and intercepts for each subsample of promotions (see Bollen 1989, p. 306). The subsample of monetary promotions consists of five temporary price reductions, four coupons, three rebates, and two multiunit packs, for a total of 269 observations. The subsample of nonmonetary promotions consists of two free gifts, two free samples, and three sweepstakes, for a total of 192 observations. Because the questionnaire asked respondents to use each specific promotion as a category exemplar, we tentatively generalize the results to monetary and nonmonetary promotions.

Results of predictive analyses. A multigroup model in which the regression coefficients are allowed to vary between monetary and nonmonetary promotions exhibits a satisfactory fit ($\chi^2_{354} = 931$, IFI = .968, RMSEA = .060) and outperforms an aggregate model in which these parameters are constrained to be equal across both groups (incremental $\chi^2 = 29$, d.f. = 4; $p < .01$). Allowing the correlation between the benefits to vary across the two samples does not improve the fit of the model significantly (incremental $\chi^2 = 19$, d.f. = 15; $p > .10$). This shows that the multibenefit framework is robust and that the correlation between the benefits does not depend on the selection of the promotions used to measure these benefits.

In Table 2, we show that monetary promotions are primarily evaluated on their utilitarian (savings and convenience) and value expression benefits. In contrast, nonmonetary promotions are primarily evaluated on their hedonic benefits (entertainment, exploration, and value expression). Surprisingly, the coefficient for quality is not significant (and negative). This coefficient also exhibits a high degree of instability in the bootstrap analyses, probably because of multicollinearity with the other utilitarian benefits. However, value expression is a good predictor, and not only for monetary promotions, possibly because of the dual utilitarian and hedonic nature of value expressive benefits. Although more refined or exhaustive classifications have yet to be examined, these results show that the six benefits proposed in the framework provide a significant improvement over the current emphasis on monetary savings alone. Adding the five nonsavings benefits increases the amount of variance explained in the overall evaluation of nonmonetary promotions (from .54 to .82) and even in the overall evaluation of monetary promotions (from .71 to .79).

In Table 2, we also report the estimated means of the latent variables and show that, compared with nonmonetary promotions, monetary promotions are perceived as offering more savings and more opportunities to upgrade to a higher-quality product and to express core values but provide less entertainment and fewer opportunities for exploration. Surprisingly, given the importance of the convenience benefit for the evaluation of monetary promotions in our study, the two types of promotion are indistinguishable with regard to this benefit. This might be due to the difficulty of assessing the convenience benefits of a promotion outside its shopping environment. Last, monetary promotions receive a higher score on the value expression benefit, which suggests that consumers gain more self-esteem from utilitarian benefits than from hedonic benefits.

TABLE 2
Study 3: How Utilitarian and Hedonic Benefits Influence Promotion Evaluations

	Monetary Promotions n = 269			Nonmonetary Promotions n = 192		
	Mean ^a	B	t-Value	Mean ^a	B	t-Value
Savings	3.57 ^b	.55*	5.25	2.09	.30	1.63
Quality	2.90 ^b	-.11	-1.76	2.17	.36	1.16
Convenience	2.25	.27*	2.60	2.17	-.84	-1.82
Value expression	3.29	.26*	2.18	2.87 ^b	.35*	2.08
Entertainment	2.09	.11	1.47	2.94 ^b	.43*	2.12
Exploration	2.96	-.07	-.98	3.16 ^c	.79*	3.51

^a1 = completely disagree; 5 = completely agree.

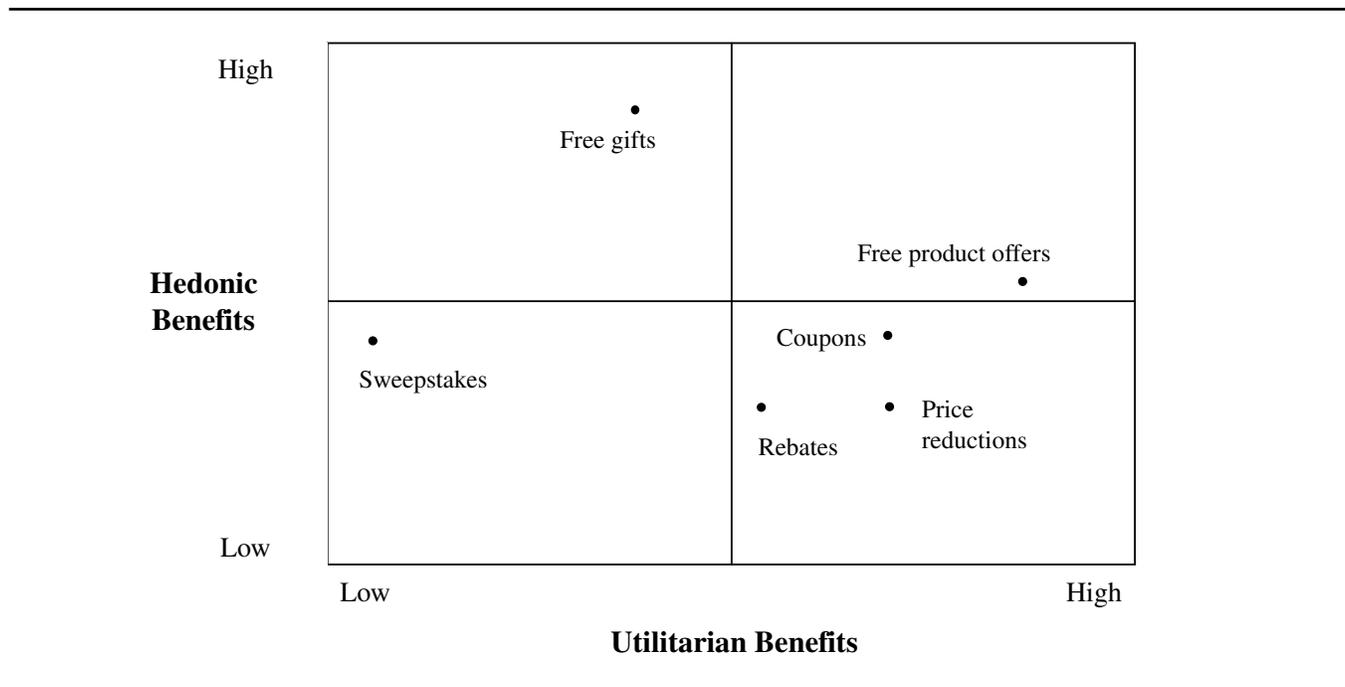
^bThe mean scores of monetary and nonmonetary promotions are different at $p < .01$.

^cThe mean scores of monetary and nonmonetary promotions are different at $p < .05$.

*The regression coefficient is different from zero for each type of promotion at $p < .01$.

Note: Means of latent variables and regression coefficients are estimated in a multigroup structural equation model with means and intercepts (Bollen 1989, p. 306).

FIGURE 2
Sales Promotions Benefit Matrix



Repeating the same analysis at the level of the two higher-order utilitarian and hedonic constructs shows that monetary promotions have a higher overall utilitarian mean but a lower hedonic mean than nonmonetary promotions do. This result is shown in Figure 2, which reports the factor scores of the different promotion techniques used in this study on the utilitarian and hedonic dimensions. Figure 2 also shows that nonmonetary promotions are more heterogeneous than monetary promotions and that their higher overall hedonic appeal is mainly due to free gifts. Sweepstakes are dominated by all other types of promotions; they offer few utilitarian benefits and are also poorly rated in terms of hedonic benefits, which may explain why they are one of the few declining promotional techniques (Cox Direct 1997).

Conclusions from the Measurement Studies

The scale measuring sales promotion benefits developed in Studies 1 and 2 can be useful for benchmarking promotions or for pretesting purposes. More important, this scale provides a means of validating the multibenefit framework. The results show the following: (1) Monetary savings are not the only consumer benefit of sales promotions, (2) consumers can distinguish between the six benefits hypothesized, (3) these six benefits can be grouped according to their utilitarian or hedonic nature, and (4) all benefits, except quality, are significant predictors of the overall evaluation of monetary or nonmonetary promotions.

These analyses also show that if the correlation among the six benefits does not depend on the type of promotion

being evaluated, the mean value and explanatory power of each benefit are significantly different between monetary and nonmonetary promotions. Nonmonetary promotions provide stronger hedonic benefits and weaker utilitarian benefits than monetary promotions, and nonmonetary promotions are evaluated primarily on the basis of their hedonic benefits, whereas monetary promotions are evaluated primarily on their utilitarian benefits. With the exception of value expression, which is a universal predictor because of its dual utilitarian and hedonic nature, each type of promotion tends to be evaluated on the basis of the benefits it provides best.

When Are Monetary and Nonmonetary Promotions Most Effective?

That monetary and nonmonetary promotions provide different consumer benefits suggests that their effectiveness may depend on the congruence or the match that these benefits have with the product, consumer, or purchase occasion. In this section, we examine how targeting a sales promotion according to the benefits it provides can increase its effects on brand choice. Specifically, we develop a benefit congruency framework that predicts the types of products for which monetary and nonmonetary promotions are most effective. This analysis provides a means to test whether the added complexity of the multibenefit framework can be justified on the grounds of an improved ability to predict the effectiveness of a promotion and not only on the grounds that it more accurately represents consumer cognitive structures.

A Benefit Congruency Framework

According to most models of consumer choice (e.g., combinatorial models of attitude formation or utility theory), consumers evaluate products on the basis of the benefits they provide weighted by the importance of these benefits. The weighting of the benefits varies across products, purchase occasions, and individuals (Eagly and Chaiken 1993; Meyer and Kahn 1991). For low-involvement, repeat-purchase products, the weights of some of these benefits may go down to zero, so that only a few benefits, the most important ones, are considered in the purchase evaluation (as in a lexicographic decision rule). For example, Hoyer's (1984) field study of laundry detergent buyers in the United States shows that a few product benefits, such as product performance, price, emotional attachment, or social norms, account for 81% of the (self-reported) benefits sought. Many studies have documented that the importance of benefits sought varies (see Kivetz 1999; Shavitt 1990; Strahilevitz and Myers 1998), but Leong's (1993) replication of Hoyer's study provides some of the clearest evidence. Leong finds that though the same list of benefits accounts for 86% of the benefits sought by Singaporean consumers, the weights of these benefits are very different from the figures reported for U.S. buyers. Interestingly, Leong finds that these weights vary more across product categories (e.g., laundry detergent versus shampoo) than across nationalities for the same category.

We expect, therefore, that the utilitarian benefits of a specific choice alternative are given more weight when consumers make a utilitarian purchase decision and that hedonic benefits are given more weight when consumers make a

hedonic purchase decision. The various importance of the benefits sought implies, in turn, that the effectiveness of a sales promotion is higher when its benefits are congruent with those sought for the purchase occasion. Simply stated, the benefit congruency principle proposes that sales promotions are more effective in influencing brand choice when they provide the benefits that have the largest weight in the evaluation of a purchase alternative.

There is ample empirical support for such a matching hypothesis in the literature on persuasion (Eagly and Chaiken 1993). For example, Edwards (1990) finds that hedonic information on the smell of a beverage is more persuasive than utilitarian information on its storage requirements when the attitude toward the beverage is based on hedonic benefits (taste) than when it is based on utilitarian benefits (nutrition). Many theories of attitude change can account for the effects of benefit congruency. Functional theories of attitudes contend that persuasion is enhanced when a persuasive message emphasizes the utilitarian or hedonic function that provides the motivational basis of the attitude to be modified (Katz 1960). Similarly, Fishbein and Ajzen (1975) argue that persuasion attempts are more effective when they address the salient beliefs underlying the attitude to be changed, that is, the beliefs that are the most important antecedents of an attitude. Finally, the compatibility principle (Tversky, Sattath, and Slovic 1988) suggests that consumers weight more heavily the dimension of an object (say, its utilitarian benefits) when it is compatible with or similar to their goal (say, choosing between two utilitarian alternatives as opposed to choosing between two hedonic alternatives). These authors argue that people attribute a large weight to the compatible dimensions because these dimensions can be more easily and confidently mapped with the output considered. For example, it is easier to assess the value added by a free gift to the (mostly hedonic) value of a hedonic product than to the (mostly utilitarian) value of a utilitarian product. This principle, therefore, predicts that promotions that are compatible with the promoted product being evaluated because they offer similar benefits would have a greater impact on the final value of this product than promotions that offer incongruent benefits.

Implications for the Effectiveness of Monetary and Nonmonetary Promotions

The benefit congruency principle does not depend on the level of aggregation of the benefits chosen and can be applied to the six benefits outlined in the multibenefit framework or to their more parsimonious bidimensional classification. In the remainder of this article, we focus on the distinction between hedonic and utilitarian benefits and examine the effectiveness of different types of promotions for utilitarian and hedonic decisions. One way of inferring the utilitarian or hedonic nature of the purchase decision is to examine the type of product being considered (Mano and Oliver 1993; Shavitt 1989). Several studies have used product type to test matching hypotheses, usually in the area of advertising research. For example, Shavitt (1990) shows that the attitude toward a utilitarian product (an air conditioner) was influenced more by advertisements emphasizing utilitarian rather than hedonic benefits and that the reverse was

true for a hedonic product (coffee). Similarly, Strahilevitz and Myers (1998) find that donations to charities (a type of nonmonetary promotion) were more effective when offered for a hedonic product than for a utilitarian product.

We expect that a similar benefit congruency effect will occur with any type of sales promotion. Study 3 shows that monetary promotions provide more utilitarian benefits and fewer hedonic benefits than nonmonetary promotions. When evaluating a promotion for a utilitarian product—say, a battery—consumers place a greater weight on its utilitarian benefits than on its hedonic benefits. As a result, they will be more influenced by a (relatively utilitarian) monetary promotion than by a (relatively hedonic) nonmonetary promotion. Conversely, when evaluating a promotion for a hedonic product—say, a wine or a dessert on a date—consumers should place a greater emphasis on the hedonic benefits of the product. They should thus be more receptive to a (relatively hedonic) nonmonetary promotion than to a (relatively utilitarian) monetary promotion.

The Leveraging Effect of Brand Equity

The question of the short-term effectiveness of sales promotions (or lack of it) is particularly important for brands with a high level of customer-based brand equity (from now on, referred to as high-equity brands) because of concerns about the long-term effects of sales promotions on brand equity. Therefore, in this section we examine the importance of benefit congruency in the case of a duopoly between a high-equity brand (e.g., a national brand) and a low-equity brand (e.g., a private label). Existing analytical models argue that in such a situation, the high-equity brand should discount price to capture the buyers of the private label (Rao 1991). However, empirical evidence on the effectiveness of sales promotions for high- and low-equity brands is mixed. Whereas some studies find that high-quality brands gain more from a price cut than low-quality brands (Blattberg and Wisniewski 1989), others find the opposite (Bronnenberg and Wathieu 1997). In addition, no study to date has examined either the effectiveness of nonmonetary promotions or the importance of benefit congruency for high-equity and low-equity brands.

In the case of such a duopoly, we expect, for statistical and theoretical reasons, the effects of benefit congruency to be stronger for the high-equity brand than for the low-equity brand. We expect the high-equity brand to be more promotion elastic than the low-equity brand of the pair. This hypothesis follows Keller's (1993) definition of brand equity, which states that consumers are more responsive to the marketing mix of brands with high levels of brand equity. Blattberg and Wisniewski (1989) provide empirical evidence of the higher promotion elasticity of high-quality brands in the case of a duopoly between brands of differing perceived quality. As a result, the effects of benefit congruency should be statistically easier to detect for high-equity brands than for low-equity brands. There are also theoretical arguments supporting the leveraging impact of brand equity on benefit congruency. Compared with high-equity brands, low-equity brands do not provide as many benefits (utilitarian or hedonic) and are bought because of their lower price. Low-equity brands should therefore be less sensitive than high-equity brands to the congruency between their weaker

benefits and those of the promotion. Prior research provides evidence that supports this assertion. The cross-promotion asymmetry documented by Blattberg and Wisniewski (1989) implies that monetary promotions should be less effective for the low-equity utilitarian brand—despite their benefit congruency—because of their incapacity to attract the price-insensitive buyers of the high-equity brand. The loss aversion argument that explains the cross-promotional asymmetry for monetary promotions applies to nonmonetary promotions as well. Nonmonetary promotions should be less effective for the low-equity hedonic brand than for its high-equity counterpart because buyers of high-equity brands are more reluctant to trade down in hedonic product benefits (a loss) than buyers of low-equity brands are to trade up (a gain).

The following hypotheses summarize our predictions:

- H₁: High-equity brands are more promotion elastic than low-equity brands.
- H₂: For low-equity brands, monetary and nonmonetary promotions are equally effective for utilitarian products as for hedonic products (i.e., there is no effect of benefit congruency).
- H₃: For high-equity brands, (a) monetary promotions are more effective (compared with no promotion) for utilitarian products than for hedonic products and (b) nonmonetary promotions are more effective (compared with no promotion) for hedonic products than for utilitarian products.
- H₄: For high-equity brands, monetary promotions are relatively more effective (compared with nonmonetary promotions) for utilitarian products than for hedonic products.

H₁ generalizes Blattberg and Wisniewski's (1989) cross-promotional asymmetry effect to encompass differences in terms of not only brand quality but also brand equity and justifies the following equity-specific hypotheses. H₂ deals with the effects of benefit congruency for low-equity brands. H₃ compares the effectiveness of each promotion technique across product types using a comparison with a control condition (the absence of any promotion) to measure their effectiveness. H₄ states the same hypothesis using a relative measure of promotion effectiveness that is based on the difference between the effects of each promotion. Because it compares the effectiveness of each promotion in relative terms rather than absolute terms, rejecting H₄ implies that H_{3a} or H_{3b} is also rejected, though the reverse is not true. All these hypotheses refer to the case of a competition between two brands of different customer-based brand equity.

Experimental Studies of the Benefit Congruency Framework

Study 4: Design and Procedure

In Study 4, we examine the effectiveness of monetary and nonmonetary promotions for hedonic and utilitarian products by following the procedure used by Simonson, Carmon, and O'Curry (1994). In this procedure, subjects choose which of a high-equity brand and a low-equity brand to buy in different product categories across different promotion conditions. In this experiment, we used a 2 (product type) × 5 (promotion type) between-subjects design with five within-subject replications consisting of a different promo-

tion condition for each of the five choices. The five promotion conditions were (1) no promotion on any brand, (2) a monetary promotion on the high-equity brand only, (3) a nonmonetary promotion on the high-equity brand only, (4) a monetary promotion on the low-equity brand only, and (5) a nonmonetary promotion on the low-equity brand only. Depending on the design treatment, the five pairs of products were either two pairs of utilitarian products and three pairs of hedonic products or vice versa. The order in which the promotions, products, and type of target brand appeared was counterbalanced.

Questionnaires were mailed to 350 consumers in five states (California, Iowa, Illinois, New Hampshire, and Pennsylvania), and 171 usable questionnaires were returned (48%). Each mailing consisted of the study survey, an unrelated questionnaire, and a \$6 check for participation. In the first part of the questionnaire, respondents chose between pairs of brands grouped into five product categories. They then provided past usage information for each brand, evaluated two of ten brands and two of five promotions, and rated their hedonic and utilitarian nature. We rotated across subjects the two brands and promotions following a latin-square design. For each brand, a one-sentence product description (e.g., "Planters Mixed Nuts, 10 oz., less than 50% peanuts") was provided along with its price, and when necessary, a shelf tag with the textual description of the promotions presented in Table 3 was added. Prices ranged from \$2.39 to \$3.99, equally balanced between utilitarian and hedonic brands, with an average price of \$3.46. The low-quality, lesser-known brand of the pair was priced at a 20% discount. The four monetary promotions consisted of two coupons and two free product offers, and the four nonmonetary promotions consisted of two free gifts and two sweepstakes. These promotions were selected on the basis of currently offered promotions in these product categories. Three utilitarian and

three hedonic products were selected on the basis of pretests and prior research (Laurent and Kapferer 1985; Ratchford 1987). The utilitarian products were liquid laundry detergent, AA batteries, and flour. The hedonic product categories were assorted chocolates, mixed nuts, and bubble bath. A pretest showed that Cheer, Duracell, Pillsbury, Freeman Beautiful Bath, Whitman Assorted Chocolates, and Planters were of higher quality and were better known than, respectively, Purex, Eveready, Robin Hood, Capri French Formula, Russell Stover, and Nutcracker.

Study 4: Results

Manipulation checks. With two exceptions, all high-equity brands were more frequently purchased than any of the low-equity brands ($t = 18.3, p < .01$) and were preferred to their low-equity counterparts ($F_{1,293} = 7.5, p < .01, \eta = .16$). The two exceptions were the two brands of bubble bath, which had similarly low usage rates and brand evaluation, and the two brands of batteries, which had similarly high usage rates and brand evaluations. Because this study examines the effects of sales promotions for consumer choices between a high-equity and a low-equity brand, we eliminated these two products from the subsequent analyses. Following the same rationale, we also eliminated subjects who were unaware of the high-equity brands and subjects who were completely acquainted with the low-equity brands, as measured by their self-reported prior purchases (respectively, $n = 43$ and $n = 11$). Each utilitarian product scored higher on a utilitarian index that was inspired by Batra and Ahtola (1990) and computed by subtracting the semantic differential score on "fun/not fun" from the average semantic differential score on "wise/foolish" and "useful/useless." The utilitarian score was $-.04$ for chocolate, $.36$ for nuts, 1.39 for flour, and 1.96 for detergent ($F_{1,232} = 31.3, p < .01, \eta = .34$ for a comparison of utilitarian and hedonic

TABLE 3
Sales Promotion Stimuli Used in Study 4

Type	Technique	Description	Utilitarian Score ^a
Monetary	Price cut	Smart Saver! Save 35¢ with this coupon. Redeem at checkout.	.69
		Weekly Special! Take an additional 10% off the marked price.	1.93
	Free product	Value pack! 15% more product free.	1.31
		Special Offer! Buy one, get another at half price!	.31
Nonmonetary	Free gift	Buy this product and get one red rose free! Simply select a rose from the flower department and show this pack with the offer to the cashier.	-1.58
		Free videotape rental! Go to the nearest Blockbuster store and show one proof of purchase.	-1.10
	Sweepstakes	Want to have some fun? Do this crossword puzzle and win a week in Hawaii and other prizes.	-2.58
		2 free tickets to watch your favorite Major League Baseball Team! Look inside the pack to see if you are one of the 50 winners.	-1.68

^aUtilitarian score ranges from -8 to 8 and is computed by subtracting the nine-point semantic differential score on "fun/not fun" from the average semantic differential score on "wise/foolish" and "useful/useless."

groups). Further tests show that brand equity is not related to the perceived benefits of the brand ($F_{1,232} = .05, p = .83, \eta = .02$) and that monetary promotions are preferred to non-monetary promotions ($F_{1,178} = 17.9, p < .01, \eta = .30$) and perceived as more utilitarian and less hedonic than nonmonetary promotions (see Table 3, group difference: $F_{1,178} = 73.6, p < .01, \eta = .54$).

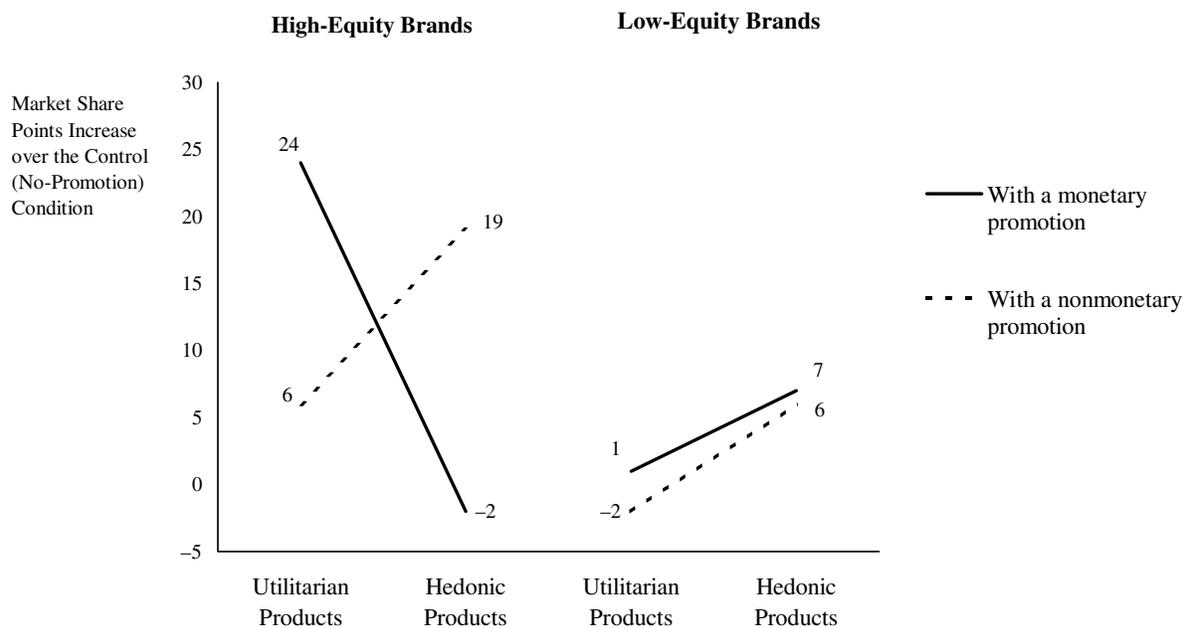
General results. After testing for product category and promotion differences, we aggregated the choice data at the promotion type and product type levels. We first analyzed brand choices with a logit regression with three independent factors (product type, promotion type, and brand equity), their interactions, and three individual-level covariates (past usage, age, and sex). At this aggregate level, brand equity and past usage are the only significant variables (respectively, $B = -2.14$, Wald statistic = 41.3, $p < .01$ and $B = 1.04$, Wald = 29.2, $p < .01$). No two-way interaction is significant. As expected, the three-way interaction among product type, promotion type, and brand equity is significant (Wald = 4.8, $p < .03$), which shows that the importance of benefit congruency varies depending on the equity of the target brand. Subsequent analyses therefore examine high-equity and low-equity brands separately.

The effects of benefit congruency for high- and low-equity brands. As predicted in H_1 and shown in Figure 3, sales promotions, on average, increased market share for high-equity brands (Wald = 5.56, d.f. = 2, $p < .01$) but not for low-equity brands (Wald = .60, d.f. = 2, $p = .74$). As predicted in H_2 , for low-equity brands, monetary and nonmonetary promotions were equally effective for utilitarian as for

hedonic products (the interaction between promotion type and product type is not significant: Wald = 1.70, d.f. = 2, $p = .40$). For high-equity brands only, Figure 3 shows that, as predicted by H_{3a} , monetary promotions were significantly more effective for utilitarian products than for hedonic products (they lead to an increase of 24 market share points over the control condition for utilitarian products versus a drop by 2 market share points for hedonic products; Wald = 4.00, $p < .05$). Conversely, nonmonetary promotions were more effective for hedonic products than for utilitarian ones (a 19-point increase versus a 6-point increase). However, this effect is not statistically significant, and H_{3b} is thus rejected (Wald = .30, $p = .56$).

To test H_4 , we used a repeated contrast coding, which compares the effects of one type of promotion with those of another, rather than their individual effects with the control condition. This analysis found a significant crossover interaction between promotion type and product type (Wald = 6.02, d.f. = 1, $p < .01$). As predicted by H_4 , for high-equity brands, monetary promotions were more effective (compared with nonmonetary promotions) for utilitarian products than for hedonic products. Actually, the difference between the effectiveness of the two types of promotion reverses depending on product type: For utilitarian products, monetary promotions increased market share by 18 more points than nonmonetary promotions did (24 versus 6), but for hedonic products, monetary promotions are dominated by nonmonetary promotions by 21 market share points (-2 versus 19). Overall, these results provide strong support for the benefit congruency hypotheses and invite further testing of their generalizability across other stimuli and respondents.

FIGURE 3
Study 4: How Benefit Congruency Influences Sales Promotion Effectiveness



Study 5: A Cross-National Replication of the Benefit Congruency Effect

In Study 5, we provide a test of the robustness of the benefit congruency effect. We use a procedure and a design similar to those used in Study 4, except that respondents were 139 U.S. and 51 French students of similar age and education level. As in Study 4, subjects chose between two hedonic or utilitarian brands. However, to provide a simple test of the main benefit-congruency hypothesis, we made both alternatives high-equity brands and promoted both, one with a monetary promotion and the other with a nonmonetary promotion. The design of Study 5 is therefore a 2 (promotion type) \times 2 (product type) between-subjects design with four within-subject replications consisting of the use of a different promotion and product category combination. The absence of a control (no promotion) condition implies that only H_4 , pertaining to the relative effectiveness of monetary and nonmonetary promotion, can be tested. The monetary promotions used in Study 5 were two coupons and two rebates by mail, and the nonmonetary promotions were two free gifts and two sweepstakes. We used ice cream and wine as hedonic products and 35-millimeter film and garbage bags as utilitarian products. We used the same procedure, brands, and promotions with the U.S. and French respondents (for additional information on the stimuli used in Study 5, see Chandon, Wansink, and Laurent 1999).

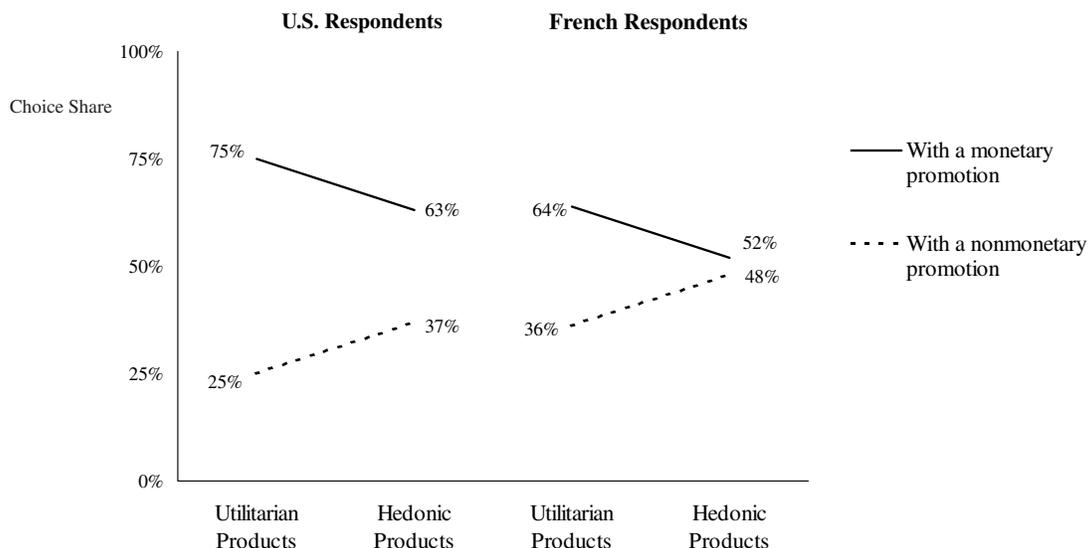
We analyzed the data separately for each group of respondents using the same logistic regression as in Study 4. The interaction between product type and promotion type was significant in both samples ($B = .32$, $Wald = 4.0$, $p < .05$ and $B = .022$, $Wald = 6.2$, $p < .05$ for the U.S. and French data, respectively). In Figure 4, we show the market shares of monetary and nonmonetary promotions for utilitarian and hedonic products. Overall, monetary promotions were more effective than nonmonetary promotions, especially for U.S. respondents (average market share of monetary promotions

is 69% versus 58% for French respondents). However, the effects of benefit congruency are, remarkably, of the exact same magnitude in both countries: Matching the type of promotion with the type of product increased promotion effectiveness by 12 choice share points. For example, U.S. respondents were more likely to choose the brand promoted with a monetary promotion when choosing between two utilitarian brands (75%) than when choosing between two hedonic brands (63%).

Discussion of Experimental Studies

Studies 4 and 5 show that it is critical for managers to take into account the types of consumer benefits provided by their promotions if they want to predict how effective a particular promotion will be for a particular product. Specifically, the results of these studies support the benefit congruency hypotheses for high-equity brands, because for these brands, sales promotions are, on average, more effective when they provide benefits that are congruent with consumers' need for the product. The benefit congruency effect is particularly strong for monetary promotions, which, in Study 4, destroyed market share when they were associated with a hedonic product. Examining the performance of the two types of monetary promotions used in Study 4 reveals that the poor performance of monetary promotions is primarily due to coupons: For high-equity brands, coupons increased market share by 26 points for utilitarian products but decreased market share by 5 points for hedonic products, whereas free product offers led to, respectively, a 21-point increase and a 1-point increase. One reason for the absence of negative effects and for the lower variance of free-product offers may be that offering more of a high-equity product provides utilitarian benefits for utilitarian products and hedonic benefits for hedonic products, whereas coupons offer the same utilitarian benefits no matter what product they promote.

FIGURE 4
Study 5: Effects of Benefit Congruency for U.S. and French Respondents



The performance of nonmonetary promotions is slightly less sensitive to benefit congruency effects for high-equity brands, especially because free gifts are not ineffective for utilitarian products (+17 points) even if they are less effective than for hedonic products (+26 points). In contrast, sweepstakes fare especially poorly with high-equity utilitarian brands (−9 points versus +7 points for hedonic brands), possibly because they are rated as the most hedonic type of nonmonetary promotions (see Table 3). These findings suggest that the general conclusions of prior research about the negative effects of nonmonetary promotions and the positive effects of monetary promotions should be qualified. The negative effects of free gifts documented in Simonson, Carmon, and O'Curry's (1994) study may be due to the lack of relevance of the gifts used. These authors used what they described as unneeded free gifts targeted at a segment other than their respondents, whereas the studies we report here used gifts that appealed directly to the respondents. The performance of free gifts in Simonson, Carmon, and O'Curry's (1994) study would have been further weakened by their selection of multiple utilitarian products (35-millimeter film, a compact disc player, a wristwatch, a calculator, a videocassette recorder, and a dental plan) and only one hedonic product (a brownie mix). The findings we report here underscore that there may be value to revisiting these studies and reinterpreting their results in light of the types of promotions and products that were used.

Summary and Discussion

Perhaps because coupons and temporary price reductions are the most common form of sales promotions, most research has assumed that monetary savings is the only consumer benefit of sales promotions. Consequently, although many studies have examined the inconvenience of using promotions, comparatively few have examined their benefits to the consumer. The first purpose of this research was therefore to provide an integrative framework of the consumer benefits of sales promotions. In a second step, we examined the implications of the existence of multiple hedonic and utilitarian benefits for the effectiveness of sales promotions that offer different benefits. By studying how and when promotions work, these frameworks have implications for how to improve the effectiveness of sales promotions as they increase their presence in the marketing mix. Before we detail these implications, consider three conclusions of this research:

1. Sales promotions can provide consumers with an array of hedonic and utilitarian benefits beyond monetary savings. Hedonic benefits include value expression, entertainment, and exploration. Along with simple monetary savings, utilitarian benefits also include product quality and shopping convenience.
2. Nonmonetary promotions provide more hedonic benefits and fewer utilitarian benefits than monetary promotions. All benefits except quality contribute to the overall evaluation of monetary and nonmonetary promotions. However, each type of promotion is primarily evaluated on the basis of the dominant benefits it provides.
3. For high-equity brands, sales promotions are more effective when they provide benefits that are congruent with those provided by the product being promoted. Specifically, monetary promotions are more effective for utilitarian products

than for hedonic products. Conversely, nonmonetary promotions are relatively more effective for hedonic products than for utilitarian products.

Implications for Researchers

Understanding consumer response to sales promotions. The multibenefit framework provides new insights into the questions raised previously. Why do consumers respond more to an on-shelf coupon than to a similarly advertised temporary price reduction that offers the same monetary incentive (Dhar and Hoch 1996; Schindler 1992)? One explanation may be that coupons offer stronger value expression benefits because collecting and redeeming coupons requires more skill and effort than buying products on sale. Coupon usage therefore more clearly signals the smart-shopping skills and values of the users and may superiorly enhance their social prestige and help them fulfill their personal values and moral obligations. The benefit congruency principle moderates this prediction by emphasizing that it would occur only to the extent that the value expression benefits are important for the consumer or the purchase considered.

Why do consumers respond to insignificant price reductions (Hoch, Drèze, and Purk 1994; Inman, McAlister, and Hoyer 1990)? The surprisingly strong response to sales promotion signals in the absence of significant price reductions may be explained by the convenience benefit. Promotion signals can increase shopping convenience by reducing search costs (because the brand is more visible at the point of purchase) and decision costs (because it provides a simple justification for the choice of the promoted product). Again, the benefit congruency principle explains why these effects are especially strong for hurried consumers or those with low need for cognition (Inman, McAlister, and Hoyer 1990; Inman and Winer 1998).

Why do some consumers switch brands because of a coupon but then do not redeem it (Bawa and Shoemaker 1989; Dhar and Hoch 1996; Soman 1998)? The failure to redeem the coupons responsible for the purchase decision may be due to these consumers valuing the convenience and exploration benefits coupons provide in the aisles at the time of the decision but not the monetary savings they provide at the time of payment. For example, if consumers buy couponed brands because they reduce search and decision costs or increase the variety of products consumers buy by suggesting new alternatives, consumers may simply forget to use the coupon at the checkout or believe that the embarrassment of showing it to the cashier and the other shoppers is not worth the monetary savings provided.

Expanding the relevance of benefit congruency. Further research could study the effects of benefit congruency beyond the utilitarian or hedonic nature of the product. It would be interesting to study benefit importance across the different phases of the product life cycle, different purchase situations, and different general demographic and personality classifications. For example, we might expect that savings are more important than value expression for mature products than for new products, for agents than for end users, and for low self-monitoring consumers. Similarly, although Christmas shoppers purchasing gifts may be more

interested in promotions with utilitarian benefits (e.g., price reductions), this might change one month later when they shop for themselves and appreciate hedonic promotions (e.g., free gifts). Finally, monetary promotions might be more effective in increasing trial (a relatively utilitarian decision), whereas nonmonetary promotions might be more effective in retaining customers (a relatively hedonic decision, because repeat buyers often expect a symbolic recognition of their “good” behavior).

Examining the results of Studies 4 and 5, the robustness of the benefit congruency effects for high-equity brands across 12 promotions and eight products is comforting. However, it is important to understand that in the case of the competition between a high-equity and a low-equity brand, benefit congruency holds only for familiar and high-quality brands. This is possibly because low-equity brands are bought mainly for their low price and provide weaker utilitarian or hedonic benefits. Brand equity is probably not the only factor that moderates the effects of benefit congruency. For example, the absence of benefit congruency effects for the low-equity brands in Study 4 can also be explained by their higher market share, because promotion elasticity—and thus the power to detect benefit congruency effects—decreases with market share (Bolton 1989). This indicates that the utilitarian or hedonic nature of a product is not the only antecedent of benefit importance and therefore of the effectiveness of a promotion. It is critical that marketers not only understand the generic benefits of the product category but also directly study the nature of the benefits sought by the buyers for the targeted brand, the purchase situation, and the geographic market of interest.

A functional perspective on deal proneness. Prior research shows that consumer response to coupons can be explained by two personal traits: coupon proneness and value consciousness (Lichtenstein, Netemeyer, and Burton 1990). By emphasizing the utilitarian or hedonic benefits that may motivate each type of deal proneness, the multi-benefit framework provides a functional alternative to the personality approach to deal proneness of prior research. For example, instead of characterizing consumers as either value prone or coupon prone, the multibenefit framework qualifies or segments sales promotion proneness as utilitarian deal proneness or hedonic deal proneness. Similarly, instead of referring to sales promotions in a generic manner, it may be appropriate to use a new typology of sales promotions based on the benefits they deliver (e.g., hedonic or entertainment promotions).

Emphasizing the motivational antecedent of each type of deal proneness rather than the techniques that deliver it—for example, renaming sale proneness (Lichtenstein, Netemeyer, and Burton 1995) to convenience proneness—may also generate cross-fertilization with comparable research in social psychology on the motivational basis of involvement and attitude (Eagly and Chaiken 1993). This should help determine the most appropriate aggregation level of consumer benefits (and, in particular, of the relatively more heterogeneous hedonic benefits): the micro level of the multi-benefit framework, the bidimensional classification used in the experimental studies, or some other classification scheme including, for example, a more general “feel good”

benefit. Keller’s (1993) work suggests distinguishing between symbolic and more purely affective hedonic benefits (respectively, value expression, entertainment, and exploration). Holbrook’s (1994) self-oriented/other-oriented and active/reactive dimensions suggest refining the value expression benefit by distinguishing between the intrinsic moral pride derived from buying promoted products and the political use of smart shopping expertise as a means of attaining group recognition and influence.

It would also prove productive to examine each benefit independently. For example, the convenience benefit may help explain the effectiveness of multiunit offers (e.g., promotional packs, multiple-unit pricing) and other visually distinctive promotions in terms of brand consideration, at both the point of purchase and the point of consumption (Chandon, Hutchinson, and Young 2000; Chandon and Wansink 1999). Further research could also test the mixed evidence on the predictive validity of the quality benefits. For example, researchers could compare the effectiveness across product types of promotions that offer a reduced unit price on subjects’ habitual purchases and of coupons that enable consumers to buy a higher-quality product. This could be done in laboratory experiments or with data from Catalina Marketing’s checkout coupons. Using purchase history data would also help researchers overcome the limitations of the methodologies (surveys and laboratory experiments) used in this study.

Implications for Managers

Increasing sales promotion effectiveness with nonmonetary promotions. One of the major conclusions of the benefit congruency results in Studies 4 and 5 is that marketers can increase sales promotion effectiveness by matching the type of promotion to the type of product being promoted. When this cannot be done—say, when the promotion is offered across different brands or when the promoted brand is bought for a wide variety of benefits—the benefit congruency framework recommends using promotions that combine multiple hedonic and utilitarian benefits. Such multi-benefit promotions would appeal to the different benefits sought by the various segments of consumers that buy each product. They would also match the different benefits provided by the various brands promoted under a multibrand promotion. As Study 3 suggests, this can be achieved by designing promotions that combine monetary and nonmonetary incentives (e.g., an in-pack coupon with an on-pack contest or a multipack refund with an in-store display that emphasizes new product uses).

The benefit congruency principle calls into question the strong reliance of marketers on monetary promotions and the relative neglect of nonmonetary promotions (Cox Direct 1997). This research shows that monetary promotions can destroy market share when offered with incongruent high-equity hedonic brands competing against low-priced brands. In contrast, in the studies reported here, the effects of nonmonetary promotions were always positive and were relatively more stable across product types. Nonmonetary promotions are also more likely than monetary promotions to create unique brand associations that can reinforce brand image. We gathered preliminary evidence on this issue by asking a subsample of respondents in Study 4 to rate brand

image on the five personality dimensions suggested by Aaker (1997). We found that both utilitarian and hedonic brands were perceived as more exciting, sincere, reliable, and upper-class when they were offered with the nonmonetary promotion described in Table 3 than when they were offered with no promotion. In contrast, monetary promotions had no significant effects, except on brand sincerity. Although only tentative, these results suggest that nonmonetary promotions may be more appropriate as a brand-building activity than as a short-term sales incentive.

How do these findings compare with best practices in the industry? An analysis of the sales promotions nominated for the 16th Reggie Awards for their “originality, execution, and results” by the Promotion Marketing Association of America provides additional evidence on the value of nonmonetary promotions and on the external validity of the benefit congruency framework. We asked 12 independent experts to rate the type of incentive (monetary versus nonmonetary) and the consumer benefits offered by the 21 award-winning promotions, along with the utilitarian or hedonic nature of the promoted products.

First, the results show that few of the Reggie Award finalists are purely monetary promotions and that most of them combine utilitarian and hedonic benefits, with a stronger presence of hedonic benefits. In fact, only 1 of 21 promotions was rated at six or higher on the seven-point scale “nonmonetary/monetary.” This is consistent with the multibenefit framework and with Study 3, which showed that consumers evaluate promotions on more than just cost savings. Second, there is a significant correlation between the hedonic nature of the product and the nonmonetary nature of the promotion ($r = .57, p < .01$)—the more hedonic the product, the more nonmonetary is the promotion.

The best promotions of 1999 thus abide by the benefit congruency principle. Benefit congruency is particularly respected for the more hedonic half of the products studied, which were never promoted with a monetary promotion. In contrast, the more-utilitarian products were promoted with both relatively

monetary and relatively nonmonetary promotions (see Table 4). This is consistent with results of Study 4, which show that monetary promotions can damage hedonic brands, whereas nonmonetary promotions, if they are less effective, do not damage the market share of utilitarian products.

Rethinking the goals of sales promotions. Without minimizing the importance of supply-side arguments, the findings of this research suggest that the debate on the value of sales promotion compared with everyday low price should take into consideration the essential demand-side issue: the consumer. Many studies recommending everyday low price characterize consumers on a convenience-to-price continuum, assuming that deal-prone consumers are willing to forgo convenience for lower prices (see Kahn and McAlister 1997; Lal and Rao 1997; Narasimhan 1984). These assumptions may not hold for all consumers. Indeed, our results show that consumers may find that sales promotions can provide savings and improve shopping convenience by reducing search and decision costs. Similarly, everyday low price policies run the risk of alienating hedonic deal-prone shoppers who value the entertainment or exploration benefits of sales promotions.

More generally, the multibenefit framework suggests that sales promotions may be appropriate under conditions that would not call for promotions if a purely monetary framework was followed. The traditional goals assigned to sales promotions are to increase trial, price discriminate, and serve as short-term tactical weapons in a price competition. The multibenefit framework suggests that sales promotions may also be appropriate in order to deliver a higher customer value through higher hedonic benefits or improved shopping convenience under conditions of low competition or consumer homogeneity that traditionally would not call for promotions (e.g., electronic commerce). Focusing on the nonmonetary, hedonic benefits of sales promotions brings opportunities for innovative uses in these contexts.

TABLE 4
Composition of the 1999 Reggie Award Finalists (number of finalists and typical examples)

	Utilitarian Products ^a	Hedonic Products
Monetary promotions	Seven finalists Typical example: Burger King Free Fry Day: Free order of French fries offered on Friday, January 2, 1998.	No finalist
Nonmonetary promotions	Six finalists Typical example: Wisk Richard Petty Race Cars: Three models of Richard Petty's race cars in powder detergent boxes or as self-liquidating premiums.	Eight finalists Typical example: Starburst Fruit Chews Chew the Clue: Identifying a new mystery flavor won a free pack of candy and chances to win a trip to Hawaii.

^aProducts and promotions were dichotomized with a midpoint split.

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