

A Study on The Impact of Discounts And offers on Consumer Purchasing Behaviour

Sanjay.M¹, Dr. P. Pirakatheeswari²

¹Dept of B.Com. with Professional Accounting

²Assist.Professor, Dept of B. Com PA & RM,

^{1,2} Sri Ramakrishna College of Arts & Science (Autonomous), Coimbatore – 641006.

Abstract- *In today's competitive retail landscape, discounts and promotional offers have become powerful tools for attracting and retaining customers. This study focuses on the dress shops of Town Hall, Coimbatore, where vibrant discount boards and seasonal sales dominate the marketplace. The research seeks to understand the demographic profile of shoppers most influenced by discounts, identify the types of offers that appeal to them, and analyse how the size and timing of discounts shape customer behaviour. Using a structured questionnaire, the study explores shopping frequency, preference patterns, and the psychological response of consumers to various discount strategies. The findings are expected to provide retailers with actionable insights to design innovative discount campaigns that not only increase footfall but also enhance customer loyalty and satisfaction.*

Keywords- Discounts, Promotional Offers, Consumer Behaviour and Preference Patterns.

I. INTRODUCTION

In today's era every person is dependent on shopping for goods and services either online or offline. It is been seen that people shop not only for necessities but also for releasing stress. It gives a break from the monotonous routine of life. Town Hall, Coimbatore, stands as one of the busiest retail hubs, particularly for dress shops competing side by side to capture customer attention. In this vibrant marketplace, discounts and offers have evolved from being occasional promotional strategies to an everyday expectation among shoppers. Bright banners showcasing "Flat 50%" or "Buy One Get One Free" dominate the shopping streets, signalling the growing importance of price-driven decisions in consumer purchasing behaviour.

In the present global business scenario, a business can survive when its productions are sold in the market. All merchandising activities are undertaken to encourage trial and usage of a product that increase sales. The term 'sales promotion' denotes the several types of selling incentives and methods which target the customers to harvest the immediate

sales effects. These incentives and methods may be in the form of free samples, discount coupons, demo shows, sweepstake etc. There are different promotion strategies undertaken by retailers to intensify the sales. Hence retailers promote sales in the markets with promotion incentives such as "Winter sale", "Summer time sale", "Great exchange offer", "Trade fairs", "Discount rate up to 70%" and other strategies and methods such as coupons, sweepstakes, and markdowns. All types of promotional activities are currently used by retailers in order to be differentiated in the market. At the same time, competitiveness among retailers is booming. As a result of population and economic growth, retailers started to enlarge their marketing activities toward consumers.

All these short term non-recurring measures motivate the customers which result in sales gain. These offers and schemes are available to the customers during festive seasons, year ending and other junctures. Sales promotion techniques can be classified as price and non-price based on the nature of publicity. Few of the price based promotions are Money off Coupons, Repayment, Rebate and Discount that temporarily reduce the cost of goods. Some of non-price based promotions are freebies, Reward points or Contests by which value is temporarily added to the product. These techniques may instigate the consumers to make unplanned purchases.

This study aims to analyse how different forms of discounts—percentage reductions, festival based offers, combo deals, and loyalty rewards impact customer perceptions and shopping decisions in Town Hall. Aligned with its objectives, the research not only investigates which customer segments are most attracted to discounts but also examines how purchase volume and timing are shaped by such promotions. Furthermore, it evaluates whether continuous discounting strengthens or dilutes brand value in the long run. By uncovering these insights, the study intends to provide practical strategies for dress shop owners to design smarter, impactful, and sustainable discount campaigns that align with consumer expectations while ensuring business growth.

II. STATEMENT OF PROBLEM

Town Hall, Coimbatore, is a historic and vibrant marketplace known for its bustling crowd and clusters of dress retailers. With shops competing side by side, one striking similarity is the frequent use of discount boards, festive sales, and special offers that dominate the streetscape. This study focuses on exploring the underlying psychology of dress shoppers in Town Hall, Coimbatore, to understand how discounts and offers shape their buying choices, spending patterns, and loyalty towards stores. By analysing these factors, the research seeks to provide retailers with actionable insights to design smarter, customer-centric discount strategies.

III. REVIEW OF LITERATURE

Anand Kathir and Denis Amirtharaj (2023) research looks at how discounts influence consumer behavior, specifically how they influence consumers' decision-making processes. According to research, offering discounts to customers can be a good way to boost sales and persuade them to buy a product. Discounts can raise a product's perceived value by making it more accessible to consumers, who are frequently motivated by perceived product value. Discounts can also instill a sense of urgency and scarcity in customers, which encourages them to buy more. Discounts, though, may sometimes have a negative impact on customer behavior. Utilizing the convenience sampling method, the researcher distributed a structured questionnaire to respondents in order to collect 130 sample data for the quantitative study. The study's findings offer insightful information about how discounts affect consumer behavior in the Indian retail sector, information that can be used to boost marketing campaigns' efficacy and boost sales figures.

Surya Kant Pal et al (2021) determined the factors that influence youth's impulse buying when shopping online. The study was done based on 301 responses from the young population. Scarcity, serendipity, e-commerce, social shopping, value buying, and relaxation shopping are the most important components. According to the findings, the six latent factors play a substantial role in the emotive impulsive purchase tendency. This study contributes to a better understanding of the growing trend of e-commerce in emerging countries. It also lays the groundwork for future study and provides important insights into how youngsters view impulse purchases when shopping online.

According to Ebrahim Hajipour et al. (2020), the expansion of international activities eliminates trade barriers in cross-national exchange and intensifies rivalry as a result of

global economic integration. Understanding client preferences and encouraging them to buy has become critical to a company's survival and growth (specify consumer goods or fast rotation). The current study, which is based on an infinite population, tries to explain the impact of price promotions on the process of immediate buying items in Isfahan. Customers of the Hyper Star store included the statistical society. According to the findings, price promotions influenced impulsive buying behaviour positively, pricing promotions influenced service innovation positively, and service innovation positively influenced impulsive buying behaviour. Another finding of this study is that price promotion operates as a mediator between service innovation and impulsive customer purchase behaviour in Hyper Star City.

Gianluca Scheidegger et. al. (2020) used a huge set of price promotion field data to better understand how Swiss grocery merchants apply price reduction strategies. We employ an online experiment that builds on current improvements in consumer technology used to study the impact of price comparison on shop pricing image, based on the ubiquity of these methods in the Swiss grocery retail industry. Over a two-year period of monitoring, the data demonstrate that Swiss grocery stores have increased the number of discounts they give. Furthermore, the number of discounted products given increased the store's price image tremendously.

Swastha & Handoko (2000) defines consumer behavior as the actions of individuals who are directly involved in the business of acquiring and using economic goods and services including decision making activities. While consumers can be distinguished into two, namely the consumers of individuals and consumer industries. Consumers individual or consumer end are individuals who do purchase to meet the needs of private or consumption of the house ladder. Whereas business or institutional consumers are individuals or groups of individuals who make purchases on behalf of and for use by institutions. In this case the institution can mean companies, government agencies, and other institutions.

IV. OBJECTIVES OF THE STUDY

- To understand the Demographic Profile of customers who are more attracted to discounts in dress shops.
- To identify the types of offers (Percentage Discounts, BOGO, Combos) most effective in Town Hall dress shops.
- To investigate how festive and seasonal offers influence the timing and volume of purchases.
- To provide practical suggestions for retailers on designing impactful discount campaigns.

V. RESEARCH METHODOLOGY

- **RESEARCH DESIGN** : Descriptive and Analytical
- **Sample Size** : 120 Respondents
- **Sampling Method** : Convenience Sampling
- **Tools used** : Percentage Analysis

LIMITATIONS OF THE STUDY

1. The study is limited to the Townhall area of Coimbatore, so it may not reflect other places.
2. The sample size of 120 respondents is small for general conclusions.
3. Data is based on self-reported answers, which may differ from actual buying behaviour.
4. The study focuses only on discounts and offers, ignoring other factors like income or brand loyalty.

VI. ANALYSIS AND INTERPRETATIONS

TABLE 1 : PROFILE OF THE RESPONDENTS

Demographic Variables		No. of Respondents	Percentage
Age	Below 20	38	31.7
	21-40	52	43.3
	41-60	21	17.5
	Above 60	9	7.5
Gender	Male	49	40.8
	Female	71	59.2
Occupation	Student	58	48.3
	Salaried	30	25
	Business	25	20.8
	Homemaker	7	5.8
Educational Qualification	High school	16	13.3
	Bachelor's degree	63	52.5
	Master's degree	26	21.7
	Doctorate	15	12.5
Monthly Income	Below 20000	43	35.8
	20000 – 30000	31	25.8
	30000 – 40000	24	20
	Above 40000	22	18.3

Table 1 clear that 43.3% of the respondents are aged 21-30, followed by 31.7% of the respondents are below 20, 17.5% of the respondents are fall under 31-40 and 7.5% of the

respondents age group of above 50. 40.8% of the respondents were male and 59.2% were female. 48.3% of the respondents are Students, followed by 25% of the respondents are salaried employees, 20.8% of the respondents are business people while 5.8% of the respondents are homemakers. 52.5% of the respondents are Undergraduates followed by 21.7% of the respondents are Postgraduates, while 13.3% of the respondents are School-level and Professional 12.5% respondents form smaller groups. Most of the respondents earn below 10,000 (35.8%), followed by 10,001–20,000 (25.8%), 20,001–40,000 (20%), and above 40,000 (18.3%).

TABLE 2: FREQUENCY OF PURCHASE

Frequency	No. of Respondents	Percentage
Weekly	14	11.7
Monthly	39	32.5
Occasionally	54	45
Rarely	13	10.8
Total	120	100

Table 2 indicates that 45% of the respondents purchase occasionally 32.5% of the respondents purchased monthly, while 11.7% of the respondents purchase it weekly and 10.8% of the respondents purchase rarely (10.8%).

TABLE 3: TYPES OF OFFERS

Offer Types	No. of Respondents	Percentage
Flat discount	24	20
Percentage discount	36	30
Combo offers	33	27.5
Festival offer	22	18.3
Loyalty rewards	5	4.2
Total	120	100

The above data analyses that respondents prefer percentage discounts (30%) the most, followed by combo offers (27.5%) and flat discounts (20%). Festival offers (18.3%) and loyalty rewards (4.2%) are less preferred.

TABLE 4: SEASONAL PURCHASE

Seasons	No. of Respondents	Percentage
Diwali	23	19.2
Pongal	27	22.5
New Year	33	27.5
Weeding Season	30	25
None	7	5.8
Total	120	100

Table 4 indicates that New Year (27.5%) is the most preferred occasion for shopping, followed by the wedding season (25%) and Pongal (22.5%). Diwali (19.2%) also attracts shoppers, while only a few (5.8%) do not prefer any occasion.

VII. SUGGESTIONS

1. Retailers should design time-limited offers (flash sales, festive discounts) to create urgency and attract impulse buyers.
2. Businesses can use personalized discounts (based on purchase history or loyalty cards) to increase customer retention.
3. Overuse of discounts should be avoided, as it may reduce brand value and make customers expect constant offers.
4. Combining discounts with loyalty programs or cashback rewards can improve long-term customer engagement.
5. Digital platforms and mobile apps should be used to communicate offers instantly, especially through push notifications and emails.
6. Discounts should be strategically applied to slow-moving or seasonal products to clear stock while boosting sales.
7. In order to raise sales in a cost-effective manner and to outperform competitors, sales promotion be used to improve sales by influencing consumer purchasing behaviour.
8. Consumers' enjoyment of a price discount can directly boost their impression of value while also compensating for the negative effect of a price reduction on perceived quality.
9. Marketers should strive to generate positive affective experiences when establishing pricing and promotion strategies for online purchasing. Instead of merely announcing the percentage of the price reduction.
10. Marketers can offer the price reduction in a variety of ways to boost customer satisfaction.

VIII. CONCLUSION

The study clearly shows that discounts and offers play a vital role in attracting customers and influencing their buying decisions. Most customers are motivated by price reductions, special promotions, and seasonal sales, as they perceive greater value for money. Discounts not only boost sales during specific periods but also help businesses clear unsold stock and introduce new products to the market. However, relying solely on discounts may create a dependency among customers, who may begin to expect offers all the time. Therefore, it is essential for businesses to use discounts strategically rather than excessively. Combining offers with loyalty programs, personalized deals, and digital

marketing tools can help retain customers while maintaining brand value. The balance between quality and affordability is crucial to ensure that discounts enhance customer satisfaction without reducing product credibility. In conclusion, discounts and offers, when applied thoughtfully, serve as powerful marketing tools that attract customers, increase sales, and strengthen long-term customer relationships.

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