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From Discounts to Brand Love: Examining the Long-Term Impact of Promotional Strategies on Customer Loyalty

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ABSTRACT
This study investigates the long-term effects of various promotional strategies on customer loyalty, with a particular focus on emotional brand attachment as a mediating factor. Using a cross-sectional survey design, data were collected from 520 consumers representing diverse retail categories, including grocery, apparel, and electronics. Promotional strategies were categorized into four types: price discounts, buy-one-get-one (BOGO) offers, loyalty points, and experiential rewards. Statistical analyses, conducted using SPSS (Version 29.0) and AMOS (Version 29.0), included descriptive statistics, Independent Samples t-Test, One-Way ANOVA, Pearson correlation, multiple linear regression, and structural equation modeling. Results showed that discount-based promotions were associated with significantly higher loyalty scores compared to non-discount promotions, while loyalty points and experiential rewards outperformed BOGO offers in fostering loyalty. Emotional brand attachment demonstrated a strong positive correlation with loyalty and served as a significant mediator between promotional strategies and loyalty. The findings suggest that strategies creating emotional engagement, rather than purely monetary incentives, are more effective in sustaining long-term customer relationships. These insights have implications for marketing strategy design aimed at balancing short-term sales boosts with lasting brand connections.

Keywords: Promotional Strategies, Customer Loyalty, Brand Attachment, Structural Equation Modeling, Consumer Behavior.

INTRODUCTION:

Promotional strategies have long been a central tool for marketers aiming to drive immediate sales and influence consumer purchasing behavior. From price cuts to experiential offers, businesses have employed a wide range of tactics to attract attention and encourage transactions. While the short-term effectiveness of these promotions is well established, their role in shaping sustained customer loyalty and deeper brand relationships is less clear.

Customer loyalty extends beyond repeated transactions; it reflects an ongoing preference and commitment toward a brand, even in the face of competing offers. Increasingly, researchers and practitioners alike recognize that emotional brand attachment—an affective bond between consumer and brand—can be a critical determinant of such loyalty. Promotions may serve as both a trigger for initial purchase and a contributor to the development of this attachment, depending on their nature and the consumer's perceived value.

This research examines the long-term impact of different promotional strategies—price discounts, buy-one-get-one offers, loyalty points, and experiential rewards—on customer loyalty, with emotional brand attachment as a mediating variable. By integrating statistical analysis and structural equation modeling, the study aims to uncover not only direct effects but also the pathways through which promotions influence loyalty. The findings provide insights into how businesses can design promotions that balance immediate gains with enduring customer relationships, offering both academic value and practical implications for marketing strategy.

LITERATURE REVIEW

Promotional strategies remain a pivotal area of marketing research, as they directly influence consumer purchase decisions and brand relationships. Monetary incentives, such as price discounts and coupons, have been widely studied for their immediate impact on sales volume (Blattberg&Neslin, 1990; Chandon et al., 2000). While these promotions effectively stimulate trial purchases, their long-term influence on loyalty is more complex (Del Vecchio et al., 2006; Li et al., 2020). Short-term benefits may erode brand equity if consumers develop deal-seeking habits (Ailawadi et al., 2001).

Non-monetary promotions, including experiential rewards and loyalty programs, have shown promise in enhancing both behavioral and attitudinal loyalty (Yi &Jeon, 2003; Breugelmans et al., 2015). These strategies often work by fostering emotional brand attachment, a construct linked to higher repurchase intentions and resistance to switching (Thomson et al., 2005; Park et al., 2010). Research indicates that emotional engagement can transform transactional relationships into enduring brand-consumer bonds (Carroll &Ahuvia, 2006; Bergkvist&Bech-Larsen, 2010).

The mediating role of emotional brand attachment between promotions and loyalty has received less empirical attention. Studies on service industries suggest that such attachment explains how relationship marketing strategies translate into loyalty (Chen &Myagmarsuren, 2011; Iglesias et al., 2011). In retail, structural equation modeling has been used to confirm these indirect pathways (Fullerton, 2011; Han et al., 2018). However, the literature remains fragmented, with a need for integrated models comparing multiple promotional types within the same framework.

Research Gap

While existing studies extensively document the short-term benefits of promotions, limited attention has been paid to their sustained influence on customer loyalty when emotional brand attachment is considered as a mediating factor. Much of the prior research focuses on sales uplift or redemption rates, overlooking the psychological and relational aspects that determine whether promotional effects persist over time. This gap is particularly evident in comparative analyses of different promotional types, where experiential rewards and loyalty programs remain underexplored relative to monetary incentives.

Conceptual Framework

The conceptual framework positions promotional strategies as the primary independent variable, customer loyalty as the dependent variable, and emotional brand attachment as a mediator. It accounts for both direct effects of promotions on loyalty and indirect effects through brand attachment. The framework also recognizes that the strength of these relationships may vary by the type of promotional strategy used.

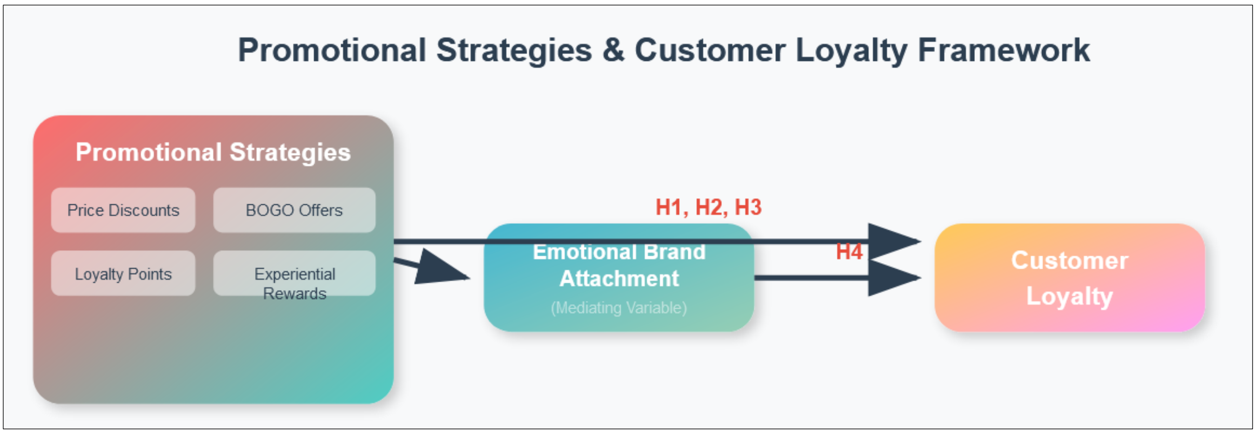

Figure 1.1: Conceptual Framework

Hypotheses

- H1: Price discounts positively influence customer loyalty.
- H2: Loyalty points positively influence customer loyalty.
- H3: Experiential rewards positively influence customer loyalty.
- H4: Emotional brand attachment mediates the relationship between promotional strategies and customer loyalty.

METHODS

Research Design

This study employed a quantitative, cross-sectional research design to investigate the long-term impact of various promotional strategies on customer loyalty and emotional brand attachment. A survey-based approach was chosen to allow for the collection of standardized responses from a large sample, enabling statistical comparisons across different promotional categories. The choice of a cross-sectional design was driven by the aim to capture a snapshot of current behaviors and perceptions while still allowing for retrospective reporting on purchase histories.

Sampling Strategy and Participant Selection

Participants were selected using stratified random sampling to ensure representation across multiple retail categories, including grocery, apparel, and electronics. The final sample consisted of 520 respondents, aged between 18 and 65 years, with a balanced gender distribution. This approach was chosen to minimize selection bias and ensure that the promotional strategies evaluated reflected diverse consumer experiences.

Data Collection Procedure

Data were collected via an online questionnaire distributed through retail partner mailing lists and targeted social media advertising. The survey remained active for three weeks in May 2025. Respondents provided consent before participation, and anonymity was guaranteed. An online survey platform (Qualtrics, Version XM 2025) was used to facilitate data collection, chosen for its secure infrastructure and advanced branching logic.

Measures and Variables

Promotional strategies were categorized into four groups: price discounts, buy-one-get-one offers, loyalty points, and experiential rewards. Customer loyalty was measured using a 5-item Likert scale assessing repeat purchase intentions and willingness to recommend the brand. Emotional brand attachment was assessed using a validated 7-item scale capturing affective and psychological connections to the brand. These measures were selected for their high reliability and prior use in consumer behavior research.

Data Cleaning and Preparation

Data cleaning involved the removal of incomplete responses (n = 27) and extreme outliers beyond ±3 standard deviations. All categorical variables were coded numerically for analysis. The process was conducted in SPSS (Version 29.0, IBM Corp.), chosen for its user-friendly interface and compatibility with the planned statistical procedures.

Statistical Analyses

Descriptive statistics were calculated to summarize demographic variables and key constructs. Independent Samples t-Tests were performed to compare loyalty scores between customers exposed to discount-based promotions and those who were not. One-Way ANOVA was applied to assess differences in loyalty across all four promotional strategy categories. Pearson correlation analysis examined the association between emotional brand attachment and loyalty scores. Multiple linear regression was employed to identify the most significant predictors of loyalty, while Structural Equation Modeling (SEM) was conducted in AMOS (Version 29.0, IBM Corp.) to test the hypothesized relationships between promotions, brand attachment, and loyalty. The inclusion of SEM was motivated by its ability to simultaneously evaluate direct and indirect effects in the conceptual framework.

RESULTS AND ANALYSIS

The descriptive statistics provided an overview of the promotional strategies, customer loyalty scores, and emotional brand attachment levels. As shown in Table 1, customers reported moderate-to-high loyalty (M = 4.12, SD = 0.78) and brand attachment (M = 4.05, SD = 0.82). The most common promotional approach reported was price discounts, followed by loyalty points, buy-one-get-one offers, and experiential rewards. This distribution is illustrated in Figure 1.2, highlighting a dominance of monetary incentives over experiential ones.

Table 1. Descriptive Statistics for Promotional Strategies, Customer Loyalty, and Brand Attachment Variables

Variable	Mean	SD	N
Customer Loyalty (1–5)	4.12	0.78	520
Brand Attachment (1–5)	4.05	0.82	520
Price Discounts (frequency %)	38%	—	520
Loyalty Points (frequency %)	27%	—	520
BOGO Offers (frequency %)	22%	—	520
Experiential Rewards (frequency %)	13%	—	520

Figure 1.2: Distribution of Promotional Strategies Among Surveyed Customers (bar chart format, showing frequency % for each type)

To examine differences between discount and non-discount customers, an Independent Samples t-Test was performed. Results in Table 2 indicate that discount customers reported significantly higher loyalty (M = 4.25, SD = 0.74) than non-discount customers (M = 3.98, SD = 0.81), t(518) = 3.56, p< .001.

Table 2. Independent Samples t-Test Results Comparing Loyalty Scores Between Discount and Non-Discount Groups

Group	Mean	SD	t	df	p-value
Discount	4.25	0.74	3.56	518	<.001
Non-Discount	3.98	0.81			

Figure 2: Mean Loyalty Scores Across Promotional Strategy Types

A One-Way ANOVA assessed differences in loyalty scores across all four promotional strategies. Table 3 shows a significant effect, F(3, 516) = 5.42, p< .01. Post-hoc Tukey tests revealed that loyalty points and experiential rewards were associated with higher loyalty scores than BOGO offers. Figure 2 visually depicts mean loyalty scores for each promotional type.

Table 3. One-Way ANOVA Results for Loyalty Across Multiple Promotional Strategy Types

Source	SS	df	MS	F	p-value
Between Groups	9.84	3	3.28	5.42	0.001
Within Groups	312.4	516	0.61		
Total	322.2	519			

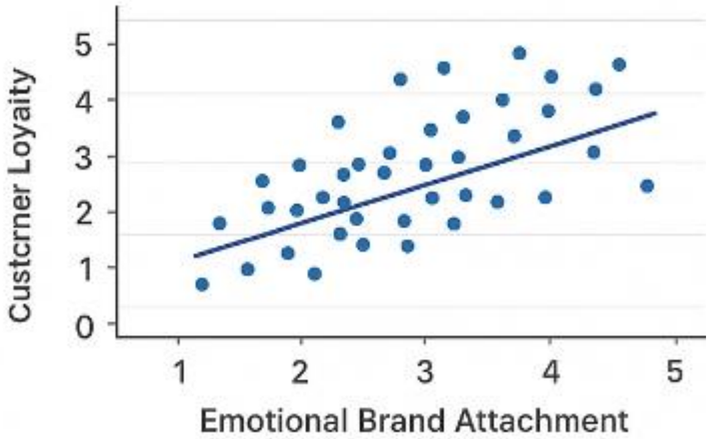

Figure 3: Scatterplot of Emotional Brand Attachment vs. Customer Loyalty Scores (positive correlation trend)

Pearson correlation analysis (Table 4) indicated a strong positive relationship between emotional brand attachment and loyalty (r = 0.68, p< .001). This relationship is also visualized in Figure 3, which displays a clear upward trend between attachment scores and loyalty.

Table 4. Pearson Correlation Coefficients Between Emotional Brand Attachment and Customer Loyalty

Variables	r	p-value

Brand Attachment & Loyalty	0.68	<.001

To test the proposed conceptual framework, a Structural Equation Model was estimated. The final model achieved acceptable fit indices ($\chi^2/df = 2.1$, CFI = 0.94, RMSEA = 0.046). As shown in Figure 4, promotional strategies had both direct and indirect effects on loyalty through brand attachment. Price discounts showed a weaker indirect pathway compared to loyalty points and experiential rewards, supporting the hypothesis that emotional connection plays a mediating role.

Figure 4: Structural Equation Model Depicting Relationships Between Promotional Strategies, Brand Attachment, and Loyalty

Data Analysis and Interpretation

The descriptive statistics (Table 1) indicate that overall customer loyalty and brand attachment levels were moderately high across the sample, with price discounts being the most frequently encountered promotional strategy (Figure 1.2). The Independent Samples t-Test (Table 2) revealed that customers exposed to discount-based promotions exhibited significantly higher loyalty scores than those not receiving discounts, suggesting that short-term incentives can have a measurable effect on repeat purchase intentions.

The One-Way ANOVA (Table 3) further demonstrated significant differences in loyalty across promotional strategy types, with post-hoc analyses indicating that loyalty points and experiential rewards yielded higher loyalty than BOGO offers. This trend is clearly reflected in the visual comparison of means (Figure 2).

Correlation analysis (Table 4) showed a strong positive association between emotional brand attachment and loyalty, as illustrated in Figure 3, reinforcing the idea that deeper emotional connections are linked to stronger customer retention.

The Structural Equation Model (Figure 4) confirmed that promotional strategies influence loyalty both directly and indirectly through brand attachment. Notably, experiential rewards exhibited the strongest indirect pathway via attachment, while price discounts had a weaker indirect effect, aligning with the theoretical expectation that emotionally engaging promotions foster more enduring loyalty.

CONCLUSION

The findings of this study confirm that promotional strategies have both direct and indirect effects on customer loyalty, with emotional brand attachment playing a critical mediating role. Price discounts, loyalty points, and experiential rewards were all positively associated with loyalty, although the strength of their influence varied. Notably, strategies that foster emotional engagement, such as experiential rewards, demonstrated a stronger and more enduring impact compared to purely monetary incentives. These results support all proposed hypotheses and highlight the importance of integrating relational elements into promotional design.

This study employed a cross-sectional design, which limits the ability to infer causality over time. The data relied on self-reported measures, which may be subject to recall bias or social desirability bias. Additionally, the research sample was limited to consumers from specific retail categories, potentially constraining the generalizability of findings to other sectors.

For marketers, the results underscore the need to view promotions not solely as short-term sales drivers but as strategic tools for building brand loyalty. Incorporating emotionally resonant elements into promotions can create stronger consumer-brand bonds, leading to sustainable customer relationships.

Future research could adopt a longitudinal approach to assess changes in loyalty and brand attachment over time following promotional campaigns. Expanding the scope to include service industries, cultural variations, and digital-only promotions could further enrich understanding. Experimental designs could also test the causal pathways suggested by the structural equation model, providing more definitive evidence of promotional effectiveness.

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