

# Consumers' Expectations, Emotions and Shopping Experiences During Deals: The Allure of Retailers' Markdowns

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## Abstract

South Africans actively seek out discounts and deals driven by economic hardships. While searching for deals, consumers still require a pleasurable shopping experience which retailers often neglect. This study aims to contribute to the literature by researching consumers' expectations of the deals offered, the emotions they experience during the sale based on their expectations and the overall evaluation of the retailer once they have participated in the sale. Quantitative research using an online survey was utilised to collect data from 594 respondents. Using SEM, all hypotheses were accepted. Findings showed that customer expectations of the deal and retailer capabilities during the sale strongly predict positive emotions experienced, while retailer capabilities predict negative emotions during the sale. Positive emotions experienced strongly influenced the overall evaluation of the retailer and the deal. Retailers must ensure they have the capability and stock available as advertised and train employees to deal with consumers during a sale. Meeting consumer expectations during a sale will lead to positive emotions being experienced, which can drive a positive evaluation of the deal and retailer. This can drive customer satisfaction, loyalty, and profitability beyond only when sales are offered.

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# 1. Introduction

According to the observations made by Taylor, Kwasnica, Reilly and Ravindran (2019), consumers frequently encounter a multitude of markdown strategies (also known as deals, bargains, sales promotions, sales, or discounts), including everyday low prices, seasonal discounts, special price reductions, gifts, buy one get one free offer, and various other promotional tactics in their day-to-day shopping routines. Therefore, increasingly, consumers are acquiring the knowledge and skills to seek bargains, save money and adopt a more deal-centric mindset. Many individuals find it necessary to adopt frugal spending habits during periods of economic hardship, such as the aftermath of the 2007-2008 worldwide recession (Piercy, Cravens & Lane, 2010) and the challenges brought by the COVID-19 pandemic (Anderson, Rayburn, Sierra, Murdock & McGeorge, 2022). This trend is still evident in South Africa, where consumers actively seek out markdowns and deals and reduce non-essential expenditures to ensure sufficient funds for essential needs like food and housing until the end of the month (BusinessTechSA, 2023). However, consumers are searching for money-saving and pleasurable experiences during the process (Riaz, Baig, Meidute-Kavaliauskiene & Ahmed, 2021).

Petzer and Roberts-Lombard (2022) support this notion and argue that despite being price-sensitive and searching for the "best deal," consumers also desire a satisfying retail experience when engaging in deal-seeking activities. As Lennon, Kim, Lee and Johnson (2018) add, while looking for the best deal and sales experience, consumers may experience many emotions, such as frustration or anger if the product is out of stock, while also thrilled and happy if they find the deal they are looking for. Therefore, as consumer expectations are dynamic, deals should be viewed holistically, encompassing the overall consumer experience while validating the effect of emotions during the experience (Zeybek & Ulengin, 2021). However, retailers often see the use of sales only to drive sales for profit or as a stock clearance tactic. These sales strategies negate the consumers' experience during the sale, which could cause consumers to experience negative emotions and dissatisfaction with the entire sale experience (Opperman, 2021; Baum, 2017).

## 1.1. Background

As stated above, South African retailers rely on markdowns and deals to drive sales growth in a sluggish market (The Citizen, 2022) as per NielsenIQ State of the Retail Nation Report, published in September 2022, Bizcommunity (2022) corroborates this report, stating that a mere 20 per cent of South African retailers are experiencing natural sales growth, while the majority are seeing growth primarily through promotion-driven sales. Most markdowns used by South African retailers are seasonal such as Christmas, Easter, Summer or Winter sales and Black Friday sales (MyBroadband, 2022). A Mamathuba (2019) report found that South Africans are specifically conscious of Black Friday sales. The popularity of this sale has even led to retailers offering pre- and post-Black Friday deals, with some

offering deals for the entire week. Over 75% of South Africans report that they support markdowns and sales and know the specific prices of products to identify a good deal (George, 2021).

## 1.2. Problem Statement

The majority of research on deal-seeking behaviour primarily concentrated on consumers' shopping values (Nining, Hurnis & Triani, 2022; Carpenter & Moore, 2009), segmentation in the deal-seeking consumer market (Kabadayi & Paksoy, 2016; Karande & Ganesh, 2000), and more recently cross-channel deal-seeking behaviour (Chokkannan, Bhavani Shankar & Pattusamy, 2023; Kapitan, Mittal, Sundie & Beal, 2021). From a contextual perspective, most deal-seeking studies appear to be related to the hospitality industry (Chen, Schwartz & Vargas, 2011; Chen, Phelan & Jai, 2016; Riasi, Schwartz & Chen, 2019). However, studies exploring consumers' views during the entire experience, from searching for deals to their experience with the retailer, are lacking.

In addition, with South Africans being avid deal seekers, specifically in difficult economic times, retailers need to be able to adapt to changing consumer behaviour and ensure they meet customer needs (BusinessTechSA, 2023). As previous research has found, South African consumers are no longer loyal to retailers but aim to look for the best deal (Opperman, 2021). In addition, Baum (2017) reiterates that Marketers cannot exclude the role of emotions by consumers during the purchase process and when looking for deals. In the review of current literature and studies on the topic, the research gaps identified include a) studies do not consider the entire experience that consumers go through when engaging in sales, including the process before the purchase is made to the after-sales experience (Lennon et al., 2018); b) retailers do not consider the customer experience when providing a sale as they tend to focus on clearing stock Babatunde, Mordi, Ajonbadi & Oruh, 2021; and c) how the customer experience before and during the sale can cause positive or negative emotions which could lead to a positive or negative evaluation of the retailer which could influence future sales (Asrinta, 2018).

Considering this context, the present study aims to fill these research gaps by offering insights to marketers, retailers, and forthcoming studies relating to consumers' purchasing behaviour in deal-seeking contexts concerning their *expectations* and *emotions* during the sales *experience*. This research empowers marketers and retailers to reshape and realign their current price discount (sales) strategies to cater to the needs and preferences of deal-seeking consumers more effectively, especially considering retailers' unnatural reliance on price reduction promotions to drive sales growth. Furthermore, insights into deal-seeking consumers' expectations, emotions and experiences during these price reduction promotions could facilitate the development of customised marketing strategies that resonate with them beyond price reduction promotions to contribute further to retailers' organic sales growth and, ultimately, their overall profitability. This study also contributes to consumer decision-making theory by providing a holistic understanding of the consumer decision-making process – from expectations to the actual purchase experience and the influence of emotions in this process. Therefore, the following

research question arises: *How do consumers' expectations of sales deals impact their emotions and evaluation of their overall sales deal shopping experience?*

### **1.3. Research objectives**

The study's primary objective is to investigate the impact of consumers' sales deals expectations on their emotions during a retailer's sale and consumers' evaluation of their overall sales deals shopping experience. Three secondary objectives (SROs) support the study's primary objective.

SRO1: To present a demographic and deal-seeking profile of respondents.

SRO2: To determine the relationship between consumers' sales deals expectations (expectations of sales deals, expectations of retailer capabilities, and expectations of lack of consumer service) and consumers' emotions (positive and negative) when shopping at a retailer's sale.

SRO3: To identify whether a relationship exists between consumers' emotions (positive and negative) and their evaluation of the overall sales deals shopping experience.

The subsequent sections of this paper are structured as follows: It begins by providing a comprehensive literature review that explores the grounding theories and related constructs relevant to the study. Next, the conceptual model and hypotheses are presented, building upon the preceding methodological discussion. Subsequently, the results and findings are presented, and their implications are discussed. Suggestions for further research and concluding remarks are also provided.

## **2. Literature Review**

This study draws support from three theories: the Expectation Confirmation Theory (Oliver, 1980), the Schema Theory (Wyer, 1980), and the Discrepancy-Evaluation Theory of Emotions (Mandler, 1990). The significance of each of these theories to the study is discussed below. Additionally, the literature review delves into the study's primary constructs: consumer expectations regarding retailers' sales, consumer emotions, and the consumers' overall evaluation of the shopping experience during sales.

### **2.1. Theories underpinning the study**

#### ***2.1.1 Expectation Confirmation Theory***

Academic discourse has long recognised the significant influence of expectations on perceptions and human behaviour. Researchers from diverse fields have studied how individuals assimilate their experiences and utilise this accumulated knowledge to form expectations. These expectations, in turn, shape the development of beliefs, modify attitudes, and motivate specific behaviours (Wolverton, Hirschheim, Black & Burleson, 2020). Oliver (1980) initially formulated expectation confirmation theory (ECT) to elucidate the influence of consumer confirmation on satisfaction and, subsequently, how satisfaction impacts purchase intention. In the context of a retailer's sale, consumer expectations pertain to their prior experiences regarding the attributes of the retailer's sales deals, the retailer's

capabilities during the sales promotion and the consumer service showcased during the sales promotion. In this context, confirmation occurs when consumers perceive the sale deals to surpass their initial expectations regarding time and money. Subsequently, satisfaction emerges due to the positive emotional states experienced concerning the overall sale deals shopping experience.

### ***2.1.2 Schema Theory***

The second foundational theory of this study is Wyer Jr's (1980) Schema Theory. Based on this theory, individuals evaluate external stimuli based on their pre-existing knowledge stored in relevant schemas (Wang, Qian, Li & Mastromartino, 2022). Aronson, Wilson, Sommers and Page-Gould (2022) state that schemas can be seen as cognitive frameworks that consumers use to categorise and interpret their environment through themes, affecting how consumers process and recall information. Compared to inadequate and isolated schemas, a well-connected and long-established schema network is more likely to be activated, increasing its advantages when processing new stimuli (Wang et al., 2022). The literature further emphasises that stored schemas encompass cognitive beliefs and affective elements (Jensen, Head & Mergy, 2020). This implies that the influence of the fit effect extends to consumers' affective domain (Zhang, Kim & Xing, 2021), encompassing aspects such as perceived retailer capabilities and perceived retailer service levels. The second postulate of Wyer Jr's (1980) Schema Theory pertains to how consumers assimilate new information about an event, which can either align with or deviate from the consumers' existing knowledge structure. For instance, if a consumer has had positive experiences at previous retailer sales, they expect the next sale they attend to be similarly positive based on the favourable knowledge structure they have formed regarding retailer sales (Kumar & Polonsky, 2019). However, suppose the consumer has encountered unpleasant aspects during a recent retailer sale, such as stockouts, limited variety, or inefficient service employees. In that case, they will likely develop a new knowledge structure that contradicts their previous positive perception (Richter, Bays, Jeyarathnarajah & Simons, 2019). Consequently, the knowledge structure associated with retailer sales, which previously represented a positive experience, now resembles a negative one.

### ***2.1.3 Discrepancy-evaluation theory of emotions***

The Discrepancy-Evaluation Theory of Emotions, proposed by Mandler (1990), encompasses distinct processes that contribute to forming an emotional experience. These processes can be classified as the various encounters that consumers may undergo within a retailer's sale (Wang & Kim, 2019). These encounters also give rise to consumers' emotions, leading to the formation of cognitive evaluations (Liu-Thompkins, Khoshghadam, Shoushtari & Zal, 2022). For instance, Tran, Pallant, and Johnson (2021) state that when consumers have a pleasant experience with sales deals, it can evoke positive emotions and lead to favourable reviews of the retailer's sales deals. Conversely, an unpleasant sales experience can trigger negative emotions and result in unfavourable reviews of the retailer's sales.

Consequently, the emotions experienced by consumers play a central role in influencing purchase intent and re-intent, thereby shaping future buying decisions (Kalantari, Johnson & Perera, 2021).

## **2.2. Interconnectedness among constructs utilised in the study**

For the purposes of this study, three main constructs are used as per the studies of Lennon et al. (2018), Hou, Wu and Hu (2013) and Wood and Moreau (2006). These studies found that previous experience and consumers' expectations of the deal will influence consumers' emotional responses, affecting how the overall deal will be evaluated. For this reason, this study will focus on i) consumer expectations, ii) emotions and iii) the overall evaluation of the deal. These studies also found that three elements influence consumer expectations of a sale deal. These include i) the expectation consumers have about the deal itself, ii) the expectation of whether the retailer has the capability of implementing the deal, and iii) the amount of customer service that can be expected during a sale.

### ***2.2.1 Consumer expectations and emotions***

Kumar et al. (2021) argue that the fulfilment or non-fulfilment of consumer expectations significantly influences their purchasing decisions. Consequently, while sales discounts effectively achieve profitability, retailers should consider consumers' expectations during the sale and prioritise their overall service to meet those expectations (Topolska et al., 2021). According to Chomvilailuk and Butcher (2014), retailer sales' product discounts may be attractive, but consumers also seek in-store retail experiences and price reductions. Consumers typically have three levels of expectations when it comes to sales. Firstly, there is an expectation around the deal itself. This means that consumers will consider whether the deal the retailer offers will suit their needs and improve their value in life. If consumers deem the deal valuable and wish to engage with the retailer and brand marked down, it can lead to positive emotions about the deal and vice versa (Shaw, 2018). Secondly, consumers expect that retailers have the capability to deliver on the deal. Suppose a retail store offering price discounts has modern in-store displays, well-trained and polite employees, an appealing layout, and attractive sales deals. In that case, it will likely meet consumers' expectations, evoking positive emotions (Graciola, De Toni, De Lima & Milan, 2018). Conversely, suppose a retail store fails to appeal to consumers and has out-of-stock products but is still advertised as on sale. In that case, their expectations will likely go unfulfilled, leading to negative emotions (Babatunde et al., 2021). Finally, consumers may consider the level of customer service. Many consumers understand that retail stores' employees may be under pressure during a sale, such as Black Friday (Schooling, 2020). This may lead to consumers having lower expectations for customer service. However, being unable to meet basic levels of customer service may lead to a negative experience in the sale and, thus, negative emotions (Valentini, Orsingher & Polyakova, 2020). The heightened expectations of consumers during a retailer's sales promotions can significantly influence their emotions (Saufi, Ni Putu Inten & Sulhaini, 2022), depending on whether expectations are met or not. Consumers' emotions act as situational variables that can impact

their purchase propensity, contingent upon whether their expectations are met (Graciola et al., 2018). Based on the above, the following hypotheses were developed:

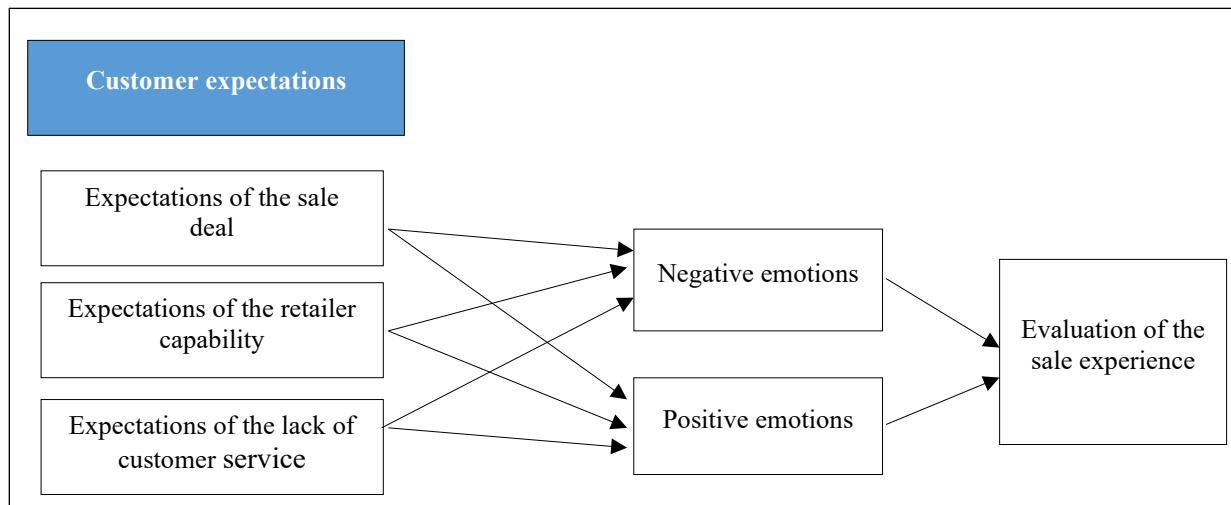
- H1a: There is a relationship between consumers' expectations of the deal and the negative emotions they experience during a sale.
- H1b: There is a relationship between consumers' expectations of the deal and the positive emotions they experience during a sale.
- H2a: There is a relationship between consumers' expectations of the retailers' capability during the sale and the negative emotions they experience.
- H2b: There is a relationship between consumers' expectations of the retailers' capability during the sale and the positive emotions they experience.
- H3a: There is a relationship between the consumers' expectations of lack of customer service during a sale and the negative emotions they experience.
- H3b: There is a relationship between consumers' expectations of lack of customer service during a sale and the positive emotions they experience.

### ***2.2.2 Consumer emotions and evaluation of overall sales deal shopping experience***

Positive emotions, such as excitement, can be triggered by an individual's pre-existing mood, inherent emotional disposition, and response to current environmental stimuli, such as desired products or sales promotions. When consumers experience positive emotions, they tend to encounter less complexity in their decision-making process, make faster decisions, and display a greater willingness to spend time and money in the store (Asrinta, 2018). As the intensity of emotions increases, so does the likelihood of impulsive and greater extent of buying behaviour among consumers, which can lead to a positive evaluation of the overall experience (Al Mutanafisa, 2021). Therefore, emotions play a significant role in consumers' overall evaluation of a retailer's sales deals, as they are inclined towards hedonic experiences. These emotions act as situational variables that influence their inclination to purchase (Akbar, Ahmad, Asif, and Siddiqui, 2020). Lennon et al. (2018) further reinforce these findings by emphasising that an individual's emotional state significantly influences retailer outcomes, with the strength of motives determined by whether the sales deal experience fulfils the consumer's needs. Therefore, the following hypotheses were developed:

- H4a: Consumers' negative emotions have a significant and direct relationship with their sales deal shopping experience evaluation.
- H4b: Consumers' positive emotions have a significant and direct relationship with their sales deal shopping experience evaluation.

From the above, the following conceptual model is presented in Figure 1.



**Figure 1: Conceptual model**

Source: Authors' conceptualisation

### 3. Research Methodology

This study utilised a positivistic paradigm through a deductive, quantitative approach to obtain objective data by describing relationships (Panhwar, Ansari & Shah, 2017). The target population for the study were consumers who participated in sales. The specific sample units included consumers between the ages of 18 and 65 who had participated in a sale by a retailer six months before the data was collected. To gather data, non-probability convenience and snowball sampling methods were used. These sampling methods were deemed appropriate for this study as no sampling frame was available. In addition, using a snowball sampling method enabled researchers to ask respondents to provide the contact details of others who fit the screening criteria. To participate in the study, respondents had to comply with two screening criteria, namely a) being between the ages of 18 and 65) and b) having participated in a sale by a retailer in the previous six months. A mono-method through a survey strategy was used through an online self-administered questionnaire. This method was used as it is cost-effective, efficient and offers respondents convenience (Saunders, Lewis & Thornhill, 2019).

The questionnaire developed by Lennon et al. (2018) was adopted for this study and pre-coded into a Google Form with the link sent to respondents. The researchers used social media platforms (i.e. LinkedIn, Facebook, WhatsApp) to distribute the link. The questionnaire included a cover page with an introduction to the study and the ethical issues relating to the study (see section 3.1), informed consent and screening questions. Section A of the questionnaire focused on obtaining a demographic and deal-seeking profile. Sections B – F used a 5-point Likert-type scale (1 = strongly disagree and 5 = strongly agree) measuring i) expectations of the sale deal (16 items), ii) expectations of the retailer capabilities (12 items), iii) expectations of lack of customer service (3 items), iv) evaluation of the sale experience (16 items), v) negative emotions (30 items) and vi) positive emotions (17 items). Data was collected



over three weeks, and 594 usable questionnaires were retained for further data analysis as per section 4. Data was cleaned with only respondents data who indicated “yes” to the two screening questions were retained for further analysis. Data were analysed using Descriptives, CFA and SEM through SPSS and AMOS version 29.

### **3.1 Ethics**

The researchers' institution provided the ethical clearance for the study (clearance number 2022SCiiS014). Specifically, the study ensured that no vulnerable people were included – only those between 18 and 65 were eligible to participate and only people who had participated in a retailer's sale or markdown in the six months before the study. The cover page of the questionnaire clarified that participation was voluntary, confidentiality would be upheld and how the data would be stored and used.

## **4. Results and Findings**

### **4.1 Demographic and deal-seeking profile of respondents**

Section A of the questionnaire aimed to determine how often respondents engaged in participating in sales and present a demographic profile of respondents. Considering the demographic profile of respondents, the majority of respondents were African (72.6%), males (52.0%) between the ages of 18 and 39 years (86,7%). Furthermore, 46.8% of respondents had an undergraduate degree or Grade 12 (26.3%), with 44.9% employed full-time.

The descriptive statistics indicated that respondents participated in a sale whenever there was a sale – no matter which store (32.5%) or when their favourite store had a sale (32.3%). Additionally, 20.5% of respondents indicated they would participate in a sale seasonally, followed by between every six months and a year (11.33%). Although many sales were engaged with, respondents noted the sales they participated the most with were the Edgars Red Hanger sale (21.9%), Woolworths quality sale (18.0%), Black Friday (17.3%), Superbalist (12,1%), Zara (11.1%0 and Takealot (9.9%). Respondents indicated they prefer online and in-store purchasing (47.3%) and in-store alone (36.7%).

### **4.2 Confirmatory Factor Analysis**

Kline (2016) suggests that for SEM to be performed, a sample size of 200, or for questionnaires with many latent variables, a sample size of 10 for each variable is required. Both these criteria were met with a sample size of 594, indicating that a CFA and SEM using AMOS can be conducted. In addition, for data to be considered suitable for Factor Analysis and to meet the criteria of sampling adequacy, Pallant (2016) suggests a KMO > 0.6 and a significance level of <0.000. For this study, the KMO was 0.960, with Bartlett's test of Sphericity being <0.000. Testing for normality, skewness (absolute value of 2) and kurtosis (absolute value of 7), as suggested by Byrne (2010), were considered. Based on the criteria, five items were removed. Using the maximum likelihood method, as indicated by Fabrigar, Wegener, MacCallum and Strahan (1999), enables the calculation of goodness of fit indices. To

improve the model fit, several items were removed. Table 1 presents the results of the CFA showing a six-factor solution and the items remaining in the factor. The table provides the factor loadings for each item, the AVE (showing convergent validity), the composite reliability (CR) results and Cronbach Alpha value for internal consistency. According to Fornell and Larcker (1981) and Pallant (2016), the AVE should be  $>0.5$ , Cronbach Alpha and composite reliability should be  $>0.6$ . The results in Table 1 indicate that the data met all the criteria for validity and reliability.

**Table 1: CFA – Factor loadings, AVE, CR and Cronbach Alpha**

Items / Factor	Factor loadings	AVE	CR	Cronbach's $\alpha$
<b>Expectations of sale deals</b>		0.882	0.984	0.983
If I am not able to purchase items on the sale at the advertised discount my life would be meaningless	0.917			
If I am not able to purchase items on the sale at the advertised discount my life would be problem-free	0.957			
If I am not able to purchase items on the sale at the advertised discount my life would be a disaster	0.966			
If I am not able to purchase items on the sale at the advertised discount my life would feel empty	0.933			
If I am not able to purchase items on the sale at the advertised discount, I would think I am worthless	0.962			
If I am not able to purchase items on the sale at the advertised discount, I would think I am a failure	0.945			
If I am not able to purchase items on the sale at the advertised discount, I would think I am no good	0.954			
If I am not able to purchase items on the sale at the advertised discount, I would think I am inadequate	0.877			
<b>Expectations of retailer capabilities</b>		0.851	0.981	0.981
When the store promises to do something by a certain time on sale, it should do so	0.944			
The employees should be willing to help customers when they have the sale	0.933			
The store should be dependable when they have a sale	0.922			
Employees should be polite when they have the sale	0.917			
I should be able to trust employees when they have the same	0.944			
Stores should make items easy to find when they have the sale	0.891			
When customers have problems during the sale, the store should be sympathetic	0.893			
Stores should be dependable when they have a sale	0.933			
Stores should have up-to-date equipment when they have the sale	0.923			
<b>Expectations of lack of customer service</b>		0.728	0.841	0.827
It is ok if employees are too busy to help customers when they have the sale	0.952			
Employees should not be expected to give customers individual	0.742			

attention when they have the sale				
<b>Negative emotions</b>		0.827	0.977	0.977
Dominated	0.875			
Hostile	0.920			
Indignant	0.963			
Insignificant	0.942			
Mad	0.942			
Miserable	0.915			
Remorseful	0.845			
Revolted	0.931			
Sad	0.845			
<b>Positive emotions</b>		0.887	0.975	0.974
Exhilarated	0.884			
Joyful	0.942			
Jubilant	0.967			
Thrilled	0.965			
Triumphant	0.948			
<b>Evaluation of the sale experience</b>		0.843	0.977	0.977
The sale offered what it promised	0.935			
In general, I am satisfied with the sale offered by the retailer	0.935			
I feel satisfied with my dealings with the retailer during the sale	0.935			
In general, I can rely on the retailer	0.869			
I am satisfied with the pre-purchase experience of the retailer offering the sale (e.g. product search, quality of the information about the products, product comparison).	0.876			
I am satisfied with the purchase experience of the retailer offering the sale (e.g., ordering and payment procedure)	0.946			
I am satisfied with the after-sales support of the retailer offering the sale (e.g., customer support, handling of refunds)	0.941			
I will continue to purchase from this retailer	0.904			

Authors' own compilation

Table 2 presents the correlation matrix for discriminant validity. The bolded number in the table (calculated by determining the square root value of the AVE) should be larger than the correlation values for discriminant validity to be present. The results in Table 2 show that discriminant validity is present in the data.

**Table 2: Component correlation matrix showing discriminant validity**

Factors	Sale deal	Retailer capability	Customer service	Negative emotions	Positive emotions	Evaluation of sale
Sale deal	<b>0.939</b>					
Retailer capability	0.036	<b>0.922</b>				
Customer service	0.200	0.019	<b>0.853</b>			
Negative emotions	0.286	0.197	0.148	<b>0.910</b>		
Positive emotions	0.136	0.377	0.053	0.358	<b>0.942</b>	
Evaluation of sale	0.089	0.715	0.035	0.215	0.501	<b>0.918</b>

Authors' own compilation

### 4.3 Structural Equation Modelling and Path Analysis

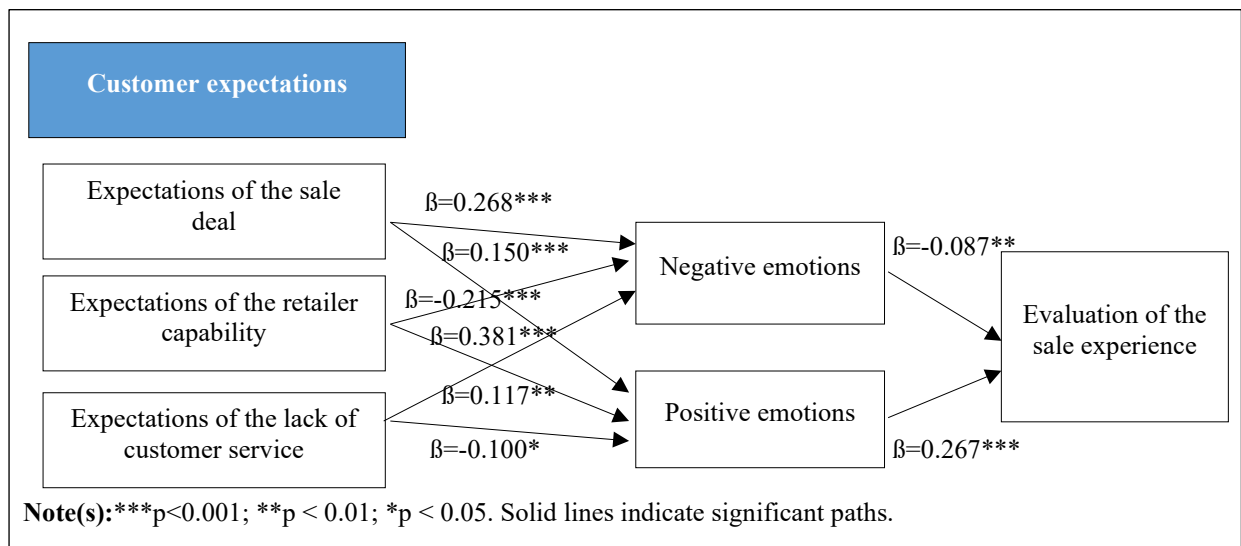
A structural model was developed from the results of the CFA and the measurement model. To determine a good model fit, it is necessary to consider goodness of fit indices. As suggested by Hooper, Coughlan and Mullen (2008), to determine a good fit, various indices should be reported, including absolute fit indices (e.g. RMSEA, Chi-Square, AGFI) and incremental fit indices (e.g. CFI and TLI). The findings from section 6.1, the refined measurement model, were used to conduct an SEM and develop a structural model for the study. Table 3 presents the results of the goodness of fit indices obtained from the structural model with the corresponding parameters identified by Hooper et al. (2008). Table 3 presents the model fit indices for this study compared to the suggested parameters. From these indices, the structural model for this study shows a good fit.

**Table 3: Model fit indices**

INDICES	ACCEPTABLE PARAMETERS	INDICES FOR THIS STUDY
Chi-Square/Df*	Between 2 and 5	3.592
CFI	>0.95 preferred 0.90 acceptable	0.947
AGFI	>0.80 good	0.786
TLI	>0.90 good	0.943
RMSEA	<0.05 is good 0.07 maximum cutoff	0.066

Source: Hooper et al. (2008) and authors' compilation

Figure 2 presents the results of the SEM and the beta values for significant relationships observed.



**Figure 2: SEM results**

Authors' own compilation

The results of the SEM, as shown in Figure 2, indicate that all paths were significant at the  $p \leq 0.05$  level, showing that all hypotheses for the study can be accepted. Table 4 presents the path coefficients providing more detail about the specific paths.

**Table 4: Path coefficients**

Path		Standardised	Unstandardised	SE	C.R.	<i>p</i>
Negative emotions	← Expectation of sale deals	0.268	0.183	0.028	6.593	<0.001
	← Retailer capabilities	-0.215	-0.147	0.027	-5.465	<0.001
	← Customer service	0.117	0.073	0.028	2.637	0.008
Positive emotions	← Expectation of sale deal	0,150	0.186	0.049	3.805	<0.001
	← Retailer capabilities	0.381	0.472	0.048	9.758	<0.001
	← Customer service	-0.100	-0.112	-0.049	-2.306	0.021
Evaluation of the sale deal	← Negative emotions	-0.087	-0.128	0.041	-3.092	0.002
	← Positive emotions	0.267	0.218	0.025	8.836	<0.001

Authors' own compilation

The following section presents a more detailed discussion of the findings and discusses how these findings relate to results from other studies.

#### **4.4 Findings and Discussion**

The results show that there are relationships between customer expectations of the sale deal and emotions and that emotions affect the overall evaluation of the deal offered by the retailer. However, the expectation of the sale deal and retailers' capabilities were the strongest predictors of negative emotions ( $\beta = 0.268$  and  $0.215$ , respectively). In contrast, the construct retailer capabilities strongly predicted positive emotions ( $\beta = 0.81$ ). Again, positive emotions strongly predicted how the consumer evaluated the overall sale ( $\beta = 0.267$ ). The study's findings show that even during a sale when consumers expect some lower levels of customer service, they still have expectations of the deal being worthwhile to them and expect the retailer to be able to offer them the products being advertised on sale. In addition, employees should still be trustworthy and dependable during the sale to assist customers.

The findings show that if customers' expectations are met, they will experience positive emotions, leading to a higher evaluation of the retailer and the overall deal. While if expectations are not met, negative emotions will ensue, leading to a lower evaluation of the retailer and the deal. This indicates that retailers cannot ignore customers' expectations of what they will get during the sale and must try to create positive emotions amongst customers for a better evaluation. The findings of the study are supported by previous studies such as Lennon et al. (2018), Petzer and Roberts-Lombard (2022), and Riaz et al. (2022), who linked emotions to how consumers would evaluate the experience of a retail store. However, this study adds to these findings by considering consumer expectations during a sale with emotions and the overall evaluation of the sale deal after purchase.

#### **5. Theoretical and Managerial Implications**

This study contributes to current studies in the field of marketing on both a practical and industry level. On a theoretical level, the findings of the study support previous studies done on customer experience in the South African retail sector (e.g., Petzer & Roberts-Lombard, 2022), emphasising the need for a positive customer experience throughout the entire purchase process to increase customer satisfaction and loyalty levels. This adds to the knowledge of the Expectation Confirmation Theory, Schema Theory and Discrepancy-evaluation theory of emotions, not only from a marketing perspective but also from a retail perspective. In this regard, the combination of expectation confirmation theory, schema theory, and discrepancy-evaluation theory of emotions further provides a richer grounding to the investigation, as opposed to previous studies on sales deals which predominantly rely on one theory to explain emotions during sales deal shopping, such as Simpson, Taylor, O'Rourke and Shaw (2011) (based on frustration-aggression theory) and Watson and Spence (2007) (using the theory of consumption appraisals).

The findings of this study have several implications for the retail industry. As South Africans are always on the lookout for a good deal and are willing to switch to other stores for a better deal, retailers need to use the idea of "deals" wisely in their marketing strategy as these have become expected by

consumers (Opperman, 2021). Retailers often implement a sale to assist them with stock clearance or bring more feet into the store (Taylor et al., 2019). However, the findings of this study show that consumers still have certain levels of expectations during a store which can lead to either negative or positive emotions. These emotions will then influence how the consumer will evaluate the overall experience – not only of the deal itself but the retailer as well (Lennon et al., 2018). This can impact future sales and profitability for retailers as consumers experiencing positive emotions due to expectations being met will engage in positive word of mouth, leading to more profitability and brand engagement (Kescmar, 2022) in the future – even when no deals are being offered. Considering this and the findings of the study, the following recommendations are made to retailers offering deals:

- Consider why consumers engage with the deal to ascertain their expectations of the deal itself. Retailers must not put products on sale for the sake of stock clearance but determine whether the consumer wants these products that will be placed on sale. This requires the marketing team to develop relationships with their consumers to research consumer expectations. The marketing team will need to engage with customers individually by creating customer journey maps which can then be used to develop specific CRM strategies.
- Retailers need to consider when to put products on sale. A report indicated that middle-income earners in South Africa already spend 80% of their money within the first week after payday (Luckhoff, 2022). This suggests that even if retailers put on a sale, consumers will not participate in the deal if they do not value the products on sale. To drive more loyalty and sales outside the sale period, retailers need to offer consumers value for money during sales, but when consumers have the funds to participate in the sale. Retailers will need to put products that customers place value on (which can be identified through the customer research conducted from the previous recommendation) on sale during the first week after payday to ensure customers have the funds to participate in the sale.
- Even when there is a sale, consumers still have expectations about what the retailer will offer. Retailers need to ensure that stock that has been advertised is available for purchase by working with supply chain partners to ensure delivery of products before the sale; train employees to deal with a large number of consumers during a sale so they can still assist them in finding the products; and make the products easily accessible on shelves during the sale.
- Although consumers expect a lower level of customer service during a sale, specifically a big sale such as Black Friday, customers still expect employees to be available to assist them and give customers attention if required. This requires retailers to ensure all staff (from floor salespersons to staff at the till) are trained and knowledgeable to answer customer queries and assist customers with pricing information and finding stock. This will require specific training in stock finding and on the products on sale at least a week before the sale. In addition, all systems should be synchronised to the discount price, removing consumers' frustrations when

purchasing. The systems that should be synchronised include the SAP (or relevant stock system), point of sale system and barcode scanning system.

- Retailers should consider the atmosphere in which the sale takes place and create a pleasant shopping experience. Making products easily accessible with transparent pricing will make it easier for consumers to participate, leading to positive emotions. During a sale, this will require sale items to be placed on specific displays with clear and large signage as to the price of the product on sale; the period that the product is on sale; and any other conditions relating to the sale (e.g., “Only applicable to 500ml bottles).
- Having a big sale increases the pressure on retailers and their employees. This also creates the opportunity for mistakes. Retailers must include service recovery strategies as part of their promotion strategy and train employees to deal with unhappy consumers. By having a service recovery strategy and training employees, the negative emotions experienced by consumers can be changed to positive ones, leading to a more positive evaluation by consumers of the retailer. A service recovery strategy would entail all possible areas where service failures could occur (e.g., out-of-stock situation) and specifics of what the employee can do to recover from this failure (e.g., if the sale is advertised for two weeks, but stock is sold out within three days, allow employees to obtain the contact details of the customer, order new stock and still sell it to the customer at the sale price when the new stock arrives).

## **6. Conclusions, Limitations and Future Research**

This study provided a unique look into the entire consumer experience during a sale. It considered the expectations of consumers from when they heard about the sale through to the emotions experienced during the sale as well as the evaluation of the retailer and the deals offered after participating in the sale. The findings show that consumers’ expectations of the deals offered, the retailers’ capability during the sale and lower levels of customer service can lead to negative and positive emotions depending on whether expectations were met during the sale. If negative emotions were experienced during the sale, consumers evaluated the retailer and the overall deal more negatively than if positive emotions were experienced. This can impact a retailer’s future profitability, customer satisfaction, and loyalty.

The study’s limitations include using a non-probability sampling method, meaning that results cannot be generalised. The fact that the study did not focus on one type of sale may impact the results. For example, consumers may be more lenient or have different expectations during a Black Friday sale compared with a general end-of-the-month price reduction of certain items. Therefore, future research must focus more on the different types of expectations that consumers may have during a sale and differentiate the different types of sales as this may impact the emotions consumers experience. Future research should also focus on the different levels of emotions during a sale. For example, a consumer



saving money for months for Black Friday to purchase an expensive TV may experience higher levels of negative emotions if the product is out of stock compared with the consumer who will only save 10% on clothing or food items.

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