# The Consumer In-Store Purchasing Behavior Associated With Deal-Proneness for a Hypermarket Retailer in Croatia* 

Ivan-Damir Anić** Sonja Radas ${ }^{* * *}$


#### Abstract

This paper examines the relationship between consumer purchase behavior and in-store promotion proneness across five promotion types. The model was tested with data collected from a consumer survey, carried out in the high/ low Croatian hypermarket setting. The data were analyzed using descriptive statistics and the one-way analysis of variance (ANOVA). In general, research results support the proposed framework. Higher consumer deal-proneness was associated with promotion planning (except for advertised brands and free samples), in-store promotion search and purchases of promoted items (except for special island displays). Contrary to expectations, action store loyalty was positively related to deal-proneness. The framework provided helps retailers predict consumer response to in-store promotion and their purchases depending on deal-proneness, as the starting point in designing promotion campaign and enhancing the store competitiveness.


Keywords: hypermarket, deal-proneness, in-store promotion, deal planning, instore promotion search, purchases on deal, action loyalty JEL classification: L810

[^0]In-store promotions are effective marketing methods used by retailers and designed to affect consumer in-store decision making. Promotions are incentives offered by retailers that enable consumers to obtain savings and the access to higher quality brands which could not be bought at their normal price. The most common in-store promotion types involve different forms of price reductions, displays, advertised brands, and free samples. In-store promotion deals have been shown to increase consumer purchases, especially during the period when a deal is effective (Cotton and Babb, 1978). However, not all the consumers respond to promotion deals in the same way, some consumers being more sensitive to certain promotion types than others, producing differences in promotion profitability. As promotion is expensive (Walters and Mackenzie, 1988) and has an effect on retailers' profitability, retailers are very interested to examine promotion effectiveness depending on consumer deal-proneness.

A large body of research has examined consumer response to retail promotion. An area of growing interest seeks to understand how deal-proneness affects consumer purchasing behavior. Previous research suggests that economic and hedonistic motives, and buyer characteristics as well (Martinez and Montaner, 2006), drive consumer deal-proneness. Furthermore, deal-proneness affects brand choice, purchase quantity and purchase timing (Schneider and Currim, 1991), and the word of mouth behavior (Wirtz and Chew, 2002). Previous research suggests that differences in deal responses produce different retail outcomes across product categories and promotion types (Cotton and Babb, 1978). Although marketers have a relatively firm grasp of factors constituting dealproneness, the relationships reported in the literature cited are not always so clear. Since very little is known about deal-proneness behaviour in the Croatian setting, more research is needed to help managers predict this type of behavior.

The purpose of this paper is to test several hypotheses related to the relationships between consumer proneness to in-store promotion and purchase behavior across five promotional types used by a high/low hypermarket retailer operating in the Croatian market. Specifically, the study focuses on the following questions: (1)

What is the association between promotion planning and deal-proneness? (2) How is in-store promotion search related to deal-proneness? (3) What is the relationship between deal-proneness and purchases made on deal? (4) What is the association between deal-proneness and action loyalty behavior? The following five in-store promotion categories are examined: in-store advertising of featured brands, every day price reductions (henceforth EDLP products) and monthly price reductions (henceforth MLP products), special island displays, and free samples.

In order to collect data and test the model, the consumer survey was carried out in the hypermarket setting during a 6 day period from December 7 to 13, 2005. The data were analyzed using descriptive statistics and the one-way analysis of variance (ANOVA). The sampled retailer was a high/low retailer operating in the Croatian market. Most of the products were sold at the prices above the prices of major competitors, while frequent sales were conducted throughout the year on a monthly or regular yearly basis. The store featured promoted items in ads that were placed at the front of the store and in the store garage. Discount prices were frequently accompanied by free sample promotion, shelf and special-island displays.

To address the issues described above, we conduct an empirical study which builds on the previous research dealing with deal-proneness, consumer purchasing behavior and in-store promotion. This study seeks to contribute to the literature with a better understanding of the associations between consumer proneness to in-store promotion, promotion planning, promotion search, deal purchases and action loyalty in a single study. Furthermore, the study expands the theory by examining deal-proneness behavior across five promotion categories in the high/low Croatian hypermarket retailer. As we test the model, we may refine the theory by findings from the Croatian hypermarket setting.

Several managerial implications might be derived from this study. The framework provided helps retailers predict consumer response to in-store promotion and resulting retail outcomes. The findings derived from this study are of the special importance to high/low retailers, which include in-store promotions in their communication program to attract and retain both value-concsious and price-
sensitve customers. As not all the consumers have the same response to sales promotions, knowing the profile of deal-prone consumers will enable them to design more effective promotional campaigns, depending on consumer dealproneness segments.

The remainder of the paper is organized as follows: (1) Literature review and hypotheses; (2) Methodology; (3) Results; (4) Conclusions with managerial implications and future research directions.

## 2 Literature Review and Hypotheses Development

This paper builds on the literature dealing with deal-proneness, in-store promotion and consumer purchase behavior. Promotions are incentives offered by retailers that enable consumers to obtain savings and the access to higher quality brands which could not be bought at their normal price. ${ }^{1}$ Consumers normaly weigh up costs and benefits along the buying process of promoted products. Costs are related to the purchase of promoted products, including switching, search and inventory costs, while economic benefits are tied to the product's attributes, savings and quality (Ailawadi et al., 2001; Martinez and Montaner, 2006).

The conceptual framework for this research is presented in Figure 1. As the model posits, consumers tend to purchase promoted items along with regular food and non-food products when doing grocery shopping. In the process of buying deals, they go through different stages including pre-purchase planning, in-store promotion search and purchases of promoted items. Consumers' response to in-store promotion depends on their deal-proneness. Since not all the consumers show the same deal-proneness, different levels of deal-proneness should be associated with planning, searching and purchases of promoted items. Finally, the model proposes a negative link between deal-proneness and store action loyalty, the final stage of the buying process. ${ }^{2}$

[^1]Figure 1 Conceptual Model of Consumer Deal-Proneness Purchasing Behavior


There is no simple definition of deal-proneness behavior. In general, it might be defined as consumers' tendency to refer to promotion when purchasing common household products, i.e. consumers' propensity to use, search and take advantage of promoted items. The term deal-proneness is often used to describe consumers' tendency to use store flyers and coupons, price specials and displays. In terms of information and promotion search, using store flyers and coupons is categorized as active, out-of store deal-proneness, while refering to price specials and displays is seen as pasive, in-store promotion proneness (Schneider and Currim, 1991; Ailawadi et al. 2001; Martinez and Montaner, 2006). ${ }^{3}$

Previous studies suggest that consumer purchase behavior depends on dealproneness. Shopping is a component of the household production function, and consumers measure the costs of buying against the benefits of the product. As being price-conscious and conscious of their household inventory levels, deal-

[^2]prone consumers have the motive to obtain economic incentives and savings from engaging into promotion purchases. Promotion planning is related to dealproneness (Martinez and Montaner, 2006), and should be related to promotion search as well.

Furthermore, deal-proneness affects brand choice, purchase quantity and purchase timing (Schneider and Currim, 1991), and the word of mouth behavior (Wirtz and Chew, 2002). Previous research suggests that the differences in deal responsiveness produce different retail outcomes across product categories and promotion types (Cotton and Babb, 1978). Some studies suggest the link between deal-proneness and loyalty, although the relationship is not so clear (Webster, 1965; Martinez and Montaner, 2006).

When studying consumer response to promotional actions, several authors have analyzed whether a consumer who is prone to purchase a certain promoted product will also respond to any other promotional action. The results of that research are not fully conclusive. Some studies reveal that deal-proneness is a generalized construct, that is, an individual who modifies his or her purchase behavior in certain promotions is likely to modify his or her behavior in any other promotion (Shimp and Kavas, 1984; Price et al., 1988). Other authors maintain that deal-proneness is domain specific and that consumers may respond to a certain type of promotional mechanism but not to others (Schneider and Currim, 1991; Ailawadi et al., 2001).

This paper contributes to the literature by examining how consumer behavior in the buying process, such as promotion planning, search, deals purchases and action loyalty, is related to in-store deal-proneness. In particular, we explore whether people who exhibit a certain type of behavior (for example planning vs. not planning) differ in their deal-proneness. Therefore, the following five instore promotion categories are examined: in-store advertising, EDLP products, MLP products, special island displays, and free samples. The differences between promotion types will make some consumers respond to certain promotions but not to others. A series of hypotheses are now developed on the linkages between each buying behavior factor and the deal-proneness variable.

Promotion planning is the first variable differentiating a deal-prone consumer from a less deal-prone consumer. Pre-purchase planning of both the product category and specific brand involves a buying intention formed prior entering the store, as opposed to impulse purchasing where the decision to buy the item is made inside the store (Cobb and Hoyer, 1986). Several authors suggest that in-store promotion is driven by planning (Ailawadi et al., 2001), and consumer response to promotion is dependent upon deal-proneness (Martinez and Montaner, 2006).

Planners are likely to consider out-of store promotion (like store flyers and media advertising) to help them plan the shopping (Ailawadi et al., 2001). They learn about promotional patterns of the retailer and adapt their decisions to these patterns acquired inside the store. Planners are more likely to be prone to in-store promotions as well, as shown by Martinez and Montaner (2006). Based upon previous research, we hypothesize the following:

H 1 a-e: Consumers who plan to purchase a) advertised featured brands, b) EDLP products, c) MLP products, d) products on display, e) free samples exhibit higher dealproneness than customers who do not plan to purchase the above promoted products.

## The relationships between deal-proneness and in-store promotion search (H 2 a-e)

The second variable related to deal-proneness is in-store promotion search. This is a consumer tendency to seek promotion information, look for in-store promotions and visit places with promoted items inside the store. A large body of literature on the price and promotion search in consumer markets indicates that search behaviors are typically employed by consumers who have an economic incentive to search for desirable prices and specials, and have time to conduct such a search (e.g., Carlos and Giescke, 1983; Urbany et al., 1996). As shown by Walters and Jamil (2003), out-of-store promotion search is influenced by the shopper type and shopping task. They show that although consumers on a shopping trip can achieve their shopping objectives with little or no searching
for promotions, highly price sensitive consumers were more involved in searching for price specials before entering the store. For price sensitive shoppers interested in obtaining savings from purchases, searching for promoted items is a way to locate and acquire low-priced goods (Mulherm and Padgett, 1995). In line with these findings, we expect customers who are more involved in instore promotions search to be more deal-prone than the consumers less likely to search. Therefore, the following is proposed:

H 2 a-e: Consumers who search for a) advertised featured brands, b) EDLP products, c) MLP products, d) products on display, e) free samples exhibit higher deal-proneness than consumers who do not engage in search.

## Association of deal-proneness and purchases on deal (H 3a-e)

Purchases on deal are also related to consumer deal-proneness. There are several empirical studies suggesting this relationship, although promotional deal responses might vary across product categories and promotion types (Cotton and Babb, 1978; Walters and Jamil, 2003). ${ }^{4}$ According to Umesh, Pettit and Bozman (1989), deal-prone consumers purchased larger quantities of products on promotion than those who were not deal-prone. Similarly, the study of Schneider and Currim (1991) indicates that consumer deal-proneness is positively associated with the purchases of different brands and quantity purchased on deal. Although this literature examines if deal-prone consumers are likely to purchase on promotion, we believe that the opposite is true; namely, that people who engage in promotion purchasing are indeed more deal-prone. In other words, we expect consumers who purchase on promotion to have larger deal-proneness, and therefore propose the following hypothesis:

H 3 a-e: Consumers who purchase a) advertised featured brands, b) EDLP products, c) MLP products, d) products on display, e) free samples exhibit higher deal-proneness than consumers who do not puchase them.
${ }^{4}$ Consumers conducting shopping trip to purchase price specials will not necessarily purchase all the in-store promotions. Although they purchased significantly larger number of features, they purchased ferver in-store specials at the same time as compared to consumers on major and fill-in shopping trips (Walters and Jamil, 2003).

Action loyalty can be defined as a consumer tendency to come to store again and spend there a large percentage of the grocery budget in a certain period of time ("share of wallet"). As shown by Tate (1961), customers who are loyal to a certain retail establishment tend to give one particular store the priority in grocery shopping, and are likely to spend more money in the primary store than the less loyal shoppers. ${ }^{5}$ Drawing on research on another type of loyalty, deal users have been found to be less loyal than non-users in terms of the proportion of purchases devoted to the favorite brand (Montgomery, 1971; Webster, 1965). Also, brand loyal consumers were less responsive to deals than non-loyal consumers (Schneider and Currim, 1991) since they attach more importance to the product than to the price (Massy and Frank, 1965), as compared to dealprone consumers who value the price more than quality. If we assume that store loyalty might follow similar pattern as brand loyalty, we might expect customers who are loyal to an establishment not to be so deal-prone, since if they were deal prone they would shop around for the best deals and would not necessarily favor one store over others. Therefore, we suggest the following:

## H 4: Higher level of store action loyalty is exhibited by a less deal-prone consumer.

## 3 Methodology

### 3.1 Consumer Survey and Sample Profile

Data for this study were obtained from the consumer survey. The survey was carried out in a hypermarket retailer in Croatia during a 6 day period from December 7 to 13, 2005. Entry and exit interviews were conducted in order to collect data. The interviewers approached customers before the entry to a store and asked them to participate in the survey and fill in a set of questions related to their purchasing plans. After the respondents had been done with

[^3]shopping, they were asked to fill in the survey containing questions on their grocery shopping habits, repatronage intentions, and actual purchases made. Demographic data were obtained from the shoppers. The interviews required less than 15 minutes to complete. Upon the completion of an interview, the interviewer immediately selected the next customer approaching the store. A sample of 300 shoppers was obtained. Summary statistics on sampled shoppers is presented in Table 1.

Table 1 Summary Statistics on Sampled Shoppers, $\mathbf{N}=\mathbf{3 0 0}$

| Shopper profile | Value |
| :---: | :---: |
| 1 Demographic variables |  |
| 1.1 Female (\%) | 58.11 |
| 1.2 Average age (average years) | $35-45$ |
| 1.3 Average household income (average HRK) | $6,000-9,000$ |
| 1.4 Household size (average) | 3.17 |
| 2 Shopping frequency |  |
| 2.1 Total number of major shopping trips in a month | 1 |
| 2.2 Total number of fill-in shopping trips per week | $4-5$ |
| 3 Total grocery expenditures/month (in HRK) | $2,411.38$ |

Respondents were 58.11 percent females and 41.89 percent males. The average consumer age was between 35 and 45 years. The respondents reported the household monthly income ranging from $\operatorname{HRK} 6,000$ to 9,000 , and the average household size of 3 members.

The monthly grocery budget averaged HRK 2,411.38, out of which $1,198.63$ were spent for major shopping trips and HRK $1,212.74$ for fill-in shopping trips. Although respondents usually visit several different retailers during their shopping trips, they spend high percentage of their grocery budget at the analyzed hypermarket store ( 58.37 percent).

### 3.2 Measurement and Data Analysis

Variable definitions and measurements are presented in Table 2. A review of relevant literature was used to develop measures for variables applied in this study, which was then supplemented and adapted to the study context.

| Table 2 Variable Definitions and Measurements, $\mathbf{N}=\mathbf{3 0 0}$ |  |
| :--- | :--- |
| Variable name | Details of measures |
| In-store deal-proneness | Deal-proneness was determined by asking the respondents to rate the <br> following statements: (1) It is important that the store offers low prices; <br> (2) It is important that the store has frequent sales; (3) It is important <br> for me to look for promotion material to find any information on special <br> sales; (4) It is important for me to look for information on products that <br> are on sale today at the store entrance; (5) It is important for me to buy <br> a product on sale every time I visit the hypermarket store. Statements <br> were rated on a 1 to 7 scale, where 1 equals not important and 7 equals <br> extremely important. <br> Reliability of the scale (cronbach alpha) was 0.83. Average deal-proneness <br> = 4.42. |
| We asked the respondents: (1) Did you plan to buy any of the advertised <br> brands? (1 = yes; $2=$ no); (2) Did you plan to buy any of the price- |  |
| Promotion planning |  |
| reduced products in the store's monthly program?; (3) Did you plan to |  |
| buy any of the products in the every day low price program? (1 = yes; 2 |  |
| = no); (4) Did you plan to buy any of the featured brands on displays?; |  |
| (5) Did you plan to buy any of the products in the free sample program? |  |
| (1 = yes; 2 = no). |  |
| Consumers were classified in two groups for each promotion type |  |
| according to their behavior as follows: (1) Planner, a shopper who planned |  |
| in advance to purchase at least one promoted item in a given product |  |
| category. (2) Non-planner, a shopper who did not plan in advance to |  |
| purchase at least one promoted item in a given product category. |  |$|$

The measurement of promotion proneness was based on the scale used by Umesh, Pettit and Bozman (1989), and adapted to the in-store hypermarket environment.

In our case, sampled shoppers form a base of relatively deal-prone consumers. As the data reveal, they were slightly above average prone to deals (the mean answer is 4.42). In the sample, deals were moderately important for 22.81 percent of the shoppers while for 12.08 percent deals were highly important (Figure 2).

Figure 2 Customers' Response to Deal-Proneness Questions,
by \% of the Customers


Note: Statements were rated on a 1 to 7 scale where $1=$ not at all important, $2=$ moderately not important, $3=$ slightly not important, $4=$ neutral importance, $5=$ slightly important, $6=$ moderately important, $7=$ very important.

The data were analyzed with a use of descriptive statistics and the one-way analysis of variance (ANOVA). One-way ANOVA was used to test whether significant differences existed in the statistical mean associated with the behaviors of analyzed shopper groups. If significant differences were identified, pairwise comparisons of the mean were conducted to explain these differences.

The analysis provides an understanding of the associations of deal-proneness and consumer in-store purchasing behavior, including promotion planning, instore promotion search, deal purchases and store action loyalty.

The relationships between deal-proneness and promotion planning (H 1a-e)

The relationships between deal-proneness and promotion planning are presented in Table 3.

| Table 3 Associations of Deal-Proneness and Promotion Planning, N = 300 |  |  |  |
| :--- | :---: | :---: | :---: |
| Promotion planning/shopper type | Deal-proneness, means |  | p-value |
|  | Planners | Non-planners |  |
| 1 Planned to purchase an advertised brand (H 1a) | 5.021 | 4.409 | 0.152 |
| 2 Planned to purchase EDLP products (H 1b) | 5.483 | 4.291 | 0.000 |
| 3 Planned to MLP products (H 1c) | 5.805 | 4.220 | 0.000 |
| 4 Planned to purchase at island displays (H 1d) | 5.700 | 4.373 | 0.022 |
| 5 Planned to try free samples (H 1e) | 4.633 | 4.421 | 0.777 |

Note: Planners are shoppers who did promotion planning in the analyzed promotion category, while nonplanners did not plan to purchase promoted items.

As the findings of one-way ANOVA suggest, significant differences existed in deal-proneness between planners and non-planners for EDLP products ( $\mathrm{p}=$ $0.000)$, MLP products $(\mathrm{p}=0.000)$ and displays $(\mathrm{p}=0.022)$. Therefore, shoppers who planned to purchase EDLP and MLP products, and products on displays were more deal prone than non-planners, supporting hypotheses H1b, H 1c, H 1d. Contrary to expectations, no significant differences existed in deal-proneness for advertised brands and free samples ( $\mathrm{p}=0.152$ and $\mathrm{p}=0.777$ respectively), rejecting hypotheses H 1 a and H 1 e .

The second H2 hypothesis deals with the relationships between deal-proneness and in-store promotion search. As the findings of one-way ANOVA presented in Table 4 suggest, significant differences existed in deal-proneness between searchers and non-searchers for all promotion types ( $\mathrm{p}=0.000$ ).

| Table 4 Customer Promotion Search, N = 300 |  |  |  |
| :--- | :---: | :---: | :---: |
| Promotion search/shopper type | Deal-proneness, means |  |  |
|  | Searchers | Non- <br> searchers | p-value |
|  | 4.817 | 4.147 | 0.001 |
| 2 Searched for EDLP products (H 2b) | 5.310 | 4.003 | 0.000 |
| 3 Searched for MLP products (H 2c) | 5.362 | 4.113 | 0.000 |
| 4 Searched for special island displays (H 2d) | 5.122 | 4.347 | 0.015 |
| 5 Tried free samples (H 2e) | 5.251 | 4.309 | 0.001 |

Note: Searchers are shoppers who did promotion search in the analyzed promotion category, while non-searchers did not search for promoted items inside the store.

As expected, the data show that customers who searched for promoted products exhibited higher deal-proneness, supporting the hypotheses H 2a-e.

The relationships between deal-proneness and purchases on deal (H 3)

Hypotheses H 3a-e propose the relationships between deal-proneness and the purchases of products made on deal. The ANOVA results are presented in Table 5.

As the findings of one-way ANOVA suggest, significant differences existed in deal- proneness between buyers and non-buyers for advertised brands ( $\mathrm{p}=$ $0.049)$, EDLP products ( $\mathrm{p}=0.000$ ), MLP products ( $\mathrm{p}=0.000$ ) and free samples ( $\mathrm{p}=0.000$ ). Accordingly, higher deal-proneness was exhibited by shoppers who purchased adveritised products, EDLP products, MLP products and free samples. Therefore, hypotheses H 1a, H 1b, H 1c, H 1d are supported. Contrary to expectations, no significant differences existed in deal-proneness for displays ( $\mathrm{p}=0.311$ ).

| Table 5 Purchases of Promoted Items, N = 300 |  |  |  |
| :--- | :---: | :---: | :---: |
| Promotion purchase/shopper type | Deal-proneness, means | p-value |  |
|  | Buyer |  |  |
| 1 Purchased an advertised product (H 3a) | 5.033 | 4.349 | 0.049 |
| 2 Purchased EDLP products (H 3b) | 5.358 | 4.201 | 0.000 |
| 3 Purchased MLP products (H 3c) | 5.503 | 4.204 | 0.000 |
| 4 Purchased at island displays (H 3d) | 4.870 | 4.412 | 0.311 |
| 5 Purchased free samples (H 3e) | 5.627 | 4.383 | 0.009 |

Note: Buyers are shoppers who did purchase at least one promoted item in the analyzed promotion category, while non-buyers did not purchase any promoted product.

The relationships between deal-proneness and action loyalty (H 4)

Finally, the model tests how deal-proneness is related to the store action loyalty measured in terms of percentage montly expenditures in the sampled hypermarket. As the findings of one-way ANOVA in Table 6 suggest, significant differences existed in deal-proneness and action loyalty.

| Table 6 Relationships Between Deal-Proneness and Action Loyalty |  |
| :--- | :---: |
| Shopper type | Deal-proneness mean |
| Non-loyal customer | 4.093 |
| Medium-loyal customer | 4.657 |
| Highly-loyal customer | 4.670 |

Note: ANOVA $p=0.030998$.

Contrary to hypothesis H 4, the data show that the higher level of action loyalty is associated with the higher level of deal-proneness. In other words, the more loyal the shopper is to the store in terms of percentage expenditures spent, the more she or he is prone to in-store promotion.

This paper explores special aspects of consumer purchasing behavior associated with in-store deal-proneness in a Croatian hypermarket store. Specifically, the study focuses on the following questions: (1) What is the association between shoppers' plans and deal-proneness? (2) How is in-store promotion search related to deal-proneness? (3) What is the relationship between deal-proneness and purchases made on deal? (4) What is the association between deal-proneness and action loyalty behavior? The study examines deal-proneness purchasing behavior across five promotional tools used in the sampled hypermarket.

In general, the results of our study support the proposed model. We found little variability in deal-proneness across the shopper types and promotion categories. As the findings suggest, deal-proneness is positively related to promotion planning, in-store promotion search, promotion purchases and action loyalty. As expected, deal-prone consumers did plan purchases of EDLP products, MLP products and products on displays. Contrary to expectations, there are no significant differences among consumers in the purchase planning of featured ads and free samples. The findings suggest that in-store promotion search across all promotion types is associated with higher levels of deal-proneness. Purchases of promoted items were also positively related to deal-proneness (except for displays). Contrary to expectations, the higher level of store loyalty was found to be associated with the higher level of deal-proneness.

Several managerial implications might be derived from this study. Since most consumers are slightly more than average prone to deals, and deal-proneness is positively associated with store action loyalty, the hypermarket high/low retailer should continue to include deals into its in-store communication program to attract deal-prone consumers, along with value-conscious customers. As not all the consumers have the same response to all promotion types, retailers should consider the target public and the most effective instruments to attract them when designing promotional campaigns. Using advertising and other promotional tools, retailers should influence consumer purchasing behavior while they are still in the phase of planning. Design and the placement of in-store promotions
inside the store play an important role in stimulating consumer interest in deals.

Although this study produced some interesting and meaningful findings, there are some limitations as well. Like most marketing research, this study took a "snapshot" of a sample at one store at a single point in time. Moreover, one upscale hypermarket retailer was selected to test the theory. A comparison of deal-proneness behavior across store formats would allow identifying differences in shoppers' behavior. Several years of data and a complete census of the firms in this industry would have provided further information as to how consumer attitudes have been changing and influencing retailers' performance.

Despite limitations identified, the results of this study offer useful insight into deal-proneness shopping behavior with some valuable managerial implications and direction for further research. Further studies could be done to study situational factors which may affect consumer response to promotions. Moreover, additional insights might be obtained by the study replication in product categories and a comparison of the results across different retail settings.

## Literature

Ailawadi, Kusum L., Scott A. Neslin and Karen Gedenk, 2001, "Pursuing the Value-Conscious Consumer: Store Brands Versus National Brand Promotions", Journal of Marketing, 65(1), pp. 71-89.

Carlson, John A. and Robert J. Gieseke, 1983, "Price Search in a Product Market", Journal of Consumer Research, 9(4), pp. 357-365.

Cobb, Cathy J. and Wayne B. Hoyer, 1986, "Planned Versus Impulse Purchase Behavior", Journal of Retailing, 62(4), pp. 384-409.

Cotton, B. C. and Emerson M. Babb, 1978, "Consumer Response to Promotional Deals", Journal of Marketing, 42(3), pp. 109-113.

East, Robert, Patricia Harris, Gill Willson and Wendy Lomax, 1995, "Loyalty to Supermarkets", International Reviewe of Retail, Distribution and Consumer Research, 5(1), pp. 99-109.

Enis, Ben M. and Gordon W. Paul, 1970, "Store Loyalty as a Basis for Marketing Segmentation", Journal of Retailing, 46(3), pp. 42-56.

Levy, Michael and Barton A. Weitz, 2004, Retailing management, Boston: McGrawHill/Irwin.

Martínez, Eva and Teresa Montaner, 2006, "The Effect of Consumer's Psychographic Variables Upon Deal-Proneness", Journal of Retailing and Consumer Services, 13(3), pp.157-168.

Massy, William F. and Ronald E. Frank, 1965, "Short Term Price and Dealing Effects in Selected Market Segments", Journal of Marketing Research, 2(2), pp. 171-186.

Montgomery, David B., 1971, "Consumer Characteristics Associated With Dealing: An Empirical Example", Journal of Marketing Research, 8(1), pp. 118120.

Mulhern, Francis J. and D. T. Padgett, 1995, "The Relationship Between Retail Price Promotions and Regular Price Purchases", Journal of Marketing, 59(4), pp. 83-90.

Price, Linda L. and Lawrence F. Feick, 1988, "Couponing Behaviors of the Market Maven: Profile of a Super Couponer", Advances in Consumer Research, 15(1), pp. 354-359.

Schneider, Linda G. and Imran S. Currim, 1991, "Consumer Purchase Behaviors Associated With Active and Passive Deal-Proneness", International Journal of Research in Marketing, 8(3), pp. 205-222.

Shimp, Terence A. and Alican Kavas, 1984, "The Theory of Reasoned Action Applied to Coupon Usage", Journal of Consumer Research, 11(3), pp. 795-809.

Tate, Russell S., 1961, "The Supermarket Battle for Store Loyalty", Journal of Marketing, 25 (6), pp. 8-13.

Umesh, U. N., Kahty L. Pettit and Carl S. Bozman, 1989, "Shopping Model of the Time-Sensitive Consumer", Decision Sciences, 20(4), pp. 715-729.

Urbany, Joel E., Peter A. Dickson and Rosemary Kalapurakal, 1996, "Price Search in the Retail Grocery Market", Journal of Marketing, 60(2), pp. 91-104.

Walters, Rockney G. and Maqbul Jamil, 2003, "Exploring the Relationships Between Shopping Trip Type, Purchases of Products on Promotion, and Shopping Basket Profit", Journal of Business Research, 56(1), pp. 17-29.

Walters, Rockney G. and Scott B. MacKenzie, 1988, "A Structural Equations Analysis of the Impact of Price Promotions on Store Performance", Journal of Marketing Research, 25(1), pp. 51-63.

Webster Jr., Frederick E., 1965, "The Deal-Prone Consumer", Journal of Marketing Research, 2(2), pp. 186-189.

Wirtz, Jochen and Patricia Chew, 2002, "The Effects of Incentives, DealProneness, Satisfaction and Tie Strength on Word-of-Mouth Behaviour", International Journal of Service Industry Management, 13(2), pp. 141-162.


[^0]:    *This paper was originally publisbed in Privredna kretanja i ekonomska politika (Economic Trends and Economic Policy), No. 109, 2006, pp. 62-81.
    ** Ivan-Damir Anić, Senior Research Associate, The Institute of Economics, Zagreb, Croatia.
    *** Sonja Radas, Senior Research Associate, The Institute of Economics, Zagreb, Croatia.

[^1]:    ${ }^{1}$ Along with the economic incentive, the consumer may also obtain bedonistic benefits from purchasing deals, such as entertainment, exploration and self-expression (Shimp and Kavas, 1984).
    ${ }^{2}$ The buying process consists of need recognition, information search, merchandise and retailer evaluation, choice of retailer and merchandise, store visit and the purchasing of merchandise, post-purchase evaluation and repeat store patronage (Lery and Weitz, 2004).

[^2]:    ${ }^{3}$ While active proneness requires an intense search for the consumer to find interesting promotions prior coming to store, passive proneness demands a limited search developed at the point of sales.

[^3]:    ${ }^{5}$ Similarly, in the study by East, Harris and Lomax (1995), highly loyal customers spent on average about 32 percent more than the rest of shoppers, leading to proportionally more sales revenue from loyal customers than from less loyal customers (Enis and Paul, 1970).

