

# Promoting Price Discounts across Channels: The Role of Discount Level and Product Sales Frequency

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## **Abstract**

The most common promotional activity are price discounts, and retailers have to choose whether to further promote their price discounts with ads in offline (e.g., print) or online (e.g., banner ads) channels. However, retail managers lack guidance for which promotional channel (offline or online) would support price discounts best and what types of products (high or low sales frequency) would benefit most. Using a field experiment, we disentangle the interacting effects of price discounts (at various discount levels) and their supporting promotional channel. We find that digital promotions of price discounts are more effective than non-digital print campaigns to increase sales beyond the base price discount effect. In addition, the product's sales frequency matters: relatively, digital promotions best support price-discounted low-sales-frequency products, and steeply discounted high-sales-frequency products receive additional support from offline ads.

**Subject Areas:** *Advertising, Channels, Marketing-Mix Effectiveness, Promotion, Retailing*

**Track:** Retailing & Omni-Channel Management