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Excessive Sales Promotions Impact on Clothing Brand Equity

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Abstract: This study identifies how consumer wants and needs are always shifting, which has a significant effect on businesses' sales and public perception. Study It is clear from a brand or product image analysis that businesses make an effort to create a distinctive perception of their brands. Different facets and characteristics of a brand can draw people in and aid them in forming opinions about the products. The purpose of this study is to examine and assess how excessive sale promotion affects brand equity. To gather accurate and appropriate data for the study, a survey method was used. The use of the Anova Sample Test to study and evaluate people's opinions and perceptions of the influence and effect of sales promotion on brand equity was made possible thanks to statistical analysis. Results show that the effects of sales and promotions on customers' purchase decisions are comparable.

Key Words: Sales Promotions, Clothing Brand Equity, Business

JEL Classification:

Introduction

A Sales promotion strategy is designed to boost the sales of a brand product. The time when the products are on the boom (Rajan Varadarajan, 1986). Production increases, the cost of the product is reduced, and the brand is targeting the masses because of sales promotion brand equity increases because promotion decrease the price of the product which is directly related to brand equity and customers think about the product price, not the value which is provided by the brand. The strategy of sales promotion is for customers to recall and evaluate the brand by which the

brand has a chance to return of former customer Discount in price offered in the promotion and it will always encourage customers towards the brand (Raghubir, 2004). The price discount strategy is temporarily reducing the price of the product to simulate in active behaviour of the customer (Gaidis & Cross, 1987).

Every year the time has come when one of the products is not in demand as other times and the condition of the business is not running smoothly so that the fluctuation in the business cycle, they come up with a seasonal discount to persuade a customer to buy a product at the end of the season or off-peak

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season (Ahmad et al., [2015](#)). In excessive sale promotion, you give heavier price discounts to the demand product.

Literature Review

Brand Equity

In the 1980s brand equity is considered the most important marketing concept. The process of making and maintaining brand equity is not an easy process, it's basically required economical capital, required time and high brand awareness (Pullig, [2008](#)). When a customer acquires more positive awareness of the brand, thus it will enhance high brand equity. Brand equity is a key element of a brand and it's the strength and its overall positive consequence or behaviour of customers towards the brand. Generally, we can say that Competitive advantages are gained by the source of brand equity and its also long-term positive image and future positive cash flux (Chernatony & Leslie, 2010, February). Brand equity can influence the customer to pay more to purchase more and it can lead a brand to keep a bigger market share and maximum profit margin and price. Brand equity keeps customers more loyal towards the brand and chooses one particular brand over another one. Most of the studies generalize another benefit of brand equity is that the selling chances of the other category of brand product are also high. The reflection of brand equity is how the customer acts, feels and thinks about the brand. In other words, it's the control of the brand that exists in the mind of the consumer.

We can observe the power of brand equity is that customer chooses your brand product over another brand product with the same level of product features. Brand equity is a strong factor of the brand because it attracts customers towards the brand. It permits a brand to charge a premium price, attract financiers, sustain itself in the market without any fear, work in a new product line and support line extensions and hold the market share. The value of the company is brand equity it could be evaluated through brand loyalty, brand quality, brand awareness, and brand association.

Most of the previous research focused on monetary sales promotions. They identify there is still some conversation of sales promotion on brand equity and most of the recent literature has discussed and proposed that monetary sales promotion has a negative impact on brand equity while concentrating directly on the dimensions of brand equity, monetary promotion will probably affect negatively on brand equity. The most common form of sales promotion used by marketers is price discounts. The impact of this type of sales promotion on brand equity is discussed by many authors and it's expected that monetary promotion will negatively affect brand equity and price promotion or discount is one of them. Reducing prices may lead to a decrease in the quality of the product. Price promotion can erode brand equity. This type of promotion will affect the long-term relationship and can make uncertainty about the quality of the brand. Price promotion makes a negative perception of customers for products and its excessiveness may harm brand equity.

Price Discount

Most of the previous research focused on monetary sales promotions (Park & Yi, [2019](#)). They identify there is still some conversation of sales promotion on brand equity and most of the recent literature has discussed and proposed that monetary sales promotion has a negative impact on brand equity while concentrating directly on the dimensions of brand equity, the monetary promotion will probably affect negatively on brand equity (Wacker & Lummus, [2002](#)). The most common form of sales promotion used by marketers is price discounts. The impact of this type of sales promotion on brand equity is discussed by many authors and it's expected that monetary promotion will negatively affect brand equity and price promotion or discount is one of them (Chakraborty et al., [2013](#)). Reducing prices may lead to a decrease in the quality of the product. Price promotion can erode brand equity. This type of promotion will affect the long-term relationship and can make uncertainty about the quality of the

brand. Price promotion makes a negative perception of customers for products and its excessiveness may harm brand equity (Hsu & Shaw-Ching Liu, [1998](#)).

In fact, excessive price sales promotion make customer mind to think only about the product price, rather than thinking about the product quality, attributes and characteristics customer evaluate and rate the product just on the behave of price discount and customer go for the best deals, thus it will make brand equity weak (Kirca, [2005](#)).

Mostly During the time period of excessive price promotion customer intense brand switching behaviour is found. Which will break the brand's extra sales and the sale they are expecting during price promotion.

Excessive price promotion, especially continuously using price promotion will make customer price sensitive for both loyal and non-loyal customers. The price promotion strategy is usually like to increase customers for the customer who is searching for low price products, hence this negative strategy may lead to economical sacrifice. Excessive use of price promotion will look incompatible with repeat brand purchases. Customers who are conscious about quality or value will buy a product at a higher price and customer who is price conscious may be interested in price discount promotions, they will balance the price and quality and also be interested in saving money, searching the brand has low price products that have to meet certain quality requirement. From the perception of market dynamics, this type of customer is not loyal to any brand. Some of the previous research reveals that price-conscious customer has an influence negatively on brand equity. Price-conscious customers are generally concerned with price and are interested in paying lower prices (DelVecchio & Puligadda, [2012](#)). This type of customer neglect all the aspect and values of the brand and give more value to price rather than brand equity. Price searching customers are looking for discount price promotions and wherever they find a low price they go for it. The research analyzes that there is a strong connection between brand loyalty and price

sensitivity and research indicates that loyal customers are less price sensitive than a customer who is non-loyal in the brand choice. The above conversation proves that price-conscious customer is less brand loyal. These types of promotions, especially discount prices customers have a great tendency to react to discount prices rather than to engage in regular price and also change their brand choice behaviour hence we tend to see in the form of less brand loyalty (Alvarez Alvarez & Vázquez Casielles, [2005](#)).

The discount price customers only react on the time period of sale and deliver negative vibes other than regular price purchase customer creates positive vibes. Customers who did justice to brand loyalty and value the brand characteristics, attributes and quality are loyal ones and the price-conscious customer only considers price and promotions and can't be loyal to the brand. One of the major drawbacks of price promotion led customers to focus on the price. In fact, previous research demonstrates that price-conscious customer only looks for the best discount deals and they wait more and more for more discount deals and for the sake of the best deals they switch brand. Price prefers people can be a source of negative word of mouth because when a brand put up the price scale, they share the info with others, that entire thing batters the brand's reputation and clearly damage the brand equity. When customers identify price in a positive way and think that a high price means good quality, they could be more loyal to the brand. The literature indicates that when a customer believes that there is a connection between price and quality, it will make a strong relationship between the customer and the brand. These customers believe in high prices as an indication of high quality. For the sake of quality, they prefer high-priced products. Conclude that high price product brand gives positive vibes and also positive word of mouth from the customer. Purchase high price product gives them the strength that product quality is fine, and they are satisfied. All the things come in the favor of the brand and positive vibes and especially positive word of mouth creates more market shares. Hence

these customers have a positive perception about high price brands. Discount-price brands or average-price brands convey a negative signal in the mind of the customer and their customer purchase behaviour is below as compared to high-price brands because price conveys a strong signal, and is likely that customer is more brand loyal. High price customer is status conscious so they avoid switching brands because they have great bonding or association towards the brand on the other hand price conscious customer negatively affects the brand because their main priority is the price not the quality and value of the brand. Discount price brands make the wrong perception in the mind of the customer and it directly damages the brand equity (Hofer, [2015](#)).

Seasonal Discount

Seasonal sale of products is the main characteristic of consumer goods and for the retailer to promote their products. A product is evolving around the seasons of the year it can be an occasion or any kind of special day because there is a certain logic behind the making of any product to market it (Moharana & Pattanaik, [2016](#)). Changing in buying behaviour of the customer is the reflection of changes in seasons. it can be the demand for frequently change in the fashion industry.

Seasonal promotions are running and it's connected with the seasons or any specific days which come throughout the day such as Mother's day, valentine's day, EIDs, Christmas and many other days Frequently use of these promotions may harm brand equity because excessive use of reducing price promotion make a negative perception about the brand.

In the clothing industry product is made for a specific season or certain time period, which means the selling time period of the product is very short it can be weeks or months and the merchandiser is very careful about that because if the product is presented so early so it will not sell if it offered too late so the demand is down and consumer will not buy it so they come up with a seasonal discount strategy in it they reduce the price of the products so they can attract customer

towards buying but on the other hand it may hurt the brand equity and also effects on the upcoming products or products in the store (Leung & Yeung, [1995](#)).

To overcome seasonal sale promotion many organizations are forecasting when to display products in the market, in order to control discount promotion. Only a few kinds of literature we found work on seasonal discounts. They found consumer behaviour is associated negatively with unpleasant seasons.

The seasonal discount is offered on the products to lure the customer but most of the customers take it negative they think that it means to insult them, and it becomes a part of the brand, it dilutes the brand equity and also loss of their customers. The name of these offers off-season discounts.

The main disadvantage is that brand has to offer a seasonal promotion every season of the year. Its become compulsory for the brand to offer a discount. Hence, it's mandatory for the brand to look into and for this short time profit brand lose loyal customers as well as long-term profit.

Another way to attract customers is a holiday discount or discount day because it is also a gifting day, they give discounts in honour of teacher's day, father's day, and valentine's day and for this brand reduce product prices or offer special discount offer because it's not necessary to offer these discount since the product will be sale at any case because the customer will definitely celebrate these days but for selling more and more products And generate more profit they may harm brand equity. Not every season and holiday are for sale because excessive use of sale strategy negatively effect on brand and if you continuously give flat price discount sale, you have to cut down your profit margins.

Brand business always fluctuates it will never run smoothly. For this fluctuation in the business, a brand gives a discount offer and they give it to the name of a seasonal discount and reducing in price influence customer to buy a product at non-peak time Seasonal discount or special day is offered for a limited time or specific time during the year. The main

benefit of this market strategy is to attract customers towards the brand and increase revenue for a short time period.

Problem Statement

A brand's primary goal is to broaden its customer base. therefore, they try to advertise sales to draw customers, customers after being tired because of inflation want to buy cheaper products and that is the reason they get easily attracted towards a sale. A problem is identified when the price promotion happens consumer is waiting for the discount prices or deals, and they don't buy at traditional prices because are so high and the customer is unwilling to pay high for the brand rather than dealer prices. It will weaken the relationship between a brand and consumers and its direct effects the brand equity. It's also a slow poison for a brand to devalue itself because excessive sales strategies may be risky for a brand which will lead to demolishing the brand image in the mindof the consumer.

Aims and Objectives

The main objective of the research is to identify the symptoms of excessive sales promotions and the impact of excessive sales promotions on brand equity. we will conduct our research on the influence of sales

promotion, seasonal discounts, coupons and free gifts and the influence it has on the purchase behaviour of consumers.

Research Methodology

This research was carried out in Karachi. keeping the research topic in mind This study is based on qualitative information and data gathered through both primary and secondary data success. The data is collected to analyze the impact of excessive sale promotion on brand equity. The number of questionnaires was 200 that were distributed among the people who could fill up the questionnaires. The questionnaire was designed using close-ended

questions that helped in gathering information regarding the effects of excessive sale promotion on brand equity. The people were asked to fill out the questionnaire accordingto their personal experience with different personal care products. The identity of respondents was kept confidential. Convenient sampling methods were chosen to getthe response. The respondents were mostly professionals, students, and women. The valuable data generated from the collected data helped in making this study successful.

Research Framework



Figure 1

Results and Discussions

The idea behind the study is to analyze the relationship between the dependent and independent variables. The study aims to analyze the impact of excessive sale promotion on brand equity. The dependent variable of the study is brand equity, while the independent variables include price discounts, seasonal sales and gifting. The

questionnaire was designed using close-ended questions that helped in gathering information regarding the effects of excessive sale promotion on brand equity. The responses were recorded in SPSS. The study is based on analyzing the perceptions and views of people related to price discounts and seasonal sales, which will help in studying brand equity. Listwise conclusions were based on all variables in the procedures.

Table 1

		N	%age
Cases	Valid	196	98.5
	Excluded	3	1.5
	Total	199	100.0

The above table 01, shows that 199 responses were gathered through the distribution of questionnaires. The respondents helped by filling out the questionnaires using their ideas,

views, and perceptions. 3 cases were excluded because of missing data and 196 cases were valid and were analyzed using SPSS. Dependent variable; brand equity

Table 2. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.201	0.444		-.452	.652
1			.497		
Price Discount	.993	0.124		7.975	.000

According to regression analysis, as shown in table no 02, price discount shows a significant impact on brand equity. This indicates that as discount increases, Brand equity increases

directly and favourably. It shows that price discount has a positive impact on brand equity.

Table 3. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.566	0.358		1.581	.115
1			.488		
Seasonal Sale	.803	0.103		7.786	.000

According to Regression analysis Seasonal Sales as shown in table no 03 showed a significant impact on Brand equity. It indicates that as discount increases, Brand equity

directly and positively increases. It reveals that seasonal sale has a positive impact on brand equity.

Table 4. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.586	0.290		2.024	.044
1 Gifting	.951	0.099	.567	9.590	.000

According to Regression analysis Gifting as shown in table no 04, showed a significant impact on Brand equity. It shows that gifting

has a direct and positive impact on brand equity.

Table 5. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-1.507	0.375		-4.017	.000
1 Sales Promotion	1.518	0.117	.681	12.960	.000

According to Regression analysis Sales Promotion as shown in table no 05, showed a significant impact on Brand equity. In other words, as sales promotions rise, Brand equity rises directly and favourably.

Hence according to the model of a conceptual framework, it is proved that there is a significant relationship amongst independent variables such as price discount, seasonal promotion, gifting, and sales promotional over the dependent variable which is brand equity either direct or step-wise. Hence, we reject the null hypothesis and accept the alternative hypothesis.

Conclusion

A sales strategy that can be utilized with or without price reductions is sales promotion. The conclusion backs up the idea that sales promotion helps develop brand equity. Sales promotions undoubtedly have a dynamic and important impact on brand equity. Results indicate that sales promotions' hedonic and utilitarian effects can help people form favourable opinions of a particular brand. As a result of inflation, consumers choose to purchase products that are less expensive since they can afford them. At the time, in order to attract customers' attention, brands announce deals that may also assist them to

reach out to new clients and raise brand awareness. Sales promotion gives potential buyers an incentive to purchase your goods, which leads to an increase in income. Sales promotion's primary goal is to increase sales. Due to hefty taxes, buyers are extremely happy when they receive products at a reduced price; hence, they hunt for and anticipate discounts, which eventually works to the brand's advantage. According to earlier studies, buyers will be more loyal to a brand if they believe it to be of higher quality. However, this study's findings show that consumers prefer to buy things from businesses that offer them special deals throughout the year. The popularity of coupons and gifts with purchases shows that consumers steer clear of low-quality goods that are on sale. Results show that customers prefer to purchase goods from businesses that offer discounts from the list price. Customers that take advantage of promotions believe they are getting better value. According to literature analysis, people used to worry about whether a sale item would be of bad quality, but in the present because of rising inflation, people just want to wear the newest fashions and need things to survive, so sales also affect them. Outcome consumers have recently ignored all of the brand's attributes and values in favour of pricing above brand equity. Customers

achieve satisfaction through the value provided by products and services.

The issue is that when a price promotion occurs, customers are waiting for the best deals or discounts and refuse to purchase products at typical pricing because they are so expensive. They would rather pay higher costs for a name-brand product. It will deteriorate consumer relationships with brands, which will negatively impact brand equity. The result indicates that sales promotion, price discounts, coupons and gifting have a positive

relationship with brand equity. customers who are conscious about quality or value will buy a product at a higher price and customer who is price conscious may be interested in price discount promotions, they will balance the price and quality and also be interested in saving money, searching the brand has a low price. in both cases brand avails, the benefits.

Overall, it can be said that people are genuinely in favour of buying products at reduced prices in comparison to their actual costs because they want to make ends meet.

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