

Communicating Price Information through Semantic Cues: The Moderating Effects of Situation and Discount Size

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While several studies have examined how the specific wording (i.e., semantic cue) used to communicate a price offer affects consumers' perceptions of value, this area of research has not produced a set of consistent findings. To resolve the apparent inconsistencies, the current article builds on past research and explains why a consumer's response to a semantic cue depends on the situation (or decision context) and the discount size. The results of two studies are reported. The first experiment provides evidence that the relative effectiveness of two widely used types of semantic cues depends on both consumers' decision context and the level of processing evoked by the discount size. The second experiment replicates the semantic cue by situation interaction and demonstrates the robustness of this effect across store familiarity.

Marketers frequently use specific wording or semantic cues such as "was \$50, now \$34.99" to convey a price promotion. The most commonly used semantic cues compare a competitor's current price, a retailer's own previous price, or some other reference price with the retailer's lower sale price. Building on Jones and McGillis's (1976) correspondent inference theory, Lichtenstein, Burton, and Karson (1991) classified several widely used semantic cues as either low-consistency or high-distinctiveness cues. Low-consistency cues (e.g., "regularly priced" or "was") provide a within-store comparison, whereas high-distinctiveness cues (e.g., "compare at" or "elsewhere") provide a between-stores comparison.

Research pertaining to the effects of the specific wording used to convey a price promotion on consumers' perceptions of value has produced mixed results. Berkowitz and Walton (1980) found some support that between-stores comparisons including a competitor's current price result in greater perceptions of value than within-store comparisons such as the retailer's own previous price. Of further note in this study is the fact that subjects were

supposed to be reading a newspaper ad at home. This context was likely to evoke information search.

In contrast, Liefeld and Heslop (1985) found that a manufacturer's suggested list price (a between-stores comparison) was less effective than the cue "regular price" (a within-store comparison) in raising consumers' estimates of the regular price of a gas barbecue. It is interesting that subjects in this study were queried in an actual store setting. Thus, the situation would be expected to evoke an evaluation or choice rather than an information search. Similarly, Lichtenstein et al. (1991) found that a between-stores comparison resulted in less-positive attitudes toward a deal than a within-store comparison. In that study, subjects were instructed that "they were evaluating an ad that a merchant was considering for use in an upcoming promotion, and the merchant wanted some reactions to the ad before deciding whether to use it" (p. 386). In effect, it appears that respondents were being asked to behave like store managers rather than consumers at home. This context is likely to prompt evaluation or choice. Thus, an examination of the extant literature suggests that the effectiveness of semantic cues may be influenced by whether the context is a home environment, with an attendant search orientation, or a store, with the related evaluation or choice perspective.

There is also evidence that discount size moderates the effect of semantic cues. Lichtenstein et al. (1991) found that semantic cues had a greater effect when the discount was approximately 33 percent than when it was about 10 percent. Apparently, the focus or extent of consumers' processing of this type of message is contingent on the

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magnitude of the price reduction, though the reason for this effect is unknown. Thus, a deeper understanding of the subtle effects of semantic cues and situations may require further examination of the level of information processing evoked by a given discount size.

To better understand the conditions under which semantic cues affect consumers' perceptions of value and to resolve the apparent inconsistencies in the literature, an experiment was conducted. The primary objective of the study was to test whether the effect of semantic cues on consumers' perceptions of value is, in fact, moderated by the situation and discount size.

BACKGROUND

Explaining How Decision Context Affects the Impact of the Type of Price Information Provided

There are two theory-based reasons for predicting that the effectiveness of semantic price cues will depend on the decision context. First, economics of information theory (Stigler 1961) can be used to suggest that consumers who are at home are more likely to be interested in between-stores price comparison information than consumers in a store. Having traveled to a retail store, a consumer can complete the purchase without incurring the time and search costs of visiting another store (Marmorstein, Grewal, and Fiske 1992). In contrast, consumers who are at home reading an ad must incur the shopping costs entailed by a store visit, even if they are inclined to take advantage of the specific price promotion at hand. Consequently, consumers who are at home are more likely to be receptive to, and find value in, a between-stores comparison.

Second, considerable research indicates that the decision context affects consumers' information preferences and the way in which they interpret relevant information (e.g., Alba and Hutchinson 1987; Hoch and Deighton 1989). When there is little economic incentive to consider information about prices at other stores, consumers in a retail store are inclined to complete the purchase process and are more likely to "accept confirming evidence at face value" (Lord, Ross, and Lepper 1979, p. 2098). Recent research in marketing (e.g., Dickson and Sawyer 1990; Inman, McAlister, and Hoyer 1990) supports this thesis regarding consumers' preferences for confirmatory information in retail stores. These studies indicate that consumers' purchase behavior is strongly influenced by shelf tags that imply price promotions, even when the original prices are unknown to the consumers and/or there is no actual price reduction. Evidently, consumers who are inclined toward a favorable evaluation and a purchase reach their conclusions about the price promotion via information (e.g., shelf tags suggesting a deal) that corresponds to their predispositions. Furthermore, consumers in a store might be expected to respond unfavorably to a between-stores comparison because they may not have the opportunity to verify this type of price claim readily

by looking at other ads or making calls to other stores. Therefore, consumers who are in a store are expected to prefer price information in the form of a within-store comparison. In light of this, one can propose the following.

- H1:** The effects of semantic price cues on perceptions of value are contingent on the situation. A within-store comparison will result in greater perceptions of value than a between-stores comparison when consumers are in the store, whereas a between-stores comparison will be more effective than a within-store comparison when consumers are at home.

The Moderating Effect of Processing Level on the Type of Price Information and the Decision Context

A recent study by Gotlieb and Swan (1990) is among the first to delve into the effect of discount size on consumers' level of processing of price promotions. Building on Celsi and Olson (1988) and the elaboration likelihood model (Petty, Cacioppo, and Schumann 1983), Gotlieb and Swan (1990) proposed that the inclusion of price reduction in an advertisement would increase consumers' involvement and thereby increase the extent to which they process the information contained in the promotion. They found that an advertisement that mentioned a 30-percent price reduction resulted in higher involvement and a greater number of cognitive responses than an ad that did not mention price reduction.

Ozanne, Brucks, and Grewal (1992) also report evidence that indirectly suggests that discount size may affect consumers' motivation to process the additional information contained in a price promotion. They found that consumers' processing was greatest when the discrepancy between the nonprice, attribute information provided and consumers' expectations was at a moderate level. The authors explained the inverted-U relationship in terms of consumers' willingness to undertake the greatest amount of processing to reduce the uncertainty that is present when the discrepancy level is moderate. When the level of discrepancy is either very low or high, consumers expect to derive little benefit from further processing and therefore use simpler, heuristic approaches to assess the offer.

Applied to the current context of price promotions, this theory predicts a similar relationship between discrepancy of the reference price from the selling price (i.e., discount size) and consumers' level of message processing. When the discount size is perceived to be low, consumers are unlikely to expend the cognitive effort needed to process additional information because the price promotion is deemed to be of little value. Similarly, when the discount size is judged to be acceptably high but plausible, there is again little uncertainty about the perceived value of the offer, and they are unlikely to be motivated to process additional information in detail. Consumers are expected

to process additional information in the price promotion most elaborately when the discount size is in the moderate range because the perceived value of the offer is uncertain.

Pilot test results support the prediction that greater processing is elicited in the moderate discount condition than in either of the other two discount conditions. A between-subjects experiment ($n = 139$) with three levels of discount size (low: \$29.99/\$24.99; moderate: \$34.99/\$24.99; and high: \$49.99/\$24.99) was conducted to test whether respondents would process information in the ad with a moderate discount to a greater degree when compared with respondents who were exposed to ads with either high or low discounts. Free recall (number of correct items recalled) was the operational measure of respondents' level of processing of the price communication (Lynch and Srull 1982). The subjects' recall of the 23 attributes mentioned in the advertisement was coded by two independent judges (interjudge agreement was 96.7 percent). The ANOVA revealed a significant quadratic trend ($F(1,136) = 5.35, p < .05, \eta = .42$). The mean number of items recalled correctly for the low-, moderate-, and high-discount groups was 8.60, 10.21, and 8.23, respectively. Additional planned contrasts indicate that the difference between the moderate and high-discount conditions was significant (one-tailed t -test, $t(92) = 2.28, p < .05, \eta = .23$), and the difference between the low- and moderate discount conditions was also significant (one-tailed t -test, $t(90) = -1.72, p < .05, \eta = .18$). The absolute number of false recalls (i.e., intrusions) was very low ($\bar{X} = 0.35$).

The foregoing theorizing and empirical evidence provides the basis for predicting a three-way interaction between semantic cue, situation, and discount size. Specifically, the interaction between semantic cue and situation predicted in Hypothesis 1 is expected to occur only when the discount size is moderate and consumers are somewhat uncertain of the value of the offer. In this case, consumers are motivated to process the information about the semantic cue and the situation in addition to the discount size. In contrast, when the discount is either low or high, consumers can readily assess the value of the offer without elaborate processing of the semantic cue or the situation; as a result the subtle interaction of these factors is not expected to be observed. Thus, one can make the following prediction.

- H2:** The type of semantic price cue will interact with the situation to affect consumers' perceptions of the value of a price offer only when the discount size is in the moderate range.

EXPERIMENT 1

Method

Experimental Design. The effects of semantic cue, situation, and discount size on the perceived value of the offer were examined by way of a ($2 \times 2 \times 3$) between-

subjects design. Semantic cues were varied at two levels (between-stores comparison was operationalized via "compare at/sale price," while within-store comparison was operationalized via "regularly priced/sale price"). The situation was varied at two levels (viewing an ad at home vs. viewing a display in a store). The discount size was manipulated at three levels (low: \$29.99/\$24.99; moderate: \$34.99/\$24.99; and high: \$49.99/\$24.99).

Procedure. One hundred forty-six undergraduate students were randomly assigned to the 12 treatment conditions. Each respondent received a short booklet that contained the instructions, a description of the scenario, a single-page advertisement (description of a store display) for a shirt, and the perceived value and manipulation check measures. In the experiment, subjects were exposed to a role-playing scenario (see Urbany, Bearden, and Weilbaker 1988). The subjects were provided the following instructions:

Imagine that today is Saturday and that you will be going to a student association meeting next Tuesday where you plan to wear a nice shirt and jeans. Assume that you have decided to buy a long-sleeved, button-down cotton shirt for the occasion. You have only three days to buy the shirt.

The instructions were followed by the presentation of the situation. The at-home situation was operationalized by indicating that "while browsing through the newspaper at home on Saturday, you notice the following advertisement for a shirt at a major department store." The in-store situation was operationalized by indicating that "while browsing through a major department store on Saturday, you notice the following display for a shirt."

The ad (description of the display) included the following attributes: a description of a shirt of 100 percent cotton with Oxford styling, long sleeves, and a button-down collar; a reference price; a sale price (\$24.99); and a list of available colors (blue, pink, and white). The semantic cue and the discount size were manipulated in the advertisement (description of the display). The subjects were asked to read the advertisement (the description of the display) in the context of the scenario and answer a series of questions.

After exposure to the advertisement (description of the display), the subjects were instructed to "please evaluate the offer by circling your response on each of the scales below." The dependent variable was the perceived value of the offer. A summated four-item scale was used to measure this construct. The items were based on the scales developed by Urbany et al. (1988) and Dodds, Monroe, and Grewal (1991) and displayed adequate reliability ($\alpha = 0.93$). The four items were measured using the following statements: "At the sale price, this shirt is probably worth the money"; "At the sale price, this shirt is a very good value for the money"; "The offer represents an extremely fair price"; and "This shirt appears to be a great deal." The items were measured on a seven-point scale using "strongly agree" and "strongly disagree" as anchors.

Manipulation checks were included to establish that the semantic cue information as well as the situation described in the scenario were attended to by respondents. Their aided recall of these factors was measured for this purpose. Subjects were asked whether they were "at home or in the store" when they noticed the sale. They were also asked whether the reference price was worded as "regularly priced" or "compare at." The percentage of correct responses was compared with the proportion that one would have expected to be correct if subjects were merely guessing.

Pretests were conducted to establish that the three discount sizes were perceived to be different. In an adaptation of Monroe's (1971) own-category experimental method, subjects ($n = 50$) were presented six price offers for the shirt in which the sale price was \$24.99 and the regular price was \$62.50, \$49.99, \$42.50, \$34.99, \$29.99, or \$27.75. Two alternative sequences were used to present the regular price: an ascending and a descending order. Subjects were asked to classify the price offers in one of five categories: "extremely low discount," "smaller than average or low discount," "average or moderate discount," "larger than average or high discount," and "extremely high discount." The results of the pretest indicate that the three discount sizes to be used were perceived to be significantly different ($\bar{X}(\$29.99/\$24.99) = 2.22$ vs. $\bar{X}(\$34.99/\$24.99) = 3.00$, $t(49) = -9.48$, $p < .001$, $\eta = .42$; $\bar{X}(\$34.99/\$24.99) = 3.00$ vs. $\bar{X}(\$49.99/\$24.99) = 4.14$, $t(49) = -12.02$, $p < .001$, $\eta = .56$). A posttest ($n = 57$) using a between-subjects manipulation of discount size further confirmed that the three discounts were categorized as intended and differed significantly ($\bar{X}(\$29.99/\$24.99) = 2.00$ vs. $\bar{X}(\$34.99/\$24.99) = 3.10$, $t(37) = -4.44$, $p < .001$, $\eta = .59$; $\bar{X}(\$34.99/\$24.99) = 3.10$ vs. $\bar{X}(\$49.99/\$24.99) = 4.16$, $t(37) = -4.74$, $p < .001$, $\eta = .61$).

Results

Manipulation Checks. The results indicate that the semantic cue and situation information were attended to by the subjects (situation: four of 146 were incorrectly recalled, $Z = 11.83$, $p < .001$, $\eta = .98$; semantic cue: eight of 146 were incorrectly recalled, $Z = 11.25$, $p < .001$, $\eta = .93$). A between-subjects posttest was also conducted with 63 subjects to assess whether the situation manipulation actually evoked different decision contexts. Subjects were shown one of the two situations and then asked about their inclination to seek out price information at other stores. Of the 30 subjects who viewed the at-home situation, 25 (83.33 percent) indicated they would be likely to conduct more information search. In contrast, only eight of the 33 subjects (32 percent) presented with the in-store situation expected to conduct further information search. These results further support the effectiveness of the situation (decision context) manipulation ($\chi^2 = 23.61$, $p < .001$).

Perceived Value. The ANOVA revealed a significant three-way interaction ($F(1,134) = 8.72$, $p < .01$, $\eta = .25$).

This provides support for Hypothesis 2. The follow-up analysis focused on the semantic cue by situation interaction at each of the three levels of discount size. (The ANOVA results and means are presented in the note to Table 1.) It was hypothesized that the semantic cue by situation interaction would be significant only for the moderate discount size. This was supported ($F(1,134) = 14.82$, $p < .01$, $\eta = .32$). In neither the low-discount condition ($F(1,134) = 1.01$, $p > .10$, $\eta = .09$) nor the high-discount condition ($F(1,134) = 2.28$, $p > .10$, $\eta = .13$) was there a significant semantic cue by situation interaction on the perceived value of the offer. Furthermore, in the low- and high-discount conditions, the main effects for semantic cue and situation were not significant. Finally, as expected, the ANOVA results indicate that the main effect of discount size on consumers' perceptions of value was also significant ($F(1,134) = 9.67$, $p < .01$, $\eta = .26$).

The pattern for the disordinal interaction between the semantic cue and the situation (in the moderate discount condition) was also as expected (see Fig. 1). Follow-up analyses of the simple effect of the semantic cue factor indicate that the "regularly priced/sale price" (RP/SP) cue enhanced consumers' perceptions of value significantly relative to the "compare at/sale price" (CA/SP) cue when consumers were in the retail store setting ($\bar{X}(\text{RP/SP}) = 5.33$ vs. $\bar{X}(\text{CA/SP}) = 3.11$, $t(134) = 4.26$, $p < .01$, $\eta = .35$). As expected, the advantage of the RP/SP cue disappears, and even reverses slightly, when consumers are at home ($\bar{X}(\text{RP/SP}) = 4.40$ vs. $\bar{X}(\text{CA/SP}) = 4.91$, $t(134) = 1.05$, $p > .10$, $\eta = .09$).

EXPERIMENT 2

One limitation that arises in interpreting the results of the first experiment pertains to the lack of significant support for the simple effect of the semantic cue in the at-home condition. It is conceivable that information about a store's regular price would be more meaningful to consumers when they are familiar with the store and its pricing practices. This is consistent with past research that has demonstrated that a store's name and associated characteristics influence consumers' perceptions of value (Biswas and Blair 1991; Dodds et al. 1991; Fry and McDougall 1974). A second experiment was conducted to assess whether the semantic cue by situation interaction would be observed when the name of the store was provided.

Method

The effects of semantic cue, situation, and store name on the perceived value of the offer were examined by way of a ($2 \times 2 \times 2$) between-subjects design. One hundred and forty-five undergraduate students were randomly assigned to the eight treatment conditions. Each respondent received a short booklet that contained the instructions, a description of the role-playing scenario, a single-page advertisement (a description of a store display) for

TABLE 1

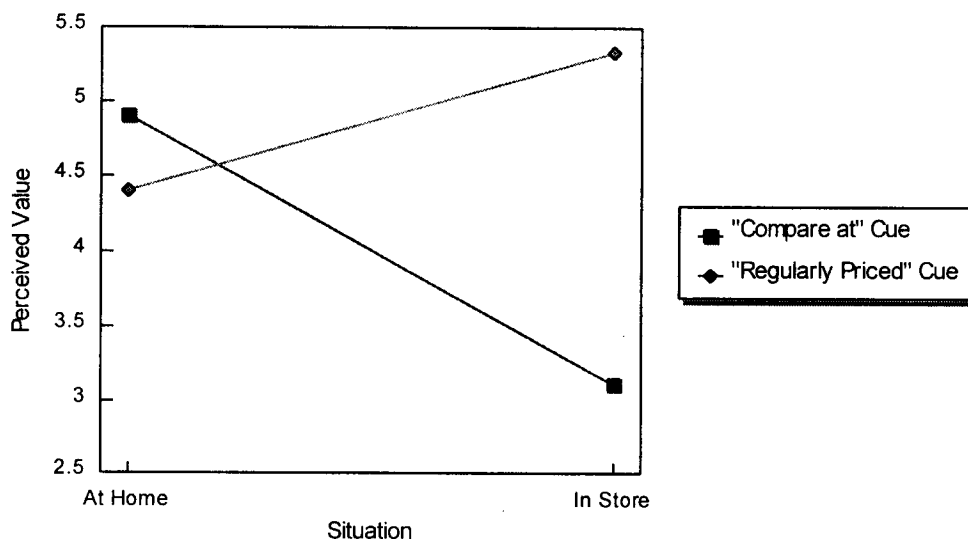
THE EFFECTS OF SEMANTIC CUE, SITUATION, AND DISCOUNT SIZE ON CONSUMER PERCEPTIONS OF VALUE: EXPERIMENT 1

Semantic cue	Low discount		Moderate discount		High discount	
	At home	In store	At home	In store	At home	In store
Regular price/sale price:						
\bar{X}	4.21	3.71	4.40	5.33	5.11	4.79
SD	1.55	1.30	.97	.92	1.26	1.78
Cell size	13	13	13	12	13	11
Compare at/sale price:						
\bar{X}	3.62	3.84	4.91	3.11	4.58	5.36
SD	1.21	1.21	.93	1.60	1.09	.72
Cell size	12	11	14	11	12	11

NOTE.—The results of ANOVAs are as follows: semantic cue, $F(1) = 2.62$; situation, $F(1) = 0.35$; discount size, $F(2) = 9.67$, $p < .01$; semantic cue \times situation, $F(1) = 0.66$; semantic cue \times discount size, $F(2) = 1.12$; situation \times discount size, $F(2) = 0.81$; semantic cue \times situation \times discount size, $F(2) = 8.72$, $p < .01$. Values for contrasts are as follows: for low discount, semantic cue \times situation, $F(1) = 1.00$; for moderate discount, semantic cue \times situation, $F(1) = 6.85$, $p < .01$; for high discount, semantic cue \times situation, $F(1) = 0.88$. Error degrees of freedom, 134.

FIGURE 1

SEMANTIC CUE BY SITUATION INTERACTION (MODERATE DISCOUNT): EXPERIMENT 1



a shirt, and the perceived value measures. The procedures were virtually identical to those used in the first experiment. The semantic cue and situation manipulations were the same as in the previous study, but the discount size was held constant at the moderate level (\$34.99/\$24.99).

The store name factor was operationalized at two levels (absent and present). In the name-absent condition, only the phrase "a major department store" was mentioned to operationalize lack of familiarity with the store. In the name-present condition, subjects were told that the promotion was offered by a major department store with which subjects were known to be familiar. A pretest of 50 subjects indicated that they had all shopped previously at the target store. Moreover, most subjects had seen numerous ads for this store and were confident in their knowledge of its pricing policies relative to those of the two competing stores to be examined in the study.

After subjects were exposed to the advertisement (description of the display), the perceived value of the offer was measured. It was operationalized with the same four items used in the first study ($\alpha = 0.92$).

Results

The results of the study indicate that the semantic cue by situation interaction effect is present and unaffected by the level of consumers' store familiarity. (The ANOVA results and means are presented in the note to Table 2.) This is evident from the ANOVA, which revealed a non-significant three-way interaction ($F(1,137) = 1.32$, $p > .10$, $\eta = .10$) and a significant two-way interaction between the semantic cue and situation factors ($F(1,137) = 8.58$, $p < .01$, $\eta = .24$).

The means associated with the semantic cue by situa-

TABLE 2

THE EFFECTS OF SEMANTIC CUE, SITUATION, AND STORE ON CONSUMER PERCEPTIONS OF VALUE: EXPERIMENT 2

Semantic cue	Unnamed store		Named store	
	At home	In store	At home	In store
Regular price/sale price:				
\bar{X}	3.90	5.07	4.93	4.65
SD	1.35	1.26	1.24	1.31
Cell size	20	17	19	18
Compare at/sale price:				
\bar{X}	4.63	4.09	5.13	4.11
SD	1.02	1.48	.99	1.25
Cell size	17	18	18	18

NOTE.—The results of ANOVAs are as follows: semantic cue, $F(1) = 0.34$; situation, $F(1) = 0.57$; store, $F(1) = 2.28$; semantic cue \times situation, $F(1) = 8.58, p < .01$; semantic cue \times store, $F(1) = 0.02$; situation \times store, $F(1) = 5.54, p < .01$; cue \times situation \times store, $F(1) = 1.32$. Error degrees of freedom, 137.

tion interaction were similar to those in the first experiment (see Fig. 2). Thus, this study provides a replication of the semantic cue by situation interaction on consumers' perceptions of the value of an offer. In addition, the predicted simple effects appear to hold irrespective of consumers' familiarity with the store. The RP/SP cue resulted in higher perceptions of value than the CA/SP cue when consumers were in the store ($\bar{X}(\text{RP/SP}) = 4.86$ vs. $\bar{X}(\text{CA/SP}) = 4.10, t(137) = 2.53, p < .01, \eta = .21$), and the CA/SP cue resulted in higher perceptions of value than the RP/SP cue when consumers were at home ($\bar{X}(\text{RP/SP}) = 4.40$ vs. $\bar{X}(\text{CA/SP}) = 4.89, t(137) = 1.67, p < .10, \eta = .14$).

Given that the simple effect of semantic cue was marginally significant in the at-home situation, a meta-analysis was conducted to pool the results across the two studies. Procedures suggested by Rosenthal (1978) were employed. Combining the t -values of the two studies produced an overall Z -score of 1.92 (one-tailed, $p < .05$), which indicates that the predicted simple effect of semantic cue was also supported in the at-home situation.

An unanticipated finding in this study was a significant store name by situation interaction ($F(1,137) = 5.54, p < .05, \eta = .20$; Fig. 3). With the benefit of hindsight, there is an intuitive explanation for this result. When consumers are at home and cannot inspect the merchandise, they perceive greater value for an identical price offer made by a known store than by an unnamed store (at home: $\bar{X}(\text{named}) = 5.03$ vs. $\bar{X}(\text{unnamed}) = 4.24; t(137) = 2.73, p < .01, \eta = .23$). Conversely, when consumers are in the store, they are able to examine the merchandise and assess its quality. Thus, they are not as concerned that the discounted merchandise will be shopworn or otherwise defective. In this case, the perceived value of the offer does not depend on consumers' familiarity with the store (in store: $\bar{X}(\text{named}) = 4.38$ vs. $\bar{X}(\text{unnamed}) = 4.57; t(137) = 0.64, p > .10, \eta = .05$), which produces the store name by situation interaction.

FIGURE 2

SEMANTIC CUE BY SITUATION INTERACTION: EXPERIMENT 2

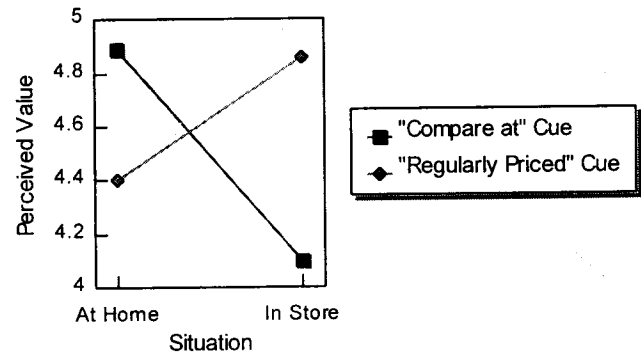
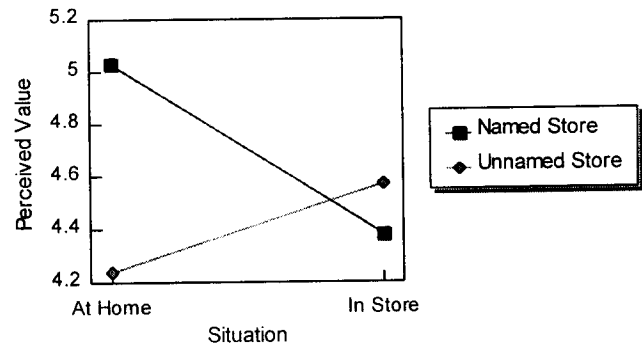


FIGURE 3

STORE BY SITUATION INTERACTION: EXPERIMENT 2



GENERAL DISCUSSION

There is considerable evidence that consumers' preferences for, and evaluations of, product and price information depend on the decision context (e.g., Davis and Rigaux 1974; Grewal and Baker 1994; Grewal, Gotlieb, and Marmorstein 1994; Monroe, Della Bitta, and Downey 1977; Thaler 1985). In line with this stream of research, the current study highlights that consumers' preferences for price information are affected by the decision context. Because different semantic cues provide distinct types of price comparison information, the relative effectiveness of these cues is contingent on consumers' information preferences in those decision contexts.

Consistent with research on the value of time (Stigler 1961) and consumers' tendency to accept confirmatory information (Hoch and Deighton 1989), the results suggest that consumers find a within-store price comparison more useful when they are situated in a retail store. Conversely, semantic cues that provide a between-stores price comparison have greater impact on perceptions of value when consumers are at home. Moreover, the article establishes that the semantic cue by situation interaction is robust in that it occurs irrespective of people's familiarity with the store offering the promotion.

There is also an important pragmatic contribution of the foregoing result. It is not only of theoretical interest to find that the relative effectiveness of the semantic cue factor depends on the situation but also of managerial relevance to note the disordinal nature of this interaction. As a reviewer observed, however, the reference price used in the two circumstances would necessarily be contingent on the store's actual prior price (for the within-store comparison) and on a competitor's price (for the between-stores comparison).

The current study focused on one exemplar of each of two widely used types of semantic price cues. The generalizability of the study's results can be established only through replications and extensions that use these and other operationalizations of the intended constructs. One extension would be to examine promotions that compare the sale price with a future price (rather than a past price) that the consumer can expect to pay if s/he does not take advantage of the sale (e.g., sale price of \$24.99 vs. price after the sale of \$49.99). Future research should examine whether the response to semantic cues that vary on a temporal dimension are likely to depend on consumers' time horizon (e.g., need to purchase today vs. within a week) in a specific decision context.

Another contribution of the research is to explain why the nature of consumers' processing of price communications depends on the discount size that is provided. The results indicate that consumers increase their processing of the information as the discount size rises from the low to moderate range. It is interesting that the depth of consumers' processing declines as the size of the price reduction increases further within a plausible range. Therefore, the effects of semantic cues and other contextual variables on consumers' perceptions of value should be compared only within a specific discount size rather than across discount sizes.

Finally, a synthesis of the results of the current studies together with those of Lichtenstein et al. (1991) and Berkowitz and Walton (1980) highlights that the situation must be stated explicitly in studies of consumers' response to price communications in order to hold this factor constant and facilitate the interpretation of results. The results of the current study and those of Berkowitz and Walton (1980) indicate that the effectiveness of a between-stores comparison is greater when the consumer is reading an ad at home. In addition, our results clearly show that a within-store comparison is more effective in the store setting. Thus, the current research demonstrates that the body of literature on consumers' response to price advertisements (at home) should not be generalized to other response environments such as the store setting.

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