

ABSTRACT

Consumer deals are a key marketing tool for most of the consumer products. To be effective, deals must appeal to the target audience. It is therefore important to understand what motivate consumers to redeem deals.

Monetary savings are assumed to be the only benefits that motivate consumers to redeem deals. However, some studies suggested that monetary savings cannot fully explain why and how consumers respond to sales promotions. Subsequently, several non-monetary motivators of consumer's proneness to deals were identified. These motivations could be explained by the socio-demographic, hedonic, normative and behavioural characteristics of customers. However, the results have been inconsistent and inconclusive. Therefore, psychological variables were suggested to be assessed as possible motivators of deal responsive behaviour as these are stable within one-self.

Consumers' exploratory tendencies (CET) are proposed as potentially important psychological motivators of their proneness to deals. CET is the tendency to engage in exploration of the environment to gain stimulation in order to attain a satisfactory intermediate level of stimulation, termed as optimum stimulation level (OSL). Consumers normally tend to maintain their OSL. When their internal level of stimulation falls below their OSL, they tend to explore for stimulation in order to raise it. Then, they may look for sales promotions, as these can provide them the stimulation required to raise their OSL. Hence, consumers can become interested in dealing with sales promotions in order to raise their OSL.

A review of the literature indicates that while other psychological variables were assessed as antecedents of deal responsive behaviour, CET has not been exhaustively

examined in this regard in the past. Also, no such study has been carried out in the Indian context. This study was undertaken to address such gaps and investigate whether consumers' exploratory tendencies influence their proneness to eight types of deals, during the purchase of a shampoo, which is a consumable good, and a refrigerator, which is a durable good.

Conceptual models were constructed in order to test the hypothesized relationships. Multiple regression analysis was employed to test how well the models were endorsed by the collected data.

Raju's (1980) ETCBS scale has been adopted to measure CET and the scales developed by Lichtenstein, Burton and Netemeyer (1997) were used to measure consumer's deal proneness to eight different types of deals, after testing their reliability and validity.

A field study was also taken up to validate the findings through observation of the actual deal redemption behaviour.

Consumers' exploratory tendencies were found to partially influence their proneness to deals. Consumers show varying proneness to different types of deals depending on the type of exploratory tendency that they need to satisfy and the type of good that is on sale.

The findings of this study can enable marketers to choose the most appropriate deal from among the various deal types used in the Indian marketplace, for better sales results.