Editorial

Tina Harrison¹

Published online: 14 February 2017
© Macmillan Publishers Ltd 2017

In this first issue of Volume 22, there are four papers. The first paper, *Non-Monetary Sales Promotion Effects on Credit Cards*, by Marcelo Perin, Rochele Isabel Bagnolini Boschetti, Márcia Dutra de Barcellos, Cláudio Hoffmann Sampaio and Kenny Basso, focuses on the under-explored topic of non-monetary sales promotions. Sales promotions frequently are used to attract and encourage sales. They consist of monetary sales promotions and non-monetary sales promotions. Monetary sales promotions comprise those geared towards price incentives and discounts, whereas non-monetary sales promotions do not directly involve the price of the product or service but instead include the distribution of free samples, prize draws, contests, loyalty or reward programs, and the distribution of free gifts.

Most studies of sales promotions have tended to explore monetary promotions. This paper thus contributes to the less explored domain of non-monetary sales promotions on purchase intention and brand selection, in the bank services environment. The paper specifically explores the effects of the attractiveness of a non-monetary promotion with premiums on credit card purchase intention and brand selection.

The study uses an experimental design comprising two studies. The first study used a single factor (promotion attractiveness: high vs. low), between-subjects design with random assignment involving 197 participants. Study 2 sought to verify the effect of non-monetary sales promotion with premium distributions on the probability of choosing a particular brand. It comprised a 2×2 within-subjects

experiment involving two levels of sales promotion attractiveness (highly attractive premiums/medium attraction premiums) and two credit card brands and 189 participants.

The studies find that non-monetary sales promotions with more attractive premiums influence purchase intentions more strongly than less attractive premiums. In terms of brand choice, non-monetary sales promotions with attractive premiums increase the likelihood of brand choice promoted. This study provides guidance to managers in choosing the types of premiums that consumers value.

The second paper in this volume, by Betül Çal and Mary Lambkin, is *Brand Equity of a Stock Exchange as a Mediator in Financial Decisions*. Investment decisions typically differ from other product category decisions by the level of risk and uncertainty associated with the decision. In an attempt to cope with such risk and make effective decisions, individual investors often rely on heuristics—cognitive or emotional-based biases—that serve to simplify decision rules for investment decisions.

The authors suggest that brand-related variables, such as brand equity, reputation, performance and trust, can serve to reassure customers and influence the perception of risk associated with the purchase decision, thus acting as heuristics. Specifically, they suggest that brand equity of a stock exchange might influence the perception of risk associated with the investment decision. Against this context, the paper investigates investors' brand equity perceptions of a stock exchange as a mediating effect in financial investment decisions. This relationship is explored in the developing market context of Turkey and the developed market of Ireland. The study is based on an online survey comprising 1578 respondents from Turkey and 396 from Ireland.

✉ Tina Harrison
Tina.Harrison@ed.ac.uk

¹ Edinburgh, UK

The study finds that, in both developed and developing country contexts, investors' risk perceptions have a negative impact on investment decisions, but this impact is partially mediated by the brand equity of the stock exchange. Brand equity of a stock exchange therefore operates as a risk-reducing factor. Interesting, though, the magnitude of this effect is far greater in the developing market context of Turkey than in the developed market context of Ireland. Developing markets face higher volatility in macroeconomic conditions. The authors suggest that it could be possible to reduce the perceived risk resulting from this volatility through effective brand equity management. The study highlights practical implications for the management of stock exchange brand equity.

In the third paper, *Internal Branding Experiences in the Financial Services Sector in South Africa*, Rose Du Preez explores the practice of internal branding in South African banks. In services contexts, employees are critical to the delivery of the service and the brand promise. Indeed, employees typically embody the brand. The purpose of internal branding is to ensure employees 'live the brand', providing a consistent brand experience for customers. From an academic perspective, there has been much work to conceptualise internal marketing and internal branding. Models and frameworks exist that propose the development of internal branding. However, we know less about the actual corporate experience of internal branding. There has been a lack of research to explore and understand how businesses practice internal branding, how they instil the values of the corporation and the brand to their employees, as well as the difficulties faced in doing so.

The paper thus focuses on how organisations execute internal branding, revealing critical success factors as well as obstacles encountered. The study involved interviews with 15 individuals from five of South Africa's financial institutions, comprising one senior executive, one marketing communications manager and one front-line supervisor from each financial institution.

The research highlights the importance of leadership and of senior executives understanding the reality of the front-line employee experience. The role of communication cannot be underestimated, but the increasing reliance on electronic communication is not helpful in communicating values. Moreover, much of the internal marketing communication is being 'lost in translation' from marketing executives to front-line employees who are less familiar with the intent and language used by executives.

The research highlights new themes and, in particular, warns of the need to understand the motivations of front-line staff and the extent to which they align with the internal brand message. The research adds to the body of

knowledge regarding organisational practice of internal branding.

The final paper in this issue, *Framing the Decision to Buy Long-Term Care Insurance: Losses and Gains in the Context of Statistical and Narrative Evidence*, by Jeremy Pincus, Katherine Hopewood and Robert Mills, explores how the insurance industry can more effectively communicate long-term care insurance and increase consumer coverage. As state provision for care reduces, the cost of providing for long-term care is shifting ever more to the private sector. Yet, the take-up of long-term care by individuals who really need it is typically very low. Various explanations have been offered for the lack of demand, yet the authors suggest that the framing of the need for long-term care insurance may be a key factor affecting demand.

The authors suggest that in most consumer marketing materials long-term care insurance typically is framed as a high probability loss, emphasising the high probability of lifetime use of long-term care services against the much smaller likelihood of losses associated with homes and other possessions, such as cars. Framing long-term care insurance as a high probability loss is likely to result in risk-seeking behaviour, which is completely inconsistent with the planned behaviour intended by long-term care.

The authors argue that insurers have framed the need for insurance in a manner that unintentionally promotes risk-seeking behaviour and that alternative frames can better promote willingness to insure. They suggest that emotional frames are more effective than rational risk frames in promoting willingness to pay.

The study explores both statistical and emotional evidence. Statistical evidence is based on four scenarios: high probability gain; high probability loss; low probability gain; low probability loss. Emotional evidence is provided from two conditions designed to evoke emotion through storytelling to maximise the salience of gains or losses (e.g. a story of a family that experienced positive consequences of owning insurance and a story of a family that experienced negative consequences of not owning insurance). In total, 1305 individuals completed the survey, resulting in a range of between 208 and 228 completed interviews per condition.

The study finds that emotional narrative frames are associated with greatest willingness to pay, and the high probability loss frame was associated with among the lowest average amounts willing to pay. The implications for marketers are that continued focus on marketing communication that emphasises high probability loss frames is an ineffective strategy. However, marketers must be aware of the ethical implications of using emotion and not rely heavily on the use of fear appeals.