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## PRICE PROMOTIONS AND BRAND GROWTH

**Abstract:** Price is one of the important instruments in the process of marketing management. The success of investing in a brand can also be seen through its price elasticity. The price shows how the investment in the brand is capitalized, because the increase in prices, which is not initiated by the increase in costs, can be reflected in the increase in the profit of the brand. According to that, price changes, whether they are long-term or temporary, have an impact on other parameters of brand effectiveness. The aim of this paper is to try to link price actions (temporary price reductions) and long-term parameters of brand success. Special attention will be paid to long-term investment in the brand through advertising. In the first part of the paper, the author will review the theoretical framework of this topic. The second part of the work will be based on secondary data obtained by the marketing research agency GFK. Also, an effort will be made to review certain recommendations in the theoretical and practical domain.

**Keywords:** price, price promotions, price elasticity, effectiveness, brand management

## INTRODUCTION

There aren't many areas where the most renowned marketing theorists agree. Price is the tool where there is definitely a consensus that it is one of the most important in the process of marketing management (Kotler, Wong, Saunders, Armstrong, 2007; Sharp, 2016; Binet & Field, 2010). Kotler defines it as the amount of money demanded for a product or service, or the sum of values that consumers exchange for the utility of owning or using a product or service (Kotler, Wong, Saunders, Armstrong, 2007; p. 665).

Indeed, besides the most used indicators, which are directly related to brand image and awareness, there are very important indicators for measuring the effectiveness and efficiency of investment in a brand. The indicators of effectiveness include profit, sales, market share, loyalty, penetration, and price elasticity. These indicators have a significant effect on business operations and show success in the long term. While the indicators of efficiency show the achievement per unit of realized investment, i.e., how efficient the invested capital is and relate to the short term (Binet & Field, 2010)

## 2. LITERATURE REVIEW

Price is a very significant indicator for measuring the effectiveness of brand investment, and price has relation with all other indicators. Accordingly, the implications of price promotions (temporary price reductions) on key indicators of effectiveness will be explored, specifically how price affect brand growth.

### 2.1. Penetration

Penetration shows how many people have, at least once, purchased a brand or a product category within a specific time period (Sharp, 2010, p. 19). It represents one of the most important parameters for measuring the effectiveness of brand

investment, as penetration growth is crucial for brand growth. Professor Sharp, in the first and second parts of his book "How Brands Grow," emphasized the importance of penetration through several laws of customer behavior. The most significant is the law of double jeopardy, which states: brands with smaller market shares have significantly fewer customers and are somewhat less loyal in terms of purchasing and attitudes towards the brand (Sharp, 2010; Romanik & Sharp, 2016). In addition to Professor Byron Sharp, Binet and Field also highlight the importance of penetration through the analysis of 996 campaigns between 1980 and 2010 within the IPA Effectiveness Awards, noting that 47% of campaigns target the acquisition of new customers, i.e., penetration growth. The success of these campaigns in terms of sales and profit growth is significantly higher compared to campaigns targeting existing customers and focusing on loyalty (Binet & Field, 2010). Another study conducted by Kantar, one of the leading global market research companies (Kantar Worldpanel, 2023), shows that the most frequently chosen brands by consumers are those with the highest number of customers, or high penetration. Penetration is most often a relative indicator and is calculated by comparing the number of customers of a particular brand with the number of customers of all other brands in the observed category within a specific time period.

The question arises whether price promotions affect penetration growth, or brand growth? Temporary price reductions do not attract new customers; they mainly attract existing customers who purchase in larger quantities and stock up, resulting in a reduction of quantities in the future. Thus, price promotions have a temporary effect mainly on established brands (Sharp, 2010, based on Pauwels, Hanssens & Siddarth, 2022, p. 437)

## 2.2. Price Elasticity

Considering the individual importance of all four elements of the marketing mix, known as the 4Ps (Kotler, Wong, Saunders, Armstrong, 2007), price has become the most crucial instrument over the past few decades because if the price is properly set, all other activities will function effectively. When the price is not adequately determined, the brand or company will not achieve the expected profit regardless of the success of promotion, distribution, and the product that meets consumer needs. For proper pricing, or managing price as a tool for brand growth, it is very important to know its elasticity. Measuring elasticity is a key activity for marketers based on which they determine whether the price of the brand should increase or decrease. This activity greatly affects profit creation or, if not successful, leads to losses for the brand and/or company (Binet, 2022). Price elasticity is a measure of demand sensitivity relative to price, calculated by comparing the percentage change in quantity demanded with the percentage change in price (Kotler, Wong, Saunders, Armstrong, 2007; pp. 675-676).

$$\text{Price elasticity} = \% \text{ change in quantity demanded} / \% \text{ change in price}$$

For example, if demand falls by 10% in a situation where the seller raises the price by 2%, the elasticity is -5%. The minus sign confirms the inverse relationship between price and quantity demanded. In the case that the price is increased by two percent and demand falls by one percent, the price elasticity is -0.5, meaning the demand is inelastic. Generally, the lower the elasticity, the more it benefits brands to increase their prices. In this regard, price elasticity represents a very important indicator of the effectiveness of investment in a brand. The question that arises is what happens to a brand, which has an established position in the market, in the case when the price changes, whether the change is temporary (promotional prices) or a permanent change in the brand's price in the company's price list (Sharp, 2010)? Companies that are successful in creating value for consumers can capitalize part of that result through price (Kotler, Wong, Saunders, Armstrong, 2007). Accordingly, price, or its elasticity, is an important indicator for measuring the effectiveness of investment in a brand. A very important question is when the price is reduced by a certain percentage, how much will the sales of the brand increase, i.e., what is the price elasticity of the observed brand or product? Based on research mentioned in the book "How Brands Grow" (Sharp, 2010), we see that price elasticity ranges from -2.3% (Danaher & Brodie, 2000, p. 923) to -4% (Steenkamp et al., 2005). Price elasticity is always negative because it indicates a change in price that implies a change in demand in the opposite direction. The more negative the number, the greater the elasticity. If the elasticity is below -1, for example, -0.5, then the demand is inelastic, and when it is above -1, the demand is elastic. If the elasticity equals -1, then the demand is perfectly elastic, meaning that for every percentage the price decreases, demand (or brand sales) increases by the same percentage; conversely, if the price increases by a certain percentage, sales will fall by the same percentage. Products with very dependent consumers, such as cigarettes, or products that do not have many substitutes, like fuel, have very low price elasticity, significantly lower than products and services where there are many substitutes, such as FMCG (fast moving consumer goods) products (Sharp, 2017). Situations that affect the increase in price elasticity include (Sharp, 2010, pp. 162-165):

- when the price reduction brings the brand closer to the reference price (the price that consumers perceive to be adequate for the benefit they get from the product or service),
- if the price reduction is promoted at the point of sale and becomes visible to a large number of customers. In those situations, reductions can lead to a significant increase in sales, especially if the reduction is substantial, for example, a 45% lower price than the regular can lead to an increase in sales from 280% to 400% (Totten & Block, 1997, p. 70),
- if it concerns a brand with a small market share, because brands with a larger market share and greater penetration have lower price elasticity. Here we observe the effect of the law of natural monopoly which

states: brands with a large market share have more customers who purchase infrequently, but who are the most loyal (Sharp, 2010; Romanik & Sharp, 2016). Thus, large brands have a monopoly over customers who buy rarely (light category buyers). This difference in elasticity tells us that small brands can achieve greater sales growth with price reductions, while on the other hand, if they increase prices, they experience a significantly larger drop in sales compared to large brands.

- when the price increases above the normal price. Research shows that the effect on sales is significantly greater when prices are raised (sales decline), compared to when a brand lowers its price (sales growth) - if we solely consider the effects of price changes and exclude price promotions (price highlighting) at the point of sale.
- in situations where the normal price is similar to that of the competition, then the price elasticity is significantly pronounced whether prices are raised or lowered.

### 2.3. Investment in Price vs. Investment in Advertising

When comparing investment in price, whether through long-term or temporary price reductions, with investment in advertising, it becomes evident that price promotions (temporary price reductions) have a greater effect on brand sales but have a very limited reach because they target only customers who are in the stores during that period. In contrast, advertising has a much wider reach as it targets a larger number of category customers but has a smaller effect on sales. However, price reductions motivate customers to buy more than they need, so every price promotion takes away from future purchases, i.e., future sales and profits. Besides the negative effect on profit, reducing the price, especially drastic reductions over 40%, lowers the reference price, thereby increasing the brand's price elasticity (Sharp, 2010). Promotional prices are like heroin for the brand; it's easy to start, hard to stop. Once brand customers get used to regularly buying on sale, it's very difficult to change that habit and continue building the brand on other bases. Strategies brands apply to avoid price reduction and price promotions include: improving perceived quality by customers, communicating quality through highlighting benefits compared to the competition, the company maintains the price so that investment in advertising allows it to achieve greater profit than lowering the price and lowering its profit margin; and raising quality and price, which can position a certain brand in a higher price range with higher profit margins (Kotler, Wong, Saunders, Armstrong, 2007). Based on the analysis of the IPA campaign database, it can be concluded that investment in price through various activities aimed at benefiting the customer in the form of lower prices affects price elasticity and lowers brand value in the long term. On the other hand, continuous investment in the brand in the long term reduces price elasticity and increases the intention to purchase by customers, without permanent and drastic price reductions, which have a greater effect on sales in the short term but adversely affect brand profitability in the long term (Binet & Field, 2010). According to Binet: "Long-term brand building is the key to firmer prices," there are three key elements for price growth without a drop in sales, i.e., for reducing the price elasticity of the brand (Binet, 2023):

- The first key element is reaching as many customers as possible, focusing on those who have not previously purchased the brand. Over 2000 case studies show the failure of companies that have strengthened their pricing power by targeting existing brand customers.
- The second crucial element is emotion. According to Binet, "The key to pricing power is to make people feel strongly about your brand, to bypass rationality and make people desire the product at any cost," so it is not possible to convince a customer to buy more with rational arguments.
- The third element is awareness, meaning campaigns aimed at making the brand known have a significant effect on reducing price elasticity and are very effective as support for raising the brand's price. The best way to achieve recognition and evoke emotion in customers is through creativity.

Based on the analyzed literature, the following questions emerge:

1. Is there a relationship between price promotions and the growth of customer numbers, or the expansion of penetration?
2. Do large brands, with a larger market share and greater penetration, have lower price elasticity?
3. Do small brands, with a small market share and low penetration, have higher elasticity, and can they achieve greater sales growth with price reductions?
4. Are customers who rarely purchase in the category (so-called light buyers) less price-sensitive, or is their proportion of purchases on discount lower compared to customers who frequently purchase in the category (so-called heavy buyers)?

## 3. MATERIALS AND METHODS

To achieve the stated objectives, the author employs "desk marketing research." Six books were read and results from four scientific papers dealing with this topic were thoroughly analyzed. To confirm the customer behavior patterns

identified through literature analysis, data from independent research conducted by GfK (household panel), a renowned marketing research company, were used. Secondary data obtained from the household panel helped to gain adequate insights and draw conclusions in line with the goals set for this work.

Consumer Panel Services GfK is a nationally representative sample of consumers whose shopping habits are reported and registered regularly over a period of time. Panel members provide an in-depth report about their purchases for household or individual needs via in-home scanning. Sample size is 2.000 households and represent 2.5 million households in Serbia.

In the research, brands within nine categories of consumer goods will be used, including their subcategories.

## 4. RESULTS

### Is there a relationship between price promotions and the growth in the number of customers, or the expansion of penetration?

Analyzing data from six categories with ten brands in each, on a monthly basis over a three-year period, involves examining brand penetration (the share of brand customers within all category customers), the value share of brand sales on promotion, and the quantity of brand sales during the observed period.

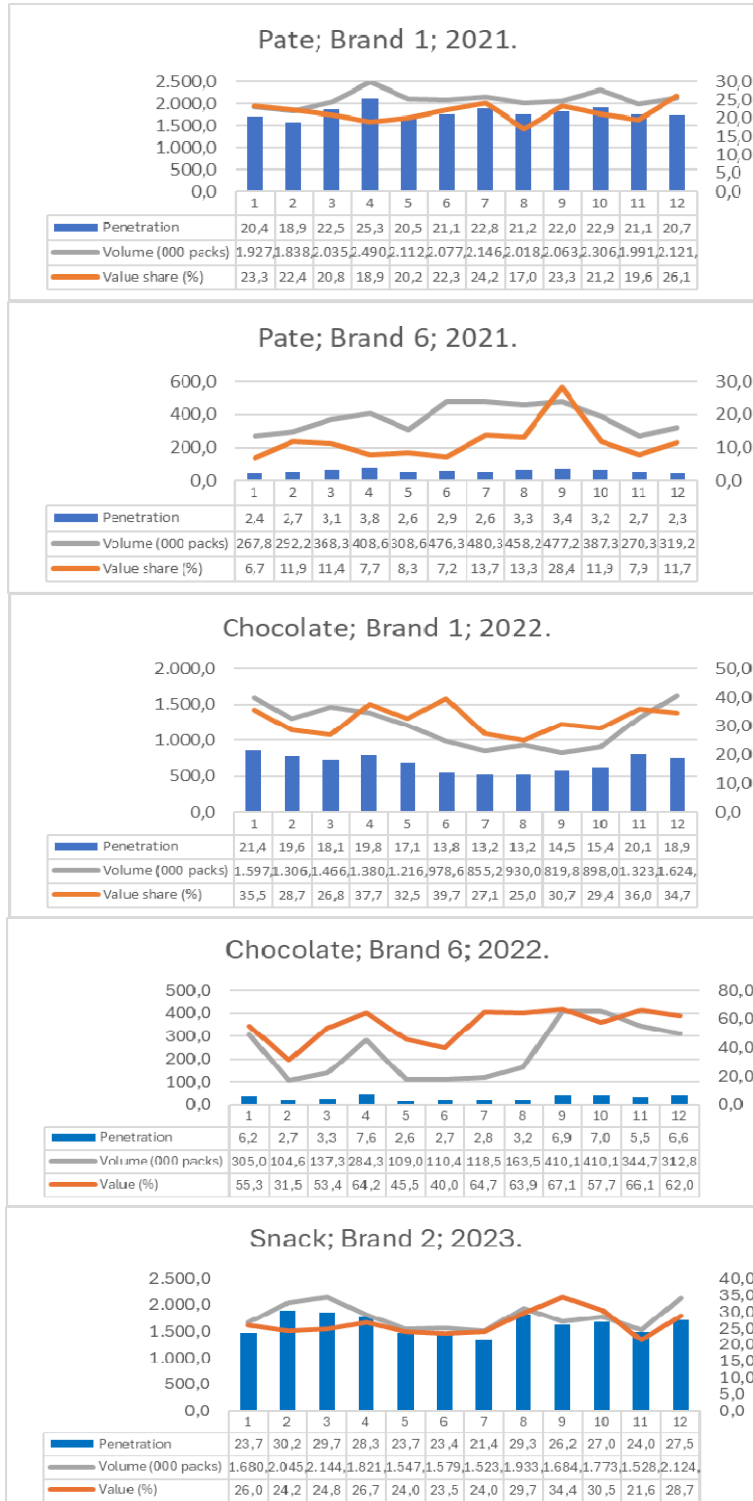
To analyze this vast amount of data, correlations between the following parameters were conducted: penetration and the share of promotional sales, and penetration and the quantity of brand sales in the observed year.

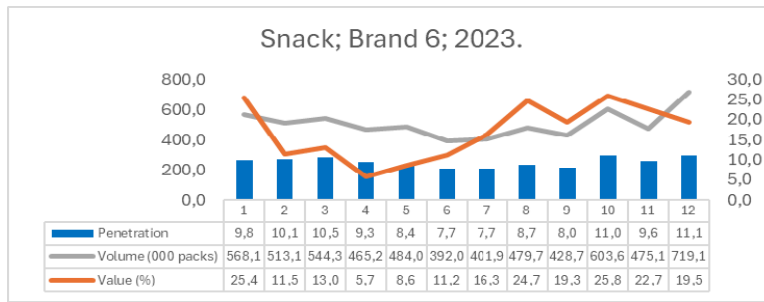
Name	2021		2022		2023	
	Penetration-Volume	Penetration-Value share	Penetration-Volume	Penetration-Value share	Penetration-Volume	Penetration-Value share
<b>FRANKFURTERS</b>						
Brand 1	0,84	-0,05	0,66	0,36	0,84	0,00
Brand 2	0,87	0,39	0,94	0,03	0,96	0,65
Brand 3	0,96	0,42	0,91	0,63	0,52	-0,38
Brand 4	0,87	0,20	0,82	0,16	0,91	0,25
Brand 5	0,81	0,30	0,89	0,26	0,89	0,00
Brand 6	0,69	0,38	0,87	0,41	0,78	-0,30
Brand 7	0,34	0,33	0,93	-0,47	0,91	0,11
Brand 8	0,80	-0,17	0,96	0,55	0,84	-0,19
Brand 9	0,93	0,47	0,88	0,37	0,78	0,19
Brand 10	0,72	0,51	0,84	-0,41	0,93	0,73
<b>GRILL SAUSAGES</b>						
Brand 1	0,95	0,11	0,94	0,63	0,95	0,09
Brand 2	0,92	0,21	0,97	-0,08	0,98	0,24
Brand 3	0,94	0,47	0,97	0,22	0,80	-0,04
Brand 4	0,96	0,71	0,92	0,33	0,84	0,27
Brand 5	0,84	0,45	0,97	-0,07	1,00	0,67
Brand 6	0,93	0,38	0,95	0,43	0,83	-0,64
Brand 7	0,99	0,20	0,80	0,40	0,94	0,25
Brand 8	0,97	0,36	0,96	0,25	0,71	-0,21
Brand 9	0,98	0,20	1,00	-0,67	1,00	0,50
Brand 10	0,89	0,33	0,93	-0,47	0,89	-0,39
<b>PATE</b>						
Brand 1	0,88	-0,26	0,88	0,44	0,89	0,82
Brand 2	0,62	0,56	0,51	-0,10	0,80	0,22
Brand 3	0,93	0,34	0,70	-0,01	0,92	0,41
Brand 4	0,72	0,27	0,93	0,36	0,79	0,05
Brand 5	0,91	0,18	0,90	-0,07	0,93	0,35
Brand 6	0,56	0,31	0,70	-0,30	0,72	-0,03
Brand 7	0,79	0,00	0,52	-0,07	0,96	0,45
Brand 8	0,59	0,29	0,71	0,19	0,65	-0,09
Brand 9	0,87	0,68	0,85	0,54	0,88	0,08
Brand 10	0,87	0,39	0,72	-0,01	0,57	0,41
<b>CHOCOLATE AND CHOCOLATE BARS</b>						
Brand 1	0,96	0,43	0,89	0,41	0,87	0,51
Brand 2	0,85	-0,37	0,90	-0,02	0,92	0,20
Brand 3	0,97	0,12	0,90	0,81	0,92	0,64
Brand 4	0,98	0,11	0,99	0,77	0,97	0,41
Brand 5	0,96	0,91	0,91	0,27	0,99	0,84
Brand 6	0,95	0,45	0,93	0,58	0,84	0,78
Brand 7	0,99	0,66	0,87	0,25	0,98	0,61
Brand 8	0,79	-0,22	0,96	-0,23	0,94	0,63
Brand 9	0,91	0,62	0,94	0,44	0,96	0,55
Brand 10	0,97	0,78	0,92	0,68	0,93	0,07
<b>COFFEE</b>						
Brand 1	0,77	0,90	0,70	0,12	0,39	-0,01
Brand 2	0,55	0,13	0,38	0,48	0,56	0,32
Brand 3	0,70	0,32	0,73	0,83	0,77	0,29
Brand 4	0,38	0,04	0,97	0,72	0,72	0,46
Brand 5	0,66	0,42	0,81	0,49	0,81	-0,18
Brand 6	0,57	0,65	0,53	-0,03	0,64	0,15
Brand 7	0,13	0,26	0,38	-0,40	0,96	0,74
Brand 8	0,73	0,46	0,44	0,27	0,61	0,47
Brand 9	0,75	0,81	0,89	0,31	0,73	0,22
Brand 10	0,77	0,40	0,95	0,64	0,84	-0,02
<b>SNACKS</b>						
Brand 1	0,66	0,30	0,94	0,47	0,94	0,48
Brand 2	0,79	0,29	0,79	0,78	0,88	0,34
Brand 3	0,87	0,54	0,45	0,13	0,91	0,11
Brand 4	0,91	0,20	0,77	0,42	0,86	0,10
Brand 5	0,87	0,36	0,96	0,19	0,86	0,57
Brand 6	0,88	-0,20	0,89	0,35	0,89	0,28
Brand 7	0,52	0,01	0,40	-0,22	0,75	0,15
Brand 8	0,85	0,21	0,66	0,39	0,89	0,07
Brand 9	0,87	-0,12	0,94	0,76	0,89	0,74
Brand 10	0,86	0,59	0,74	0,31	0,62	-0,34

**Table 1.** Correlation between penetration and the quantity of sales, and correlation between promotional sales and penetration.

In Table 1, the correlation values between promotional sales and penetration are very small for the majority of brands over all three years. On the other hand, there is a high correlation between penetration and the quantity of products sold, clearly indicating a relationship between the number of customers and the quantity of brand sales.

The data show that brands with high penetration (over 17%) have a slightly higher correlation between penetration and the share of promotional sales compared to brands with low penetration. Following this, there are charts with examples of several brands with high and low penetration. Blue histograms represent penetration, the gray line shows the trend of quantity sales, while the orange line indicates the value share of the brand's price promotional sales by months.





**Do large brands, with a larger market share or greater penetration, have lower price elasticity?**

Brand's price increases if average price 2023 > average price 2020		Volume (000 Litres)								Average Price (RSD/L/kal)								Price Elasticity					
Category (number of brands)	2020	market share		market share		market share		market share		2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023		
		2020	2021	2022	2023	2020	2021	2022	2023														
TOOTH PASTE	Small brands decrease (1)	1,2	0,8%	1,4	0,7%	14,8	0,9%	21,2	1,4%	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	-2,31
	Small brands increase (6)	325,7	20%	318,6	19%	353,5	22%	287,8	19%	2,280	2,361	4%	2,190	-7%	2,694	23%	-0,82	-1,52	-0,81				
	Big brands increase (5)	1,222,8	73%	1,219,5	74%	1,135,7	71%	1,036,4	73%	1,380	1,377	1%	1,467	7%	1,703	16%	-0,22	-1,04	-0,27				
	Big brands decrease (1)	1,222,8	73%	1,219,5	74%	1,135,7	71%	1,036,4	73%	1,380	1,377	1%	1,467	7%	1,703	16%	-0,22	-1,04	-0,27				
GRILL SAUSAGES	Small brands decrease (1)	1,222,8	73%	1,219,5	74%	1,135,7	71%	1,036,4	73%	1,380	1,377	1%	1,467	7%	1,703	16%	-0,22	-1,04	-0,27				
	Small brands increase (6)	325,7	20%	318,6	19%	353,5	22%	287,8	19%	2,280	2,361	4%	2,190	-7%	2,694	23%	-0,82	-1,52	-0,81				
	Big brands increase (5)	1,222,8	73%	1,219,5	74%	1,135,7	71%	1,036,4	73%	1,380	1,377	1%	1,467	7%	1,703	16%	-0,22	-1,04	-0,27				
	Big brands decrease (1)	1,222,8	73%	1,219,5	74%	1,135,7	71%	1,036,4	73%	1,380	1,377	1%	1,467	7%	1,703	16%	-0,22	-1,04	-0,27				
ROASTED COFFEE	Small brands decrease (1)	1,222,8	73%	1,219,5	74%	1,135,7	71%	1,036,4	73%	1,380	1,377	1%	1,467	7%	1,703	16%	-0,22	-1,04	-0,27				
	Small brands increase (10)	2,302,3	12%	2,044,4	12%	2,037,4	12%	1,588,8	10%	3,720	3,820	8%	3,720	8%	4,220	10%	-1,28	-0,88	-1,28				
	Big brands increase (5)	12,775,5	74%	12,775,5	74%	12,775,5	74%	12,506,8	76%	3,920	3,920	8%	3,920	8%	4,420	10%	-1,28	-0,88	-1,28				
	Big brands decrease (1)	12,775,5	74%	12,775,5	74%	12,775,5	74%	12,506,8	76%	3,920	3,920	8%	3,920	8%	4,420	10%	-1,28	-0,88	-1,28				
SNACKS	Small brands decrease (5)	233,6	1%	248,1	1%	329,1	1%	335,0	1%	607	591	-3%	587	-4%	587	0%	-1,94	-8,50	1,11				
	Small brands increase (46)	7,604,2	29%	7,002,4	28%	8,038,2	24%	6,145,9	25%	527	580	6%	649	16%	716	10%	-1,28	-0,88	-1,28				
	Big brands increase (14)	15,748,4	60%	15,267,9	61%	15,902,3	63%	14,175,3	58%	589	604	3%	667	9%	783	19%	-1,19	0,48	-1,28				
	Big brands decrease (1)	15,748,4	60%	15,267,9	61%	15,902,3	63%	14,175,3	58%	589	604	3%	667	9%	783	19%	-1,19	0,48	-1,28				
CARBONATED SOFT DRINKS	Small brands decrease (12)	28,651,9	13%	20,888,4	11%	17,441,3	10%	14,194,9	8%	46	50	8%	53	7%	66	23%	-2,60	-2,50	-0,81				
	Small brands increase (8)	168,988,4	81%	164,133,2	84%	148,988,8	84%	143,498,0	85%	64	66	2%	74	13%	81	10%	-1,23	-0,81	-0,23				
	Big brands increase (5)	48,357,4	32%	44,294,5	31%	34,015,9	27%	23,694,5	24%	35	38	8%	42	25%	148	15%	-1,28	-0,93	-0,81				
	Big brands decrease (5)	32,307,4	62%	33,818,0	63%	33,503,2	66%	33,478,9	68%	35	38	8%	42	25%	148	15%	-1,28	-0,93	-0,81				

**Table 2.** Differences in price elasticity depending on brand size.

Analyzing the data in the Tabel 2, we can conclude that out of 196 brands in 8 categories, the price elasticity of small brands is higher compared to large brands for 95% of the brands, meaning that raising or lowering prices for small brands reflects more significantly in sales decline or growth.

**Do small brands, with a small market share and low penetration, have higher elasticity, meaning can they achieve greater sales growth with price reductions?**

According to data in the Tabel 2, out of 8 brands that reduced prices, 6 brands (75%) achieved a significant increase in sales volume. Supporting this, the mentioned price elasticity, as well as specific examples in the following categories, tell us:

- For toothpaste, there is a similar number of small and large brands, but it's observed that small brands experienced a significant drop in quantities and market share, whereas large brands, despite significant price increases, maintained similar volume levels, and their volume market share remained the same (2020. compared to 2023.).
- A similar situation is observed in the categories of coffee, chocolate, soft drinks, and yogurt. Although there is a higher number of small brands raising prices, it is clear that they experience a decrease in quantities and market share, while large brands that have raised prices even see an increase in volume market share.
- Are customers who rarely purchase in the category (so-called light buyers) less price-sensitive, meaning is their proportion of purchases on discount lower compared to customers who frequently purchase in the category (so-called heavy buyers)?

**Are customers who rarely purchase in the category (so-called light buyers) less price-sensitive, meaning is their proportion of purchases on discount lower compared to customers who frequently purchase in the category (so-called heavy buyers)?**

	Value Share																			
	2020	2021	2022	2023	1. Quarterly 2020	2. Quarterly 2020	3. Quarterly 2020	4. Quarterly 2020	1. Quarterly 2021	2. Quarterly 2021	3. Quarterly 2021	4. Quarterly 2021	1. Quarterly 2022	2. Quarterly 2022	3. Quarterly 2022	4. Quarterly 2022				
<b>FRANKFURTERS</b>																				
FRANKFURTERS Light	25.1	27.9	26.3	29.1	28.6	21.5	28.5	23.6	33.4	31.4	28.8	23.9	30.5	27.7	28.8	32.4	33.5	35.2	29.5	25.1
FRANKFURTERS Medium	24.7	28.7	27.3	28.0	30.5	24.7	34.3	31.6	19.0	29.1	31.4	25.1	26.5	22.1	28.4	26.5	24.4	31.0	35.7	30.0
FRANKFURTERS Heavy	29.6	27.8	25.8	32.4	31.5	23.5	29.6	25.2	26.9	27.7	29.1	22.4	23.1	26.4	25.5	25.9	28.2	28.9	32.7	32.7
<b>PATE</b>																				
PATE Light	17.0	21.6	20.6	27.8	23.1	18.0	19.6	21.3	20.1	20.2	21.8	18.7	17.8	19.4	21.5	21.8	19.8	28.8	23.4	29.1
PATE Medium	17.0	21.4	23.3	27.7	19.6	10.9	19.7	23.0	25.0	16.6	23.9	23.9	23.6	25.7	23.6	24.6	23.0	26.7	29.4	25.9
PATE Heavy	24.1	24.9	28.4	33.2	28.0	19.2	25.2	25.9	22.4	29.6	23.2	27.6	23.4	24.3	25.3	26.1	29.3	39.3	34.4	35.2
<b>GRILL SAUSAGES</b>																				
GRILL SAUSAGES Light	25.4	26.9	28.7	36.9	37.0	23.9	22.3	27.8	31.9	38.4	33.9	33.0	31.3	34.5	40.3	40.1	35.4	34.6	40.9	42.7
GRILL SAUSAGES Medium	26.4	27.7	33.2	32.0	29.3	28.1	28.2	38.1	33.7	29.5	35.7	25.0	28.0	35.3	32.4	29.0	28.1	36.5	29.8	22.9
GRILL SAUSAGES Heavy	38.1	36.3	33.1	36.0	46.2	29.6	40.6	33.5	29.8	27.8	34.2	28.3	28.1	35.2	30.7	32.1	40.9	41.5	29.1	24.8
<b>ROASTED COFFEE</b>																				
ROASTED COFFEE Light	28.3	28.6	27.8	31.2	27.3	26.9	23.3	28.6	28.9	29.7	32.8	24.3	26.9	25.3	29.6	27.8	27.6	25.0	27.3	34.8
ROASTED COFFEE Medium	24.4	28.7	23.5	31.9	23.5	20.8	24.7	26.0	28.7	31.1	28.0	25.5	25.9	25.8	29.7	32.2	28.5	32.4	27.4	32.0
ROASTED COFFEE Heavy	24.8	25.1	29.1	38.3	26.0	24.4	25.1	27.5	26.3	26.4	28.0	24.1	26.8	31.7	31.0	32.3	31.6	33.8	38.9	38.3
<b>CHOCOLATE</b>																				
CHOCOLATE Light	21.6	28.1	25.7	32.8	25.1	29.8	26.6	27.7	28.0	31.5	30.0	27.3	26.2	27.2	31.6	26.0	29.4	29.2	32.0	31.7
CHOCOLATE Medium	30.9	29.4	31.7	32.7	33.0	27.3	24.8	32.3	24.9	33.1	30.2	30.2	27.8	30.6	30.9	35.0	28.7	34.7	33.3	33.6
CHOCOLATE Heavy	35.3	37.0	34.3	38.8	38.1	33.0	30.7	37.7	34.6	37.2	32.6	36.4	31.4	34.4	31.9	36.8	36.9	33.6	41.1	40.8
<b>SNACKS</b>																				
SNACKS Light	17.3	17.7	19.8	22.8	18.5	17.5	18.2	16.5	17.2	18.4	15.6	21.0	19.7	19.3	22.6	19.3	20.1	19.4	22.6	23.0
SNACKS Medium	18.8	19.9	19.8	21.4	17.6	16.0	19.6	18.2	19.8	19.2	23.8	17.7	19.2	21.5	19.0	20.8	21.0	21.5	24.7	21.5
SNACKS Heavy	18.6	22.1	24.1	24.9	16.2	16.7	20.5	22.0	20.3	22.4	21.2	21.2	21.8	23.8	23.1	24.0	22.5	22.8	26.5	25.0
<b>CARBONATED SOFT DRINKS</b>																				
CARBONATED SOFT DRINKS Light	16.6	17.5	12.9	16.4	17.2	17.7	18.0	17.9	16.6	18.7	17.4	18.6	16.3	14.4	10.6	13.9	12.4	16.5	15.9	15.0
CARBONATED SOFT DRINKS Medium	18.4	20.5	14.8	18.8	15.1	15.2	19.4	22.9	19.6	20.9	15.3	22.8	18.2	15.1	9.5	12.8	15.7	17.5	15.2	20.0
CARBONATED SOFT DRINKS Heavy	19.5	22.0	15.1	21.0	15.8	16.5	21.5	25.9	24.3	20.7	19.4	21.5	19.3	15.9	11.5	15.3	15.4	23.7	20.3	24.9
<b>YOGHURT</b>																				
YOGHURT Light	19.9	17.6	18.8	26.0	15.7	18.5	20.1	21.7	23.4	20.4	20.9	20.2	20.3	17.7	20.0	21.1	25.0	22.1	24.1	23.9
YOGHURT Medium	24.0	26.3	23.3	29.5	25.9	19.7	22.7	24.9	24.6	28.4	25.3	24.5	22.6	26.6	22.3	23.4	27.0	30.3	31.0	30.8
YOGHURT Heavy	27.1	29.5	28.7	35.1	27.4	26.0	29.1	28.1	27.6	29.9	28.9	28.7	26.2	25.9	27.2	30.3	33.2	36.0	33.4	34.6
<b>TOOTH PASTE</b>																				
TOOTH PASTE Light	34.0	26.4	27.8	27.7	25.0	28.7	37.7	30.1	32.5	25.7	31.7	26.1	27.9	28.3	20.8	27.9	25.4	26.8	27.4	31.1
TOOTH PASTE Medium	32.4	31.3	31.5	34.8	31.2	27.0	38.3	37.4	34.4	34.5	32.6	33.9	31.0	31.1	27.5	34.0	31.6	29.7	34.8	29.5
TOOTH PASTE Heavy	34.6	34.6	34.1	33.7	33.1	34.4	36.3	35.2	36.3	34.7	32.0	33.0	32.3	36.9	34.3	36.3	37.5	30.0	34.3	35.2

**Table 3.** Differences in the share of promotional purchases depending on customer type.

In Table 3, we have data for nine product categories, for a period of four years, as well as data for each quarter from 2020. to 2023. For each of these periods, we have data on the share of price promotional purchase, which are provided within the categories for three types of customers: "light" - customers who rarely use the category, "medium" - customers who use the category occasionally, and "heavy" - customers who frequently use the category. Based on the data analysis, the conclusion arises that for most categories and in the majority of the observed periods, there is a higher share of price promotional purchase among customers who frequently use the category compared to customers who rarely use the category.

## 5. DISCUSSION AND CONCLUSION

Based on the theoretical framework presented in the relevant literature, further confirmed by the analysis of secondary data obtained from household panels, it can be concluded that there is a relationship between price and other parameters significant for brand growth.

Firstly, the analyzed data suggest a weaker relationship between temporary price reductions and an increase in penetration. Instead, the correlation between penetration and sales volumes is higher. This phenomenon aligns with Sharp's assertion: „temporary price reductions do not attract new customers“ (Sharp, 2010) and suggests the temporary nature of price promotions' effectiveness in sustainable brand growth.

Secondly, the research highlights a distinct variance in price elasticity between large and small brands. Large brands, with their established market presence and higher penetration, exhibit lower price elasticity. This means that their sales are less affected by price changes, whether increases or decreases. In contrast, small brands, characterized by lower market shares and penetration, demonstrate higher price elasticity. Consequently, large brands may, in some circumstances, better capitalize on their brand value through price increases, thus enhancing profitability. In this regard, price elasticity can serve as one of the indicators for measuring the effectiveness of brand investments

Lastly, the effectiveness of price promotions is further nuanced by the segment of buyers. Light buyers, who purchase infrequently within the category, are less responsive to price discounts compared to heavy buyers. In addition to the recommendation of Sharp that light buyers are key to the growth of the brand because there are the most of them (Sharp, 2010), the conclusion that they are less price sensitive further confirms the importance of this segment, which can also affect the growth of the brand's profitability.

In conclusion, while price promotions can serve as a tactical tool for short-term sales boosts, their impact on long-term brand growth is limited. For sustainable brand growth, a balanced strategy that combines price optimization with investments in brand building and customer acquisition is essential. Companies must strike a balance between leveraging price as a competitive tool and investing in the brand.

Future research should aim to elucidate the nature of the relationships between price and other brand-related parameters. According to the authors, it is important to develop an adequate methodology that will demonstrate the significance of each of the key parameters (penetration, price elasticity, mental availability parameters, loyalty) on brand growth.

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