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Project Dissertation Report on

ARE DISCOUNTS KILING BRAND VALUE

*A Study on Consumer Perception and Brand Loyalty in the Indian
E-Commerce Market*

Submitted By

PARJEET SINGH

24/DMBA/161

Under the Guidance of

DR. MOHIT BENIWAL

Assistant Professor



DELHI SCHOOL OF MANAGEMENT

Delhi Technological University

Bawana Road Delhi 110042

CERTIFICATE

This is to certify that the Major Research Project titled:

***“Are Discounts Killing Brand Value? A Study on Consumer Perception
and Brand Loyalty in the Indian E-Commerce Market”***

is a legitimate record of the original work completed by:

Mr. Parjeet Singh

who is enrolled in MBA Programme, Delhi School of Management

under my guidance, he completed this research work in partial fulfilment of the requirements for the award of the degree of Master of Business Administration (MBA) from Delhi Technological University, Delhi.

As per the best of my knowledge, the work submitted herein is original and is not included in any other project or report or dissertation on the basis of which an award or degree has been conferred to any other student.

Dr. Mohit Beniwal

Assistant Professor

Delhi School of Management

Delhi Technological University

Date: _____

Signature: _____

Place: New Delhi

DECLARATION

I, Parjeet Singh, final year student of Master of Business Administration (MBA) programme at Delhi School of Management, Delhi Technological University, hereby declare that the Major Research Project titled:

“Are Discounts Killing Brand Value? A Study on Consumer Perception and Brand Loyalty in the Indian E-Commerce Market”

is my original work and is supported by Dr. Mohit Beniwal, Assistant Professor, Delhi School of Management, Delhi Technological University.

I further announce that:

1. This report has previously not been submitted as a part or in whole for the award of any diploma or degree in this or any other institution.
2. The collected data and information included in this report are collected through primary research (survey questionnaire) and secondary research through previously published papers.
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Parjeet Singh

Masters of Business Administration
Delhi School of Management
Delhi Technological University

Date: _____

Place: New Delhi

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ACKNOWLEDGEMENT

I would like to express my gratitude to all the people who have not helped me completed this Major Research Project. The journey of successfully carry out the research has been both deeply elevating and challenging, and it would not have been workable without the encouragement, supervision, and assistance of various individuals.

Firstly, I am deeply obliged to my mentor and supervisor, Dr. Mohit Beniwal, who is Assistant Professor in Delhi School Of Management, Delhi Technological University, for his discerning feedback, staunch guidance, and persistant encouragement throughout this research.

Secondly, I would like to extend my heartfelt gratitude to all the other staff and faculty members of DSM, Delhi Technological University, for offering an intellectually stimulating environment and providing all the scholastic resources required to commence this research.

I would like to earnestly thank to all the respondents who take their precious time from their schedules to partake in the survey questionnaire that I used for my research. Their thoughtful and authentic responses have helped me build the credibility for this study. Without their earnest participation, this major research project would not have been carried out this efficiently. I would like appreciate the support of my classmates, friends and family who has helped me to carried out the research smoothly.

Lastly, I recognize the contribution of all the researchers, scholars, authors, whose work I have referenced and cited in the report. Their research papers has provided the practical and theoretical groundwork upon which this report is created.

Parjeet Singh

Masters of Business Administration

Delhi School of Management

Delhi Technological University

New Delhi, 2026

EXECUTIVE SUMMARY

This major research project is titled “*Are Discounts Killing Brand Value? A Study on Consumer Perception and Brand Loyalty in the Indian E-Commerce Market*” assesses the increasing influence of discount culture on customer perception and the innate value of the brand specifically pertaining to the Indian context of online shopping industry. This report focuses on understanding whether continuous discounts improve buying behaviour at the cost of damaging the brand image, consumer loyalty, and perceived quality.

Overview of the Study

- Indian e-commerce has been rapidly growing platform such as Amazon, Flipkart, Nykaa and Myntra has increased the utilization of aggressive discounting tactics.
- Today’s customer are overly exposed to:
 - Flash sales
 - Cashback offers
 - Coupon codes
 - Festive/Limited discounts
 - Limited-time discount and promotional campaigns
- The research study explores whether these recurring discounts and offers are create a negative impact on the long term “discount dependency” amongst customers.

Objectives of the Study

This study was developed to fulfil these major objectives:

- To observe the relationship between consumer trust and frequent discounting given by brands.
- To investigate whether multiple recurring discounts possibly reduce perceived product quality.
- To analyse the correlation between cart abandonment behaviour and discount expectations.

- To understand the impact of discount-driven shopping behaviour on long-term brand loyalty.
- To illustrate whether most online shoppers are more influenced by discounts and promotions rather than actual purchase intent.

Research Methodology

- The study is developed through an **analytical and descriptive research design**.
- Primary data was put together utilizing a **structured questionnaire through Google Forms**.
- Responses were gathered from original data of 53 online shoppers through convenience sampling
- This study mainly focusing on younger age groups who are using online channels for shopping.
- Tools used for statistical analysis included:
 - Percentage analysis
 - Frequency distribution
 - Spearman's rho correlation
 - Regression analysis
 - Reliability analysis (Cronbach's Alpha)
- The value of Cronbach's Alpha was 0.97 affirmed good **internal consistency** and **reliability of the** questionnaire **items**.

Major Findings of the Study

- Indian consumers **are** strongly influenced by discounts for their online purchases.
- Most of the purchases carried out by the respondents are heavily influenced by the sale period or discounts.
- The most effective promotional format was found to be flat percentage discounts among the respondents.
- A direct correlation was found between the frequency of the online shoppers and their purchases because of discount.

- Most of the consumers believe that excessive discounting negatively affect the perceived image of the brand and the product quality overtime.
- Unavailability of the discount led to cart abandoning for most of the respondents
- The study establishes clear evidence of increasing discount dependency amongst online consumers for shopping

Summary of Hypothesis Testing

Hypothesis	Statistical Result	Decision
H1: Frequent discounting significantly reduces consumer trust	$p = 0.109$ (Insignificant)	H_0 Accepted
H2: Frequent discounts significantly reduce perceived product quality	$p = 0.023$ (Significant)	H_0 Rejected
H3: Discount-driven behavior significantly reduces brand loyalty	$p = 0.528$ (Insignificant)	H_0 Accepted
H4: Discount expectation significantly increases cart abandonment	$p = 0.059$ (Insignificant)	H_0 Accepted
H5: Frequent shoppers are more influenced by discounts	$p = 0.015$ (Significant)	H_0 Rejected

Regression Analysis Summary

- Regression analysis confirm that discounted purchases are positively influenced by the shopping frequency.
- The P value is 0.012, which suggests that the model was statistically significant.
- The study illustrate that frequent exposure to e-commerce promotions through various channels increases the consumers' responsiveness towards discounts.
- On the other hand, the relatively low R square value suggest that there are other behavioural and psychological factors that are related to the purchase decision that also affect them.

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CHAPTER 1 – INTRODUCTION

1.1 Background and Context

The digital world we are living in has changed the relationship between brands and customers so much. Earlier companies were majorly dependent on traditional advertisements like banners, TV commercials, newspapers to attract customers. However, with the rise of online shopping platforms, accessibility to social media and increase in influencer marketing, consumers have access to unlimited information and choices within seconds. Because of this, the friction has become lesser and the competition amongst brands has become very intense, especially for the Indian e-commerce industry. Heavy discounting in the scenario becomes a major strategy that is used by companies often. Earlier, what used to be a once or twice a year thing has now become a regular part of online shopping.

India's e-commerce market saw an immense growth over the last few years due to the increased accessibility to internet. According to the India Brand Equity Foundation (IBEF, 2024), the Indian e-commerce sector was valued at nearly USD 70 billion in 2023 and is expected to reach around USD 325 billion by 2030. A significant reason behind this immense growth is the popularity of online sale, events and large discounts offered by companies. We have mainstream digital sales like *Myntra's End of Reason Sale*, *Flipkart's Big Billion Days*, *Amazon Great Indian Festival*, and *Nykaa's Hot Pink Sale* that attracts millions of customers every year. During these sales events, products are often available at discounts ranging from 40 to 70% that encourages customers to wait for sale throughout the year before making any purchases, especially big ones.

Discounts are important for brands in the short term as they help clear the old stock, increase the sales, and attract new consumers quickly. For most consumers, they feel happy when they save money during the sale periods. On the other hand, excessive discounting may create issues for brands in the long run. Research studies have showcased that multiple frequent discounts can manage the brand value in the mind of the consumers. The "consumer may start to feel that the actual quality of the product is lower than what the brand has cleaned and may perceive the product as over price during the normal periods" (DeVecchio, 2006). In the due course of time, customers

may become dependent on discount to purchase anything from the brand instead of buying products at regular prices.

Another significant concern is that continuous discounts, can we can customer loyalty and may damage the brand image. The customers may think instead of choosing a product because of trust, product quality, brand image, they focus shift on getting a cheapest deal. This makes it difficult for the brands to maintain long-term relationships and premium image in the market.(Yoo, Donthu, & Lee, 2000).

This project examines the tussle between the short consumer appeal of deals and promotions and their long-term impact on the brand image and its perceived value. The focus is to understand customer perception, this study aims to understand whether and to what extent the diminishing of brand equity is happening in the Indian e-commerce market due to the frequency of discount and what changes the brands can do in their marketing strategy.

1.1.1 The Indian E-Commerce Landscape and the Rise of Discount Culture

India's online e-commerce market is growing in hassle due to increasing internet usage, a young digital population, and a rising middle class. The Indian consumer is highly price sensitive and often wait for sales for big or small purchases. Because of this, the result is discount driven shopping has become a normal part in their buying behaviour. While yearly discounts help companies and e-commerce platforms to boost their short-term sales, increase the traffic on their website. Excessive discounts may negatively affect the brand value, consumer loyalty and willingness to pay full price in the long run when the discount is no longer there.

The table below illustrates the scale of discounting activities across major Indian e-commerce platforms and what can be the possible impact of this on their brand equity.

Platform / Event	Typical Discount Range	Brand Equity Concern
Flipkart Big Billion Days	50% – 80% across categories	Heavy reliance may erode full-price trust
Amazon Great Indian Festival	40% – 75% on electronics & fashion	Price anchoring drives deal-seeking behaviour
Myntra End of Reason Sale (EORS)	50% – 90% on fashion & lifestyle	Deep discounts signal quality compromise for premium brands
Meesho / JioMart	20% – 70% everyday pricing	Constant low-price positioning weakens brand aspiration
Nykaa Hot Pink / Beauty Sale	30% – 60% on cosmetics	Premiumisation strategy challenged by frequent discounts

Table 1.1: Major Discount Events in Indian E-Commerce and Brand Equity Implications

According to a report almost 67% of Indian online consumers. Wait for sale period before making any purchases, and almost 48% avoid buying products if there is no discount available on the website. This phenomenon is called “discount dependency”, has changed the consumer perception and made it more focused on price reduction, then the purchase intent or the product quality.

The circumstances have become more robust with the growth of coupon and cashback platforms such as CouponDunia, GrabOn, and CashKaro. These platforms make it accessible for the consumer to search for deals and discounts before even purchasing anything. As a consequence, most of the consumers now expect discounts on almost every product and feel that paying full price is pointless even for well-known brands.

1.1.2 Understanding Brand Value and Brand Equity

Before examining how discounts can affect a brand in a negative way. It’s important to contextualise the meaning of brand equity and brand value which are going to be the main concept of the study.

Brand equity means the value an image a brand creates in the mind of the customers beyond the actual product, like the whole experience they provide. According to (Aaker, 1991) “brand equity includes factors such as customer loyalty, brand awareness, perceived quality, and positive brand image”. Similarly as explained by (Keller, 1993) “consumers react differently to products based on how strongly they recognise and trust a brand, even if the product is similar”. Both of these theories illustrates how a brand become strong because of consumer perception and trust rather than the product quality.

Brand Equity Dimension	Role in Purchase Decision	Impact of Frequent Discounting
Brand Loyalty	Encourages repeat purchase without price incentive	Replaced by deal loyalty; consumers switch on price
Perceived Quality	Justifies premium pricing; signals product superiority	Quality inferences reduced; brand feels 'cheap'
Brand Awareness	Top-of-mind recall independent of promotions	Recall tied to sale events; weakens organic recall
Brand Associations	Emotional and aspirational connections to the brand	Brand associated with deals rather than values
Brand Trust	Builds credibility and reduces purchase risk	Frequent markdowns raise doubts about original pricing

Table 1.2: Brand Equity Dimensions and the Impact of Frequent Discounting

Brand value is meticulously connected to brand equity. It refers to the financial capability of a brand such as to charge premium prices, maintain competitive advantage, and retain loyal consumers. Brands that have created strong value, mostly do not depend heavily on discounts because consumers go for them for the trust, experience, and quality. However, when a brand constantly offer discount, consumers may get a perception that the product is not worth its original price or the consumers are not buying it. Over a period of time, this can reduce the brand image, brand value, and the customer trust.

1.1.3 The Discount–Brand Value Paradox

One of the biggest issues discussed in this research is the “discount–brand value paradox.” This illustrates that the same discounts that companies go for to increase short term sales and attract customers for their product can also become the reason for the reduction in the brand long-term value if it is used too often. Studies have been conducted across various industries have shown one constant result that frequent promotions can slowly change how consumers view a brand.

“Promotions have a small but consistent negative effect on post-promotion brand preference. Brands that promote heavily condition consumers to wait for deals rather than purchase at full price, fundamentally altering the price-value relationship in the consumer’s mind.” — DelVecchio, Henard, & Freling (2006)

Multiple discounts affect the brand value in several ways. Firstly, consumers become used to lower prices and may feel that full prices are expensive (Kalyanaram & Winer, 1995). Second, for many people, they connect price with the quality, so continue discount can erode the feeling of a quality product (Lichtenstein, Ridgway, & Netemeyer, 1993). Third, consumers may buy a product only for the discount rather than the true product, intent or their trust in the brand, which in long-term decreases the loyalty.

This issue is especially very significant in India, where many brands are still trying to make a strong brand image in their market. Excessive discounting during this stage may make the product come off as cheap instead of premium and changing the perception later can be very difficult.

1.2 Problem Statement

Many resource studies happened in the western countries have examined how frequency of discounts can affect brand in the long run. However, there is very limited research that is primarily focused on Indian e-commerce market. India is distinct from the western market as the consumer here are price sensitive yet demand a quality product. Online shopping platforms dominate the market and consumers actively look for values, deals, discount, coupons, cashbacks before even purchasing the products.

Due to these unique conditions, the impact of discounting on brand equity in India may be different from Western markets.

Another important issue with Indian market is that companies mostly focus on competing with the rival and increase sales by giving discounts rather than understanding the consumer deeply. In most cases they do not fully understand how customers actually feel about their product and how these offers affect the long-term loyalty towards the brand.

This research tries to solve the following central problem:

What is the extent of frequent discounting in the Indian e-commerce space that erode brand trust, consumer loyalty, and perceived loyalty, and how does this relationship can differ in various consumer segments and discount format

1.3 Objectives of the Study

This study was developed to fulfil these major objectives:

- To observe the relationship between consumer trust and frequent discounting given by brands.
- To investigate whether multiple recurring discounts possibly reduce perceived product quality.
- To analyse the correlation between cart abandonment behaviour and discount expectations.
- To understand the impact of discount-driven shopping behaviour on long-term brand loyalty.
- To illustrate whether most online shoppers are more influenced by discounts and promotions rather than actual purchase intent.

1.4 Scope of the Study

This study is restricted in the following ways to maintain focus and methodological consistency:

1. Geographic Scope: the study is confined to urban Indian consumers who majorly shop online through e-commerce platforms. While the findings may have broader pertinency, the drawn sample is from Tier-1 cities demographics, where e-commerce penetration and brand awareness is developed.
2. Product Category Scope: the research examines the perception across different product category and how discounting and brand value affect them rather than focusing on a single category. This approach allows for findings that are applicable to various industries like fashion, electronics, beauty and FMCG, analyse the discount, sensitivity and quality signaling in these categories
3. Temporal Scope: this research study captures the perception of consumers. It a specific time in 2025- 2026. As the digital retail is constantly evolving landscape and longitudinal tracking would require to observe how these perception shifts over time in the future.
4. Methodological Scope: this particular study follows a survey design i.e. cross-sectional in nature with self-reported data. While it is limiting the underlying inference, it is appropriate for explanatory to exploratory research design that is adopted here.
5. Platform Scope: the study is designed to not focus on a single e-commerce platform, rather, it exam is the broader phenomenon of online shopping and discounting strategies across multiple platforms, that is prevalent among Indian consumers.

1.5 Limitations of the Study

Every research design is bounded by certain constraints and the studies no different. These are the following limitations that are identified:

1. Self-Reporting Bias: This is the case with most of the survey based research, the respondents are subject to social desirability bias and recall limitations. The respondents may not be able to accurately capture and recall their emotional

responses to the past discounting experiences or may under report deal seeking behaviour that is looked down upon.

2. **Sample Representation:** The study relies heavily on convenient sampling technique that is drawn, primarily from the researchers network and other digital platforms. While there are certain efforts to ensure demographic diversity, the sample taken here may not be an accurate representative of the broader Indian online consumer population, particularly lower income households, and rural segments.
3. **Cross-Sectional Design:** The study illustrates a snapshot of consumer perception at 1 point in time. The dynamic nature of brand equity and consumer behaviour may not remain stable over extended periods, particularly given the pace of change in the e-commerce sector in the recent time.
4. **Causal Inference:** The survey based research design allows for the documentation of correlations and associations between variables, but does not permit any strong causal claims.

CHAPTER 2 – LITERATURE REVIEW

2.1 Introduction

The rapid growth of online shopping and digital marketing has changed the way consumers interact with brands and by products. In recent highly competitive, e-commerce market cashback offers, coupons, festive deals, flash sales, discounts have become a general tools to attract consumers. Many online platforms such as. Amazon, Flipkart and. Myntra constantly provide heavy discounts to increase their web traffic and sales. Over the due course of time, these short-term sales can do long-term damage for the brands and, results in reduced brand, trust damaged perceived quality of the product, weakens customer loyalty, and increase dependency on discount this research.

This study is focused on the concept of “discount addiction” and its long-term impact on customer buying behaviour and brand value. The literature review presented here exams, the previous studies related to consumer psychology, brand loyalty, perceived quality, discounts, trust, and online shopping in various markets.

2.2 Concept of Discount Marketing

Discount marketing states that strategy where companies reduce their products, prices, temporary to increase sales and attract consumers. Discounts may be offered to consumers in different forms, such as Buy-One-Get-One, cashback, coupon codes, festival sales, limited-time deals, loyalty, rewards, percentage discounts.

According to (Kotler, 2016), “discounts and sales promotions are practical tools for clearing inventory and short-term consumer responses”. Nonetheless, they mentioned that excessive price intensive promotions can result in reduction of long-term value of a brand.

Type of Discount	Description
Percentage Discount	Example: 20% OFF
Cashback Offer	Money returned after purchase
Buy One Get One	Free product with purchase
Coupon Codes	Special code for price reduction
Flash Sales	Short-term limited offers
Festival Discounts	Seasonal sale events

Table 2.1: Common Forms of Discounts

Figure 2.1: Types of Discounts Used in E-commerce



2.3 Consumer Psychology and Discounts

Consumer Mindset place an important role in online purchase behaviour. Discounts influences the consumers, emotions, urgency, decision-making, perception of value.

According to (Kahneman, 1979), “consumers give more importance to savings and gains, then the actual product value”. Customers feel more joyful when they save money through discounts, rewards and they derive value from it, even if they do not need the product immediately.

Research by (Blattberg, 1990) states that “promotional pricing is directly linked to increase customer attention and motivates trial purchases to increase consumer awareness”. However, if the discount get repeated multiple times, it can consumers towards lower prices regularly.

Many consumers nowadays compare prices across different websites before amking a purchase. If the customer feel that better discount may come later, they delay the purchasing decisions, this generates the discount dependence among customers.

Major Psychological Effects of Discounts

- Feeling of saving money
- Fear of missing out (FOMO)
- Impulse buying behaviour
- Increased excitement during sales
- Reduced willingness to pay full price
- Dependence on promotional offers

Several studies also illustrates that younger consumers are more influenced by discount as compared to older Millennials because they are highly active e-commerce websites and social media platforms.

2.4 Discounts and Brand Trust

Brand trust is elucidates as the confidence customers possess in the product , brands honesty and its reliability.

(Morgan, 1994) “elucidated in their Commitment-Trust Theory that trust is one of the most significant elements for maintaining long-term customer relationships”.

When brands start offering discounts regularly, customer might have these questions:

- Whether the original price was genuine or not
- Whether the product quality is low
- Whether the brand is desperate to increase sales
- Whether the brand is facing losses as they are constantly on live sale

Research by Yoo, Donthu, and Lee (2000) recommended that excessive price promotions can diminish consumer conviction in premium brands.

The best example is luxury and premium brands. These luxury brands rarely provide any large discounts because they want to maintain a certain level of exclusivity and consumer trust. When any premium brand frequently reduce their prices, customer may feel that the brand has lost its exclusivity and uniqueness, which may not justify the premium pricing.

Figure 2.2: Relationship Between Discounts and Brand Trust



The study also examines this relationship through the subsequent hypothesis:

H₀: Frequent discounting does not significantly affect consumer trust in a brand.

H₁: Frequent discounting significantly reduces consumer trust in a brand.

2.5 Discounts and Perceived Product Quality

Perceived quality means how consumers judge the overall quality and derive utility of a product.

According to (Aaker, 1991) “perceived quality is a major components of a brand equity and derived value from the utility”.

Any brand that sells products continuously at discounted prices signals to consumers that:

- The product quality is lower
- The product is outdated

- The product is not selling properly
- The brand is trying to clear inventory

Dodds, Monroe, and Grewal (1991), any product's price strongly influence the consumer perception of its quality. Lower prices may indicate that the perceived value of product is lesser.

For example, brands like Gucci & LV does not do heavy promotion or discounting because they know their consumer like them due to its exclusivity. On the other hand brands, that offer continuous discounts face difficulty in continuing premium positioning.

Positive Effects	Negative Effects
Increases affordability	Reduces premium image
Encourages trial purchase	Creates low-quality perception
Attracts price-sensitive buyers	Weakens brand positioning
Increases temporary sales	Reduces willingness to pay full price

Table 2.2: Impact of Frequent Discounts on Perceived Quality

The study elucidates this issue using this hypothesis:

H₀: Frequent discounts have no significant impact on perceived product quality.

H₁: Frequent discounts significantly reduce a brand's perceived quality among consumers.

2.6 Discounts and Brand Loyalty

Brand loyalty suggests to the tendency of consumers, repeatedly purchase products from the same brand over and over again.

According to (Oliver, 1999) "when a brand has created a set of loyal consumers, they purchase it from that brand, even if there are alternative options available in the market".

On the contrary, customers who are driven by discounts are most likely less loyal because they mainly focus on the price rather than the emotional attachment to the brand.

(Sharp, 1997), illustrates that “frequent price promotion, increase, switching behaviour and amongst consumers”. Customers who are only looking for who are only looking for a basic product can easily move to other brand that is offering the same deal and a similar looking product. This create the tension for brands as the short-term sales may increase temporarily, but the long-term loyalty will decrease.

Loyal Customers	Discount-Driven Customers
Buy because of brand preference	Buy because of lower price
Less price sensitive	Highly price sensitive
Long-term relationship	Temporary relationship
Higher trust	Easily switch brands

Table 2.3: Difference Between Loyal Customers and Discount Buyers

A good example of this is when consumers are looking for a product and this switch the brand as soon as they found a better deal on any other platform.

This study examines this issue through the following hypothesis:

H₀: Consumers who shop primarily on discount show the same loyalty as full-price buyers.

H₁: Discount-driven purchase behavior significantly reduces long-term brand loyalty.

2.7 Discounts and Cart Abandonment Behaviour

Card abandonment is a phenomena when customer add products to their online shopping card, but leave the website or app without completing the purchase. The major reason behind card abandonment in this study is due to discount expectations from brands.

Digitally literate customers are highly aware of online sales when they are happening where they are happening and most of them wait for that sales before buying any item. If discounts are unavailable, customers may postpone their purchases and abandoned their cards completely because they are only buying the product because of the sale, not because their need.

Research conducted by (Institute., 2023) “illustrates that unexpected cost and lack of discounts, and psychological satisfaction are the major reasons behind online cart abandonment”

Reason	Impact
No discount available	Customers delay purchase
High shipping cost	Increased exit rate
Better offer elsewhere	Brand switching
Waiting for future sale	Purchase postponement

Table 2.4: Common Reasons for Cart Abandonment

The present study tests the following by using this hypothesis:

H₀: Discount unavailability does not significantly influence online cart abandonment rates.

H₁: Consumer expectation of discounts significantly increases cart abandonment when a discount is not available.

2.8 Shopping Frequency and Discount Influence

Online shopping frequency also affects the consumer response to discounts. Someone who purchases from e-commerce websites regularly are more sensitive to discounts and promotional campaigns.

According to research by (Gupta, 1988) “frequent shoppers are more likely to change their buying decision just because of a temporary price reduction because they are more used to seeing sale online or off-line. As they are in a constant loop of adding value to the product through grabbing deals”.

Figure 2.3: Shopping Frequency and Discount Dependence



The current research includes the following hypothesis:

H₀: Shopping frequency does not significantly affect how much consumers are influenced by discounts.

H₁: More frequent online shoppers are significantly more likely to have their purchases triggered by discounts.

2.9 Research Gap

There are many previous studies, that have examine the short-term benefits of discount, such as consumer attraction, higher website, traffic, increased sales, etc. However, limited research has focused on long-term impact of discount addiction on brand value and brand equity, especially in the Indian e-commerce space. Most existing studies have discussed the topics that we are going to use, but they have discussed this separately like trust, loyalty, perceived quality, emotional pricing. Very

few studies combine all of these factors together to understand the influence of repeated discounting effects on consumer psyche in the longer run.

On the other hand, online shopping behaviour has changed significantly after the growth of district platforms, accessibility towards internet, and social media marketing. Consumers are more dependent on discounts than before.

Therefore, this study attempts to fill this research gap by examining:

- The impact of frequent discounts on brand trust.
- The relationship between discounts and perceived quality.
- The effect of discount dependence on customer loyalty.
- The connection between discount expectation and cart abandonment.
- The influence of shopping frequency on discount-triggered purchases.

CHAPTER 3 – RESEARCH METHODOLOGY

Research methodology refers to a systematic process that is used by the researcher to analyse, collect and interpret data in order to solve business problem. It explains how the research has been conducted and why this particular method was selected for the study instead of any other.

The present research titled “*Are Discounts Killing Brand Value? A Study on Consumer Perception and Brand Loyalty in the Indian E-Commerce Market*” focuses on accepting how frequent discounts influence consumer trust, perceived quality, loyalty, cart abandonment behaviour, and purchase decisions in the Indian online shopping market.

This chapter explains:

- Research design
- Sources of data
- Sampling method
- Questionnaire design
- Data collection process
- Variables of the study
- Hypothesis testing approach
- Statistical tools used for analysis.

The methodology for this research has been designed carefully to ensure that the findings are simple to understand, reliable, and relevant to the objectives of the study.

3.1 Research Design

The present report follows an analytical and descriptive research design. Descriptive research for the study helps in understanding the shopping behaviour, consumer attitudes, online purchase, habits, and discount preferences of customers. Analytical research on the other hand help in identifying relationships between the variable, such as discount and trust, shopping frequency and discount dependence, discounts and perceived value.

3.2 Nature of the Study

Basis	Type
Research Purpose	Descriptive & Analytical
Data Type	Quantitative
Time Horizon	Cross-Sectional
Research Approach	Survey-Based
Data Collection	Structured Questionnaire

Table 3.1: Nature of Study

3.3 Sources of Data

The report Utilise both primary and secondary data sources across various channels. Primary data was collected through designing a carefully curated structured questionnaire using Google forms that has been circulated amongst frequent online shoppers. Secondary data was collected from esteemed journals, research papers, industry, reports, websites, books that are related to marketing, consumer behaviour and e-commerce.

3.4 Sampling Design

The Target population for this research report includes Indian online shoppers who frequently purchase from e-commerce platforms. Convenient method was used for collecting responses through college groups, online community and social media platform. The sample size for the study was approximately 53 respondents..

3.5 Research Instrument

The primary research instrument used in this report was a structured questionnaire that was carefully prepared using the hypothesis in Google Forms. This questionnaire included shopping behaviour, questions, demographic questions, and Likert-scale statements related to trust, discounts, perceived quality, and loyalty.

3.6 Measurement Scale

The study mainly used a 5-point Likert Scale for measuring consumer opinions and perceptions.

1 – Strongly Disagree

2 – Disagree

3 – Neutral

4 – Agree

5 – Strongly Agree

3.7 Variables of the Study

-Independent Variable:

- Frequent Discounts

-Dependent Variables:

- Brand Trust
- Perceived Product Quality
- Brand Loyalty
- Cart Abandonment
- Discount Dependence

3.8 Hypotheses of the Study

H₀: Frequent discounting does not significantly affect consumer trust in a brand.

H₁: Frequent discounting significantly reduces consumer trust in a brand.

H₀: Frequent discounts have no significant impact on perceived product quality.

H₁: Frequent discounts significantly reduce a brand's perceived quality among consumers.

H₀: Consumers who shop primarily on discount show the same loyalty as full-price buyers.

H₁: Discount-driven purchase behaviour significantly reduces long-term brand loyalty.

H₀: Discount unavailability does not significantly influence online cart abandonment rates.

H₁: Consumer expectation of discounts significantly increases cart abandonment when a discount is not available.

H₀: Shopping frequency does not significantly affect how much consumers are influenced by discounts.

H₁: More frequent online shoppers are significantly more likely to have their purchases triggered by discounts.

3.9 Data Collection Procedure

The questionnaire was prepared using Google Forms and distributed through WhatsApp, Instagram, LinkedIn, and college groups. Responses were collected automatically through Google Forms, and stored in Excel and data analysis was placed in Excel and SPSS.

3.10 Statistical Tools Used for Analysis

The collected data from the questionnaire will be analysed, using frequency tables, bar, charts, pie charts, percentage analysis, chi-square test, correlation analysis and mean analysis.

3.11 Ethical Considerations

All the respondents participated in the study have expressed their voluntary interest. No personal sensitive information was collected whatsoever and all the responses were kept confidential. The data was used for strictly academic purposes.

3.12 Limitations of Research Methodology

Although proper care was taken during the study, some limitations exist:

- Use of convenience sampling
- Personal opinion biases may occur
- The study is limited mainly to online consumers
- Time limitations restricted larger data collection
- Findings may change over time with market trends

Despite these limitations, the study provides useful insights into consumer behaviour and discount culture in Indian e-commerce.

CHAPTER 4 – DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter exhibits analysis and interpretation of the primary data collected from the questionnaire survey conducted for the research study which is titled as:

“Are Discounts Killing Brand Value? A Study on Consumer Perception and Brand Loyalty in the Indian E-Commerce Market.”

The rationale behind the chapter is to comprehend how frequent discounts influences brand trust, perceived quality, shopping patterns, consumer loyalty, cart abandonment, consumer behavior, in the e-commerce market of India.

4.2 Demographic Analysis

4.2.1 Age Group of Respondents

Age Group	Percentage
18–24 years	47.2%
25–34 years	41.5%
35–44 years	7.5%
45 years and above	3.8%

Table 4.1: Age Group Distribution

Interpretation

The respondents majorly were of younger age categories, and GenZ. Around **47.2%** respondents were between 18–24 years, while **41.5%** belonged to the 25–34 years age group. This showcases that the survey mainly captures the active customers who are regularly involved in online shopping and e-commerce activities. It is statistically proven that Gen-Z are more exposed to discount notifications, social media, advertisement, and sales.

4.2.2 Occupation of Respondents

Occupation	Percentage
Students	49.1%
Salaried Employees	35.8%
Self-Employed	9.4%
Freelancer	1.9%
Business Owner	1.9%
Housewife	1.9%

Table 4.2: Occupation Distribution

Interpretation

Almost 50% of the respondent that were captured through the survey students , followed by salaried employees. This portray that the survey mainly includes customers who are active engage online as well as they are highly price sensitive as they are not earning. Both young professionals and students are more likely to search for discounts, compare prices, and wait for sale period before buying any product. The composition of this demographic is such that this is highly suitable for the present research as these consumers are influenced by the discount culture.

4.3 Consumer Shopping Behaviour Analysis

4.3.1 Frequency of Online Shopping

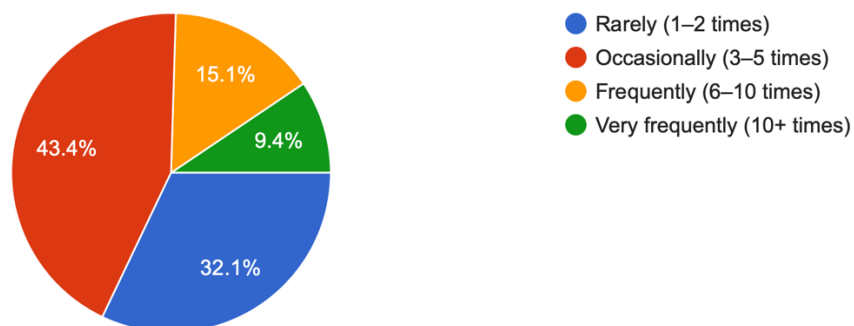


Figure 4.1: Frequency of Online Shopping

Interpretation

The chart describes here that most of the respondent shop online regularly which makes them a great fit for the study to understand their buying behaviour. The percentage of respondents who shop for 3 to 5 times per month or 43.4%, while the next category of people who shop 6 to 10+ times is 24.5%. This implies that online shopping has become a normal part of consumer behaviour, especially in the younger segment.

- Flash sales
- Push notifications
- Cashback offers
- Influencer marketing
- Personalized discount campaigns

Dependence on discounts increases as a shopping of exposure increases by the consumer.

4.3.2 Purchases Triggered by Discounts

Rating Scale	Number of Responses
1	2
2	2
3	2
4	8
5	3
6	7
7	8
8	7
9	3
10	11

Table 4.3: Percentage of Purchases Triggered by Discounts

Interpretation

As a table above suggest 29 respondents selected higher values between 7 to 10, this displays, the discount strongly influence the online purchasing behaviour.

The highest responses were recorded at:

- 10 (20.8%)
- 7 (15.1%)
- 4 (15.1%)
- 8 (13.2%)

The table here suggest that consumers have become psychologically condition to look for deals before making any purchasing decision. It also implies that many customers purchase product mainly because of discounts are available, not because of the original purchase intent.

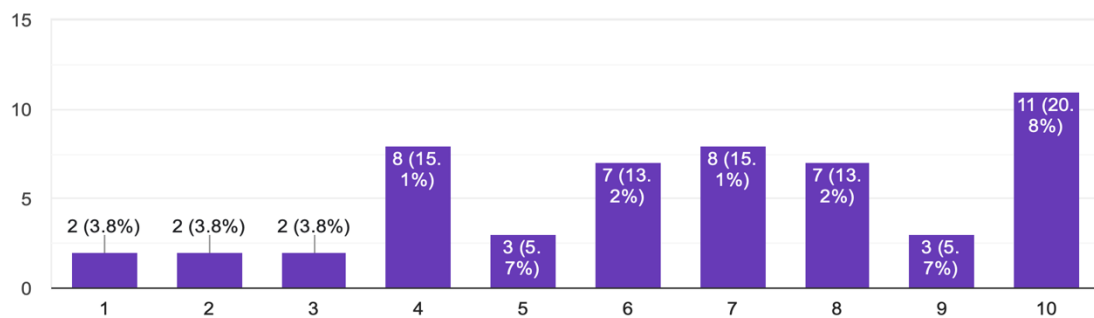


Figure 4.2: Purchases Triggered by Discounts

4.3.3 Most Influential Discount Format

Discount Format	Percentage
Flat % Off	77.4%
Flash Sale / Limited Time Offer	45.3%
Coupon Codes	35.8%
Cashback / Rewards	28.3%
Bundle Discounts	18.9%

Table 4.4: Most Influential Discount Formats

Interpretation

The table above clearly suggest that direct percentage discounts are one of the most effective promotion strategy adopted by companies. Consumers gives preference to

visible and simple discount because they are easy to comprehend. Coupon codes and flash sales also strongly influenced purchase decision because they generate a kind of urgent situation that gives the shopper, a **Fear Of Missing Out(FOMO)**. This illustrates that discount-driven shopping is most likely psychological and emotional.

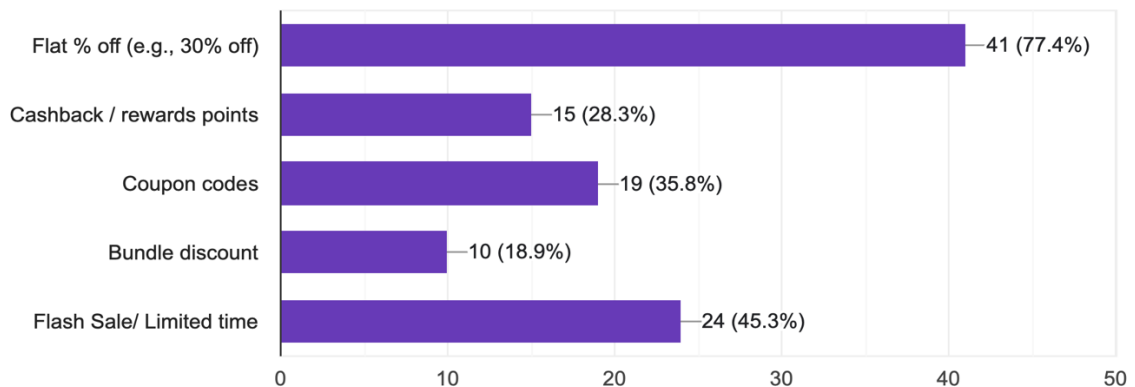


Figure 4.3: Most Influential discount formats

4.4 Cart Abandonment Behaviour Analysis

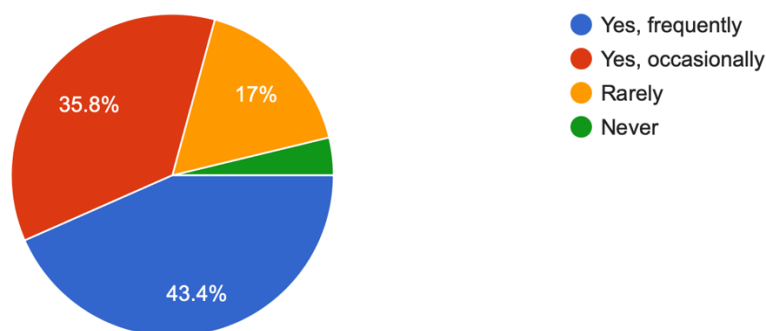


Figure 4.4: Cart Abandonment Behaviour

Interpretation

The results clearly show that discount expectation significantly affects online shopping behaviour.

More than **79%** respondents admitted that they have abandoned carts either frequently or occasionally when expected discounts were unavailable.

Only a small chunk of respondents i.e. **3.8%** admit that they never abandoned a cart in the absence of discounts.

This indicates that consumers are becoming highly dependent on promotions and sales before completing purchases.

Consumers now expect:

- Discount coupons
- Cashback offers
- Flash sale pricing
- Free shipping
- Festival offers

When such benefits are unavailable, many consumers postpone purchases.

4.5 Brand Loyalty and Discount Dependency

4.5.1 Consumer Response When Discounts Stop

Response	Percentage
Continue buying at full price	20.2%
Wait for next sale	49.6%
Switch to competing brand	22.6%
Search on aggregator platforms	7.5%

Table 4.5: Consumer Behaviour when Discount Stops

Interpretation

The findings indicate that discount-driven loyalty is stronger than actual brand loyalty.

Only 30.2% consumers said they would continue purchasing at full price.

However:

- **49.6%** wait for the next sale
- **22.6%** switch to another brand
- **7.5%** search for better discounts elsewhere

This suggests that many customers are emotionally loyal to discounts rather than brands therefore they face difficulty maintaining long-term customer loyalty.

4.5.2 Relationship With Brands Purchased During Sales

Response	Percentage
Loyal to those brands	20.8%
Engage only during discounts	32.1%
Low emotional connection	17.0%
Open to switching brands	30.2%

Table 4.6: Relationship with Brand

Interpretation

The findings show that discounts weaken emotional brand relationships.

Only **20.8%** respondents reported genuine loyalty toward brands purchased during sales.

A majority either:

- Purchase only during discounts
- Feel low emotional connection
- Easily switch brands for better deals

This indicates that frequent discounting may reduce long-term brand attachment.

4.6 Brand Trust and Perceived Quality Analysis

4.6.1 Trust Towards Frequently Discounted Brands

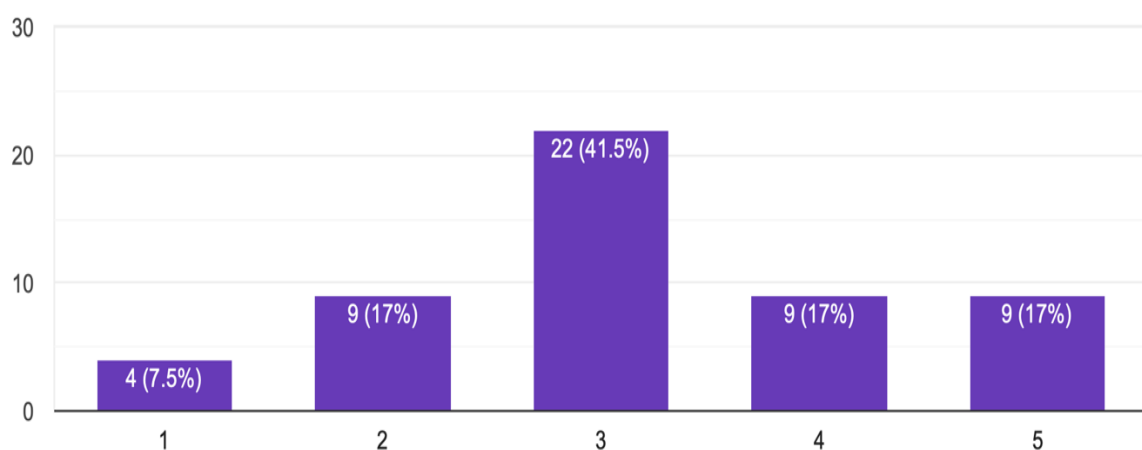


Figure 4.5: Level of Trust

Interpretation

A large number of respondents agreed that frequent discounts reduce trust toward brands.

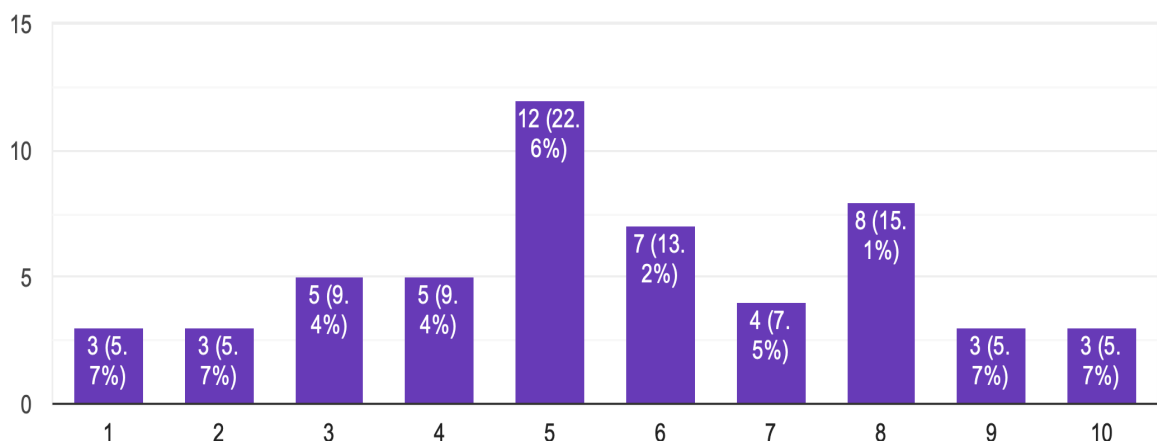
Many consumers feel suspicious when brands continuously offer heavy discounts.

Customers begin questioning:

- Product quality
- Original pricing authenticity
- Brand credibility
- Premium positioning

The highest responses were concentrated at moderate-to-high agreement levels.

4.6.2 Impact of Discounts on Perceived Quality

*Figure 4.6: Impact of Discount on perceived quality*

Interpretation

The response is captured from the questionnaire suggests that consumers believe discounts heavily influence how they judge the quality of the product. Most of the consumers have given moderate to high ratings, indicating that repeated discounting can make products appear:

- Less premium
- Lower the quality

- Makes them less exclusive

Associates better quality with higher prices. Therefore, companies giving excessive discount may we can their premium image in front of their customers.

4.7 Brand Cheapening Effect Analysis

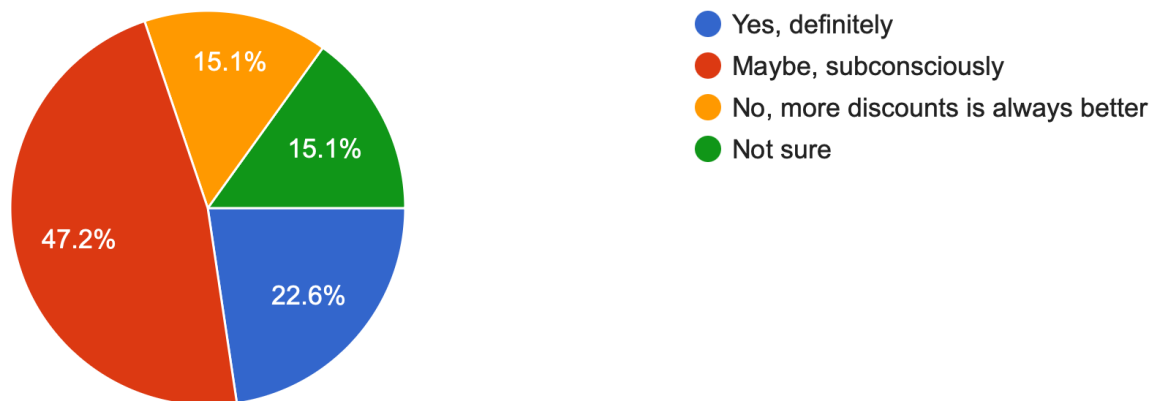


Figure 4.7: Brand Cheapening Effect

Interpretation

As the chart above, suggest that the excessive discounting and damage the brand image. 47% of the respondents confirm that heavy discounting subconsciously change their perception of a brand.

Consumer may start to feeling that:

- The brand is too common
- The products are overpriced normally
- The quality may not justify premium pricing

This is one of the strongest indicators that excessive discounting can slowly reduce brand value.

4.8 Hypothesis Testing and SPSS Interpretation

DESCRIPTIVE ANALYSIS

Age group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 – 24 years	25	47.2	47.2	47.2
	25 – 34 years	22	41.5	41.5	88.7
	35 – 44 years	4	7.5	7.5	96.2
	45 years and above	2	3.8	3.8	100.0
	Total	53	100.0	100.0	

Primary Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business owner	1	1.9	1.9	1.9
	Freelancer	1	1.9	1.9	3.8
	House wife	1	1.9	1.9	5.7
	Salaried Employee	19	35.8	35.8	41.5
	Self-Employed	5	9.4	9.4	50.9
	Student	26	49.1	49.1	100.0
	Total	53	100.0	100.0	

Online shopping per month

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Frequently (6–10 times)	8	15.1	15.1	15.1
	Occasionally (3–5 times)	23	43.4	43.4	58.5
	Rarely (1–2 times)	17	32.1	32.1	90.6
	Very frequently (10+ times)	5	9.4	9.4	100.0
	Total	53	100.0	100.0	

CRONBACH'S ALPHA RELIABILITY TEST

Case Processing Summary^a

		N	%
Cases	Valid	53	100.0
	Excluded ^a	0	.0
	Total	53	100.0

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.740	.797	7

The Cronbach's Alpha Value for this report was found to be 0.797, which suggests that a good level of reliability and internal consistency was used among the questionnaire items. The acceptable threshold is 0.70, hence proved that the scale used in this research is reliable for further statistical analysis.

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Hypothesis 1

H₀: Frequency of discounts does not meaningfully affect consumer trust in a brand.

H₁: Frequency of discounts does meaningfully reduces consumer trust in a brand.

Analysis

Spearman's rho Correlation

			What percentage of your online purchases are triggered by sales and discounts?	Rate your agreement with this statement: "I trust a brand less if it offers discounts too frequently"
Spearman's Correlation	What percentage of your online purchases are triggered by sales and discounts?	Correlation Coefficient	1.000	.222
		Sig. (2-tailed)	.	.109
		N	53	53
	Give ratings to your agreement with following statement: "I trust a brand less if it offers discounts too frequently"	Correlation Coefficient	.222	1.000
		Sig. (2-tailed)	.109	.
		N	53	53

*. Correlation is significant at the 0.05 level (2-tail test).

Spearman's rho correlation was applied To understand the relationship between consumer trust and discount driven purchases. The obtained correlation coefficient was 0.222 with the significance value (p-value) of 0.109.

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Therefore, the null hypothesis (H₀) is accepted and the alternative hypothesis (H₁) is rejected.

Interpretation:

The findings that customers may not necessarily lose interest in a brand just based on the availability of frequent discount. However, some consumers associates repeated discount with lower value or exclusivity, the overall impact on relation of trust with discount was not statically significant among the respondents that were surveyed.

Hypothesis 2

H₀: Frequent discounts have no significant impact on perceived product quality.

H₁: Frequent discounts significantly reduce a brand's perceived quality among consumers.

Analysis

Spearman's rho Correlation

			What percentage of your online purchases are triggered primarily by a discount or sale?	In your view, how much do frequent discounts affect a brand's perceived quality?
Spearman's rho	What percentage of your online purchases are triggered primarily by a discount or sale?	Correlation Coefficient	1.000	.312*
		Sig. (2-tailed)	.	.023
		N	53	53
	In your view, how much do frequent discounts affect a brand's perceived quality?	Correlation Coefficient	.312*	1.000
		Sig. (2-tailed)	.023	.
		N	53	53

*. Correlation is significant at the 0.05 level (2-tailed).

Spearman's rho correlation analysis was conducted to study the relationship between discount-triggered purchases and perceived product quality. The correlation coefficient was found to be **0.312** with a significance value of **0.023**.

Since the p-value is less than 0.05, the relationship is statistically significant. The positive correlation suggests that consumers who are more influenced by discounts also tend to believe that frequent discounting affects product quality.

Hence, the null hypothesis (H₀) is rejected and the alternative hypothesis (H₁) is accepted.

Interpretation:

The results suggest that excessive or continuous discounting can negatively influence how consumers perceive the quality of a brand's products. Frequent discounts may create an impression that products are overpriced initially or are of lower quality, thereby affecting the premium image of the brand.

Hypothesis 3

H₀: Consumers who shop primarily on discount show the same loyalty as full-price buyers.

H₁: Discount-driven purchase behaviour significantly reduces long-term brand loyalty.

Analysis

Spearman's rho Correlation

	What percentage of your online purchases are triggered primarily by a discount or sale?		What percentage of your online purchases are triggered primarily by a discount or sale?	Brand Loyalty (Numeric Code)
Spearman's rho	What percentage of your online purchases are triggered primarily by a discount or sale?	Correlation Coefficient	1.000	-.089
		Sig. (2-tailed)	.	.528
		N	53	53
	Brand Loyalty(Numeric Code)	Correlation Coefficient	-.089	1.000
		Sig. (2-tailed)	.528	.
		N	53	53

*. Correlation is significant at the 0.05 level (2-tailed).

Spearman's rho correlation was used to analyze the relationship between discount-triggered purchases and brand loyalty. The correlation coefficient was found to be -0.089 with a significance value of 0.528.

Since the p-value is greater than 0.05, the relationship is statistically insignificant. The correlation is negative but extremely weak, indicating no meaningful relationship between discount dependence and long-term brand loyalty.

Therefore, the null hypothesis (H₀) is accepted and the alternative hypothesis (H₁) is rejected.

Interpretation:

The findings indicate that shopping through discounts does not necessarily reduce customer loyalty toward brands. Consumers may continue purchasing from brands even when motivated by discounts due to factors such as product satisfaction, convenience, or brand familiarity.

Hypothesis 4

H₀: Discount unavailability does not significantly influence online cart abandonment rates.

H₁: Consumer expectation of discounts significantly increases cart abandonment when a discount is not available.

Analysis

Spearman's rho Correlation

			What percentage of your online purchases are triggered primarily by a discount or sale?	Cart Abandonment (Numeric Coded)
Spearman's rho	What percentage of your online purchases are triggered primarily by a discount or sale?	Correlation Coefficient	1.000	.261
		Sig. (2-tailed)	.	.059
		N	53	53
	Cart Abandonment (Numeric Coded)	Correlation Coefficient	.261	1.000
		Sig. (2-tailed)	.059	.
		N	53	53

*. Correlation is significant at the 0.05 level (2-tailed).

Spearman's correlation was conducted to does the relationship between cart abandonment and discount driven shopping behaviour. The coefficient of correlation was found to be 0.261 with the significance value of 0.059. The caveat here is statically. The correlation shows a positive relationship. However, the p-value is slightly greater than 0.05 indicating that the relationship is statistically in significant at 5% significant level.

Thus, the null hypothesis (H₀) is accepted and the alternative hypothesis (H₁) is rejected.

Interpretation

The result, interpret that some consumers may abandon their cards when discounts are not available, the effect of cart abandonment is not statically strong enough to generalise across all respondents. There are other factors that affect cart abandonment, such as delivery charges, urgency of need, payment convenience, and pricing.

Hypothesis 5

H₀: Frequency of shopping does not significantly affect how much consumers are influenced by discounts.

H₁: Frequent online shoppers are more likely to have their purchases triggered by discounts.

Analysis

Spearman's rho Correlation

			Shopping Frequency (Numeric Coded)	What percentage of your online purchases are triggered primarily by a discount or sale?
Spearman's rho	Shopping Frequency (Numeric Coded)	Correlation Coefficient	1.000	.334*
		Sig. (2-tailed)	.	.015
		N	53	53
	What percentage of your online shopping are triggered primarily by a discount or sale?	Correlation Coefficient	.334*	1.000
		Sig. (2-tailed)	.015	.
		N	53	53

*. Correlation is significant at the 0.05 level (2-tailed).

Spearman's Correlation was tested between discount, triggered purchases and the frequency of shopping. The correlation coefficient that we obtained from this was 0.334 with a significance value of 0.015.

The positive correlation specifies that customers who shop online frequently are more likely to be influenced by discounts and promotional campaigns.

Therefore, the null hypothesis (H₀) is rejected and the alternative hypothesis (H₁) is accepted.

Interpretation

The discovery revealed that frequent shoppers are more responsive to promotional campaigns and discounts rather than people who going shop online frequently. Regular exposure to e-commerce platforms, social media website increases the awareness of sales, trends, price comparison, making discount a very important factor of influence.

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Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.344 ^a	.118	.101	2.477

a. Predictors: (Constant), Shopping Frequency (Numeric Coded)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41.867	1	41.867	6.826	.012 ^b
	Residual	312.812	51	6.134		
	Total	354.679	52			

a. Dependent Variable: Percentage of online purchases that are triggered primarily by a discount or sale?

b. Predictors: (Constant), Shopping Frequency (Numeric Coded)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta	t		Lower Bound	Upper Bound
1	(Constant)	4.656	.819		5.682	<.001	3.011	6.301
	Shopping Frequency (Numeric Coded)	.965	.369	.344	2.613	.012	.223	1.706

a. Dependent Variable: Percentage of online purchases that are triggered primarily by a discount or sale?

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The model summary displays **R-value of 0.344**, which indicates that there is a moderate **positive relationship between** discount, influenced purchases **and the** number of times a customer shopping online. The value of **R square is 0.118**, which showcase is that almost 11.8% of the variation is found that can be explained. The discount triggered purchases. The ANOVA table suggest a significance value of 0.012, which **is less than the threshold of 0.05**. This suggests **that the regression model** used for the study, is statically significant and suitable to predict the dependent variable.

Interpretation

The results from the regression analysis of firms that shopping frequency majorly influence consumer responsiveness towards discount. Customers who shop online frequently, then other users are more likely to make their purchasing decisions based off discounts and promotional offers. However, the relatively low R-square value indicates that there are other factors beyond shopping frequency that also affect discount driven purchasing behaviour.

CHAPTER 5 – FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Discussion of Findings

The present major research project titled “*Are Discounts Killing Brand Value? A Study on Consumer Perception and Brand Loyalty in the Indian E-Commerce Market,*” attempted to understand how frequent discounting can influence perceive, quality, loyalty, trust, consumer behaviour and purchase decisions in the online shopping environment.

The demographic analysis of this report revealed that most of the respondents belong to the 18 to 34 age group represents a digital active community of consumers who frequently engage with e-commerce platforms. They not only buy from e-commerce platforms, but they follow their social media advertisement, sales, and influencer promotions. This set of consumer is highly exposed to discount culture which makes them more likely to compare prices depend on promotional offers and wait for sale events before purchasing any product.

The various hypothesis testing results provided significant insights into the long-term effects of discounting on brand value specifically in context to Indian consumer. **Hypothesis 1** examine by the frequent discounting can reduce the trust of consumer in specific brands across various industries. Although the relationship came out to be positive between Preston discount, it was statistically insignificant. This suggests that discounting is one of the reasons but may not be sufficient to damage a brand test completely.

Hypothesis 2 was proof to be one of the most important findings of the study. A statically significant relationship was formed between perceived product, quality and frequent discount. This suggests that customers tend to believe that repeated discount reduces the product quality and damage the image of brand in the long-term. **Hypothesis 3** focused on the relationship between brand loyalty and discount driven purchases. The descriptive findings may have waited indicated that many consumers paid for sale or which brands discount stop. The statistical test did not confirm that discount driven shopping reduces loyalty directly. It indicates that loyalty may also

depend on other factors such as product, satisfaction, similarity of the brand, emotional attachment, and overall customer experience.

Hypothesis 4 examines the overall relationship between customers abandoning their carts and its relation to absence of discounts. Descriptive analysis for this hypothesis revealed that a large percentage of consumers abandoned their cards when discounts are not available. However, the correlation analysis did not portray a statistical significant relationship at the 5% significance level. This indicates that abandonment is influenced by multiple factors beyond just discounts.

Hypothesis 5 and regression analysis together produced a very meaningful findings which increase the robustness of the study. Both analyses confirmed that shopping frequency significantly affect discount driven purchase behaviour. The frequent the shopper is there are more likely to make purchase based on discount and promotional offers. It implies that continuous exposure to e-commerce platforms, flash, sales, push notifications, and influencer marketing increases the consumers dependence on promotional pricing strategies followed by brands.

To sum up, the study highlights the increasing influence of “discount-brand value paradox” discussed earlier in the report. Therefore, it all comes down to the balance that discount remain powerful marketing tools in the Indian e-commerce industry brands must be very careful to balance the short-term sales target with the long-term brand equity and the perception of consumer.

5.2 Limitations of the Study and Future Scope

Limitations of the Study

The study provides valuable insights into the discount river, consumer behaviour and the perception of brand for the Indian e-commerce market. There are still certain limitations that must be acknowledge while understanding the scope of the study. First and foremost, the research was conducted using a relatively small sample size of just 53 respondents. The sample was sufficient for exploratory research, the largest sample could have been improved to increase the generalisability and reliability of the findings across different consumer segments.

Secondly, the research primarily included respondents from younger age groups, specially focused on students and young professionals were actively online shoppers.

Which suggest that the finance may not fully represent the older generation who is not very tech savvy, and rural or tier three population. The consumer psychology may differ significantly across different income levels, age, categories, and geographical regions.

Thirdly, this research followed a cross sexual research design with suggest that data was collected at a single point in Time. Consumers online shopping behaviour and their psychology might change rapidly evolving, economic conditions, market, trends, technological development, and changing promotional practices. Therefore, the findings may vary overtime.

Another important limitation to keep in mind is that we focused only on selected variable such as perceived quality, loyalty, cart abandonment, , shopping frequency, brand trust. There are other important factors such as emotional attachment, customer satisfaction, social influence, impulse, buying tendency, perceived value, which were not included within the scope of this research due to the limitation of sample size.

Finally, the statistical analysis done here was mainly used to correlate and identify relationship between variables, but they do not establish any strong causal relationships. Therefore, the study explain the associations rather than direct cause and effect combinations which affect the consumer psyche.

Future Scope of the Study

The study opens multiple several opportunities for future research in the field of consumer behaviour, brand management, e-commerce marketing, neuro marketing. Studies in the forthcoming, future can increase the sample size and include respondents from different income groups, occupations, age, categories, regions to obtain a more comprehensive and generalisable findings. A comparative analysis between urban and rural consumers may provide a deeper understanding of the discount sensitivity across various regions of India.

Researchers can also conduct categories specific studies, focus separately on different industries, such as fashion, beauty products, luxury brands or FMCG, etc. This can help identify discounting and its effects across different product categories and how it functions differently in each of them. Longitudinal studies can be conducted to examine how the perception of consumers change over time with repeated exposure to

17 promotional campaign and discounts. These kind of studies would help to understand the impact of discount culture on brand equity and price expectation.

Another important area for future exploration is to understand the role of artificial intelligence and personalise marketing campaigns in discounting strategies. E-commerce and quick commerce platforms are increasingly use AI based recommendations, dynamic pricing systems, targeted advertisements, personalise notifications, which may further influence the dependency on discount among consumers.

Researchers have also spoke to compare Indian consumers with consumers from other regions to understand the cultural nuance and differences in discount behaviour and perception. These kind of comparative studies would contribute significantly to understand the global consumer behaviour literature.

At last, future studies can also diverge into how brands can balance promotional pricing with the long-term premium positioning along with maintaining a sustainable brand equity in this highly competitive digital market.

5.3 Conclusion

The present research report titled “*Are Discounts Killing Brand Value? A Study on Consumer Perception and Brand Loyalty in the Indian E-Commerce Market*” is a attempt to examine the growing impact of discount, culture of consumer behaviour, long-term Brand value, and brand perception in context to the Indian e-commerce industry.

The findings of the study clearly states that discounts have become one of the most influential drivers of online purchasing in today’s World. Consumers today are highly attracted towards/sales, promotional offers, cashback schemes, coupon codes, unlimited Time discount, which makes it difficult for them to ignore the discount driven impulse behaviour.

The study found that excessive use of discounting significantly affect the consumer perception towards its product policy. Most of the consumer associate regular discount with lower product quality and reduction in exclusivity. The finding support the argument that while discount can increase the sales target, they may slowly eradicate the long-term image and the perceived value from it.

On the other hand, the most important findings of the study is that discount dependency is increasing among online Indian consumers. Most of the respondents that participated in the study admitted that they wait for sale periods to compare discounts across platforms and sometimes postpone their purchases. Just because the sale is not available. This behaviour reflects the growing normalisation of promotional pricing across the Indian e-commerce ecosystem was directly change. How consumers communicate with their brands.

Therefore, the research confirms that the existence of discount brand value paradox. This means that discounts are highly effective in increasing the website, traffic, generating short-term revenue, and increasing consumer attention. However, excessive dependence on discounting strategies will gradually weaken the perceived quality, reduce customer willingness to pay full prices of the product and create a dependence on promotional offers.

Therefore, brands and e-commerce platforms must adopt a balanced and strategic approach towards discounting strategies. They should focus not only on sales but also maintain a level of consumer trust, emotional brand connection, sustaining brand equity and premium positioning. These discount should be carefully used as spectacle tools rather than permanent pricing strategies.

Overall, this study contributes to the growing understanding of consumer behaviour, brand value erosion, and discount dependency the Indian e-commerce market and provide us with useful insides for marketers ,researchers operating in the digital retail environment.

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ANNEXURE

Annexure A: Questionnaire

Section A: Demographic Information

1. Tell us your age group?

- 18–24 years
- 25–34 years
- 35–44 years
- 45 years and above

2. Choose a suitable occupation, that describes you:

- Student
- Salaried Employee
- Self-Employed
- Business Owner
- Freelancer
- Homemaker
- Other _____

Section B: Online Shopping Behaviour

3. How frequently do you shop online every month?

- Rarely (1–2 times)
- Occasionally (3–5 times)
- Frequently (6–10 times)
- Very Frequently (10+ times)

4. Rate on a scale of 1-10 how much of your online purchases are triggered primarily by a discount or sale?

(Rate on a scale of 1–10)

1 = Very Low Influence | 10 = Very High Influence

5. Choose a format that most influence your purchase decisions? (Select all that apply)

- Flat Percentage Discount
- Cashback / Rewards
- Coupon Codes
- Limited time sale
- Bundle Discount

Section C: Cart Abandonment Behaviour

6. How frequently do you abandoned a cart just because the discount you expected was unavailable?
 - Yes, frequently
 - Yes, occasionally
 - Rarely
 - Never

Section D: Brand Trust and Perceived Quality

7. Give your agreement with the following statement:

"I trust a brand less if it offers discounts too frequently."

1 = Strongly Disagree | 5 = Strongly Agree
8. According to you, how much do frequent discounts affect a brand's perceived quality?

(Rate on a scale of 1–10)

1 = No Effect | 10 = Very Strong Effect

Section E: Brand Loyalty and Discount Dependency

9. If a brand stops offering discounts, what are you most likely to do?
 - Continue buying at full price
 - Wait for the next sale
 - Switch to a competing brand
 - Search for better deals on aggregator platforms
10. How would you describe your relationship with brands you mostly purchase during sales?
 - Loyal to those brands
 - Engage only during discounts
 - Low emotional connection
 - Open to switching brands

Section F: Brand Cheapening Effect

11. Have you ever stopped buying from a brand because it felt "too discounted" or less premium?
 - Yes, definitely
 - Maybe, subconsciously
 - No, more discounts are always better
 - Not sure

12. In your opinion, what should brands do differently in their discount strategy to maintain both customer attraction and long-term brand value?

Annexure B: Qualitative Open Ended Responses

- They should maintain an intentional discounting strategy rather than always going for B2G2 which rarely gives actual benefits and increases overconsumption with products that aren't actually needed.
- Offer discount in the time of festival and build the membership by their contacts and give discounts with membership.
- Implement scarce sales.
- Personalization.
- Give loyalty discounts.
- Show customers the worth of the product and why it is on discount.
- Capping of discount and twice in a year only.
- Maintain discount rates.
- Offer good quality and after sales services for discounted products as well.
- Go according to the market demand and make changes to your price tags.
- Discount without losing its product value.
- Brands should maintain their quality even producing heavy discounts. It loses people trust and create negative impression on the customer.
- Discounts should feel intentional, rare enough to matter, and tied to strategy.
- Value-added, personalized, and exclusive rewards.
- They should provide discount on the basis of customer loyalty (no.of purchase done by the same account). This will increase the brand loyalty also customer will feel the importance.
- Use discounts strategically, not habitually, and emphasize value over price cuts.
- May be a company should not to be rely on their discount schemes but on their products quality. If quality does matter to a common man or educated persons it's doesn't matter to me or anybody else in the market who will be always attract to the price or discounts...but it does matter to company to always be on the side of the customer it is good to share some discount frequently for them.

- Buy us at ×% discount and you will get buy one and get one on next purchase or a cashback coupon.
 - Use discounts sparingly and strategically target specific customers or moments instead of running constant site-wide sales.
 - More bundled offers.
 - They should offer discount regularly and try give discount on new products.
 - Give huge discount.
 - Provide discount based on game.
 - To set a date for every month on which they give discount by which people frequently check their products and give products of good quality and also give after sales services. To newer product they can give discount after some months for brand value.
 - They should keep an eye on market and customer's likings.
 - Good product quality and should give discounts
 - Discount policy shall be framed in accordance with the brand value.
 - Focus on product quality and services.
 - Give a better product with good advertisement.
 - Give occasionally discounts.
 - Use discount occasionally not always like 70% every time.
 - Use customer data to send personalized discounts only to segments likely to churn, or as a "thank you" to high-value, loyal customers.
 - Brands should shift from constant deep discounts to smart value strategies offering limited time offers, loyalty rewards, bundles and personalised deals instead of training customers to wait for sale.
 - The discount should be optimum so that it doesn't make one sceptical of the product quality.
 - Discounts are an integral aspect of purchasing decision for an online buyer.
 - Brands should provide freebies.
 - More frequent sales
 - Brands should offer discounts to loyal customers.
-

Annexure C: Spearman's rho Correlations Colour Codes



Highly Positive:



Positive:



No Linear Correlation:



Negative:



Highly Negative: