

## IMPACT OF OFFERS AND DISCOUNTS ON CONSUMER BEHAVIOUR: A CONCEPTUAL AND EMPIRICAL PERSPECTIVE

Sudha Pathi <sup>1\*</sup>, Assistant Professor,

Kareema Sheik <sup>1</sup>, Assistant Professor,

<sup>1</sup>Department of Commerce, Siva Sivani Degree College (Autonomous) -Kompally, Secunderabad –  
500100, Telangana, India.

<sup>1\*</sup>Corresponding Author:

Sudha Pathi <sup>1\*</sup>, Assistant Professor,

### ABSTRACT

Offers and discounts have become a central component of modern marketing strategy, significantly influencing consumer decision-making and purchasing behaviour. This study examines the psychological, economic, and behavioural responses of consumers toward promotional pricing mechanisms such as discounts, coupons, price deals, cashback, and limited-time offers. The research integrates insights from prior literature and indicative empirical observations to analyse how offers affect perceived value, purchase intention, brand loyalty, impulse buying, and post-purchase satisfaction. The study also highlights the role of digital promotions, price sensitivity, and urgency-driven decisions in shaping consumer responses. A structured research framework was developed, supported by conceptual reasoning and survey-based interpretation. The analysis demonstrates that offers and discounts positively influence purchase intention and trial behaviour; however, frequent discounting may weaken brand perception and price fairness over time. The paper provides managerial recommendations for designing ethical and sustainable promotional strategies and identifies challenges, limitations, and future research avenues. Overall, the study reinforces that promotional pricing remains an effective marketing lever when strategically aligned with consumer psychology and perceived value.

**Keywords:** Consumer Behaviour, Offers, Discounts, Promotional Pricing, Purchase

Intention, Perceived Value, Brand Loyalty, Impulse Buying.

### I. INTRODUCTION

In the contemporary retail and service marketplace, offers and discounts play a pivotal role in shaping consumer purchasing decisions. Businesses across retail, FMCG, e-commerce, hospitality, financial services, and digital platforms increasingly rely on promotional pricing strategies to attract customers, stimulate demand, encourage product trials, and retain competitiveness in dynamic markets. Consumers today do not merely evaluate products based on functional utility or quality; rather, their buying decisions are strongly influenced by psychological perceptions of value, emotional satisfaction, price comparison tendencies, perceived savings, and situational incentives created through offers and discounts.

Consumer behaviour refers to the psychological, emotional, and social processes involved when individuals evaluate, select, purchase, and use goods or services. Promotional schemes such as percentage-based discounts, bundle pricing, cashback rewards, festive sales, membership offers, free shipping, and loyalty-linked deals significantly alter these behavioural processes. While offers generate short-term market response and sales uplift, they also shape long-term consumer attitudes, brand loyalty, price expectations, and marketplace fairness perceptions.

The increasing digitalization of commerce has further intensified the influence of promotional pricing. Platforms such as Amazon, Flipkart,

Meesho, Zomato, Swiggy, and online travel portals deploy algorithm-driven and time-restricted offers, creating new behavioural patterns such as urgency-based purchases, impulse buying, and app-engagement behaviour. At the same time, the overuse of discounts raises concerns about brand dilution, price dependency, ethical fairness, and consumer manipulation.

Against this backdrop, this study attempts to provide a comprehensive and integrative understanding of how offers and discounts influence consumer behaviour from both conceptual and empirical perspectives. The paper draws from prior theoretical foundations, marketing literature, and indicative survey-based observations to examine how promotional strategies affect purchase intention, perceived value, brand switching, loyalty, impulse buying, and trust. The paper also offers managerial implications, ethical considerations, challenges, and strategic recommendations for sustainable promotional practice.

## II. REVIEW OF LITERATURE

### **Behavioural Influence of Promotional Pricing**

Prior research establishes that offers and discounts create a perceived sense of economic and psychological gain, which strengthens consumer motivation and purchase intention. Promotional cues trigger mental accounting, where consumers perceive savings as additional value rather than reduced expenditure (Thaler, 1985). Discounts function not only as price reductions but also as emotional reinforcements, producing satisfaction associated with obtaining a “good deal.” Chandon et al. (2000) argue that promotions enhance both hedonic and utilitarian value, reinforcing purchase intention.

Studies further indicate that promotional framing such as “Buy One Get One Free,” “Flat 50% Off,” or “Limited-Time Deal” influences decision-making differently, depending on cognitive processing and perceived reward magnitude. Consumers often respond to price framing effects rather than objective monetary

value (DelVecchio et al., 2007). Thus, promotions operate through both rational evaluation and affective responses.

### **Price Perception and Reference Pricing**

Consumers rarely assess discounts in absolute monetary terms; instead, they compare them against an internal reference price derived from previous experience, expectations, and marketplace exposure (Lichtenstein et al., 1993). When discounted prices appear genuine and realistic, they increase perceived fairness, trust, and purchase satisfaction. However, exaggerated or misleading promotional claims reduce credibility and erode brand image (Darke & Chung, 2005).

Reference price perception also influences post-purchase evaluation. If consumers later discover that discount claims were artificially inflated or deceptive, they experience psychological dissonance and brand distrust. Thus, authenticity and transparency in pricing communication are critical to sustaining consumer trust.

### **Sales Promotion and Brand Loyalty**

While offers effectively attract price-sensitive consumers and stimulate short-term sales, literature indicates that long-term loyalty develops only when promotions are strategic, meaningful, and aligned with product quality (Quelch & Harding, 1996). Excessive reliance on deep discounts may shift consumer loyalty from brand-centred commitment to price-driven opportunism.

Frequent promotions may also encourage “deal-prone behaviour,” where customers delay purchases and wait specifically for discount periods (Shankar & Bolton, 2004). In such contexts, promotions substitute genuine loyalty rather than strengthening it. Sustainable loyalty is achieved when promotional benefits are complemented by service quality, product reliability, and brand experience.

### **Psychological Responses and Impulse Buying**

Psychological research demonstrates that scarcity cues, countdown timers, and limited-

time deals create perceived urgency and loss aversion (Tversky & Kahneman, 1991). These cues amplify the fear of missing out (FOMO), encouraging consumers to act quickly and bypass rational deliberation. Promotional stimuli increase impulse buying tendencies, particularly in hedonic product categories.

Emotional excitement associated with discounts strengthens reward-seeking behaviour, reinforcing repeat purchase patterns. Consumers experience immediate gratification upon securing a discounted product, which psychologically validates the purchase even when the product is not urgently required.

### **Digital and E-Commerce Promotions**

Digital commerce ecosystems have transformed promotional dynamics. Online platforms employ data-driven personalization, cashback incentives, flash sales, loyalty points, and algorithmic price variations to intensify engagement. Mobile notifications and app-based alerts increase situational awareness, encouraging opportunistic purchases. Studies reveal that consumers demonstrate higher responsiveness to digital offers due to convenience, comparison access, and social influence through reviews and community discourse.

Moreover, gamified promotions such as reward points, referral bonuses, and spin-wheel offers foster psychological participation and repeat platform interaction. Digital ecosystems therefore extend promotional influence beyond immediate purchase behaviour to habit-formation and ecosystem dependence.

### **Ethical Concerns in Discount-Driven Marketing**

Literature highlights growing ethical concerns surrounding deceptive discounting, unrealistic price anchoring, over-promotion, and consumer manipulation. Practices such as inflating base prices, artificially extending sale durations, or promoting false scarcity undermine consumer welfare and marketplace integrity. Over time, habitual discounting may erode brand

credibility, distort market pricing structures, and reduce long-term value perception.

Thus, ethical and sustainable discounting practices are essential for maintaining trust and responsible marketing conduct.

### **Objectives of the Study**

The major objectives of the study are:

1. To examine the impact of offers and discounts on consumer purchase intention and buying behaviour.
2. To analyse consumer perception of value, price fairness, and trust during promotional offers.
3. To study the role of offers in influencing brand loyalty, impulse buying, and purchase timing.
4. To assess consumer responses toward digital, time-bound, and urgency-based promotional schemes.
5. To identify managerial implications, challenges, and suitable strategies for ethical promotional design.

### **Scope of the Study**

The study focuses on consumer behavioural responses to promotional offers within retail and online marketplaces. It encompasses psychological, economic, and marketing dimensions related to discount-driven purchasing. The scope integrates conceptual insights with indicative empirical interpretation based on consumer responses. The study does not examine firm-level profitability, industry-wise variations, or supply-side pricing effects.

### **III. RESEARCH METHODOLOGY**

The study adopts a descriptive and conceptual research design supplemented with an indicative empirical assessment. A structured questionnaire was developed to collect consumer perceptions relating to offers, discount usage, perceived value, trust, and behavioural response. Responses were analysed using descriptive statistics including percentage analysis, mean scores, and comparative interpretation. The emphasis remains on conceptual understanding

rather than inferential modelling, positioning the study as exploratory in nature.

**Tools Used**

- ❖ Percentage Analysis
- ❖ Mean Score Method
- ❖ Simple Comparative Interpretation
- ❖ Table-Based Behavioural Insights

**Data Analysis and Interpretation**

**Consumer Response to Offers and Discounts**

Factor Studied	Positive (%)	Neutral (%)	Negative (%)
Offers increase purchase interest	78	15	7
Discounts influence brand switching	65	22	13
Limited-time offers induce urgency	72	18	10

**Interpretation:**

A majority of respondents perceive offers as strong purchase motivators. Discounts encourage brand switching, particularly when better price value is perceived. Time-bound offers generate urgency and accelerate purchase decisions, indicating psychological activation during promotional periods.

**Findings**

- ❖ Offers significantly enhance purchase intention, as consumers associate discounts with financial savings and perceived economic gain.
- ❖ Perceived value rises during promotions, making products appear more attractive and affordable compared to regular pricing conditions.
- ❖ Brand switching behaviour increases when discounts provide competitive value, particularly among price-sensitive consumers.

- ❖ Limited-time offers stimulate urgency, accelerating decision-making processes and reducing purchase hesitation.
- ❖ Impulse buying tendencies increase during promotional periods due to emotional excitement, social influence, and opportunistic motivations.
- ❖ Digital promotions intensify engagement, especially through cashback benefits, app notifications, festive campaigns, and loyalty programmes.
- ❖ Consumer trust depends on offer transparency — misleading or inflated discount claims negatively influence brand image and perceived fairness.
- ❖ Frequent discounting weakens premium perception, encouraging consumers to postpone purchases until offer periods.
- ❖ Promotions encourage product trial behaviour, allowing consumers to experiment with new brands at lower perceived risk.
- ❖ Sustainable loyalty requires balanced strategy, integrating quality, experience, and value rather than relying solely on price reductions.

**Challenges and Limitations**

- ❖ Over-dependence on discounts reduces the perceived intrinsic value of the product and weakens its premium image.
- ❖ Over time, consumers begin to associate the brand more with cheap deals than with quality.
- ❖ Misleading or exaggerated offers create distrust among consumers and raise ethical concerns about pricing fairness.
- ❖ Such practices damage brand credibility and negatively affect long-term customer relationships.
- ❖ Frequent discounting encourages consumers to delay purchases and wait only for promotional periods.

- ❖ These shifts buying behaviour from need-based decisions to offer-driven purchasing patterns.
- ❖ Customers attracted mainly through discounts remain highly price-sensitive and may not develop true brand loyalty.
- ❖ They tend to switch to competing brands whenever better offers are available.
- ❖ Excessive and repetitive promotions reduce psychological excitement and lead to offer fatigue among consumers.
- ❖ As a result, the effectiveness of discounts declines and promotional impact weakens over time.
- ❖ The findings are limited by descriptive analysis and a relatively small, indicative sample base.
- ❖ Therefore, the results should be interpreted as exploratory rather than broadly generalizable.
- ❖ Consumer responses to discounts may differ across industries, regions, and cultural contexts.
- ❖ Thus, behavioural outcomes observed in one market setting may not be applicable to all consumer groups.

### Recommendations

- ❖ Design ethical and transparent offers with realistic pricing and credible discount structures.
- ❖ Balance promotional frequency to prevent brand devaluation and offer fatigue.
- ❖ Adopt data-driven segmentation to target responsive consumer segments meaningfully.
- ❖ Link discounts with loyalty programmes to convert opportunistic buyers into repeat customers.
- ❖ Emphasise value-added benefits rather than deep price cuts alone.
- ❖ Monitor consumer trust and satisfaction during and after promotional cycles.

- ❖ Leverage digital analytics for personalised, responsible, and behaviour-sensitive promotions.
- ❖ Align promotions with brand positioning, quality perception, and long-term strategic objectives.

### IV. CONCLUSION

Offers and discounts continue to remain powerful marketing instruments capable of shaping consumer behaviour, purchase intention, and brand preference. The study reveals that promotional pricing influences psychological satisfaction, perceived value, urgency-driven decisions, trial behaviour, and impulse buying tendencies. When consumers perceive offers as genuine, fair, and economically beneficial, they respond positively, resulting in enhanced purchase engagement and favorable brand attitudes.

However, the findings also highlight those promotional strategies must be applied judiciously and ethically. Excessive or manipulative discounting weakens price credibility, harms consumer trust, and erodes long-term brand equity. Sustainable promotional design requires transparency, value assurance, strategic frequency, and a balanced integration of price incentives with product quality and consumer experience. Future research may extend this study through larger empirical samples, cross-industry comparisons, behavioural experiments, and advanced statistical modelling to strengthen theoretical validation and policy implications.

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