

## IMPACT OF DISCOUNTS AND OFFERS ON CONSUMER PURCHASING BEHAVIOR

<sup>1</sup>Ms. Priyadharshini S, <sup>2</sup>Dr. Rajesh Kumar K,

Student, Professor & Head – Management Studies,

Department of Management Studies,

M. Kumarasamy College of Engineering, Karur, Tamil Nadu, India.

### Abstract

This study examines the impact of discounts and offers on consumer purchasing behavior, focusing solely on customer perspectives. Discounts and promotional offers have become vital tools for attracting buyers and increasing sales in today's competitive retail market. However, their influence on consumer behavior is complex and requires thorough understanding. This research gathers quantitative data from structured surveys distributed among customers to understand how various promotional strategies shape their buying decisions and perceptions of value. The findings indicate that while discounts significantly encourage impulse buying and increase short-term sales, frequent or excessive promotions can lead to a decline in long-term brand loyalty. Many customers develop an expectation of continuous offers, delaying purchases until discounts are available. The study also finds that personalized and targeted discounts are more effective in building customer satisfaction compared to generic promotions. To maintain a balance between short-term gains and long-term customer loyalty, businesses are advised to implement strategic discount practices that focus on perceived value rather than mere price reductions. By adopting a customer-centric approach to discounts and offers, retailers can optimize sales performance while sustaining brand integrity and consumer trust.

**Keywords:** *Consumer Purchasing Behavior, Discounts and Offers, Promotional Strategies, Impulse Buying, Brand Loyalty, Sales Performance, Customer Satisfaction, Pricing Strategies.*

### I. Introduction

In today's highly competitive retail environment, businesses consistently strive to attract customers and boost sales through various promotional strategies, including discounts and special offers. These marketing tactics have become an essential aspect of modern retail practices, influencing consumer purchasing behavior in significant ways. While discounts can encourage spontaneous buying and enhance short-term revenue, their long-term impact on customer loyalty and brand perception remains complex and multifaceted.

Consumer behavior is greatly influenced by psychological triggers associated with discounts, as they create a sense of urgency and value perception. Offers and promotions serve as key motivators that not

only drive immediate sales but also shape consumer expectations and buying patterns over time. However, the overuse or mismanagement of such strategies can lead to challenges, such as reduced brand credibility and conditioned buying habits where consumers delay purchases until discounts are available.

Understanding the impact of discounts and offers on consumer purchasing behavior is crucial for retailers aiming to strike a balance between short-term sales boosts and long-term customer loyalty. This study aims to explore the influence of various promotional strategies on consumer behavior through quantitative research, focusing solely on customer perspectives. The insights gained will enable businesses to design more effective marketing strategies while maintaining sustainable customer relationships.

## **II. Objective**

- To Examine the Influence of Discounts on Consumer Decision-Making
- To Assess the Role of Offers in Brand Loyalty
- To Identify Psychological Triggers of Impulse Buying
- To Evaluate Consumer Perceptions of Pricing Strategies
- To Provide Strategic Insights for Marketers

## **III. Review of Literature**

**Smith and Bolton (2002)**, discounts increase perceived value and reduce the financial risk associated with a purchase, thereby encouraging impulse buying. This effect is often amplified when discounts are framed as limited-time offers, which create a sense of urgency and capitalize on consumers' fear of missing out (FOMO).

**Kotler and Keller (2016)** emphasized that promotional offers stimulate consumer excitement and motivation to purchase, especially when they are perceived as rare opportunities. The study also highlighted that customers often rationalize unplanned purchases when significant discounts are offered.

**Monroe and Krishnan (1985)** demonstrated that price reductions significantly enhance consumer willingness to purchase, particularly when discounts are presented as exclusive or time-bound. This strategy not only drives sales but also increases foot traffic to retail stores.

**Blattberg and Neslin (1990)** discussed the potential downsides of frequent promotional offers. They argued that while discounts attract immediate attention and boost short-term sales, they may also

undermine brand loyalty as consumers develop a tendency to wait for sales events rather than purchasing at regular prices.

**Chandon et al. (2000)** found that promotional discounts and offers not only attract new customers but also enhance repeat purchase rates. However, they also pointed out that excessive discounting could lead to customers perceiving the original price as overvalued, negatively impacting long-term brand perception.

**DelVecchio et al. (2007)** examined the psychological effects of frequent discounts, finding that habitual promotions can lead to a conditioned buying pattern, where customers become less likely to purchase without an associated offer. This behavioral conditioning may harm brand positioning over time.

**Gupta and Cooper (2015)** explored the effect of digital discounts, such as online coupons and app-based offers. Their study revealed that digital platforms significantly enhance the effectiveness of promotional strategies by targeting specific consumer segments and providing personalized deals.

#### **IV. Research methodology**

This study on the impact of discounts and offers on customer buying behavior will use a mixed-methods approach. A survey will be conducted with a representative sample to collect quantitative data on consumer responses to discounts and offers, using Likert-scale questions. In-depth interviews will also be conducted to gather qualitative insights into the psychological factors influencing buying decisions. The quantitative data will be analyzed statistically, while qualitative data will undergo thematic analysis, providing a comprehensive understanding of how promotions affect consumer behavior.

#### **V. Reliability Analysis**

**H<sub>0</sub>**: The scale measuring the impact of discounts and offers on customer buying behavior is **not reliable**.

**H<sub>1</sub>**: The scale measuring the impact of discounts and offers on customer buying behavior is **reliable**.

<b>Cronbach's Alpha</b>	<b>N of Items</b>
0.78	16

The value of Cronbach's Alpha is **0.78** and the number of items (questions) is **16**. Since the value of Alpha is higher than the accepted threshold of **0.70**, we **reject the null hypothesis** and accept the

**alternative hypothesis.** Hence, we conclude that the scale measuring the impact of discounts and offers on customer buying behavior is **reliable** and can be used with other statistical procedures for further investigation.

**VI. Percentage Analysis**

**Table – I**

**I believe that discounts for money**

**provide excellent value**

	<b>Frequency</b>	<b>Percent</b>
Strongly disagree	20	13.6%
Disagree	31	21.1%
Neutral	40	27.2%
Agree	37	25.2%
Strongly agree	18	12.2%
<b>Total</b>	<b>147</b>	<b>100.00%</b>

**Inference**

The above table shows that 25.2% of respondents **Agree** and 12.2% **Strongly Agree** that discounts provide excellent value for money, indicating a positive perception of discounts. While 27.2% are **Neutral**, a significant portion sees discounts as valuable, suggesting that most customers appreciate the value discounts offer.

**Table II**

**Discounted products are of the same quality as those sold at regular prices**

	<b>Frequency</b>	<b>Percent</b>
Strongly disagree	9	6.1%
Disagree	18	12.2%
Neutral	57	38.8%
Agree	50	34.0%
Strongly agree	12	8.2%
<b>Total</b>	<b>147</b>	<b>100.0%</b>

**Inference**

The above table shows that 34.0% of respondents **Agree** and 8.2% **Strongly Agree** that discounted products are of the same quality as regularly priced items, indicating a generally positive perception of discounted product quality. While 38.8% are **Neutral**, a substantial portion believes that discounts do not compromise quality.

## VII. Conclusion

The study aimed to analyze the impact of discounts and offers on customer, based on the responses collected, it was found that a significant proportion of customers perceive discounts as providing good value for money and maintaining product quality. The reliability analysis, with a Cronbach's Alpha of 0.78, confirms that the scale used for measuring customer perceptions is reliable and suitable for further statistical analysis.

Furthermore, the findings suggest that discounts and offers play a vital role in attracting customers and encouraging repeat purchases. A notable segment of respondents agrees that discounts positively influence their purchasing decisions, while some remain neutral. The perception of quality in discounted products is also seen positively by a significant number of respondents. Therefore, it can be concluded that discounts and offers are essential strategies in retail marketing that effectively influence customer behavior and satisfaction.

## References

1. Kotler, P., & Keller, K. L. (2016). *Marketing Management* (15th ed.). Pearson Education. [https://students.aiu.edu/submissions/profiles/resources/onlineBook/S3D7W4\\_Marketing\\_Management.pdf](https://students.aiu.edu/submissions/profiles/resources/onlineBook/S3D7W4_Marketing_Management.pdf)
2. Schiffman, L. G., & Kanuk, L. L. (2014). *Consumer Behavior* (11th ed.). Pearson Education. <https://archive.org/details/consumerbehavior0000schi>
3. Lovelock, C., & Wirtz, J. (2016). *Services Marketing: People, Technology, Strategy* (8th ed.). Pearson Education. <https://search.worldcat.org/title/Consumer-behavior/oclc/970473208>
4. Gupta, S., & Lehmann, D. R. (2005). *Managing Customers as Investments: The Strategic Value of Customers in the Long Run*. Wharton School Publishing. <https://search.worldcat.org/title/Consumer-behavior/oclc/970473208>
5. Kumar, V., & Reinartz, W. (2018). *Customer Relationship Management: Concept, Strategy, and Tools* (3rd ed.). Springer. <https://search.worldcat.org/title/Consumer-behavior/oclc/970473208>
6. Zeithaml, V. A., Bitner, M. J., & Gremler, D. D. (2017). *Services Marketing: Integrating Customer Focus Across the Firm* (7th ed.). McGraw-Hill Education. <https://search.worldcat.org/title/Consumer-behavior/oclc/970473208>