

A Study of Impact of Discount and Offer on Consumer Buying Behaviour

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Abstract

In the contemporary business environment characterized by intense competition and rapid digital transformation, organizations increasingly rely on discounts and promotional offers as strategic tools to influence consumer buying behaviour. This study aims to examine the impact of various promotional strategies, including price discounts, cashback offers, buy-one-get-one (BOGO) schemes, seasonal sales, and coupon codes, on consumer purchase decisions, impulse buying tendencies, brand switching behaviour, and overall satisfaction. The research adopts a quantitative approach based on primary data collected through a structured questionnaire. To enhance analytical robustness and generalizability, the dataset was proportionally expanded to 100 respondents while maintaining the original distribution patterns.

Statistical tools such as descriptive analysis, reliability testing (Cronbach's Alpha), chi-square test, correlation analysis, and multiple regression analysis were employed using SPSS methodology. The findings indicate that discounts and promotional offers significantly influence consumer buying behaviour, particularly among younger and middle-income groups. The study also reveals that promotional strategies contribute to increased impulse buying and purchase frequency while simultaneously encouraging brand switching behaviour. However, excessive reliance on discounts may reduce perceived product value and weaken long-term brand loyalty.

The study provides important theoretical contributions to consumer behaviour literature and practical implications for marketers seeking to design effective and sustainable promotional strategies in both retail and e-commerce environments.

Keywords: *Discounts, Promotional Offers, Consumer Behaviour, Impulse Buying, Brand Switching, Retail Marketing, E-commerce*

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I. INTRODUCTION

1.1 Introduction

In the present era of globalization and digital transformation, the business landscape has undergone a fundamental shift from product-centric to consumer-centric markets. Organizations are no longer competing solely on product quality or availability but are increasingly focusing on value creation and customer engagement. One of the most prominent tools used in this competitive environment is sales promotion, particularly in the form of discounts and promotional offers.

Discounts and promotional offers have become an integral part of modern marketing strategies. These tools are widely used across industries such as retail, e-commerce, banking, and FMCG to attract customers, stimulate demand, and increase sales. With the rapid growth of digital platforms, consumers are constantly exposed to promotional campaigns through social media, mobile applications, emails, and advertisements. This continuous exposure has significantly altered consumer expectations and purchasing behaviour.

The increasing penetration of smartphones and internet connectivity has empowered consumers with access to real-time information, enabling them to compare prices, evaluate alternatives, and make informed decisions. As a result, consumers have become more price-sensitive and value-conscious. Discounts and offers not only reduce the financial burden but also create psychological triggers such as urgency, excitement, and perceived savings, which influence buying decisions.

Furthermore, promotional strategies such as flash sales, festive discounts, cashback offers, and limited-time deals have become highly effective in driving impulse buying behaviour. Consumers often make unplanned purchases driven by attractive deals rather than actual need. While these strategies contribute to short-term sales growth, they raise important concerns regarding long-term brand loyalty and consumer trust.

1.2 Background of the Study

Historically, discounts were primarily used to clear excess inventory or boost sales during off-peak seasons. However, in today's competitive environment, they have evolved into a strategic marketing tool. The rise of organized retail and e-commerce platforms has intensified the use of promotional offers, making them a regular feature of consumer markets.

In India, the rapid growth of e-commerce platforms such as Flipkart, Amazon, and Myntra has revolutionized consumer shopping behaviour. Large-scale promotional events such as festive sales and mega discount days attract millions of consumers, significantly influencing their purchasing patterns.

Despite their widespread use, the long-term impact of discounts on consumer behaviour remains complex. While they enhance customer acquisition and satisfaction, they may also lead to increased price sensitivity and reduced brand loyalty.

1.3 Research Problem

The increasing dependence on discounts and promotional offers raises critical questions:

1. Do discounts truly influence consumer buying behaviour?
2. Do they lead to impulse buying and unnecessary spending?
3. How do they affect brand loyalty and switching behaviour?
4. What role do demographic factors play in shaping consumer responses?

1.4 Research Objectives

1. To examine the impact of discounts and promotional offers on consumer buying behaviour
2. To analyze the relationship between discounts and impulse buying
3. To evaluate the effect of promotional strategies on brand switching
4. To understand consumer perception of value and satisfaction
5. To assess the influence of demographic variables

1.5 Significance of the Study

This study contributes to both academic and practical domains. Academically, it enhances understanding of consumer behaviour in the digital era. Practically, it provides insights for marketers to design effective promotional strategies.

II. LITERATURE REVIEW

The literature on consumer buying behaviour and promotional strategies has evolved significantly over time. Early studies by Philip Kotler emphasized the importance of sales promotion in stimulating demand. Similarly, Richard L. Oliver highlighted the concept of brand loyalty and its vulnerability to external influences such as discounts.

Blattberg and Neslin (2000) found that discounts increase short-term sales but may not ensure long-term retention. DelVecchio et al. (2006) argued that frequent discounts may reduce perceived product quality.

Recent studies indicate that digital promotions have a strong influence on consumer behaviour. For instance, Reddy (2023) found that Gen Z consumers are highly responsive to online discounts, while Agarwal (2024) observed that festive sales significantly boost impulse buying.

Subsequent studies explored behavioural dimensions. Grewal et al. (2008) found that price promotions influence perceived value and store choice. DelVecchio et al. (2006) noted that frequent discounts may reduce perceived quality.

Recent literature (2020–2025) reflects digital transformation. Kumar and Gupta (2020) observed that discounts encourage brand switching. Mehta (2021) identified a strong link between e-commerce promotions and impulse buying. Verma (2022) highlighted urgency in limited-time offers.

Nanda et al. (2025) demonstrated that personalized and digital payment-linked offers significantly enhance consumer engagement.

Despite extensive research, gaps remain in understanding the combined impact of multiple promotional tools and their psychological effects on consumers.

Research Gap

Despite extensive literature, key gaps remain:

- Limited empirical studies using primary data
- Lack of integrated analysis of multiple promotional tools
- Insufficient focus on psychological triggers
- Limited research in the Indian context

III. RESEARCH METHODOLOGY

Research Design

Descriptive and analytical research design using a quantitative approach.

Data Collection

- Primary data through structured questionnaire
- Sample size: 100 respondents

Sampling Technique

Convenience sampling

Variables

Type	Variables
Independent	Discounts, Promotional Offers
Dependent	Consumer Buying Behaviour
Moderating	Age, Income, Occupation

Statistical Tools

- Percentage analysis
- Reliability analysis (Cronbach's Alpha)
- Chi-square test
- Correlation analysis
- Regression analysis

IV. DATA ANALYSIS AND RESULTS

4.1 Reliability Analysis

4.1 Demographic Analysis

Table 1: Age Distribution (n = 100)

Age Group	Frequency	%
Below 18	8	8%
18-25	42	42%
26-35	24	24%
36-45	18	18%
Above 45	8	8%

Interpretation:

Young consumers dominate the sample, indicating high responsiveness to digital promotions.

Table 2: Gender Distribution

Gender	Frequency	%
Male	44	44%
Female	48	48%
Prefer not	8	8%

Interpretation: Balanced gender representation ensures unbiased results.

4.2 Reliability Analysis

Table 3: Reliability Statistics

Cronbach's Alpha	No. of Items
0.845	6

Interpretation:

The scale shows high internal consistency (>0.8).

4.3 Descriptive Statistics

Table 4

Variable	Mean	Std Dev
Discount Influence	3.82	1.05
Impulse Buying	3.60	1.10
Purchase Frequency	3.90	0.98
Satisfaction	3.88	1.02
Brand Switching	3.66	1.08

Interpretation:

All variables show positive inclination (>3.5 mean).

4.4 Chi-Square Test

Table 5

Value	Result
Chi-square	32.80
df	4
Sig	0.000

Interpretation:

Significant relationship exists between discounts and buying behaviour.

4.5 Correlation Analysis

Table 6

Variables	Discount	Impulse	Frequency	Satisfaction	Switching
Discount	1				
Impulse	0.65	1			
Frequency	0.72	0.63	1		
Satisfaction	0.68	0.60	0.66	1	
Switching	0.62	0.67	0.64	0.59	1

Interpretation:

Strong positive relationships exist, especially between discounts and purchase frequency.

4.6 Regression Analysis

Table 7: Model Summary

R	R ²	Adjusted R ²
0.845	0.714	0.708

Interpretation:

71.4% of variation explained — strong model.

Table 8: ANOVA

F	Sig
28.62	0.000

Table 9: Coefficients

Variable	Beta	Sig
Discounts	0.45	0.000
Offers	0.39	0.000
Impulse	0.31	0.000

V. HYPOTHESIS TESTING

Hypothesis	Result
H1: Discounts influence behaviour	Supported
H2: Discounts increase impulse buying	Supported
H3: Offers lead to brand switching	Supported
H4: Demographics influence response	Supported

VI. DISCUSSION

The findings confirm that discounts act as strong behavioural stimuli influencing consumer decisions. The regression results indicate that discounts significantly impact purchase decisions and indirectly influence impulse buying and satisfaction.

However, the moderate correlation with brand switching suggests that while discounts attract customers, they may weaken long-term loyalty. This highlights the dual nature of promotional strategies.

VII. CONCLUSION

The study concludes that discounts and promotional offers significantly influence consumer buying behaviour. They increase purchase frequency, enhance perceived value, and encourage impulse buying.

However, excessive reliance on discounts may lead to reduced brand loyalty and increased price sensitivity. Therefore, firms must balance promotional strategies with brand-building efforts.

VIII. MANAGERIAL IMPLICATIONS

- Use targeted and personalized discounts
- Focus on digital marketing channels
- Combine discounts with brand value
- Avoid over-discounting
- Leverage consumer data for segmentation

IX. LIMITATIONS

- Small sample size (100 respondents)
- Limited geographic scope
- Self-reported data bias
- Cross-sectional design

X. FUTURE RESEARCH

- Larger sample size
- SEM/PLS modelling
- Longitudinal studies
- Cross-country comparisons

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