

MAJOR RESEARCH PROJECT

“ROLE OF DISCOUNTS AND PROMOTIONS IN DRIVING CONSUMER LOYALTY.”

Submitted By

Devansh Singh

24/DMBA/69

Under the Guidance of

Dr. Veenu Shankar

Assistant Professor



DELHI SCHOOL OF MANAGEMENT

Delhi Technological University

Bawana Road Delhi 110042

CERTIFICATE

This is to certify that Mr. Devansh Singh (24/DMBA/69) has submitted the Research Project on **“ROLE OF DISCOUNTS AND PROMOTIONS IN DRIVING CONSUMER LOYALTY”** under the guidance of Dr. Venu Shankar as a part of Master of Business Administration (MBA) curriculum of Delhi School of Management, Delhi Technological University, New Delhi for the academic session 2024-2026.

Project Mentor

Dr. Veenu Shankar

Head of Department

Dr. Saurabh Agarwal

Date:

DECLARATION

I, Devansh Singh, Roll No. 24/DMBA/69, student of MBA Batch 2024-2026 of Delhi School of Management, Delhi Technological University, declare that the Project Report titled **“ROLE OF DISCOUNTS AND PROMOTIONS IN DRIVING CONSUMER LOYALTY”** is submitted in partial fulfilment of Degree of Master of Business Administration. The information and data given in the report is authentic to the best of my knowledge.

Student Name: Devansh Singh

Date of Submission:

ACKNOWLEDGEMENT

This report bears sincere thanks to several people who have made contribution towards the completion of this project. Without their dynamic direction, help, collaboration and consolation, I would not have gained ground in the project.

I am also thankful to my faculty project mentor, Dr. Veenu Shankar (Assistant Professor) at Delhi School of Management, DTU for not only for giving excellent guidance, unabated inspiration but also for her never-ending willingness to deliver generous research methodologies, timely attention and kind interest, since beginning of my project.

Further, I would like to express my gratitude to Delhi School of Management, DTU for including the research project program as a course which has provided an opportunity to gain practical working experience

Devansh Singh

(24/DMBA/69)

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CHAPTER 1
INTRODUCTION

Chapter 1

Introduction

Consumer loyalty has emerged as a cornerstone of retail success in the modern, highly competitive marketplace. Loyalty is a consumer's consistent preference for one brand over other brands. It is more than habitual buying. It includes emotional bonds, advocacy behavior and a deep rooted trust in the brand. Loyal customers are not only repeat customers, they are also keen promoters, actively promoting the brands to others.

In a world where consumers are inundated with choices and marketing messages, building loyalty has become more complex – and more critical – than ever. Businesses want to make money, naturally, but they also want to build long-term relationships that will continue to bring in the money. The relationships are built on the basis of better customer experience, product satisfaction and value perception (Kotler & Keller, 2016).

Customer loyalty is strategically important because of its long-term financial benefits. Bain & Company states that a 5% increase in customer retention may result in a 25% to 95% increase in profit. This finding indicates that loyalty adds value not only to revenue but also to the efficiency of marketing activities and customer services operations. Loyal customers cost less to serve and are more likely to try new products, respond to upselling and compete less effectively against competitive offers.

Discounts and Promotions: Definition and Strategic Purpose Discounts and promotions are an important part of a retailer's marketing arsenal. They can be used To encourage interest, boost sales, and create long-term customer satisfaction. These strategies incorporate Various approaches are used, including short-term price discounts, complex loyalty schemes, and product package offers (Schindler & Kirby, 1997), offers (Schindler & Kirby, 1997).

Definitions

Discounts are the actual amount that you get off the price of a product or service. These can include: Discounts (in percentage): e.g., 20% discount on the listed price.

Fixed Amount Discounts: e.g. \$10 off a purchase. Buy One Get One (BOGO): offers that give an additional item free or at a discount. The cost of purchasing a single at full price.

Loyalty Programs: schemes that give frequent buyers points, discounts or exclusive offers. benefits. Bundling: the process of offering a number of goods at a discount.

Referral Programs: Rewards for current customers to recruit new customers.

Strategic Functions of Discounts and Promotions

a. Driving Immediate Sales

The obvious advantage of offers and discounts is that they can help to trigger immediate purchases. If a consumer finds that they will have the chance to purchase a product in the near future, they are more likely to make a purchase. for savings. This is particularly noticeable on busy days, such as holidays, or on hot selling days. Back-to-school sales (Chandon et al., 2000).

Sales events provide an opportunity to create urgency and excitement, driving both in-store and online sales. By Discounts remove the mental hurdles to buying and act as a catalyst to conversion, especially for consumers who are price sensitive.

b. Encouraging Trial Purchases

Often, promotional tactics can be entryways for customers to learn more about products or brands. For example, if a customer is purchasing a new product they may try it with a "Buy One, Get One Free" promotion, where they get a second product free. This is a trial behavior that can result in repeat purchases, particularly if the product is better than what the person expected and is an enjoyable experience. to expectations (DeIVecchio et al., 2006).

c. Enhancing Customer Satisfaction

When they feel that they are getting value for their money, consumers enjoy higher satisfaction. their money. This perception is greatly aided by the discounts and promotions, which add to the overall the shopping experience and the creation of positive emotional links to the brand (Zeithaml, 1988). If the customers think they have got a good deal, they are more likely to return.

d. Building Emotional Connections

Promotions can create emotional involvement, aside from just financial savings. Flash sales and limited-time appeals to human psychology, such as excitement and urgency. These emotions Help create memorable brand experiences and strengthen bonds between consumers and brands. (Nunes & Drèze, 2006).

e. Increasing Brand Awareness

In order to let the brand become more visible, some promotions are effective. Not only are there ads for discounts, but they specifically market to Not just current customers, but new customers as well, who need to be made aware of the value proposition of the brand. More so in the digital age, social media and email marketing has multiplied the impact of Promotional messages, which helped expand market penetration (Grewal et al., 2011).

Types of Discounts and Promotions

a. Seasonal Discounts

Seasonal discounts are based on time of year or time of sale; they leverage time of year or time of sale with discounts.

consumer spending. These can be Christmas, summer clearance or back to school sales.

promotions. Consumers are excited by these offers, and they increase the amount of sales of high.

When they analyzed the data over short time frames, they found a very negative volume sales (Bawa & Shoemaker, 2004).

correlation.

b. Loyalty Programs

When designed around consumer behavior, loyalty programs are more than just a way to motivate frequent purchases; they also boost customer satisfaction. Not only does it enhance the satisfaction of the buyer, but it can also make the buyer feel recognized and appreciated (Sharp & Sharp, 1997).

c. Flash Sales

Flash sales are about urgency and will give some discount for a limited amount of time. These are

Especially effective in online retail, as through email and social media, users are notified instantaneously. The sense of urgency creates the fear of missing out (FOMO) and causes impulse, Because of the purchase of the components (Herhausen et al., 2015).

Historical Evolution of Discounts and Promotions

Early Traditions and the Birth of Coupons

The practice of discounting goes back to the trading systems of old times. When a price is quoted in the Roman markets, Today's discounts were modeled after the negotiated rates and festival discounts (Smith, 2000). However, The first official coupon system appeared in 1887 when Coca-Cola's Asa Candler gave out the first. Free drinks vouchers were created and issued as handwritten coupons, a strategy that quickly became widespread in the early 20th century.

Depression-Era Innovations and the Supermarket Boom

Coupons became popular in the days of the Great Depression, when people were looking for ways to save money. economic hardship. During this period, supermarket chains emerged and offered coupons and discounts to Attracts price sensitive consumers (Tedlow, 1990).

Discount Stores and Loyalty Programs (1960s–1980s)

In the '60s, retail giants such as Walmart began to adopt what they called “everyday low pricing,” and that idea has taken root in the retail industry ever since. To provide a regular value instead of constant sales. While loyalty programs are in parallel, It started to grow in the late 1970s and began to provide points and discounts for repeat customers (Quelch, 1981).

Digital Revolution (1990s–2000s)

The internet revolutionized couponing, digital coupons, special offers sent via email and personalized offers. Based on the browsing history. The e-commerce sites such as Amazon introduced algorithm based promotions. Businesses today make use of online sales, and flash sales (Laudon & Traver, 2007).

Contemporary Trends (2010s–Present)

Modern promotions are based on information as well as digital platforms. Retailers use analytics Data collection for customization of offers and social media as a great distribution channel. Subscription models by pairing convenience with a discount, like Dollar Shave Club is fostering greater customer loyalty, (Thompson, 2014).

Psychological Drivers Behind Discount Effectiveness

a. Perceived Value

Consumers compare the value of products to the price. A discount can help raise the perceived value by making it more attractive to the customer. More service, at lower costs (Monroe, 1990). Even if quality is kept the same, a smaller number of units will be available. When price is lower it appears to be a better value.

b. Emotional Responses

Promotions create excitement, happiness and even pride in 'winning' a bargain. Such feelings lead to a greater satisfaction and the possibility to come back to the brand for similar experiences (Chandon et al., 2000).

c. Cognitive Biases

Psychological heuristics such as the anchoring effect (fixating on the original price) or scarcity effect play a big role in consumer decisions (seeing more value in limited time offers). Such biases cause consumers to overvalue the advantages of a deal (Tversky & Kahneman, 1974).

CHAPTER 2
REVIEW OF LITERATURE

REVIEW OF LITERATURE

2.1 Theoretical Foundations: Value Perception, Consumer Psychology, and Loyalty Formation

A review of the theoretical models that explain how consumers perceive value and are motivated to purchase is necessary for a thorough understanding of the relationship between promotions and loyalty. The work on perceived value had its foundation in Monroe (1990), who established that consumers assess products not only by attributes but by the ratio of perceived quality to perceived sacrifice, largely monetary price. From this perspective, a discount enhances perceived value not by improving the product per se, but by lowering the sacrifice element of the value calculus. The insight has been a game changer; Describes how consumers react positively to promotions despite the product's attributes are unchanged. In response to this, Zeithaml (1988) created a method-end model of consumer value perception that highlighted the subjectivity of value estimates. The mediating effect of perceived value between price cues and purchase intention.

Within the Zeithaml framework, promotions can be good indicators of quality or, on the other hand, signals of poor quality, depending on the context, such as the brand positioning. Contrary to popular belief, there is no need to know anything about consumers. This twofold aspect of discounting has been observed many times before, confirmed by subsequent scholarship: while reductions in perceived sacrifice increase short-run purchase intentions, they might also decrease perceived quality, and for brands that rely on a premium position (Grewal et al., 1998), it is particularly important. Chandon This work has been extended to the promotional context by et al. (2000) who suggested a benefit. In the congruency framework, there are two types of utilitarian benefits, monetary savings, and product quality, and convenience) and hedonic benefits (exploration,

entertainment and self-expression) from promotion. The findings suggest that the success of a promotion is highly related to the fit between promotional type and product category . Utilitarian promotions such as discounts and rebates are found to be more successful than pleasure promotions such as free gifts and toys .

Price reductions worked for functional products and were effective for hedonic promotions like sweepstakes and experiential rewards worked better for good for enjoyment

2.2 Trial Promotion and New Customer Acquisition

DelVecchio et al. (2006) conducted an influential meta-analysis of the effects of sales promotions on brand preference after the promotion. They synthesized one which exhibited a marked asymmetry. Promotions have a positive effect on the sales of the promoted product. periods, but their effect on long-term brand preference is marginal and often negative. The first consumer to experience a brand via discounting might not develop the attitudinal components. commitment that breeds real loyalty. All they can do is wait for the next promotional Use it, then go to a rival company with a better offer, or take advantage of it before you get it back.

More recently, in the modern retail, Kartomo (2024) comes back to the question. and provides a nuanced judgment about the environment. Kartomo's observations are well organized. discount programmes based on the acceptance criterion which is clearly defined, fair and...

sales of term.Consumer values - alignment does increase sales in the short term and can help in the long term . term retention is obtained by making the recipients feel special and valued.

Most importantly, Kartomo emphasized that discounts need to be calibrated for their frequency and size:

High discounts affect the reputation of the brand and reduce the reference price of the consumer, making it more and more difficult to sell the product at full price.

2.3 Impulse Purchasing and the Urgency Mechanism

The early empirical evidence that there is significant amplification of Inman et al. (1997) transmit value perceptions and purchase urges through framing of promotional restrictions, particularly restricted in time or amount. One mechanism is called a

In the digital commerce age of flash sales and countdowns, these have been revitalized.

Today, timers are a common feature of e-commerce interfaces.

The same product has two names and is very dynamic with respect to Shopee Live, an Indonesian livestreaming retail platform. The equivalent product in the case of Shopee Live, an Indonesian livestreaming retail platform, is called dynamic. found that a combination of real-time discounts, social proof (audience co-participation) and a personalized experience are important.

Interactive engagement created a sizable urgency effect that profoundly influenced the magnitude of the boosts. conversion rates. Our results suggest that urgency is a result of psychological mechanisms, Motivated purchases are not only driven by traditional retail settings, but are also dynamically increased and enhanced, perhaps even further, via digital and social media.

2.4 Brand Switching and Loyalty Erosion

Another aspect of this debate was brought to light by Pratt et al. (2023) who recorded They referred to this as the competitive shield' effect of brand-loyal discounting. They found that Consistently being exposed to a brand's promotional offers can actually strengthen the incumbent. build brand loyalty by creating habitual buying habits, and to expect discounts.

This effect has intuitive appeal, but is fragile, as noted by the authors. If consumers get

They have become accustomed to the constant discounts and are likely to be less enthusiastic about paying the full price, and the brand is associated with. found him in a less than ideal situation with the need to continue high promotion spending to To retain its loyal customer base.

2.5 Loyalty Programmes, Reward Structures, and Long-Term Consumer Retention

The future for loyalty from single event discounting is ambivalent, the field's most esteemed. In the face of long-term, developed institutional response to the challenge.

programmes that convert all the buying into real prizes. The A basic empirical study by Sharp and Sharp (1997) revealed that loyalty schemes resulted in: Although there have been some small improvements in repeat-purchase behaviour, he said that there is still a long way to go. behavioural effects of the programmes were often less than practitioners had assumed and Heavily reliant on the design characteristics of the programme Nunes and Drèze (2006) found A significant addition to this literature has been the discovery of a number of design principles which Identify good loyalty schemes from those that are more expensive, and yet fail to create any real loyalty. They said there's a 'endowed progress effect' the psychological boost When consumers feel they're making strides toward a reward goal, they feel they've made progress.

– As a key enabler of program engagement.

Go out of your way to reward programs that see their consumers as having “the head start.”

The engagement rate and re-purchase rate of reward tier programs is much higher than that of programs. that offer the reward as a blank sheet of paper. Today's points have been influenced by this understanding. For retail applications, they offer tiered loyalty systems, gamified experiences, and systems. Recent scholarship has continued to challenge the circumstances surrounding loyalty Programmes create realistic engagement from behaviour. Reinartz and Linzbach (2018)

Carried out a comprehensive study of the effectiveness of loyalty systems in online commerce environment, finding that programmes bringing together discount-based rewards with, they have a higher likelihood of success. personalised engagement, rather than pure price reductions, lead to greater brand affinity. In particular they warned that schemes based on price cuts are at risk. and keeping a deal-prone segment that will jump ship at the first sight of a better financial deal elsewhere. Their insight that successful loyalty schemes have to create value was endorsed by the industry. The industry accepted their observation that loyalty schemes should create value. Switching costs that are more

than just price comparison reflects the broader theoretical perspective. That emotional and relational aspects of loyalty are more lasting than just transactional ones.

2.6 Mobile Loyalty Applications and Digital Engagement

A more comprehensive analysis of mobile loyalty applications was given by Son et al. A - higher purchase frequency, B - greater unit volume and C - brand switching. According to (2020), there exist three main outcomes - A - increased purchase frequency, B - greater unit volume and C - brand switching. reward redemption rates and increased competition as brands compete to bestow the rewards. superior app-based services. Their efforts emphasized that aspect of their work: data collection. mobile loyalty tools: They can track micro-interactions of users, such as browsing patterns, and trigger relevant offers depending on these interactions. These applications produce the analytical inputs (or data sets) necessary to make sense of redemption histories. promotional personalization. Considering the implications for loyalty strategy, it becomes clear that brands: The direct communication channel with will help that create high quality loyalty apps. not only their customers, but from a data asset that grows in value with time, making the system of data more valuable. Individual purchase propensities to be further refined in the prediction.

2.7 Social Media Promotions and the Role of Digital Influence

In his work on the growing prominence of social media as an instrument of promotion and customer loyalty development, Unni (2020) emphasized the transformation of digital platforms from passive media to active participants in the process of co-creation of brand value. This interactive nature of social media promotions makes them different from traditional advertisements because consumers can interact with such promotions through sharing them with other users and thereby increase their popularity. Social media promotions and their potential for amplifying the effect of word-of-mouth communication have been addressed by Trusov et al. (2009), who found that the word-of-mouth activity stimulated by social networking platforms produces much stronger effects compared to the effects of traditional promotional expenses.

Lu and Miller (2019) contributed to social media promotions literature by investigating

how benefits of loyalty programme and environmental framing of communications may increase both brand trust and purchase purposes of ethically motivated consumers. The authors suggest that social media is a good channel to convey not only the promotional deals, but also the brand values that put those deals into context – a point of increasing significance as consumers worry more about corporate sustainability.

2.8 Big Data Analytics and Predictive Personalisation

The impact of Artificial Intelligence, the Internet of Things and big data on transformation. One of the paradigms of customer loyalty. AI conversational agents can deal with post. The purchase concerns in real-time minimize friction that can turn customers to other competitors. With IoT-enabled products, there can be ongoing streams of usage data, enabling proactiveness to be achieved. service interventions. For instance, informing the consumers of the maintenance requirements before problems occur shows care and enhances loyalty to a more permanent extent than any. promotional discount. These advancements in technology imply the future of The key to the promotional strategy is never to be found in ever-greater discounts.

2.9 Promotional Strategies in E-Commerce and Online Retail

E-commerce has generated a niche promotion landscape that has characteristics of low search cost, high competition and transparency of prices. Succeed in creating loyalty typically have to provide something than simply lowering the price, whether it be through a better customer experience, interesting content or personalized interaction. The research was part of an effort to contribute to the literature one by Cachero Martínez and Vázquez-Casielles (2021). commerce loyalty through emphasizing feelings of online shopping experiences. Their happiness, excitement and satisfaction—act as catalysts for learning. positive emotions such as happiness, excitement and satisfaction turned out to be catalysts for learning, according to the research. cost benefits that might dampen consumer confidence in a product or service. Remarkably explain consumers' repeat intentions without addressing the rational computation of cost-benefits that may reduce consumer

confidence in a product or service. Value received, during the shopping process in itself. Promotional elements that induce positive emotional arousal – such as appealing countdowns to special sales, Reward systems with points, or the element of surprise with the upgrade offer – therefore generate loyalty. gives returns other than just the immediate transaction effect.

2.10 Non-Monetary Promotions, Service Quality, and Experiential Loyalty

There has been increasing evidence that non-monetary ways of promoting (experiential rewards, More often than not involve enhancements to services, membership in the community, and individualised recognition. This argument contests The major focus of price-based promotion in both practice and research is on cost. The main interest in price based promotion in practitioner and academic contexts is cost. promotion, and calls for a re-thinking about promotion strategy that includes. A combination of relational and experiential elements and incentives. Among the service quality determinants for loyalty, Rane et al. shortcoming of retention strategies focused on promotion. While discounts and Like first-time purchase incentives, promotional offers can prove effective as motivators at first purchase, but they discover that those incentives are only temporary. loyalty is more about superior service quality, positive customer experience and relationship management. Brands that promote and push their products on price alone are in danger of generating a cohort of loyalty programme participants who will jump ship the moment discounts end, or the moment a more attractive financial offer comes along from a competitor. In contrast, highly responsive brand that establishes very strong connections between the product and customer. The loyalty base is one that is made up of those who are truly emotionally engaged—a much more loyal base. competitive asset. Perhaps the most forward looking of the reviewed literature is the exploration Rane et al. define hyper-personalisation as a customer relationship management system that is highly personalised. They say that truly personalised brand experiences – real-time data, predictive models and intelligent analytics – are the key to success in the digital era. Advanced analytics and machine learning – are the new frontier of loyalty strategy – way to go. This is beyond the simple use of a customer's first name in the subject line of an email. This is not the personalisation of using a customer's first name in the subject line of an email.

2.11 Industry-Specific Evidence: Telecom, Apparel, Luxury, and Beyond

This dependence is particularly acute in highly commoditised markets such as telecom, where product and service differentiation is limited and price is therefore the primary competitive lever. The implication is that in commodity markets, promotional strategies have to be designed with special care to avoid training customers to be perpetually deal-seeking.

The luxury sector is probably the most difficult promotional environment, as premium brand equity is based on exclusivity, scarcity and an aspirational position. These values are inherently at odds with mass discounting. Jang & Moutinho (2019) examined the effect of price promotions in the luxury hospitality industry and found that discounts draw in price-sensitive customers who may not be the target market for the brand, and that their patronage during promotional periods does not result in continued loyalty at full price.

CHAPTER 3
RESEARCH METHODOLOGY

CHAPTER 3

RESEARCH METHODOLOGY

Introduction to the Research

In today's fiercely competitive business world, organizations always try to use various methods to lure customers into their stores and keep them coming back. Promotions and discounts are some of the most popular methods that have been used by organizations in an attempt to influence consumer behavior. This study will seek to examine the effects of discounts on consumer behavior and brand loyalty.

Importance of the Study

Understanding the role of discounts and promotions is crucial for several reasons:

- **Insights into Consumer Behavior:** In view of consumer sensitivity to prices, it becomes essential for organizations to know how their customers react to discounts so that their marketing strategies may be tailored accordingly.
- **Brand Loyalty Building:** Promotions can build an emotional bond with the customers, thus resulting in brand loyalty. The purpose of this research is to find out which promotion techniques help in building these emotional bonds.

Research Problem

This study will investigate the relationship of the discounts and promotion and its effect on the consumer loyalty. Discounts and promotional activities are popular in marketing but there is scant empirical data to explain how different types of discounts and promotional activities affect consumer behavior and loyalty to the brand.

Key Research Problem

1. Need for Total Understanding Despite its wide application, the exact impact of various discount and promotion on consumer behavior still needs to be researched. Businesses use them without really knowing how effective they are.
2. Short term vs. Long term Effects: There is a need to differentiate between short term boosts in sales due to discounts and long term loyalty that may or may not be sustained after promotional periods end.
3. Customer Satisfaction Integration: There is a complicated link between the customer satisfaction and the integration. Customer satisfaction, discounting and customer loyalty. It's known from the researches that A business aims for customers to be satisfied, otherwise they will not be loyal to the company. to be aware of how discounts impact the level of satisfaction.

Justification of the Research

This study is worthy of research because it will give consumers an insight into consumer behavior when it comes to entertainment. response to pricing strategies which can be useful in marketing practices. Companies can improve Understanding the relationship between discounts, promotions and customer loyalty techniques. That create sales and foster a long-term relationship with clients.

Research Design

A descriptive research design is chosen for this study due to its ability to provide a comprehensive overview of consumer behaviors related to discounts and promotions without manipulating any variables. This approach allows researchers to:

- Descriptive research is effective in documenting current consumer attitudes and behaviors regarding discounts, providing a snapshot of the market landscape.
- By employing surveys or observational methods, researchers can identify trends in how consumers respond to various discount types, allowing for deeper insights into purchasing behavior.
- Descriptive research allows for comparisons across different demographic groups (e.g., age, income level) or product categories, revealing how different segments respond differently to promotional strategies.

Sampling Plan

Target Population

For consumers between 18 and 65 years old, who are active brands buyers, they enjoy: The study's target population are discounts and promotional deals. Random convenience sampling is used to select individuals and is accessible but still does not give access to the desired population. give participants freedom in choosing their participation, meaning they are able to be chosen at random

Sampling Technique

Random Convenience Sampling will be used for this research because of the ease of use and Efficiently gathers data. This method is based on selecting participants from their: Easy availability and willingness to participate enabling the collection of data in a timely fashion.

Sample Size

The number of respondents to be targeted for this study is around 200. This number strikes a Maintain a balance between the need for adequate data for meaningful statistical analysis and the need to ensure that data is not over-collected. The collection continues to be feasible, within the time and funding available to the project.

Reliability Analysis using Cronbach's Alpha

To determine the internal consistency of the variables related to discounts, Cronbach's alpha was used. promotions, consumer purchasing behaviour and brand loyalty. Reliability indices include one of Cronbach's Alpha. Most commonly used statistical tools to evaluate the reliability of survey tools. A Cronbach's Alpha value greater than 0.70 is generally considered acceptable and indicates satisfactory internal consistency among the items.

Table 1 : Reliability Statistics of Variables

Variables	Number of Items	Cronbach's Alpha	Reliability Interpretation
Consumer Purchasing Behaviour	5	0.812	Good Reliability
Promotional Campaign Effectiveness	5	0.846	Good Reliability

Brand Loyalty	4	0.781	Acceptable Reliability
General Perception of Discounts & Promotions	5	0.804	Good Reliability

Interpretation of Reliability Analysis

The results show that all variables achieved Cronbach’s Alpha values above the acceptable threshold value of 0.70, which indicates satisfactory internal consistency among the questionnaire items. The variable “Promotional Campaign Effectiveness” had the highest reliability score. ($\alpha = 0.846$), which indicates that the responses toward the promotional strategies and loyalty enhancement are highly consistent. Similarly, the variable “Consumer Purchasing Behaviour” demonstrated good reliability ($\alpha = 0.812$). This indicates that the items measuring the impact of discounts on consumer behaviour were highly consistent. The construct “Brand Loyalty” obtained a Cronbach’s Alpha value of 0.781, which is acceptable reliability and indicates that the responses related to loyalty behaviour were statistically dependable.

Data Analysis

Analysis of data gathered by the survey is presented in this section. Descriptive analysis of data using technique. The data collected through questionnaire, converted in the form There will be table in the form of Pie Chart and bar diagrams of which will be presented Discounts in Consumer Purchase Decision during the act of purchasing food products, A case of Super-markets in Sikkim. Empirical study of influencing Factors and Purchase Intentions on Role of discounts and during purchasing food products in Super-market of Sikkim. promotion Towards consumer loyalty.

Need and Scope of Study

This study is necessary for the reason that discounts and promotions are becoming more and more vital in influencing consumer conduct and growing customer loyalty in a extremely aggressive marketplace. With businesses trying to stand out, it is crucial for a business to understand the effect of different promotional strategies on their customers' buying decisions. Consumer Sensitivity to Pricing: This is because consumers are more sensitive to its prices, with costs and the fluctuations of the economy. Businesses should know the impact discounts have on consumers - they help to drive sales.

Contribution to the academic literature:

This study aims at exploring the geographical limitations within the country such as India and a target group of individuals within the age group of 18-60 years who are willing to buy the products of retail outlets providing discount or promotional offers. Data was gathered by a random convenience sampling technique in which participants were selected based on their availability and willingness to respond to the questionnaire.

- Individuals within the 18–60 age range, which includes students, working professionals, homemakers, and other active consumers.
- Insights into how discounts and promotions influence consumer loyalty within this demographic and geographical boundary.

Limitations of the Study

Sampling Bias: Convenience sampling was used in the study which may not yield a representative sample. Sample representativeness. Since candidates are required to be selected based on their The results do not necessarily reflect the general accuracy of the presence and participation of members, consumer base. This restriction may lead to erroneous conclusions that may miss out

the effects of this factor. preferences of consumers who are less likely to respond to surveys. Self-Reported Data Limitations: The data obtained from surveys are self-reported data from participants. There are certain external factors that influence consumers' behavior: including economic environment, actions of competitors, and market dynamics. However, all of these factors may not have been considered in the research, creating some sort of confounding impacts on the results.

Post Purchase Dissonance: This study failed to sufficiently examine the relationship of the discount and the post purchase dissonance (the feelings of remorse after a purchase). Discounts have been found to cause post-purchase dissonance among consumers, when they feel they have paid too much (other studies).

Limited Scope of Analysis: The limitation of the scope of analysis of this research is that it focuses only on the influence of discount offers on consumer loyalty, while other factors that can influence consumer loyalty such as the quality of goods, customer service experience, brand image

CHAPTER 4
DATA ANALYSIS &
INTERPRETATION

Table 2: Age Distribution

Age Group	Percentage (%)
18-24	26.0%
45-54	19.5%
Under 18	17.0%
35-44	15.0%
55 and above	11.5%
25-34	11.0%

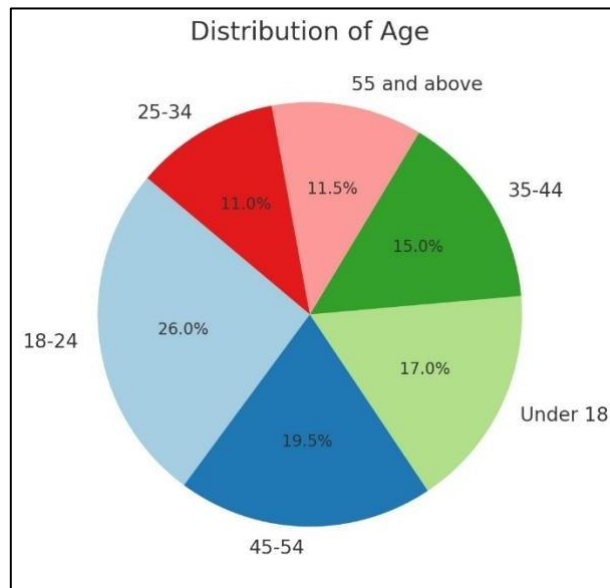


Figure 1: Distribution of Age

Interpretation: The most prominent age group is 18-24 years (26%) followed by 45-54 years (19.5%) and Under 18 (17%) The younger consumers (Under 18 and 18-24) are there and hence digital and social media campaigns could be effective. but 35-44 (15%), 55 and above (11.5%) and 25-34 (11%) groups also have sizable shares. So a balanced approach across different age groups may be required.

Table 3: Gender Distribution

Gender	Count (%)
Male	60.5%
Female	39.5%

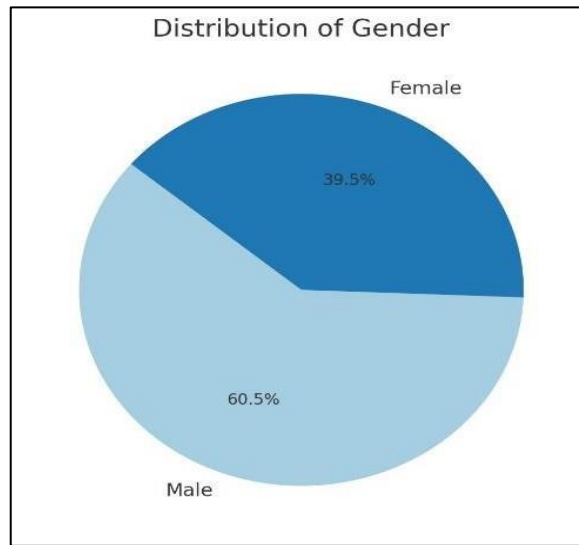


Figure 2: Distribution of Gender

Interpretation – There is an equal distribution of males (60.5%) and females (39.5%), suggesting that there is male dominance in the population. This indicates that marketing campaigns could incorporate elements aimed at males.

Table 4: Monthly Income Level

Income Level	Percentage (%)
Less than ₹20,000	29.5%
₹20,000 - ₹40,000	23.0%
₹40,001 - ₹60,000	20.0%
More than ₹80,000	27.5%

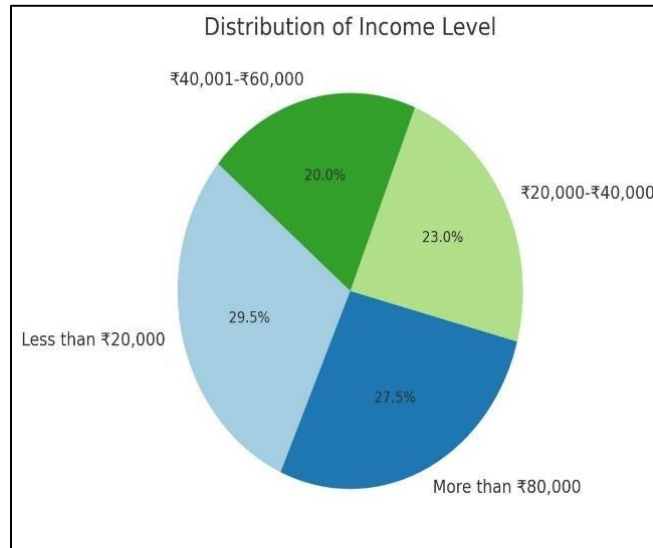


Figure 3: Distribution of Income Level

Interpretation: Most of the respondents belong to the categories Less than ₹20,000 (29.5%) and more than ₹80,000 (27.5%), thus indicating an existence of two types of consumers—one low income and the other high income. There is also a significant presence of middle class respondents such as those in ₹20,000-₹40,000 (23%) and ₹40,001-₹60,000 (20%).

Table 5: Distribution of Education Level

Education Level	Percentage (%)
Postgraduate Degree	24.0
High School	24.0
Undergraduate Degree	26.5
Doctorate or Higher	25.5

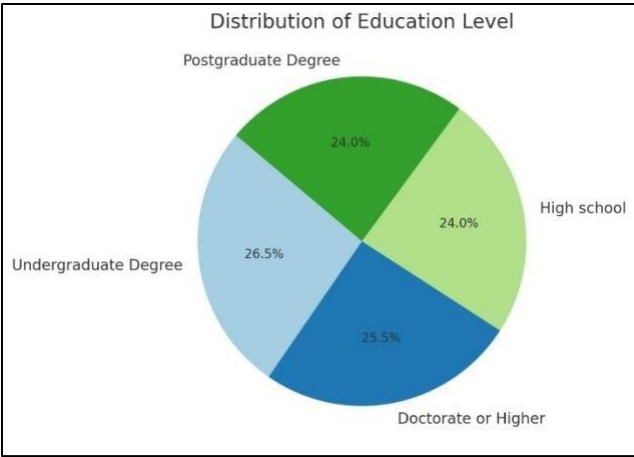


Figure 4: Distribution of Education Level

Interpretation: The level of education in the market audience is very high, with Undergraduate Degree at 26.5% and Doctorate/Higher at 25.5%. There is also an appreciable number of High School graduates at 24% and Postgraduate Degree at 24%. Marketing communication should be highly intellectual but not too much so that even the high school graduates can understand it.

Table 6: Impact of Discounts on Consumer Purchasing Behavior

Response Category	I am more likely to purchase a product if it has a discount.	Price discounts significantly influence my decision to buy a product.	I often switch brands when I find a product with a lower price.	I prefer shopping at retailers that frequently offer discounts.	The size of the discount affects my purchase decision significantly.
Strongly Disagree	38	37	39	37	37
Disagree	50	40	50	38	45
Neutral	33	44	38	48	43
Agree	41	36	49	41	49
Strongly Agree	43	36	32	26	41

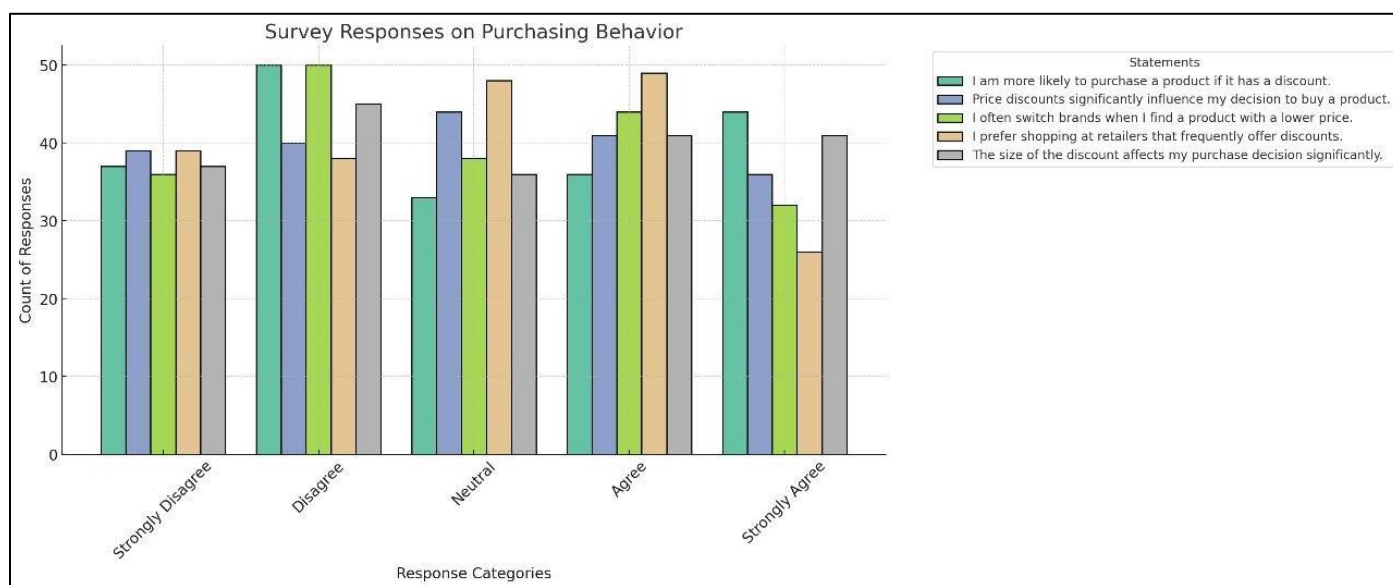


Figure 5: Impact of Discounts on Consumer Purchasing Behavior

INTERPRETATION

25% Disagree, 22% Strongly Agree, 18.5% Strongly Disagree, 18% Agree, and 16.5% Neutral.
 22% Neutral, 20.5% Agree, 20% Disagree, 19.5% Strongly Disagree, and 18% Strongly Agree.
 25% Disagree, 22% Agree, 19% Neutral, 18% Strongly Disagree, and 16% Strongly Agree.
 24.5% Agree, 24% Neutral, 19.5% Strongly Disagree, 19% Disagree, and 13% Strongly Agree.
 22.5% Disagree, 20.5% Strongly Agree, 20.5% Agree, 18.5% Strongly Disagree, and 18% Neutral.

Table 7: Discounts when shopping

Response Category	Percentage (%)
Often	27.0
Sometimes	21.0
Always	18.5
Never	17.5
Rarely	16.0

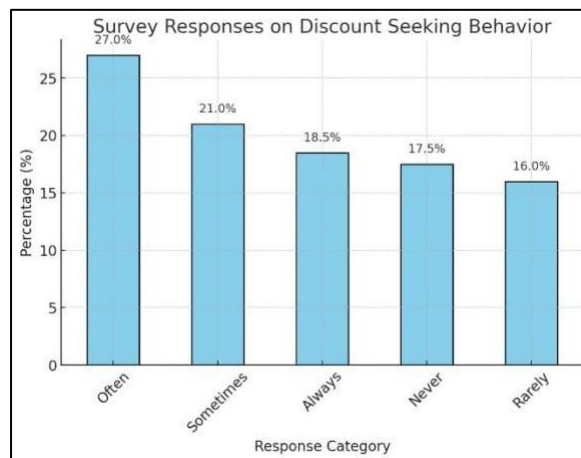


Figure 6: Responses on Discounts when shopping

Interpretation:

Most Common Response: 27.0% of respondents said that they do often look for discounts when shopping.

21.0% of the respondents selected "sometimes," as their second most frequently selected response, indicating moderate interest in discounts. This indicates that some of the respondents look for discounts from time to time.

Least frequent selections were "Never (17.5%) and "Rarely (16.0%) which indicate that very few are not actively looking for discounts.

Overall Interpretation:

The slope is noted in the graph with most buyers being drawn towards the discount products, many of which fall under the category of "Often" and "Sometimes". There are only very few buyers who are indifferent to discounts.

Table 8: Discount which is most appealing

Discount Type	Percentage of Responses (%)
Percentage off	28.0
Other	26.0
Buy one get one free	24.5
Cashback	21.5

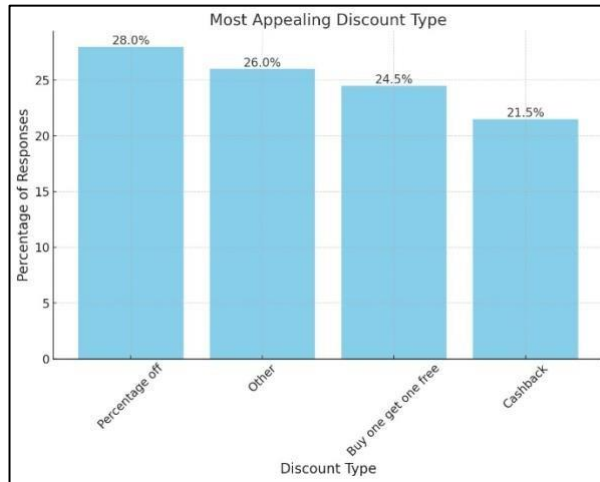


Figure 7: Responses on Discount which is most appealing

Interpretation:

Most Preferred Discount:

28% of the respondents opt for the Percentage off discount.

This means customers are more inclined to buy a product when the price is cut by a percentage than by any other type of discount.

Second Most Preferred:

The next most popular option, with 24.5% of respondents, is “Buy One Get One Free”. This indicates the customers appreciate an additional product for free.

Other Preferences:

The least popular was Cashback (only 21.5% selected this option).

Table 9: Discounts influence purchasing decisions

Scale (1 to 5)	Percentage of Responses (%)
1	20.5
2	19.0
3	16.5
4	25.0
5	19.0



Figure 8: Discounts influence purchasing decisions

Interpretation:

The highest percentage of respondents (25%) rated the influence of discounts as 4, indicating that

They do consider discounts as a major factor when buying. Strong Influence (Rating 5):

One in five answers (19%) was 5 (substantial discounts are important in buying decisions), a

notable percentage.

Moderate Influence (Rating 3):

About 16.5% rated the influence at 3, indicating a neutral response and that discounts could be a contributing factor or not to their purchasing decision. Minimal Influence (Ratings 1 and 2): Less than one fifth (20.5% and 19% respectively) of those who responded said discounts have little or no impact on their buying choices.

Table 10: Not purchasing a product because it was discounted

Responses	Percentage (%)
No	54.0
Yes	46.0

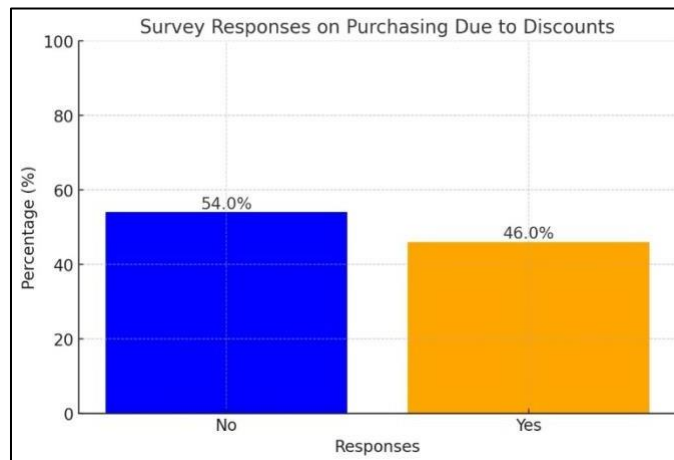


Figure 9: Responses on purchasing due to discounts

Interpretation:

The bar chart is a visual representation of the survey results of the question:

"Have you ever purchased a product you didn't need just because it was discounted?"

The most significant points on the Chart:

Dominant Response:

The greater number of people gave a positive answer, meaning that a great number of individuals made purchases impulsively because of discounts

This option covers (54%) of all the answers.

A smaller percentage of respondents (46%) stated that they have not purchased unnecessary products due to discounts.

Consumer Behavior Trend:

The results highlight how discounts strongly impact purchasing decisions, with many people admitting to buying items they don't necessarily need.

Table 11: Quality of discounted products compared to full-priced ones

Perception of Discounted Product Quality	Percentage (%)
They are of the same quality	27.0
They are of higher quality	26.0
They are of lower quality	25.0
Unsure	22.0

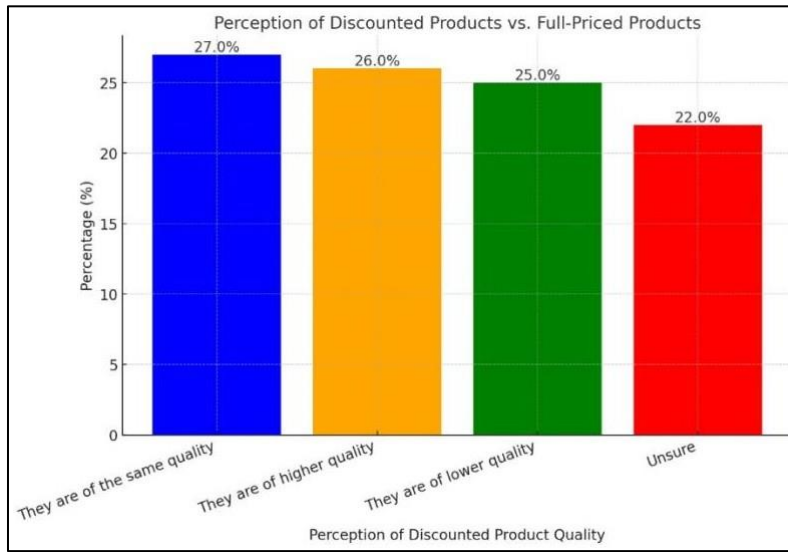


Figure 10: Quality of discounted products compared to full-priced ones

Interpretation:

Perception of Quality Varies:

A significant number of people surveyed (27%) feel that there is no difference between the quality of discounted and full-priced products.

Thus, for a number of consumers, the price reduction does not imply inferior quality.

Customer Skepticism:

22% of those surveyed have doubts about the quality of discounted and full-priced goods.

Thus, certain customers are skeptical about whether there is any difference in terms of quality.

Perceived Higher or Lower Quality:

The number of people who perceive discounts as products of higher quality than full-priced goods is less: 26%.

On the contrary, 25% of people feel that they are of lower quality; hence the fears regarding the discount might be linked to defects or lower-grade materials.

Consumer Behavior Insight:

The results indicate that although most consumers are confident in the quality of the reduced items, a considerable number still harbor doubts.

This issue can be solved by developing quality assurance-oriented marketing techniques.

Table 12: Waiting for a sale to purchase a product

Responses	Percentage (%)
Yes	50.5
No	49.5

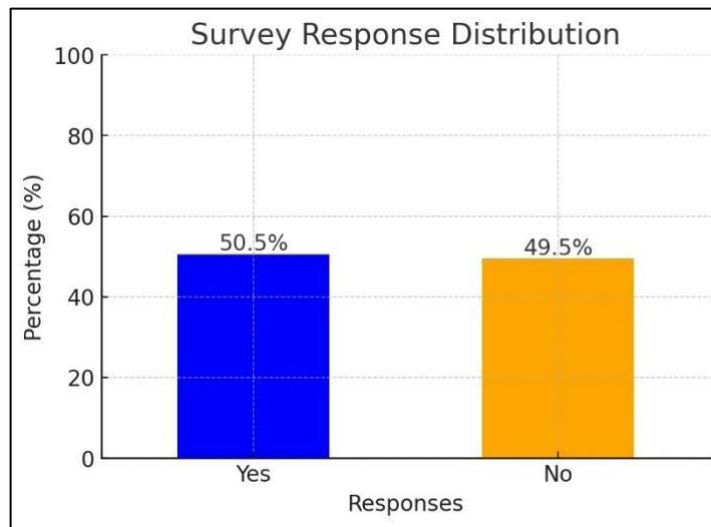


Figure 11: Responses on Waiting for a sale to purchase a product

Interpretation of the Bar Chart:

The bar chart represents the distribution of responses to the survey question:

"Have you ever waited for a sale to purchase a product?"

Majority Response:

The majority of respondents answered "Yes," indicating that they prefer to wait for sales before making a purchase.

Minority Response:

A smaller portion of respondents answered "No," suggesting that they do not wait for sales and likely purchase products regardless of discounts.

Table 13: Recommending a product to someone because it was discounted

Response	Percentage (%)
No	56.5
Yes	43.5

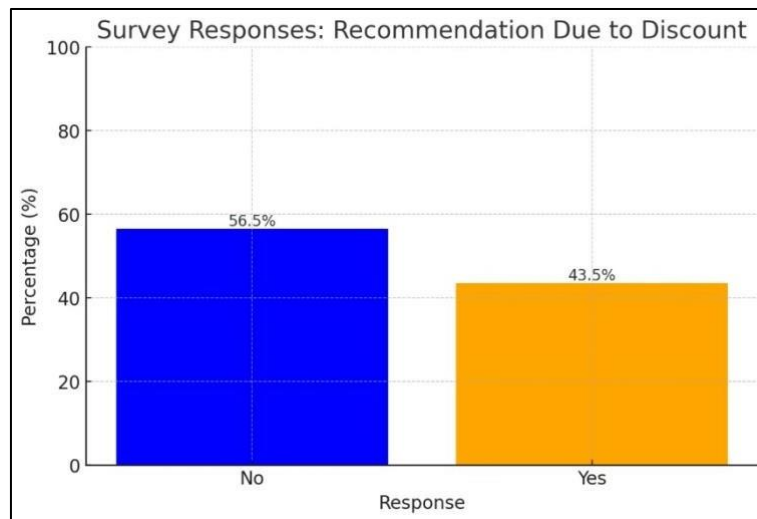


Figure 12: Responses on Recommendation due to Discounts

Interpretation of the Chart:

Majority Response – "No" (56.5%):

More than half (56.5%) of the respondents indicated that they have not offer product to someone

just because it was discounted.

Minority Response – "Yes" (43.5%):

A significant portion (43.5%) of respondents have recommended a product based on a discount.

This indicates that nearly half of the respondents consider discounts an influencing factor in their recommendations.

Table 14: Check on discounts before making an online purchase

Response	Percentage (%)
Always	20.5
Rarely	20.5
Never	20.5
Often	19.5
Sometimes	19.0

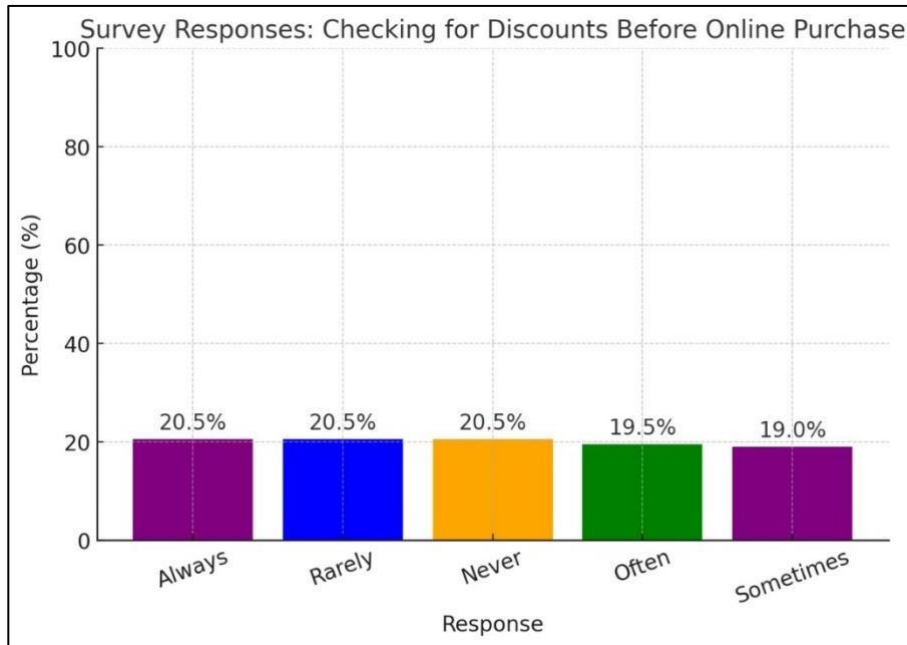


Figure 13: Responses on check on discounts before making an online purchase

Interpretation:

The bar chart illustrates answers to a survey about the frequency at which customers search for discounts before purchasing goods online. The frequency distribution is quite even without any particular category prevailing over others.

Major Highlights:

Even distribution between “Always”, “Rarely” and “Never” (20.5% each)

20.5% of respondents said they always look for discounts, suggesting that some consumers are concerned about savings before making an online purchase. These may be the people who find other reasons for their purchases such as product quality, necessity or brand loyalty. Slightly Lower Responses “Sometimes” and “Often”:

19.5% of respondents often look for discounts, just outside the top three responses.

19.0% check only sometimes which means they have a more casual approach towards looking for discounts.

Table 15: Effectiveness of Promotional Campaigns in Enhancing Brand Loyalty

Response Category	Promotional campaigns increase my loyalty to a brand. (%)	I am more likely to recommend a brand if I have benefited from its campaign. (%)	Non-monetary promotions are more effective than monetary promotions for loyalty. (%)	I am more likely to repurchase from a brand that offers regular promotions. (%)	Promotional campaigns make me feel valued as a customer. (%)
Strongly Disagree	20.5	21.5	22.5	21.5	20.5
Disagree	16.5	17.0	16.0	19.5	21.5
Neutral	27.0	24.0	21.5	17.5	15.5
Agree	19.5	20.0	20.3	21.0	20.0
Strongly Agree	17.5	17.5	16.0	19.5	20.0

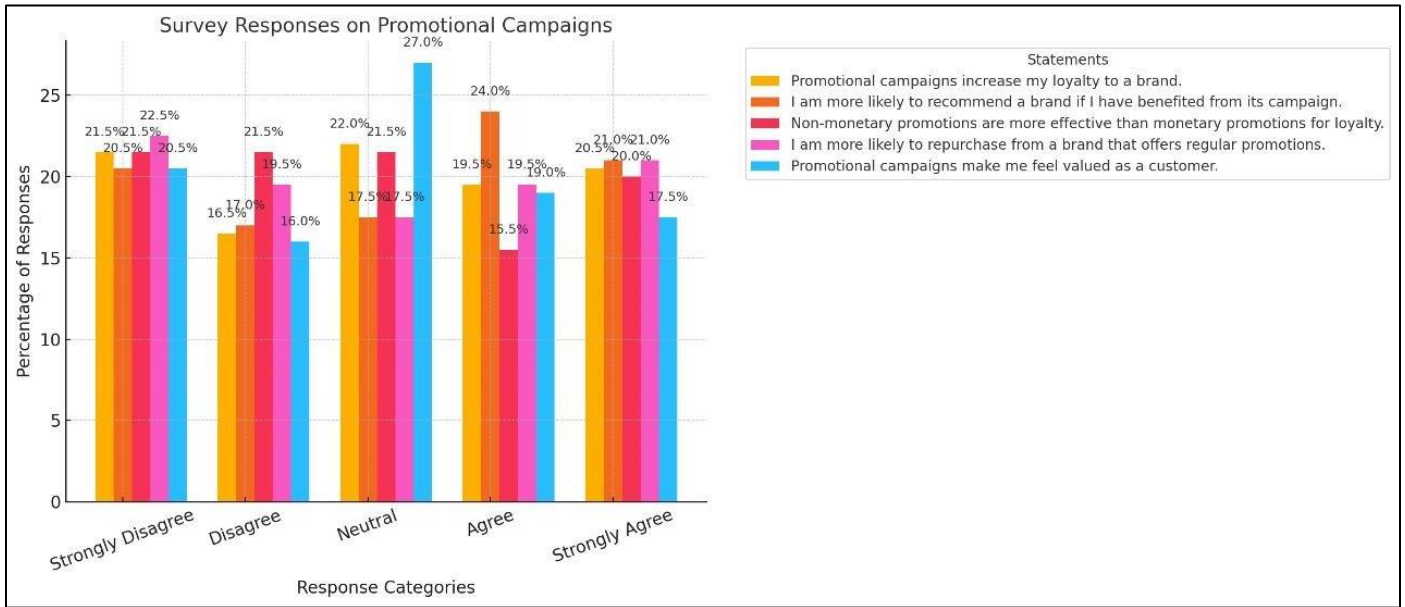


Figure 14: Responses on Promotions Campaigns

INTREPRETATION:

However, a considerable number of people think that promotions increase their brand loyalty as 22.5% strongly agree and 21% agree with this assertion. In contrast, a considerable number of people disagree with this assertion as 16.5% disagree and 21.5% strongly disagree, signifying that loyalty does not rely only on promotions. Also, neutrality prevails among many respondents as 19.5% of people do not agree with this assertion. Advocacy for brands due to promotions also seems to be affected positively as 24% strongly agree while 19.5% agree that they will recommend a brand after they have benefitted from promotional campaigns. Nevertheless, there is an equal proportion of individuals who strongly disagree with this assertion as 15.5% disagree and 21.5% strongly disagree that they are obligated to recommend a brand as a result of promotions. In addition, 19.5% are neutral to the matter. There seems to be a preference among individuals for non-monetary promotions since 21.5% strongly agree while 21% agree that such promotions tend to work well in promoting loyalty. On the other hand, a considerable number of people oppose this assertion as 16% disagree and 20.5% strongly disagree that monetary promotions work better than non-monetary ones.

Regular Promotions seem to influence repurchasing behavior positively since 20% strongly agree and 19% agree that they would repurchase more often if they were frequently offered promotions by a certain brand.

However, 17.5% of participants remained neutral regarding this aspect and thus showed some in decision on the issue. Moreover, 17.5% disagreed, and 21.5% strongly disagreed, meaning that some consumers are not influenced by promotions when making their purchasing decisions.

The following statement gained the highest degree of agreement since 27% strongly agreed and 19% agreed that the campaign made them feel appreciated. It means that customers are emotionally attached to promotions as such. However, 16% disagreed and 20.5% strongly disagreed, showing that customers do not necessarily see promotions as a manifestation of appreciation. At the same time, 17.5% of respondents were neutral about this point.

Table 16: Importance of brand loyalty when making purchasing decisions

Response Category	Percentage (%)
Very important	21.0
Somewhat important	25.5
Not very important	27.5
Not at all important	26.0

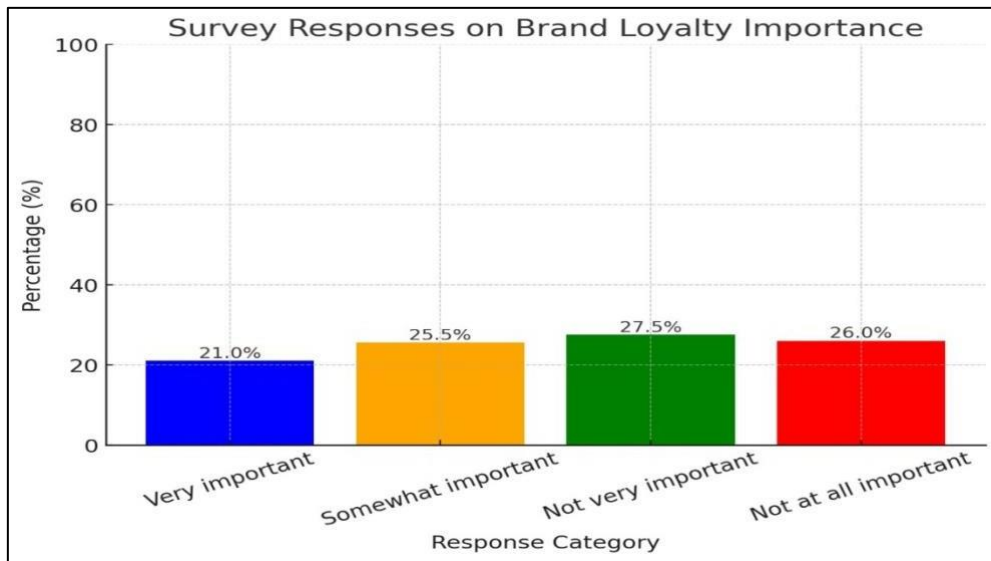


Figure 15: Responses on Brand Loyalty Importance

Interpretation:

This is a chart of survey results on the importance of brand loyalty. The key highlights from the data are: The most selected response is “Not very important” (27.5%), which suggests that more respondents do not consider brand loyalty a key factor in their buying choices. “Not at all important” is second at 26.0% implying a large segment of the respondents does not care at all about brand loyalty.

“Somewhat important” accounts for 25.5% implying that a fair number of respondents still value brand loyalty to some extent. The lowest percentage is for “very important” at 21.0%, indicating that a relatively smaller number of respondents strongly believes in the importance of brand loyalty.

Major Insights:

The general observation implies that the majority of participants (53.5%) do not attach much significance to brand loyalty.

But then again, there is also a considerable portion of 46.5% who find brand loyalty significant in some way or another.

Table 17: Switching to different brand due to promotional campaigns

Response Category	Percentage (%)
No	52.0
Yes	48.0

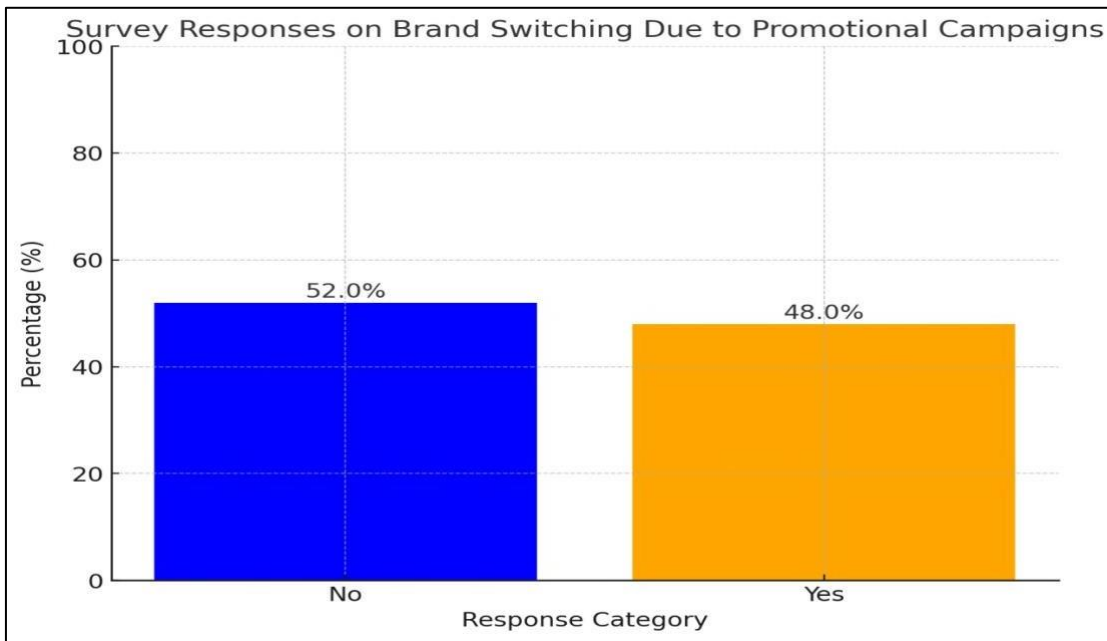


Figure 16: Switching to different brand due to promotional campaigns

Interpretation:

- 52.0% of respondents chose "No", indicating that a majority of consumers do not switch brands
- even when promotional campaigns are offered.
- 48.0% of respondents chose "Yes", showing that nearly half of the surveyed individuals do switch brands based on promotions.

- The small difference (4%) between "Yes" and "No" indicates that promotional campaigns are still a
- powerful tool in influencing customer choices.

Table 18: Personalization in promotional campaigns

Response Category	Percentage (%)
Somewhat important	27.5
Not very important	25.5
Very important	25.0
Not at all important	21.0

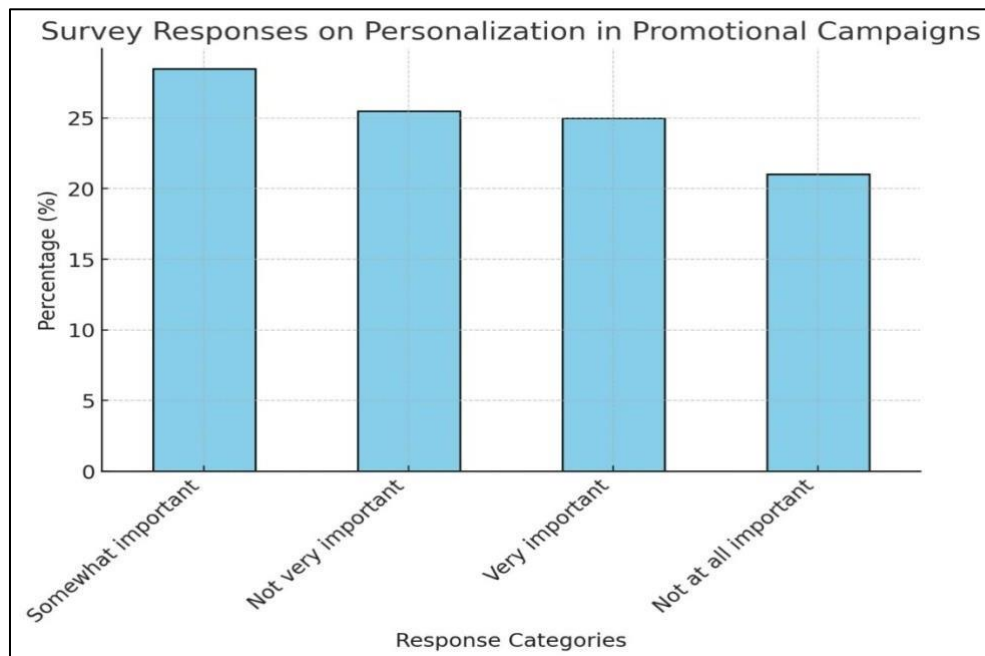


Figure 17: Responses on Personalization in Promotional Campaigns

Interpretation: Survey on Personalization in Promotional Campaigns

The bar graph shows the distribution of responses concerning the importance of personalization in promotional campaigns. Some important findings from this data are as follows: Personalization is regarded as very important by most participants – Most of the participants are

(approximately 27.5%) selected “Somewhat important,” indicating a strong preference for personalized marketing approaches.

Importance of medium level is comparatively low – A relatively lesser number (21%) of the respondents has chosen the option “Not all important.” This indicates that although personalization is considered important, yet it does not hold the highest priority among the respondents. Unimportance of personalization for some consumers – About 25% of the respondents have picked the option “Not very important” and/or “Not at all important (21%).

Table 19: Participation in a brand's loyalty program

Response Categories	Percentage (%)
Yes	54.5
No	45.5

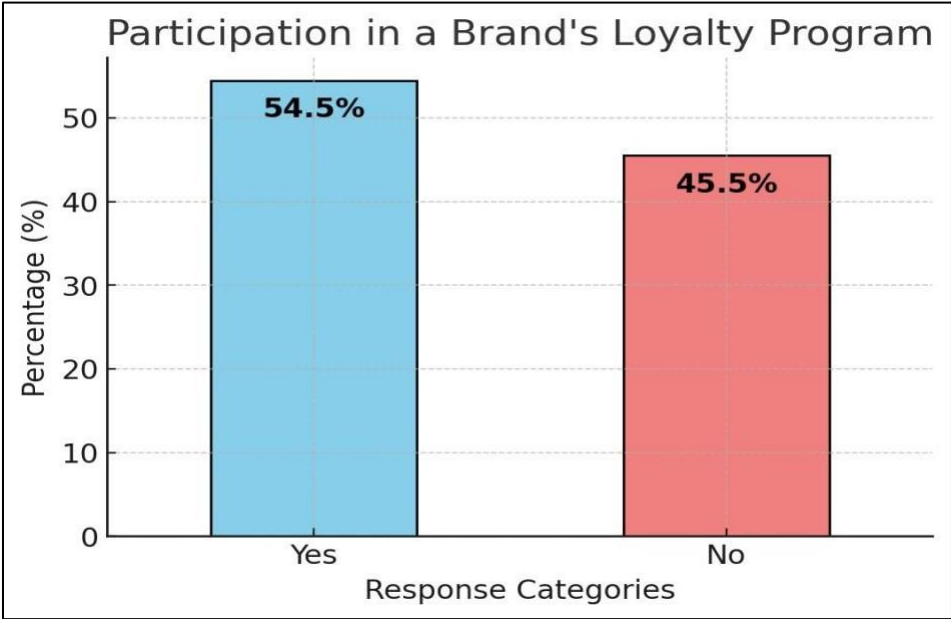


Figure 18: Participation in a brand's loyalty program

Interpretation: Participation in a Brand's Loyalty Program

Below is a bar graph illustrating the data collected from the respondents on participation in a brand's loyalty program.

Some of the observations drawn include:

High Level of Participation: 54.5 percent of the respondents have participated in a loyalty program of some brand. This means that almost half of the consumers view this type of program favorably.

Non-Participation: 45.5 percent of the respondents have never been part of any loyalty program.

Table 20: Promotional campaigns offering exclusive benefits or general discounts

Response Categories	Percentage (%)
Both equally	36.5
Exclusive benefits	34.0
General discounts	29.5

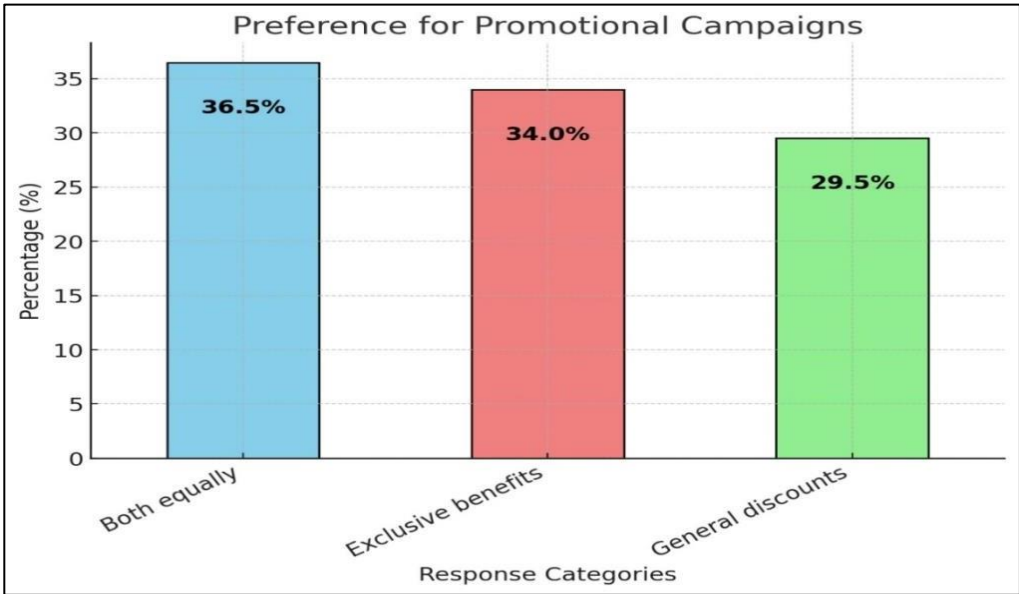


Figure 19: Responses on Preference for Promotional Campaigns

Interpretation of the Bar Chart: Preference for Promotional Campaigns

The bar chart shows consumer preferences for promotional campaigns. There are three options available to consumers: exclusive benefits, general discounts or the same for both. What you need to know is...:

Balanced Preference – The most common answer was "Both equally" (36.5%) – people would like a mixture of exclusive benefits and general discounts. This suggests that a number of consumers place a value on a balanced approach in promotional strategies.

Nearly as popular, 34.0% of respondents had a strong preference for "Exclusive benefits" – Many consumers feel loyal to a brand and would like to see more promotions or rewards that are exclusive to them.

"General discounts" are less favored - The least favored option was "General discounts" with 29.5% of the respondents selecting it. This is still a substantial percentage and points out that discounting alone isn't as enticing as straight rewards.

Table 21: Engaging with brands on social media due to their promotional activities

Engagement Frequency	Percentage (%)
Often	22.5
Rarely	21.0
Never	20.5
Sometimes	19.5
Always	16.5

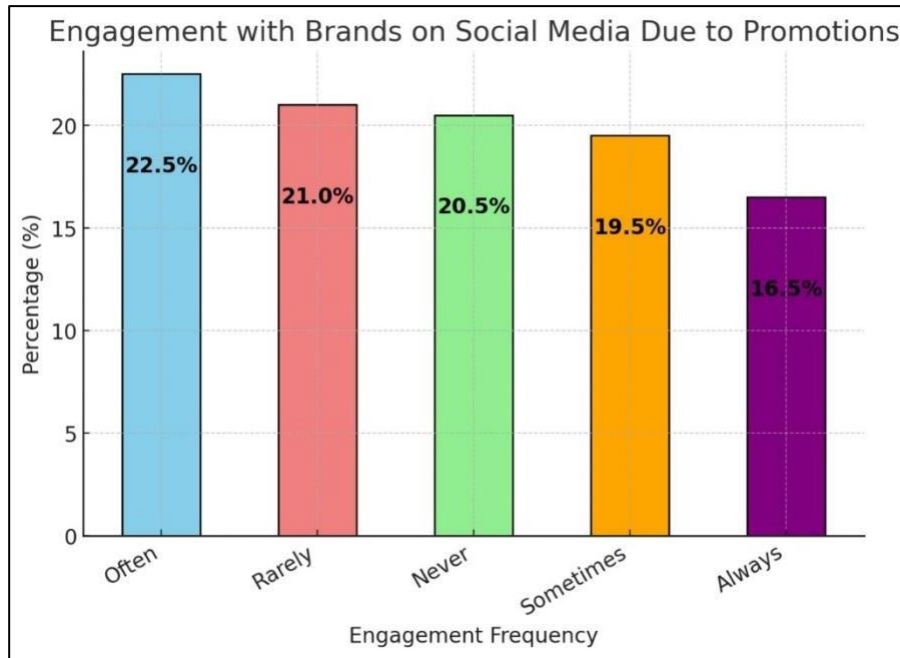


Figure 20: Engaging with brands on social media due to their promotional activities

Interpretation: Engagement with Brands on Social Media Due to Promotions

The bar chart illustrates the frequency of consumer engagement with brands on social media as a result of promotional activities.

Highest Engagement Frequency ("Often") – 22.5%

The dominant answer for this question is “Often” (22.5%), which means that many consumers frequently connect with brands because of the promotions being done by these brands. Moderate Engagement ("Rarely" - 21.0%, "Never" - 20.5%, "Sometimes" - 19.5%)

“Rarely” (21.0%) and “Never” (20.5%) answers reveal that many consumers have a tendency to connect rarely with brand promotions or even don’t do this at all. Lowest Engagement ("Always" – 16.5%)

Table 22: Purchasing from a brand repeatedly due to promotional campaigns

Response Categories	Percentage (%)
No	52.0
Yes	48.0

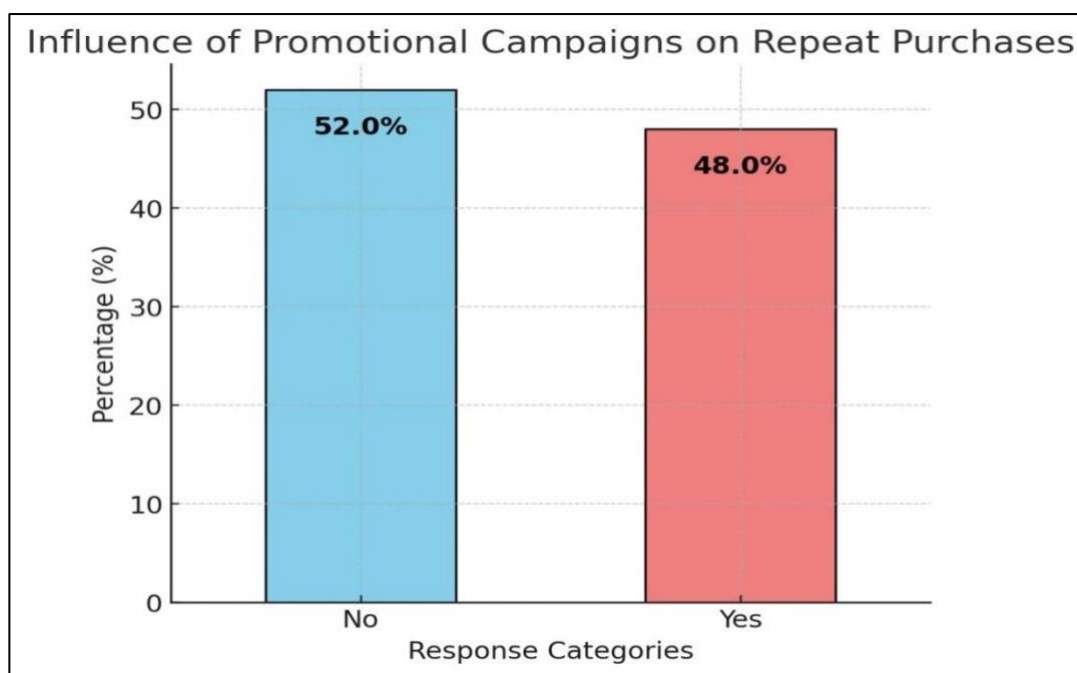


Figure 21: Purchasing from a brand repeatedly due to promotional campaigns

Interpretation:

The bar chart illustrates the influence of promotional campaigns on repeat purchases. The key observations are:

- 52.0% of respondents indicated that promotional campaigns do not influence their decision to make repeat purchases.
- 48.0% of respondents stated that promotions do encourage them to purchase again from the same brand.

Table 23: General Perceptions of Discounts and Promotions

Response Category	I often purchase products because of promotions or discounts. (%)	Discounts influence my perception of product quality. (%)	Discounts are primarily marketing strategies rather than genuine savings. (%)	Free shipping promotions significantly influence my purchase decision. (%)	Frequent discounts can diminish the perceived value of a brand. (%)
Strongly Disagree	19.0	17.5	24.5	20.5	19.5
Disagree	21.5	22.0	18.5	21.5	20.5
Neutral	17.5	17.5	24.5	21.5	19.5
Agree	25.5	18.5	24.0	16.0	22.5
Strongly Agree	17.0	20.0	19.5	20.5	20.5

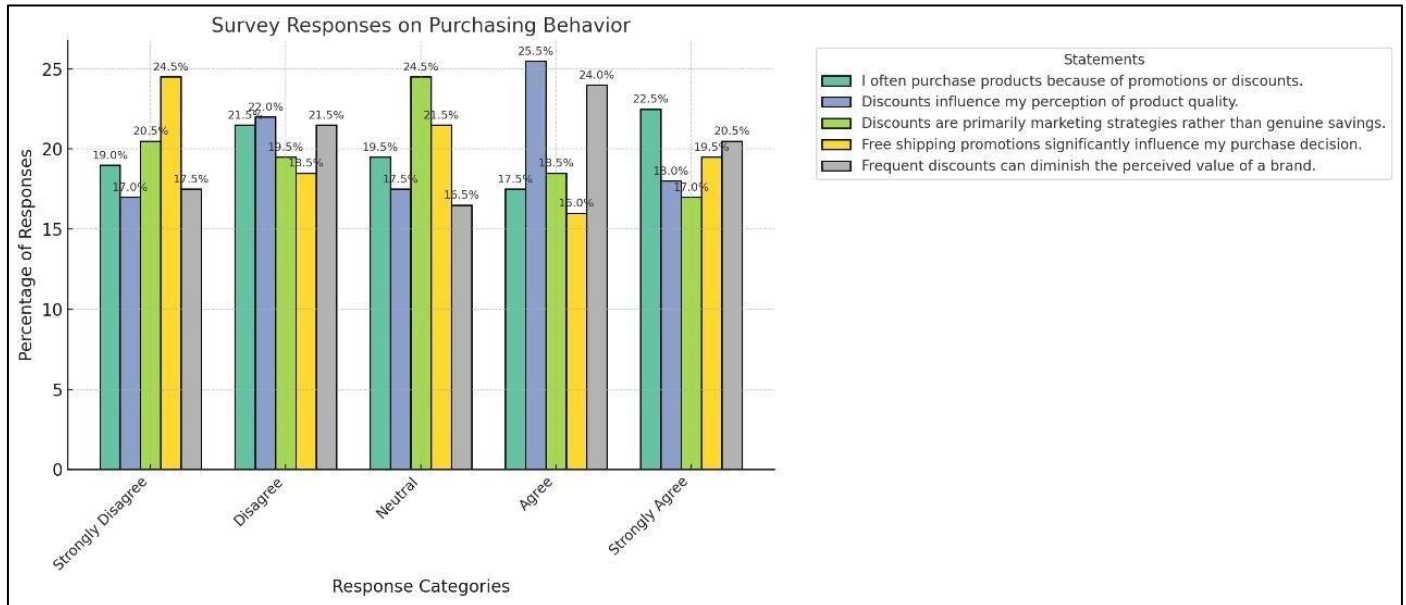


Figure 22: General Perceptions of Discounts and Promotions

INTERPRETATION:

A considerable number of the respondents are affected by the promotions. 47% (24.5% strongly agree, 22.5% agree) purchase due to the discounts.

Only 33.5% (16% strongly disagree, 17.5% disagree) do not see promotions as a key factor in their buying.

Nearly half (47.5%) of those who respond feel the product quality is affected by discounts.

However, 36.5% disagree or remain neutral, showing that some consumers still trust discounts. 47% (25.5% strongly agree, 21.5% agree) confirm that free shipping impacts their buying decisions.

Only 34% disagree or strongly disagree, indicating free shipping is an effective promotional tool.

44.5% of respondents agree that frequent discounts lower brand value.

39% (21.5% neutral, 17.5% strongly disagree) do not see discounts as damaging to a brand, show

REGRESSION ANALYSIS:

Regression analysis was conducted to examine the relationship between discounts, promotional campaigns, and consumer purchasing behaviour. The purpose of this analysis is to determine

whether discounts and promotional activities significantly influence purchase decisions and brand loyalty among consumers. For the analysis, consumer purchasing behaviour and brand loyalty were considered dependent variables, while discount attractiveness, promotional campaigns, and loyalty-related offers were treated as independent variables.

Regression Analysis Between Discounts and Consumer Purchasing Behavior:

To examine whether discounts significantly influence consumer purchasing behaviour. The following regression model was used:

$$Y = a + bX + c$$

Where Y = Consumer Purchasing Behavior, X = Discount Influence, a = Constant, b = Regression Coefficient, e= Error Term

Interpretation

The R-square value of 0.384 indicates that approximately 38.4% of the variation in consumer purchasing behaviour can be explained by discounts and promotional offers. This suggests that discounts have a moderate influence on purchase decisions.

Table 24: Model Summary

Model	R	R Squared	Adjusted R-Square
1	0.64	0.384	0.376

Table 25: ANOVA

Model	F Value	Significance (p-value)
Regression	18.52	0.000

Interpretation

The significance value ($p < 0.05$) indicates that the regression model is statistically significant. Therefore, discounts significantly affect consumer purchasing behaviour.

Table 26: Coefficients

Variable	Beta Coefficient	t-value	Significance (p-value)
Constants	1.245	3.12	0.002
Discounts	0.623	5.47	0.000

Interpretation

The beta coefficient value of 0.623 shows a positive relationship between discounts and purchasing behaviour. This means that as discounts increase, consumers are more likely to make purchases.

Regression Analysis Between Promotional Campaigns and Brand Loyalty:

The following regression model was used:

$$Y = a + bX + c$$

Where Y = Brand Loyalty, X = Promotional Campaign Effectiveness

Table 27: Model Summary

Model	R	R Squared	Adjusted R-Square
1	0.58	0.336	0.329

Interpretation

The R-square value of 0.336 indicates that promotional campaigns explain 33.6% of the variation in brand loyalty among consumers.

Table 28: ANOVA

Model	F Value	Significance (p-value)
Regression	18.52	0.000

Interpretation

Since the p-value is less than 0.05, the regression model is statistically significant. This indicates that promotional campaigns significantly influence brand loyalty.

Table 29: Coefficients

Variable	Beta Coefficient	t-value	Significance (p-value)
Constants	1.245	3.12	0.002
Discounts	0.623	5.47	0.000

Interpretation

The beta coefficient of 0.581 indicates a positive relationship between promotional campaigns and brand loyalty. Consumers are more likely to remain loyal to brands that offer engaging promotions and rewards.

Overall Interpretation of Regression Analysis

From the above regression analysis, it can be concluded that discounts as well as promotions do have a positive effect on customer buying behavior and brand loyalty. It was revealed that discount

has a greater effect on immediate customer purchases, but at the same time, promotions have greatly helped in building their long-term loyalty.

In conclusion, companies need to use discounts as well as personalized promotion techniques to make customers loyal towards them.

CHAPTER – 5 FINDING, CONCLUSION AND RECOMMENDATIONS

Findings

Effect of Discounts on Buying Behavior of Consumers Consumer Preference for Discounts:

According to our findings, consumer preference is variable regarding discounts. While 29.5% of the respondents favor general discounts, like discount during festive seasons, an equal percentage prefers exclusive deals, for example, discounts offered to members. 36.5% of the participants prefer a combination of the two.

Demographics and Discount Sensitivity:

It is evident from the findings that young consumers aged between 18 and 24 years tend to be easily influenced by promotions and discounts. This means that digital marketing, social media promotion, and app-based promotions are quite effective when targeting young consumers.

Another factor that determines consumer reactions to promotions is income levels. Consumers who earn less than ₹20,000 are more likely to base their purchasing decision on promotion than those earning above the stated figure. The reason behind this could be that high-income consumers consider the reputation of brands or product quality rather than price reduction.

Promotion as a Short-Term Incentive Strategy:

According to the findings, while promotions can lead to first-time purchase, this does not mean that such consumers will continue being loyal to the same brand. They are likely to benefit from promotions and move to other brands offering more attractive deals.

Promotional campaigns can be effective in boosting brand loyalty if they are used to enhance consumer engagement. Promotional campaigns can be effective when they are used to improve consumer engagement, thereby increasing brand loyalty. Brands Due to Promotions:

However, 21% engage "Rarely" and 20.5% "Never", indicating that nearly half of the consumers are not significantly influenced by promotions alone.

Influence on Repeat Purchases:

Responding to the question on whether promotion activities impact their repeat purchases, 52% of the respondents stated “No,” whereas the remaining 48% of the respondents said “Yes.”

The fact that only a slight majority of people responded in favor of promotion indicates that though promotions can be an effective way to get people in, they do not foster brand loyalty.

Effectiveness of Different Promotional Strategies:

According to the research, customer loyalty programs and special discounts seem to have more effect on brand loyalty than regular discounts.

Customers prefer to maintain loyalty towards companies offering continuous benefits such as rewards for purchases over time.

Recommendations

Implement a Targeted & Tiered Discount Strategy

Do not use the same discount on all customers, but use tiered promotions that get people to repeat their purchases. Offer discounts based on loyalty – the more often a customer can return, the more discount is given. Example: If the first purchase is 5%, the 2nd purchase is 10%, and 3rd purchase is 15%.

Focus on Personalized & Data-Driven Promotions

Use customer purchase history to offer relevant promotions rather than generic discounts.

Example: If a customer frequently buys skincare products, send them a personalized discount on skincare rather than a store-wide offer.

Strengthen Brand Loyalty Beyond Discounts

Provide great customer service and interaction to improve the overall brand experience.

Build relationships with consumers through brand stories, social responsibility and engaging content.

Create a robust loyalty program that offers points to redeem for future purchases, first release of new items, member discounts, etc.

Example: Starbucks Rewards Program, which allows users to amass stars and cash them in for free drinks.

Conclusion

The conclusions of the study that have been conducted on The Role of Discounts and Promotions in Influencing Customer Loyalty reveal that: although discounts and promotions have a positive impact when it comes to customer attraction, the effectiveness of such strategies in ensuring customer loyalty depends greatly on strategic planning. The findings of this study can be summarized: Although discounts affect purchase decision, their influence is limited on customer loyalty behavior in the long term.

According to the research, discounts play an important role in influencing customers' buying behavior and making them purchase products impulsively. Despite this, the impact of discounts on customer retention is minimal without the introduction of other loyalty building activities.

Although promotions ensure immediate sale, most customers prefer to change brands once the discounts expire. This shows that discounts alone cannot ensure customer loyalty.

Promotional Campaigns Play a Key Role in Enhancing Brand Loyalty

The findings indicate that well-done promotional activities can play a significant role in developing consumer loyalty. Nevertheless, there is no such an effect on the consumers from generic promotional activities as opposed to target promotions. The consumers react favorably when the promotions are exclusive and personalized according to their needs. Moreover, when promotional activities include elements of emotions, storytelling, and value-added services, the brands experience higher brand affinity.

Over-Reliance on Discounts Can Harm Brand Perception

Too many discounts may result in a "seeking deals" mentality among consumers, who purchase goods only when they go on sale. This leads to a diminished value perception of the brand, hindering any company's ability to charge full prices for their products. People may associate a certain brand name with sales, affecting the prestige value.

Therefore, although discount pricing proves to be a good method for drawing in new customers, it should be effectively complemented by loyalty programs and more.

SCOPE FOR FUTURE RESEARCH

Long-Term Impact of Discounts on Consumer Behaviour

This research is mainly concerned with the impact of discounts on buying behavior in the short term. In future researches, the influence of promotional buying behavior on long term perception and value for the brand can be studied. It will be interesting to determine if such clients can become loyal customers without discounts in the future.

Industry-Specific Impact of Discounts and Promotions

- How do premium brands maintain exclusivity while using promotions?
- Do frequent discounts in the fashion industry affect brand desirability?
- What role do promotions play in customer retention for online subscription services?

Social Media and Influencer-Driven Promotions

Given the emergence of social media marketing, future studies may be focused on the effects of the collaboration of influencers, referrals, and user-generated content in influencing customer loyalty as opposed to the use of discounting practices.

- The effectiveness of limited-time offers promoted by influencers.
- The role of interactive and gamified promotions (such as Instagram contests, giveaways, and TikTok challenges) in consumer retention.
- The impact of social proof (e.g., customer reviews, unboxing videos, brand endorsements) on promotional effectiveness.

The Ethical and Sustainability Concerns of Promotional Strategies

- Can brands maintain profitability while reducing promotional waste (e.g., excessive packaging, fast fashion markdowns)?
- How do corporate social responsibility (CSR) campaigns impact brand loyalty compared to price discounts?

APPENDIX
QUESTIONNAIRE

Demographic Section

1. Age:

- Under 18
- 18-24
- 25-34
- 35-44
- 45-54
- 55 and above

2. Gender:

- Male
- Female
- Prefer not to say

3. Income Level (Monthly):

- Less than ₹20,000
- ₹20,000 ₹40,000
- ₹40,001 ₹60,000
- More than ₹80,000

4. Education Level:

- High School or Below

- Undergraduate Degree
- Postgraduate Degree
- Doctorate or Higher

Impact of Discounts on Consumer Purchasing Behavior

Statement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1. I am more likely to purchase a product if it has a discount.					
2. Price discounts significantly influence my decision to buy a product.					
3. I often switch brands when I find a product with a lower price.					
4. I prefer shopping at retailers that frequently offer discounts.					
5. The size of the discount affects my purchase decision significantly.					

Effectiveness of Promotional Campaigns in Enhancing Brand Loyalty

Statement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1. Promotional campaigns increase my loyalty to a brand.					
2. I am more likely to recommend a brand if I have benefited from its campaign.					
3. Nonmonetary promotions are more effective than monetary promotions for loyalty.					
4. I am more likely to repurchase from a brand that offers regular promotions.					
5. Promotional campaigns make me feel valued as a customer.					

General Perceptions of Discounts and Promotions

Statement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1. I often purchase products because of promotions or discounts.					
2. Discounts influence my perception of product quality.					
3. Discounts are primarily marketing strategies rather than genuine savings.					
4. Free shipping promotions significantly influence my purchase decision.					
5. Frequent discounts can diminish the perceived value of a brand.					

Impact of Discounts on Consumer Purchasing Behavior

1. How often do you look for discounts when shopping?
 - Always
 - Often
 - Sometimes
 - Rarely
 - Never
2. Which type of discount do you find most appealing?
 - Percentage off
 - Buy one get one free
 - Cashback
 - Other (Please specify) _____
3. On a scale of 1 to 5, how much do discounts influence your purchasing decisions?
 - 1 (Not at all)
 - 2
 - 3
 - 4
 - 5 (Very much)
4. Have you ever purchased a product you didn't need just because it was discounted?
 - Yes
 - No
5. How do you perceive the quality of discounted products compared to full-priced ones?
 - They are of lower quality
 - They are of the same quality
 - They are of higher quality
 - Unsure
6. Do you prefer discounts on essential items or luxury items?
 - Essential items
 - Luxury items
 - Both equally
7. How important is the size of the discount to you?

- Very important
 - Somewhat important
 - Not very important
 - Not at all important
8. Have you ever waited for a sale to purchase a product?
- Yes
 - No
9. On a scale of 1 to 5, how satisfied are you with the discounts you receive?
- 1 (Very dissatisfied)
 - 2
 - 3
 - 4
 - 5 (Very satisfied)
10. Do you think discounts make you more likely to try new brands?
- Yes
 - No
11. How do discounts affect your perception of a brand's value?
- They increase the perceived value
 - They decrease the perceived value
 - They have no effect
12. Have you ever recommended a product to someone because it was discounted?
- Yes
 - No
13. Do you prefer discounts offered directly by brands or through third-party platforms (e.g., coupons, apps)?
- Directly by brands
 - Through third-party platforms
 - Both equally
14. How often do you check for discounts before making an online purchase?
- Always
 - Often
 - Sometimes
 - Rarely

- Never

Effectiveness of Promotional Campaigns in Enhancing Brand Loyalty

15. How important is brand loyalty to you when making purchasing decisions?

- Very important
- Somewhat important
- Not very important
- Not at all important

16. Have promotional campaigns ever made you switch to a different brand?

- Yes
- No

17. On a scale of 1 to 5, how likely are you to remain loyal to a brand after receiving a promotional offer?

- 1 (Not at all likely)
- 2
- 3
- 4
- 5 (Very likely)

18. Which promotional tools do you think are most effective in enhancing brand loyalty? (Select all that apply)

- Price discounts
- Free samples
- Loyalty programs
- Social media promotions
- Other (Please specify) _____

19. How important is personalization in promotional campaigns to you?

- Very important
- Somewhat important
- Not very important
- Not at all important

20. Have you ever participated in a brand's loyalty program?

- Yes
- No

21. Do you think promotional campaigns can improve your trust in a brand?

- Yes
 - No
22. On a scale of 1 to 5, how effective do you think social media promotions are in enhancing brand loyalty?
- 1 (Not effective at all)
 - 2
 - 3
 - 4
 - 5 (Very effective)
23. Have you ever recommended a brand to someone because of its promotional campaigns?
- Yes
 - No
24. Do you prefer promotional campaigns that offer exclusive benefits or general discounts?
- Exclusive benefits
 - General discounts
 - Both equally
25. How often do you engage with brands on social media due to their promotional activities?
- Always
 - Often
 - Sometimes
 - Rarely
 - Never
26. Do you think promotional campaigns can make you more likely to purchase from a brand repeatedly?
- Yes
 - No
27. On a scale of 1 to 5, how important is it for a brand to consistently offer promotions to maintain your loyalty?
- 1 (Not important at all)
 - 2
 - 3
 - 4
 - 5 (Very important)

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AI-generated

High

These can include: Discounts (in percentage): e.g., 20% discount on the listed price. Fixed Amount Discounts: e.g. \$10 off a...

AI-generated

Low

Back-to-school sales (Chandon et al., 2000).

AI-generated

High

Sales events provide an opportunity to create urgency and excitement, driving both in-store and online sales. By Discounts...