

THE IMPACT OF USING THE PRICE PROMOTION POLICY ON THE BRAND EQUITY OF PIZZA STORES IN SAUDI ARABIA

Iyad A. A. AL-NSOUR¹

¹PhD, Advertising and Marketing Communication Department, College of Media and Communication, AL-Imam Muhammad Ibn Saud Islamic University ,Riyadh - Kingdom of Saudi Arabia
Corresponding author: Iyad A. Al-Nsour; e-mail: nsour_2005@yahoo.com

Abstract

This study aims at investigating the impact of price promotion policy PPP on the brand equity BE of pizza products in the Kingdom, determining the statistical differences in the use of this policy among the surveyed pizza companies according to the scope and size of company, and determining the level of preference of price promotion policy according to demographic factors of buyers (marital status, gender, purchase amount). The study population consists of all Saudi consumers in the city of Riyadh for 2017 amounted to 4.58 million. The random stratified sample method was used and the sample of 386 was withdraw, 361 for final analysis. The study found that there is a significant statistical impact of the use of price promotion policy on the brand equity in the minds of Saudi consumers. It was also found that there are statistical differences in the use of price promotion policy tend to local and small companies as well. It was found also that the buyers whom purchase more than 300 SR , the females buyers and married buyers are the most preferred categories of price promotion policy. Finally, the study presented a number of important recommendations in the field of applying price promotion policy in Saudi companies as a whole.

Keywords: *price promotion, brand equity, pizza stores, Saudi Arabia.*

1. INTRODUCTION

Pricing is one of the most important elements that businesses use to enhance their products' perception in the market, and that happens because the price is the most effective marketing weapon in influencing the customers. So this price is combined with a set of expected benefits when consuming this product. The price is a marketing activity related with the market philosophy, direction and company goals. The selecting of price policy is an important factor in achieving these objectives because of its significant impact on the consumer and on his preferences and behaviors in the market, as well as the competitors' practices (KOTLER & KELLER, 2012).

The price has more administrative responsibilities that cause many operational and strategic for the organization. It is the most liquid and influential element on the financial side of the businesses (NSOUR, 2009). One study showed that 71% of the companies in the surveyed sample believe that the price is ranking the first element compared to other marketing mix elements (NSOUR, 2010). Although the price is very important in stimulating the purchase and influencing on buying behaviors of consumers in different markets, but the results of such studies are still contradicting about the impact of price on the purchasing behaviors of individuals. Many of these studies consider the strong direct impact and effectiveness of the price on customers' retention and competitiveness, but other studies consider the price as a routine activity, and it is value determined later by the consumer's perception and the monetary value that the consumer looking to have from the product (KENT et al., 2003).

Studies have also differed in determining the effectiveness of pricing strategies, whether high or low. Other studies predict that the price may be determined according to the general perception of consumer's about the company and its objectives: positioning, sales, profits, and return on investment (HERRMAN et al., 2007). In the year 2016, Ukaj noticed that the company's activities create a strong image about the company itself and its products (BARUZZI, 2010). This is in addition to the positive impact it has on the company's reputation and investment returns (VANHUELE & XAVIER, 2002). Improving relationships with customers by strengthening and enhancing advertising, reputation management, and improving after

sales services, and all of such techniques affect the product and company image in customer minds, and these pricing policies consider one of the activities conducted by company, which affect the volume, quantity of sales and the brand equity later.

In conclusion, whatever the effects of price policies on the business performance, the brand equity in the customer minds remains the basic criterion for the failure or success of such policies. For example, HITACHI put its brand name on the new product of televisions, and thus it can impose a selling price exceeds the competitors which reached to \$75 and has a larger market share because of that, so the HITACHI brand name has strong position and a preferred evaluation in the consumers' minds, and all of such outcomes because of the positive beliefs, strong recall and easy activation they have (URBANY et. al, 2000).

Thus, recent theories confirm a positive relationship between the product and its added value, and the value of the economic unit increases with the development of productivity and added value of product (BELKAOU, 1999). The pilot study conducted by the researcher, notices that there are a strong beliefs by Saudi consumers about the local pizza market, and because of such beliefs, all of the pizza industry is facing a high resistance by some Saudi consumers, and this resistance refers to the low price policy conducted through some companies in the local market. The bad impression about these policies is related with low value and low perceived quality may be occurred to the discounted products. On the other hand, some other Pizza companies still offering their products at regular high prices were not affected on the brand equity, and their products still have a strong and high share in customer minds; which enabled them later to build loyalty and high market share.

In light of this, the study attempts to focus on how the price promotion activities affect the value of pizza products in the minds of consumers, while there is a preference among some consumers for the low price policy imposed by some of these companies, and considering the low prices as a financial interest to the consumer without any taking of moral or physical

considerations that may be formed in the minds of consumers because of that.

2. THE RESEARCH PROBLEM

The price policies used by businesses to influence consumer behavior and seek to obtain high market shares or increase profits and sales. These results are mainly related to the mental image of products in the consumer minds. The correlation between imposed price and the market share, is an important evidence of success or failure of the pricing policy followed by such businesses .

Because of the new entrants to the local pizza market and the hyper competition between the international and local companies is increased, some of these companies had to adopt low price policy as an effective way to beat with the competitors and to deal with the international brands of pizza such as Pizza Hut, Dominos Pizza, Sabarro etc... The new entrants tried to exploit the local trends for a low price, and the feelings for prefer the local brands or trademarks, and this will be enhanced if the products offered have a quality same to other products in the market.

The success of such policy was correlated with the changes in the economic conditions of Saudi consumers have, and the low price became one of the most important incentives for consumers to build their own preferences and purchasing decisions. But the Saudi market still has many social segments that dislike the low prices and have a lot of sensitivity to discounted products. The high price for such segments consider a way of differentiation, and there is a belief that there is a strong correlation between the quality and the price.

Price wars may impose the competitors to lowering their prices below the minimum cost level. This price reduction may be correlated with lower quality levels and profits or both. On the economic side, the low prices reduce the new investments in the market, and such the lower prices is prohibited according to the competitiveness protection law and enhance the dumping effect in the market. However, the low price is an effective way to differentiate from

competitors and to penetrate the product faster in the market, especially if we know that many consumers have shown a great desire to buy the product at the lowest price.

In spite of the benefits of reducing prices for consumers in the short run, the continuation of this decline will reduce the price effect on them, so the brand equity is negatively affected, and may damage the value of the product especially if there are no improvements or new innovations may arise. We add that the low price may increase the price limits in the minds of customers, and cannot impose price increases on the offered product in the future, and small investors out of the market, which means the market towards monopoly, which may increase the price to the highest levels.

Accordingly, the following questions were formulated in an attempt to answer the study problem:

1. What is the effect of the price promotion policy on the value of the “pizza” product in the minds of Saudi consumers?
2. What are the statistical differences in the use of price promotion policy among pizza companies in the kingdom according to the scope of the company (local, international), size of the company (large, medium, small)?
3. What are the statistical differences in the extent of the preference of the Saudi consumer for the price promotion policy, depending on

the demographic factors (marital status, sex, purchase amount) at the statistical significance level of 0.05?

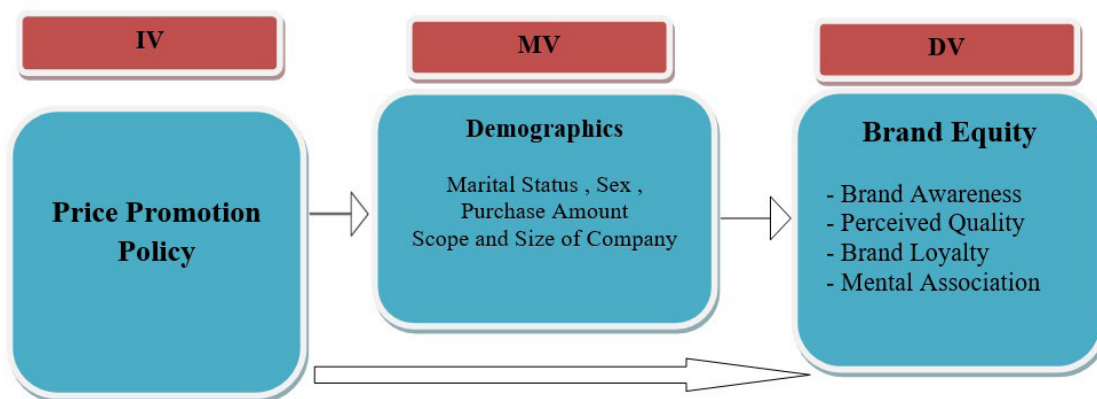
3. RESEARCH OBJECTIVES

In order to answer the questions of the research problem, the study aims to achieve the following:

1. The impact of the price promotion policy on the value of the “pizza” product in the minds of Saudi consumers?
2. Identify the statistical differences in the use of price promotion policy among the pizza companies operating in the Kingdom according to the scope of the company (local, international), size of the company (large, medium, small)?
3. Determine statistical differences in consumer preference for price promotion policy, depending on demographic factors (marital status, gender, purchase amount)?

4. RESEARCH MODEL

The following figure represents the model used in this study, which was developed from previous studies. It aims at determining the direction of the relationship between independent and dependent variables.



In accordance with the elements of the research problem and objectives, the following hypotheses were formulated:

1. There is a statistically significant effect of the price promotion policy on the brand equity of

the pizza in the minds of Saudi consumers at the level of statistical significance 0.05.

2. There are statistically significant differences in the use of price promotion policy among pizza companies in the Kingdom according to

- the scope of the company (local, international), size of the company (large, medium, small).
3. There are statistically significant differences in the preference of the Saudi consumer for the price promotion policy, according on the demographical factors (marital status, gender, purchase amount) at the level of statistical significance 0.05.

5. THE RESEARCH SIGNIFICANCE

1. This study appears at a time studies differ about the potential impact of price promotion policies and the price reductions on consumer purchasing decisions.
2. The lack of local studies, especially those discussed in the promotion of price, as well as determine the level of brand equity of the pizza companies in the Kingdom.
3. The results that the study may provide to the decision makers in the pizza companies in the Kingdom, by indicating the importance of price policies in general, and what are the appropriate policies that should be followed in the local market.

6. THE LITERATURES REVIEW

The low price policy generates many benefits and opportunities for businesses. It has been found that this policy increases the attractiveness of lower-income consumers to the win of the reduced or discounted products (NESLIN & ROBERT, 1989). Later on, this policy negatively affected on the rate of purchase, and the price reductions also provide low limit prices for potential customers (LATTIN & BAUCKIN, 1989). This happens because the purchased quantity using regular prices, depends on the willingness of the consumer to pay more than the reference prices.

Many studies have linked between the price promotion and many negative effects, particularly the loyalty level (Doob et al., 1969). Lattin & Buckin (1989) have noticed that low price may be increase the degree of price sensitivity for shoppers towards a particular store or brand, and negatively affecting on the level of loyalty later, as well as using the idea of the reference price as the basis for future purchases, and reject

any price increases that may occur on the product later. Both Kenese & Todd (2004) add that this reference price supports the purchase of a commodity frequently in the case of price discounts, otherwise the consumer may be postpone the current purchase into the future, or cancellation the purchase idea in the case of no price reduction.

Other studies have found that there is a significant impact on temporary price offers. It has been found that low prices lead to increased demand by consumers of low price interests. Price reductions also affect the elasticity of price demand in the short and long terms. Short run, means the price information stored in the minds of consumers lead to higher price responses in the long run (KENESE & TODD, 2004).

Studies have shown that the wide range of price reductions will be used by other stores, and this will make a shifting in the desire of shoppers from one brand to another (or store to another) depending on the discounts it selves. This clearly affects the buyer's loyalty towards a particular store, buy discounted products and try to store them for times when there are no such price reductions, which means increasing current consumption and trying to postpone some planned purchases to the future (CHANDON & WANSINK, 2002). In general, reactions occur when the buyer responds to the price reduction because the frequency of the purchase and the associated actions come as a response to a certain low price tag (INMAN et al., 1990).

In general, low price policies are used by businesses to attract customers and achieve sales and profit targets (ALLENDER & RICHARDS, 2012). High price policies exert an impact that the consumer is aware that the higher price of the product will increase the level of luxury and quality they receive in when repurchased (DUNNE et al., 2008). Yelkur (2000) states that the price promotion policy ensures the provision of high price sensitive products. Some consumers also consider that the high price of product involves more financial costs to obtain the same product or quantity, The other is aware that high prices are a tag of higher quality, differentiation and honor of this product (JIN et al., 2003).

In other words, studies have differed in determining the impact of low price policies on

consumer behavior, product awareness and brand awareness, but have agreed that low prices have reduced the level of loyalty. Sometimes the core loyals ignored the prices based criteria during the brand selection process (BRANDENBURG et al., 2000), and it has been shown that continuous and large discounts or reductions prompt the consumer to believe that there is uncertainty about the quality of the product or brand. Repeated price reductions reduce the brand equity in the minds of consumers, Because of the subconscious reaction that leads them to believe that the quality is also low (SURE et al., 2000). More specifically, low pricing policies are more dangerous to consumers who are more loyal to the product. These consumers feel that their new counterparts have given them price incentives to adopt the product; they believe that they are a relationship between the low price perceived quality, and when the price returns to normal levels, the Loyal customers refuse buying the product at that level, and may postpone the current consumption or purchase to different time periods depend on the product type and importance (YESAWICH, 2004).

The results of (MEO et al., 2014) reaffirmed that findings of previous study by Blackwell et al., (2001) that price discounts play significant roles in influencing consumers' purchase trial behavior, and Sinha and Smith (2000), price promotions can induced sales promotion and result in a short term increases in sales. The results showed that discount level is not significant with the Sale Promotion. The discount level increase, consumer perceives higher value and is more likely to buy even when they are implausible (CUIZON, 2009). In the Discount Level the Business Man Gave some Discount but he did not gave the good Quality to customer that's why the Customer not wants to take this offer from the Company. Discount Level Normally used when Company want to attain the More Customer then company gave offer to customer some discount to increase their sale (MEO et al, 2014). Finally, we believe that it is necessary for businesses to choose appropriate price communication strategies, using pointofsale or media and different marketing communication activitie.s in an attempt to influence consumer interests and preferences and thus induce them to buy (SIMON & MARK,2005). And when price is consider as an important tool

for formulating individual preferences and attention by both the producer and the consumer, it is necessary to predict the impact of price policies on the brand equity and its four components in the minds of consumers.

7. RESEARCH METHODOLOGY

- A. Research Type : The study used descriptive analysis of the data obtained.
- B. Research Population: represents all Saudi consumers in Riyadh city. Estimates for 2017 show that the number of Saudis in Riyadh is about 4.58 million.
- C. Sample type and size: The random stratified sample was used to collect the research data, and this type of samples is the most accurate in the representation of the heterogeneous statistical society, because the studied characters varies between the elements of the statistical society. In this method, the sample items were selected as follows (MUALLA, 2006):
 - Dividing the city of Riyadh into five geographical parts: east of Riyadh, west of Riyadh, south of Riyadh, north of Riyadh and central of Riyadh.
 - These groups are divided into additional groups , so it is called the cluster sample. After this division, the groups are randomly selected, so that all members in the selected groups are taken to be part of the sample. A sample of 386 Saudis over the age of 22 years was withdrawn at a significant level of 5%. A total of 361 were analyzed. Therefore, the unit of analysis is the Saudi individuals residing in Riyadh who meet the previous conditions.

8. THE DESCRIPTIVE ANALYSIS OF RESEARCH VARIABLES

In order to analyze the responses of the research sample, the descriptive statistical analysis (arithmetic mean, standard deviation, and relative frequency) were calculated. The components of the price promotion policy and brand equity were evaluated according to the arithmetic mean values of the research sample .

- 5- More than 4.2 will be very high.

- 4.2 - More than 3.4 will be high.
- 3.4 - More than 2.6 will be average.
- 2.6 - More than 1.8 will be weak.
- Less than 1.8 will be very weak.

The following table shows the distribution of the research variables and the paragraph numbers that are measured in the survey list.

In order to analyze the research data needed to test the hypotheses, we conducted the tests in Table 2. The questionnaire was developed to collect the needed data. In order to test the validity of the questionnaire, it was evaluated by three professors from Saudi universities.

modifying, deleting and adding some paragraphs are taking in our consideration.

The researcher calculated the reliability coefficient, Cronbach’s alpha, α (or *coefficient alpha*), measures reliability, or internal consistency. “Reliability” is how well a test measures what it should. High reliability means it measures price promotion policy and brand equity ,while low reliability means it measures something else (or possibly nothing at all).The statistical rule indicates that the permitted acceptable rate is 60% or more (Mulla, 2006). The results are as shown in table 1 below.

Table 1. Cronbach’s alpha coefficients of research variables

N	Research Variables	Reliability	Paragraphs’ Numbers
1	Low Price Policy	0.991	1- 9
2	Brand Equity	0.995	10-25
A	Brand Awareness	0.985	10-13
B	Perceived Quality	0.977	14-17
C	Brand Loyalty	0.993	18-21
D	Brand Associations	0.99	22- 25
	Total Reliability	0.997	1-25

It was found that all the research variables showed high levels of reliability more than the permitted statistical rate (60%). We find that the main variable of brand equity achieved the lowest reliability reached 99%, while the independent variable, which reflects the (the price promotion policy more reliable and achieved a rate of 99.1%. It was found that the total coefficient of reliability (Cronbach’s alpha) for all the research variables are achieved the highest value of 99.7%. At the level of sub-variables, the elements of loyalty to the brand achieved the highest stability which reached 99.3%, followed by the elements of mental link to the brand by 99%, then awareness of the brand by 98.5%, and finally the elements of quality perception by 97.7% Showed high levels of stability according to the statistical base used.

To determine the level of responses, the weighted mean was used to determine the extent of applying using the following relative scale. The strongly disagree takes number 1, the disagree takes number 2, the neutral takes number 3, the agree takes number 4, the strongly agree takes number 5 as follows:

- 1.5 - more than 4.2 will be very high.
- 2.4.2 - more than 3.4 will be high.
- 3.3.4 - more than 2.6 will be average.
- 4.2.6 - more than 1.6 will be low.
- 5. Less than 1.6 will be very low.

In order to determine the level of interest of the research sample in the low price, the frequencies, percentages, arithmetic mean and standard deviation of the sample responses were calculated for each of the phrase as shown in table 2.

Table 2. Frequencies, Percentages, Means , and Standard Deviations of Independent Variable (Price Promotion Policy)

N	The Phrase	F	Responses Degree					SD	Mean	Decision
			SA	A	N	D	SD			
1	I tend to buy pizza products at times of price cuts only	N	36	48	176	34	22	0.991	3.1329	Moderate
		%	11.4	15.2	55.7	10.8	7			
2	Buying online encourages me to buy pizza products	N	52	52	106	76	30	1.2034	3.0633	Moderate
		%	16.5	16.5	33.5	24.1	9.5			
3	Free delivery motivates me to buy pizza products	N	60	82	90	54	30	1.2253	3.2785	Moderate
		%	19	25.9	28.5	17.1	9.5			
4	The current purchase of pizza is related to the low price	N	42	74	128	54	18	1.0608	3.2152	Moderate
		%	13.3	23.4	40.5	17.1	5.7			
5	Price promotion drives me to buy pizza products at all times	N	46	70	110	58	32	1.1769	3.1266	Moderate
		%	14.6	22.2	34.8	18.4	10.1			
6	The promotion of price to buy non-favorite products of pizza	N	32	46	94	78	62	1.235	2.7051	Moderate
		%	10.3	14.7	30.1	25	19.9			
7	Price promotion has increased the spread of pizza products on the market	N	78	72	96	38	28	1.2397	3.4295	Moderate
		%	25	23.1	30.8	12.2	9			
8	Price promotion is a reason to buy new products of pizza	N	48	66	112	62	24	1.1462	3.1667	Moderate
		%	15.4	21.2	35.9	19.9	7.7			
9	The price promotion of pizza distracts me from competitors' products	N	30	50	110	90	32	1.1097	2.859	Moderate
		%	9.6	16	35.3	28.8	10.3			
General Mean of Independent Variable (Price Promotion Policy)							1.1542	3.1085	Moderate	

The price promotion policy consists of 9 phrases, one of which is “low price policy increased the spread of pizza products in the market” has received a high acceptance level according to 48.1% of the sample, the rest of the phrases came to a medium degree. There no any phrases have very high, low or very low responses by research sample. The general arithmetic mean for the whole phrases was 3.1085. This means that the level of interest of the research sample of the price promotion policy was medium.

In the same way, the frequencies, percentages, arithmetic means and standard deviations of the second variable responses were calculated to

determine the brand equity level of pizza products in the minds of Saudi consumers as shown in table 3. The brand equity consists of (16) and its divided into four sub-variables : brand awareness, perceived quality, brand loyalty, and brand associations. Each sub variable includes sub-phrases (questions), and based on the arithmetical mean values, showing that the brand loyalty is high level (3.4775), while the remaining three subvariables were accepted at an medium level. In general, the general mean of the brand equity was 3.2418. This means that the level of responses of the brand equity is medium.

Table 3. Frequencies, Percentages, Means , and Standard Deviations of Dependent Variable (Brand Equity)

N	The Phrase	F	Responses Degree					SD	Mean	Decision
			SA	A	N	D	SD			
1	The company's price reduction policy reminds me of its brand	N	48	68	141	40	10	0.9918	3.3377	Moderate
		%	15.6	22.1	46.1	13	3.2			
2	The fractional price policy determined by the company reminds me of its trademark.	N	34	60	121	72	20	1.0651	3.0519	Moderate
		%	11	19.5	39.6	23.4	6.5			
3	The low cost electronic procurement of the company's products reminds me of its brand.	N	36	72	128	54	18	1.0424	3.1753	Moderate
		%	11.7	23.4	41.6	17.5	5.8			
4	The low price packages that the company provides for its products keep me in mind	N	44	72	114	60	18	1.0947	3.2078	Moderate
		%	14.3	23.4	37	19.5	5.8			
Brand Awareness							1.0485	3.1937	Moderate	
5	Low prices give a good image of the brand shape of the company.	N	46	70	110	58	32	1.1769	3.1266	Moderate
		%	14.6	22.2	34.8	18.4	10.1			
6	The company's low prices reflect an acceptable form of pizza characteristics.	N	32	46	94	78	62	1.235	2.7051	Moderate
		%	10.3	14.7	30.1	25	19.9			
7	Low prices give a good picture of pizza ingredients.	N	78	72	96	38	28	1.2397	3.4295	Moderate
		%	25	23.1	30.8	12.2	9			
8	Low price policy provides a good level of brand quality.	N	48	66	112	62	24	1.1462	3.1667	Moderate
		%	15.4	21.2	35.9	19.9	7.7			
Perceived Quality							1.1542	3.1085	Moderate	
9	Pizza price reductions help me deal with the brand longer.	N	20	22	120	92	58	1.1769	3.1266	Moderate
		%	6.4	7.1	38.5	29.5	18.6			
10	The reduced pizza prices help me increase my brand purchase.	N	22	32	102	92	62	1.235	2.7051	Moderate
		%	7.1	10.3	32.7	30.1	19.9			
11	Discounted prices helped me make recommendations for others to experiment with the brand.	N	22	24	114	90	62	1.2397	3.4295	Moderate
		%	7.1	7.7	36.5	28.8	19.9			
12	Reduced prices help me repeat purchases from the same brand.	N	24	26	104	80	78	1.1462	3.1667	Moderate
		%	7.7	8.3	33.3	25.6	25			
Brand Loyalty							1.1233	3.4775	Moderate	
13	The low prices enhance a Brand image for me .	N	14	46	116	88	44	1.0419	3.3312	Moderate
		%	4.5	14.9	37.7	28.6	14.3			
14	The low prices enhance brand identity in my mind .	N	12	46	120	92	38	1.001	3.3182	Moderate
		%	3.9	14.9	39	29.9	12.3			
15	The low prices enhance a brand value for me .	N	20	56	96	80	56	1.1576	3.3117	Moderate
		%	6.5	18.2	31.2	26	18.2			
16	The low price enhance a brand picture for me .	N	20	36	118	84	50	1.0878	3.3506	Moderate
		%	6.5	11.7	38.3	27.3	16.2			
Brand Associations							1.072	3.3279	Moderate	
General Mean of Dependent Variable (Brand Equity)							1.0706	3.2418	Moderate	

9. TESTING THE HYPOTHESES

9.1HO₁ : There is a statistically significant effect of the price promotion policy on the brand equity of the pizza in the minds of Saudi consumers at the level of statistical significance 0.05.

The four sub hypotheses have been derived from this hypothesis:

9.1.1HO₁₁ : There is a statistically significant impact of price promotion policy on brand awareness of Saudi consumers at the significance level of 0.05.

The research used a stepwise regression analysis to determine the most statistically significant factors on the brand awareness of pizza. In the initial analysis, all the activities that promote the price promotion policy in the pizza stores in the Kingdom were found to formulate the brand awareness of the pizza stores and its products. The stepwise analysis showed that one phrase affected this awareness. "The promotion of the price of buying pizza products at all times prompts me." Spreading the price promotion policies has helped to repeat the purchase in all times and this create the habitual purchase and increasing the brand awareness. The brand awareness increase the continuous search for products offered by pizza stores. This statement explain 95.8% of the variation in the brand awareness. The correlation coefficient was 97.9% between price promotion and brand awareness.

In order to test the first sub hypothesis regarding the impact of price promotion policy on brand awareness of Saudi consumers. As the price promotion policy represents the independent variable, brand awareness refers to the dependent variable. Using the regression analysis model, the price promotion policy has a statistically significant impact on brand awareness and the source of this relationship as we have shown that the low price helps to adopt the product and more attention in all times. Based on the results of the analysis of variance F in Table 4, the value of the test significance level (0.0) is less than the significance level (0.05) as a whole. Therefore, we accept the hypothesis that there is a statistical impact of price promotion policy on brand awareness, This impact was

positive and high in terms of its role in formulating this awareness of companies that use price promotion, increasing the level of price promotion by 1% increases the level of awareness by 0.922.

9.1.2HO₁₂ : There is a statistically significant impact of the policy of price promotion on the level of perceived quality in the minds of Saudi consumers at the significance level of 0.05.

The preliminary analysis excludes the impact of tow activities that encourage the price-promotion policy on the perceived quality of pizza products. These terms are "buying online stimulates me to buy pizza products" and "price promotion is a reason to buy new pizza products", while other activities have showed the clear impact on the dependent variable. By applying the step wise analysis, it was found that the two most important phrases affected the perceived quality level are " Price promotion drives me to buy pizza products at all times", and "The price promotion of pizza distracts me from competitors' products". These the two statements confirm that the level of price promotion drives customers to prefer the products of companies, which reduced their prices without accompanying any negative belief about the quality of these products. On the contrary, the price reductions have increased the level of customer satisfaction and clearly diverted their attention from the products of competitors in the market, which explained 96.5% of the variations in the perceived quality level in the minds of customers, and the correlation between those two phrases and the level of perceived quality reached to 98.2%.

In order to test the second sub hypothesis regarding the impact of price promotion policy on the level of perceived quality, it was found that the price promotion policy has a statistically significant impact on the perceived quality of pizza products, and it has become clear that the low price does not adversely affect the perceived quality of these products. On the contrary, the price promotion policy is advantage for businesses in the competitive market and achieve higher market shares of customers and sales. Based on the results of the analysis of variance F in Table 4, it was found that the level of significance (0.00) is less than significance level (0.05) as a whole. Therefore, the sub-hypothesis text is accepted , which says that there is a statistical impact of the price promotion policy on the perceived quality, and the impact coefficient shows that the increase of price promotion by one unit will increase the perceived quality by 0.905.

9.1.3HO₁₃ : There is a statistically significant impact of the price promotion policy on brand loyalty level in the minds of Saudi consumers at the significance level of 0.05.

The preliminary analysis shows that there is six price promotion activities are excluded. The other activities have an impact on brand loyalty. The activities (phrases) impacted are “the price promotion has increased the spread of pizza products in the market”, “free delivery motivates me to buy pizza products”, “I tend to buy pizza products at times of price reductions only” and “free delivery motivates me to buy pizza products”. The stepwise analysis found that the most influential phrase on the level of loyalty to the brand is “increased price promotion of the spread of pizza products in the market.” This statement confirms that the level of price promotion paying the customers to favor the products produced by companies that have lowered their prices, and helps to spread products in the market, and in the long term, increased product spreading based purchase increases the level of loyalty to the brand. This statement alone explains 93.9% of the variance in the customer loyalty of the brand, with a correlation reached to 96.9% between the two variables.

In order to test the third sub-hypothesis that says there is an impact of the price promotion policy on the brand loyalty level, results showed that the price promotion policy has had a statistically significant impact on brand loyalty. The low price has been shown to have a positive impact on the brand loyalty level of pizza companies, Low price in deepening the awareness because of the comparison with what competitors offer prices for their products. According on the analysis of variance F in table 4, it was found that the level of significance (0.00) is less than the test significance level as a whole (0.05). Accordingly, the third sub hypothesis believes that there is a statistical impact of the price promotion policy on the level of brand loyalty, The impact coefficient value shows that the increase of price promotion by one unit will increase the level of brand loyalty by 0.961.

9.1.4HO₁₄ : There is a statistically significant impact of the price promotion policy on brand associations level in the minds of Saudi consumers at the significance level of 0.05.

The analysis shows that there are two activities of the price promotion policy have no any impact on the level of brand associations. These activities are : “online buying stimulated me to buy pizza products” and “price promotion was a reason to buy new pizza products.” The stepwise analysis shows that the two most significant correlated activities (sentences) of brand associations are “free delivery encourages me to buy pizza products” and “the current purchase of pizza is related to the low price.” These tow accepted statements confirm that the level of price promotion through free delivery of pizza products at the current purchase rate; help positioning pizza products in the minds of customers and make it the preferred alternative compared to competitors in the market, and helps this brand association promote the motivation of the purchase of Saudi consumers and prefer buying the discounted products. These activities explains 95.9% of the variance in the brand associations, and the correlation was 97.9%.

In order to test the fourth hypothesis regarding the impact of the price promotion policy on the brand associations , it was found that the price promotion policy has a positive effect on the brand associations, and it has been shown that price reductions will increase the positioning of the product in the minds of Saudi buyers. Based on the analysis of variance F in table 4, it was found that the level of significance (0.00) is less than the significance level (0.05). Therefore, the fourth sub hypothesis text is accepted, which says that there is a statistical effect of the price promotion policy on the brand associations, and through the value of the impact coefficient , it was found that increase price promotion by one unit will increase the brand associations by 0.936.

Table 4. Simple Regression of Price Promotion Policy on The Sub Four Variables

Sub Variables	Impact Coefficient	r	R ²	t	Sig.	F	Sig.
Brand Awareness	0.922	0.983	0.966	66.4	0.00	4405.7	0.00
Perceived Quality	0.905	0.987	0.974	75.5	0.00	5694.3	0.00
Brand Loyalty	0.961	0.959	0.92	42.2	0.00	1784.3	0.00
Brand Associations	0.936	0.97	0.941	49.4	0.00	2441.5	0.00

Finally, in order to test the first main hypothesis, the results are shown by the following simple regression model:

$$Y = A + B1X$$

$$Y = A + B1X$$

Y is the dependent variable (the brand equity), X is the independent variable (price promotion policy), and SPSS shows the results of the regression analysis.

Table 5: Simple Regression of First Hypothesis

The Variable	The Value	r	R ²	t	Sig.	F	Sig.
The intercept	0.375			11.17	0.00		
Price Promotion Policy	0.931	0.991	0.982	91.176	0.00	8313	0.00

10Significance Level as A whole test is 0.05 .

Therefore, it was found that the price promotion policy has a statistically significant effect on the value of the pizza companies' products. The impact coefficient was 0.931 and a correlation coefficient between them was 99.1% (Brand awareness, perceived quality, brand loyalty, mental association) of pizza products in the minds of Saudi consumers. In order to test the text of the main first hypothesis, it was found that the level of significance (0.00) is less than the significance level as a whole(0.05). Therefore, we accept the hypothesis that says there is a statistically significant impact of price promotion policy on the brand equity of pizza in the minds of Saudi consumers.

9.2 THE SECOND HYPOTHESIS

There are statistically significant differences in the use of price promotion policy among pizza companies in the Kingdom, according to the scope of the company (local, international), size of the company (large, small) at the statistical significance level 0.05.

To test this hypothesis, the t-test was used. The significance level value of the price promotion policy (0.00) is less than the value of the significance as a whole (0.05). Therefore,

we accept the hypothesis that says there are statistically significant differences in the use of the price promotion policy according to the difference in elements of the pizza companies in the Kingdom. These differences was between domestic and international companies in the use of price promotion policy, and found the differences between large and small companies. In order to determine the direction of these differences, the values of the arithmetic mean were used in table 6. It was found that the local pizza companies used the policy of price promotion more than the international pizza companies. Small and medium enterprises were found to be the most used for the policy of price promotion compared to large companies. It is clear that the price promotion policy is an important marketing policy to overcome competitors in the market and try to build high market shares in the future, and in the same format and as evidenced by marketing literature, the market penetrating policy is an effective tool in building the business reputation and the ability to own large shares in the market, and this applies to the price promotion policy in this research paper.

Table 6. Descriptive Results of The Second Hypothesis

Independent Variables	Scope of Work	N	Mean	SD	t	Siq.	Statistical Decision
Price Promotion Policy	Local	104	3.884	2.0208	6.066	0.00	There are statistical differences tend to local companies.
	International	145	1.8222	1.3263			
Independent Variables	Size of Company	N	Mean	SD	T	Siq.	Statistical Decision
Price Promotion Policy	Large	207	2.0676	0.8787	13.541	0.00	There are statistical differences tend to small companies.
	Small	32	6.9375	1.7027			

The Third Hypothesis:

There are statistically significant differences in the preference of the Saudi consumer for price promotion policy, according to the demographic factors (marital status, gender, purchase amount) at the statistical significance level of 0.05.

In order to test the difference hypothesis, ANOVA or the so-called F test was used, in addition to t-test of variables containing only two groups. The results showed in the table 7. The level of significance of the test 5%, and

therefore accept the text of the hypothesis that there are differences of statistical significance in the extent of preference of the Saudi consumer to the policy of price promotion according to personal variables. Consequently, there was a set of statistically significant differences depending on the marital status, gender and purchase amount. It was found that these differences tended to favor singles and females with a higher purchasing power of 300 riyals, respectively.

Table 7. Descriptive Results of The Third Hypothesis

Independent Variables	Marital Status	N	Mean	SD	F	Siq.	Statistical Decision
Price Promotion Policy	Married	77	2.20	2.0208	133.69	0.0	There are statistical differences tend to singles.
	Single	81	3.987	0.7018			
	Other	5	5	0			
Independent Variables	Sex	N	Mean	SD	t	Siq.	Statistical Decision
Price Promotion Policy	Male	108	2.0676	0.8787	13.541	0.00	There are statistical differences tend to females.
	Female	50	6.9375	1.7027			
Independent Variables	Purchase Amount	N	Mean	SD	F	Siq.	Statistical Decision
Price Promotion Policy	Less than 50	28	1.4603	0.4077	204.17	0.00	There are statistical differences tend to 300 SR income holders .
	50-less than 100	42	2.5714	0.283			
	100- Less than 200	48	3.2616	0.4273			
	200-Less than 300	24	4.3102	0.243			
	More Than 300	18	4.9938	0.0262			

10. THE RESULTS DISCUSSION & RECOMMENDATIONS

10.1 THE DISCUSSION

The research results showed that the price promotion policy has increased the spread of pizza products in the local market, and the level of interest of Saudi consumers to the price promotion policy has reached to the middle class, the same level as the brand equity is also in the minds of Saudi consumers. In examining the impact of price promotion policy on the brand equity of the Saudi consumers, it has been shown that this policy has a significant and positive impact on the brand equity of the products offered by the pizza stores in the Kingdom, contrary to previous studies (Sure et al., 2000), which showed that continuous and large discounts or promotions lead to a reduction in the brand value in the consumers' minds, because of the subconscious reaction that leads to the belief in low quality as well. But it is useful to remember that building the product value in the minds of buyers is a future investment that helps selling the products at higher prices than competitors, where the brand value in the minds of consumers, a favorite and has a positive meanings and beliefs that easy to recall and activate .

Therefore, the spreading of pizza products in the local market was due to price promotion activities, prompting consumers to increase quantities purchased or increase the amount of purchase. This result is in line with the idea that temporary price offers increase the consumers demand with price concerns (KENESE & TODD, 2004). Our study also concurred with previous studies that showed that price promotion increases the attractiveness of lower-income consumers to purchase discounted products (NESLIN & ROBERT, 1989), and it has already been found that the price reductions of some stores have spread to other stores , it is which has contributed to diversifying and conveying the shoppers' desires from one category to another depending on the price discounts (CHANDON & WANSINK, 2002).

On the other hand, this research has shown that price promotion activities in pizza stores in the Kingdom have helped increase awareness of

the brand or stores. Low prices help to adopt and care for the product at all times, not at specific times. Although there is a difference between studies in predicting this effect, price promotions reduce the level of loyalty , because the high level loyalty ignores price measures or criteria during the procurement process (BONNENBERG & VANHONACKER, 2000). Other studies have shown that buying a product at discounted prices makes the consumer more able to recall the price compared to what he buys at normal prices, while other research disagree with these results to confirm that many buyers at low prices do not have the adequate level of product awareness (ASGHAR et al., 2015).

The impact of price promotion policy on the perceived quality of pizza products in the Kingdom has been strongly and positively correlated. These activities have not been accompanied by any negative perception of the quality of these products. On the contrary, price promotions have increased the level of customer satisfaction and overlooked their preferences from other competitors in the market. This result differed from the results of the study Sure et al., 2000, which indicated that constant, large and rapid discounts lead to the belief that the product quality or its brand value is low, or as the results of Jin and Sternquist (2003) The presence of high prices is a tag of a higher level of quality , differentiation and honor in the product. It was also confirmed that the level of price promotion helped to increase the level of loyalty towards the reduced products offered by pizza stores. Therefore, the researcher believes that the frequent purchase of the product in the market will contribute to increase the level of loyalty towards certain brands in the long term, In contrast, the study of Lattin and Buckin (1989, P.301) has shown that the low price negatively affects the loyalty level, and the researcher believes that the nature of the reduced products, the personality of the consumer , his mentality , and the surrounding culture are factors that justify different results from previous studies.

More specifically, low pricing policies are more dangerous to more loyal consumers because they feel that their new counterparts have given them price incentives to adopt the product; they believe that the level is low and its correlation to

the low price. When the price returns to normal levels, loyal customers refuse to buy the product at the new price, they also postpone the purchase into the future (YESAWICH, 2004).

Finally, the price promotion policy has shown a strong and positive impact on the level of brand associations of pizza products in the local market. There is no doubt that the level of awareness of the brand and the level of loyalty as well as perceived quality are all factors that positively affected the brand association of the product. According to Ukaj, 2006 all activities carried out by the company generally create a strong image of the company itself and its products also, and increase the level of mental associations. In the other, however different the results and effects of the price promotion policy, the value of the product in the minds of consumers remains the fundamental criterion for the failure or success of that policy, so recent theories confirm a positive relationship between the product and its added value (BELKAOU, 1999).

In order to know the results of the differences test, the current research was distinguished by its results. If there were significant differences in the use of price promotion policy according to the different organizational elements of the pizza companies in the Kingdom, there was a difference between the domestic and international companies, and between the small and large companies in the use of price promotion policy, the fact that domestic pizza companies use the policy of price promotion more than international counterparts, while small scale companies are the most used for them. Regarding the preference of the Saudi consumer for the policy of promotion of the price, it was found that there are statistical differences by marital status, sex and purchase amount.

10.2 MARKETING IMPLICATIONS

10.2.1. THE USE OF THE PRICE PROMOTION POLICY

The most popular pizza brands in the local market were Maestro Pizza (34.9%), Domino's Pizza (29.3%) and Pizza Hut (18.9%), all of them accounted 83.1% of the total pizza market. These companies differed in applying the price promotion policy. 29.7% and 24% of the customers

believe that the low price was not a sufficient reason to deal with Domino's and Pizza Hut respectively. The choice of dealing with Maestro Pizza was confirmed due to its price promotion policy According to 46% of customers. This means that new pizza stores, if they want to succeed in a full market of competitors and brands, and if they want to win high market share in the short term, the price promotion policy is one of the useful and important pricing policies in this place. It can be noted that pizza stores in the local market such as Little Caesar, Sparrow, Pizza Napoli, Pizza Era, Pizza Amory, Pizza Inn ... etc. have a total market share of 17%, where the researcher supports this conclusion by the current research results for the reasons of prefer a certain are follow : The level of price imposed by pizza stores in the kingdom (34.1%), level of products quality (25.7%), and the spreading the stores in the Kingdom (16.1%), while the rest of the reasons: CSR programs, promotion methods, and word of mouth, and the reputation of the company, are not at low rates effective instruments in influencing the buyer decision.

10.2.2 THE BRAND EQUITY

It was found that 45.7% of consumers are monthly buyers of pizza products, 26.5% half-monthly buyers, 14.8% are weekly buyers or less. 13% are unusual and fragmented buyers, whom buying the pizza products according on the need, desire and purchasing power without any considerations of the level of offers and price reductions available. Here, we find that 46.2% of the monthly buyers of pizza products are still governed by the brand equity of the product in their minds about dealing with certain brands, which means there is a strong impact of the level of the mental value of the product on their purchasing decisions for pizza and its derivatives, and found that the frequent purchase weekly or semi-monthly is subject to price reduction factormore than brand name impact according to 42.9%. On the other hand, it was found that the product value in the female minds (29.1%) higher than the male buyers (25.3%), and it was clear that the married buyers had a lower product value than the single buyers.

10.3 RECOMMENDATIONS

In light of the above findings, the study recommends that:

- It is necessary for these stores to establish special departments for the pricing function in general, and the determining the price is purely technical in relation to the buyer's behavior and market reaction, and this process is not subject to the profitability considerations of the pizza store itself.
- The establishment a departments for research and market studies to conduct the studies that would measure the level of satisfaction about the prices, products, the price reductions, the feedback about the market , the loyalty of buyers , and other information needed.
- Organizing a frequent meetings between pizza stores and the most frequent buyers to identify the factors that influence their loyalty and price sensitivity towards a particular store or brand, and promote the concept of price awareness and price knowledge in their minds, as well as involving them in determining the fair and right price for their purchasing powers and needs.

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