

The Influence of Discount Offers on Consumer Purchase Behavior and Brand Loyalty

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Abstract

Discount promotions are one of the most common marketing methods used by firms to attract clients, improve sales, and gain a competitive advantage. These discounts take many forms, including percentage reductions, buy-one-get-one-free (BOGO) deals, seasonal specials, and loyalty-based discounts. This study investigates the influence of discount offers in determining customer purchasing behavior and whether they strengthen or damage brand loyalty. The study uses a questionnaire-based data gathering approach to gather information from customers on their purchasing habits, discount expectations, and brand switching tendencies. The obtained data is analyzed in Excel utilizing frequency distribution, mean, and standard deviation to detect patterns in consumer answers. The findings show that, while discounts have a major impact on consumers' shopping decisions, they can also create a dependency in which customers wait for promotions before making purchases. While discounts assist in clearing inventory and attract new consumers, they can also lower overall profitability if not effectively handled. Many businesses struggle to strike the correct balance between offering discounts to attract new consumers and keeping a consistent price policy that encourages loyalty among existing customers. To summarize, discount offers are a double-edged sword. While they effectively increase sales and purchases, their influence on brand loyalty is ambiguous. Consumers are growing more discount-driven, therefore firms must discover new strategies to keep clients beyond price incentives. In today's competitive economy, a well-balanced discounting strategy that takes into account both short-term sales growth and long-term brand positioning is critical to long-term success.

Keywords

Discount offers, Brand loyalty, Consumer behavior, Marketing strategies, and Brand switching.

1. Introduction

1.1 Background of the Study

In today's extremely competitive business world, organizations are constantly looking for strategies to attract and keep clients. Discount offers are one of the most popular marketing methods for influencing consumer behavior. Discounts, such as percentage price reductions, buy-one-get-one-free (BOGO) discounts, cash back offers, and seasonal specials, are intended to boost short-term sales, encourage impulse purchases, and improve consumer engagement. While discounts are helpful in increasing short-term sales, their impact on long-term brand loyalty is debatable (Qazzafi, 2020).

Discounts have a big influence on how consumers behave when making purchases, especially when it comes to promoting impulsive purchases and boosting temporary sales. Discounts are well received by customers, particularly when buying expensive, often used, or non-essential goods like electronics, stylish clothing, personal care products, and home appliances. Sales in these categories are frequently seasonal or promotional, which has a big impact on customer choices. The results of the study show that because of their perceived price and abundance of alternatives, fashion, and personal care items are among the most often bought items during sales. Discount-driven promotions are also advantageous for high-value products like electronics since buyers wait for price reductions during holidays or special occasions (Agence France Presse, 2013).

Discounts raise the frequency of purchases, but they don't always result in brand loyalty. Many buyers start to choose products based more on the size of the discount than on prior experience or brand confidence, becoming brand agnostic. This is particularly obvious in the fast-moving consumer goods (FMCG) and fashion categories, where brand switching is prevalent in reaction to promotional offers. On the other hand, even during sales, some degree of brand preference is maintained in categories like electronics or home appliances where quality, service, or warranty are important considerations (Bose, Antony, & Rajan, 2023).

Price sensitivity, product quality, brand reputation, and psychological variables all have an impact on consumer purchasing behavior. Discounts influence decision-making by changing the perceived value of a product or service. Many firms provide discounts to entice first-time customers, clear out inventory, or compete with competing brands. However, excessive reliance on discounts can have unforeseen repercussions, such as brand

dilution, reduced profit margins, and consumer discount dependency. Some customers develop the habit of only buying when there are discounts available, which might harm a brand's ability to sell at full price (Roy, 2022).

Brand loyalty is defined as a consumer's constant preference for one brand over its competitors, which is typically influenced by characteristics such as trust, product satisfaction, and emotional attachment to the brand. Ideally, firms want clients who are loyal regardless of pricing methods. However, in the context of regular discount offers, many consumers favor price over brand loyalty, resulting in brand switching behavior. This study seeks to determine if discounts genuinely create brand loyalty or simply attract price-sensitive buyers who switch brands based on discount availability (Ramya & Ali, 2016).

1.2 Research Problem

The primary goal of this research is to investigate how discount offers affect customer purchase behavior and brand loyalty. While discounts are commonly utilized to promote sales, businesses are increasingly concerned that over-reliance on them could foster a culture in which customers expect discounts as the norm rather than an occasional promotional advantage (Alem, 2020). This raises important questions:

- Do discounts truly impact customer purchasing decisions?
- Do discounts lead to increased brand loyalty among consumers?
- Do frequent discounts harm brand impression and lead consumers to switch brands?
- How do buyers behave once discount offers expire?

Understanding these issues is critical for firms that want to maximize their discount methods while maintaining a strong and loyal consumer base.

1.3 Research Objectives

The major goal of this study is to investigate the relationship between discount offers, consumer purchasing behavior, and brand loyalty. The study attempts to accomplish the following:

- Analyze how discount offers impact consumer purchasing behavior.
- Determine whether discounting techniques strengthen or undermine brand loyalty.
- Evaluate customer discount expectations and how they affect long-term purchasing decisions.

- Analyze the statistical impact of discounts with Excel (frequency distribution, mean, and standard deviation).

By meeting these objectives, the study will give data-driven insights to assist firms in developing discount strategies that not only increase short-term sales but also improve long-term brand retention.

1.4 Significance of the Study

This study has implications for firms, marketers, and scholars investigating consumer behavior. The findings will assist firms in optimizing their discounting programs to balance immediate income creation and long-term brand survival. Understanding how discounts affect purchasing habits and brand loyalty will help organizations make strategic decisions about pricing, promotional programs, and consumer engagement. This study provides marketers with insights into consumer psychology in the context of discount-driven purchasing. Marketers can use the insights to develop promotional strategies that increase consumer satisfaction while maintaining brand equity (Harish, 2022). For researchers, the study adds to the corpus of knowledge about consumer behavior and discounting tactics. The analysis of the frequency distribution, mean, and standard deviation in Excel will provide empirical evidence on how consumers react to discounts and whether they are loyal over time.

1.5 Scope of the Study

The study focuses on customer purchasing behavior and brand loyalty in relation to discount offers. Data is gathered via a standardized questionnaire that addresses various aspects of discount-driven purchases, impulse buying, brand preference, and repeat purchase behavior. The study interprets consumer responses through Excel-based statistical analysis (frequency distribution, mean, and standard deviation).

1.6 Limitations of the Study

The limitations of the study are the following:

- **Limited to a Specific Consumer Group:** The study includes 500 respondents who actively shop and respond to discount offers. The findings may not reflect all customer demographics equally.
- **Self-reported Data:** The study depends on survey responses, which may be affected by personal biases or recollection inaccuracies.
- **Limited Geographic Focus:** The study's focus on certain locations or marketplaces may hinder its ability to generalize to worldwide consumer behavior.

Discounts have become an essential component of consumer shopping behavior, impacting how individuals make purchasing decisions. While discounts provide immediate inducements to purchase, their impact on long-term client loyalty is still debatable (Elison, 2008). This study seeks to determine whether discounts genuinely develop brand loyalty or if they promote a transactional connection in which customers follow discounts rather than brands. The study will provide a quantitative view on the success of discounting tactics by assessing consumer responses through questionnaire-based data collecting and Excel-driven statistical analysis. The findings will assist firms in developing sustainable pricing approaches that attract customers while maintaining brand value and long-term profitability.

2. Review of the Literature

The impact of discount offers on consumer behavior and brand loyalty has been extensively researched in marketing and behavioral economics. Businesses offer discounts to attract new consumers, increase sales volume, clear inventory, and compete in price-sensitive markets. However, the long-term impact on brand loyalty is debatable. While some research implies that discounts help customers stay loyal by increasing perceived value, others believe that repeated discounts might lead to brand dilution and price sensitivity among consumers (Kumar & Dange, 2012).

Discount offers occur in a variety of forms, and firms select specific discounting tactics based on their marketing objectives, industry type, and target audience. The main types of discount methods are: Popular promotional methods include price discounts like 20 percent or ₹ 500 off. According to research, percentage discounts are more successful for high-priced commodities, but fixed — amount discounts are better for lower-priced items. Consumers view percentage-based discounts as providing more value when the base price is high, whereas fixed reductions are more obvious for purchases (Bandara, 2021).

Buy one, get one free (BOGO) offerings provide a sense of increased value by providing an extra product at no further cost. BOGO promotions stimulate bulk and spontaneous purchases. However, they may weaken brand distinction because consumers tend to prioritize quantity above brand attributes. Loyalty programs offer savings to repeat consumers, typically in the form of reward points, rebates, or special member discounts. Loyalty-based discounts strengthen emotional connections between consumers and brands, encouraging recurrent purchase behavior (Roy & Datta, 2022).

Seasonal discounts, such as holiday sales, Black Friday specials, and end-of-season reductions, take advantage of shoppers' time constraints. Flash sales create a sense of urgency, leading to impulse purchases. However, repeated seasonal discounts may cause customers to postpone purchases in anticipation of future price reductions. Several psychological theories explain how discounts influence customer behavior and decision-making. Prospect Theory implies that customers assess potential gains and losses in relation to a reference point. Discounts are regarded as a benefit, making customers believe they are getting a better bargain. This often results in higher spending during sales events (Rajan, Sammansu, & Suresh, 2021).

According to the Price Perception Theory, buyers focus their judgment of product quality on pricing. When a product is frequently discounted, buyers may perceive it as poorer quality, which can undermine brand equity. Loss Aversion and the Urgency Effect. Consumers prefer to avoid losses more than they desire profits. Limited-time discounts elicit fear of missing out (FOMO), which increases the risk of impulse purchases (Ramya & Ali, 2016).

Discounts considerably raise purchase intentions, particularly among first-time customers. However, recurrent purchasing behavior is influenced by factors such as product quality and brand reputation. Discount Dependence and Price Sensitivity. Frequent discounts can lead to discount reliance, in which customers postpone purchases until they obtain a price decrease. This behavior is particularly widespread in businesses with predictable sales cycles, such as electronics and fashion. According to research, discounts stimulate unexpected purchases since customers see them as a way to save money. This is particularly visible in internet purchasing, where flash promotions encourage impulse purchases (Qazzafi, 2020).

Discounts entice clients in the short term, but their long-term impact on loyalty is uncertain. Price-sensitive consumers may switch brands once the deal expires, whereas value-driven consumers may remain loyal if the brand provides consistent benefits. Frequent discounts can harm brand image, leading buyers to assume that the company's usual pricing is inflated. Luxury brands frequently shun discounts to maintain exclusivity. Price is not the only factor that influences loyalty; product quality, service, and overall customer experience all play a role. Brands that rely primarily on discounts without improving customer pleasure may struggle to achieve long-term loyalty (Rajan, Sammansu, & Suresh, 2021).

Several empirical research provides insights on how discounting influences consumer behavior:

Personalized discounts based on purchase history outperform general discounts in terms of client retention. Unexpected discounts at checkout result in higher consumer satisfaction than promoted promotions. Analysis of loyalty programs, long-term discounts like cash back and rewards are more successful than transitory price reduction for customer retention. Excessive discounting can negatively impact brand equity and long-term profitability (Roy & Datta, 2022). According to the literature, discounts influence purchasing behavior, boost impulse buying, and improve short-term sales. However, the impact on brand loyalty differs. While some consumers stick with brands that give discounts, others become price-sensitive and switch brands regularly. The efficiency of a discounting strategy is determined by several aspects, including discount frequency, consumer expectations, and product quality. Based on these findings, the purpose of this study is to provide empirical evidence through questionnaire-based data collection and Excel-based statistical analysis (frequency distribution, mean, and standard deviation) to assess how consumers respond to discounts and whether they demonstrate brand loyalty in addition to price incentives (McCombes, 2019).

3. Research Methodology

3.1 Research Design

This study takes a quantitative research strategy, collecting data through a questionnaire survey. Responses are examined in Excel using statistical approaches such as frequency distribution, mean, and standard deviation to determine customer behaviour trends (Taherdoost, 2021).

3.2 Data Collection Method

A standardized questionnaire was created to collect information about consumer behavior in response to discount offers. The questionnaire had 20 Likert-scale items covering:

- Shopping preferences (online/offline, discount expectations).
- Purchase behavior (impulse buying and brand swapping).
- Brand loyalty (repeated purchases and perception of discounts).

3.3 Sample Size and Target Population

The survey was delivered to 500 people from all age groups and income levels. Respondents were chosen based on their usual purchasing habits, both online and offline.

3.4 Data Analysis Method

The data was examined in Microsoft Excel with the following statistical tools:

- **Frequency Distribution:** Identifying the frequency of discount-related activities among respondents.
- **Mean (Average):** Measures central tendencies in customer behavior, such as average expenditure on discounted products.
- **Standard Deviation:** Identifying varying consumer responses and buying trends.

4. Data Analysis

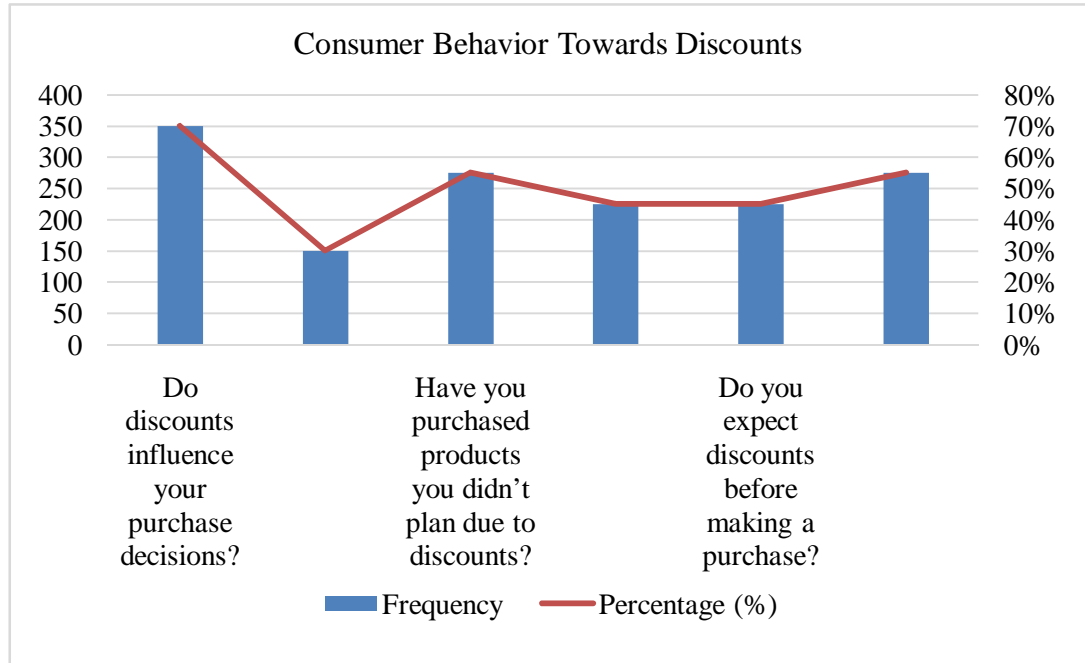
4.1 Frequency Distribution Analysis

The following table presents the frequency distribution of consumer responses regarding discount offers:

Table 1:- Frequency Distribution of Consumer Behavior towards Discounts

Consumer Behavior Question	Response Option	Frequency	Percentage (%)
Do discounts influence your purchase decisions?	Yes	350	70%
	No	150	30%
Have you purchased products you didn't plan due to discounts?	Yes	275	55%
	No	225	45%
Do you expect discounts before making a purchase?	Yes	225	45%
	No	275	55%

Source:- Self-constructed



Source:- Self-constructed

Figure 1:- Consumer Behavior towards Discounts

Interpretation:

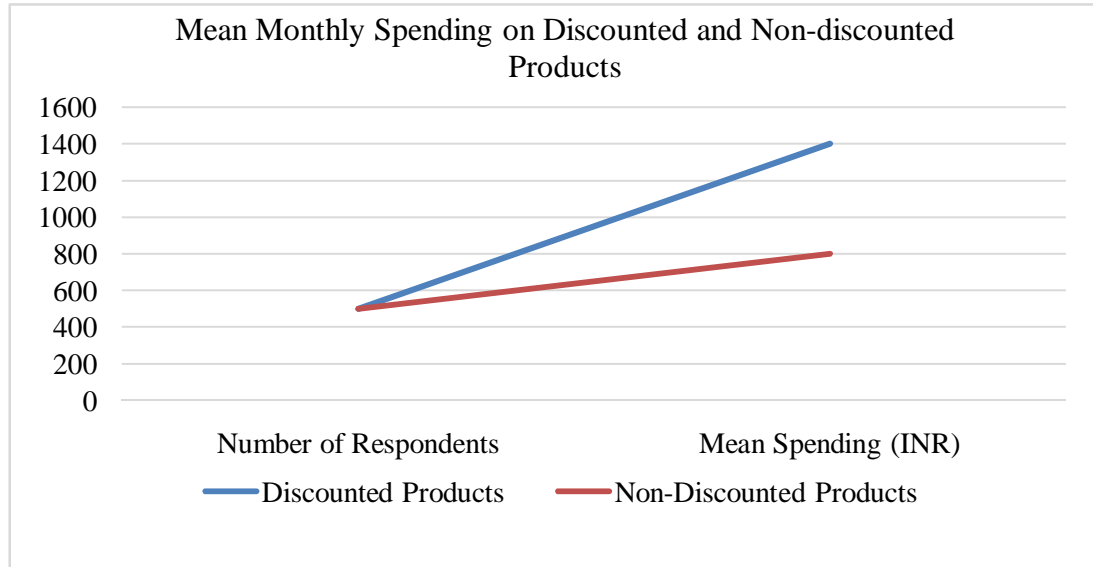
- 70 percent of shoppers say discounts affect their purchases.
- 55 percent of consumers make spontaneous purchases owing to discounts.
- 45 percent of buyers expect discounts before making a purchase, indicating discount reliance.

4.2 Mean Analysis (Average Consumer Spending on discounts vs. Non-discounted Products)

Table2:- Mean Monthly Spending on Discounted and Non-discounted Products

Category	Total Spending by Respondents (INR)	Number of Respondents	Mean Spending (INR)
Discounted Products	7,00,000	500	1,400
Non-discounted Products	4,00,000	500	800

Source:- Self-constructed



Source:- Self-constructed

Figure 2:- Mean Monthly Spending on Discounted and Non-discounted Products

Interpretation:

- Average spending on discounted products is INR 1,400, which is higher than INR 800 spent on non-discounted products. This suggests that discounts significantly increase consumer spending.

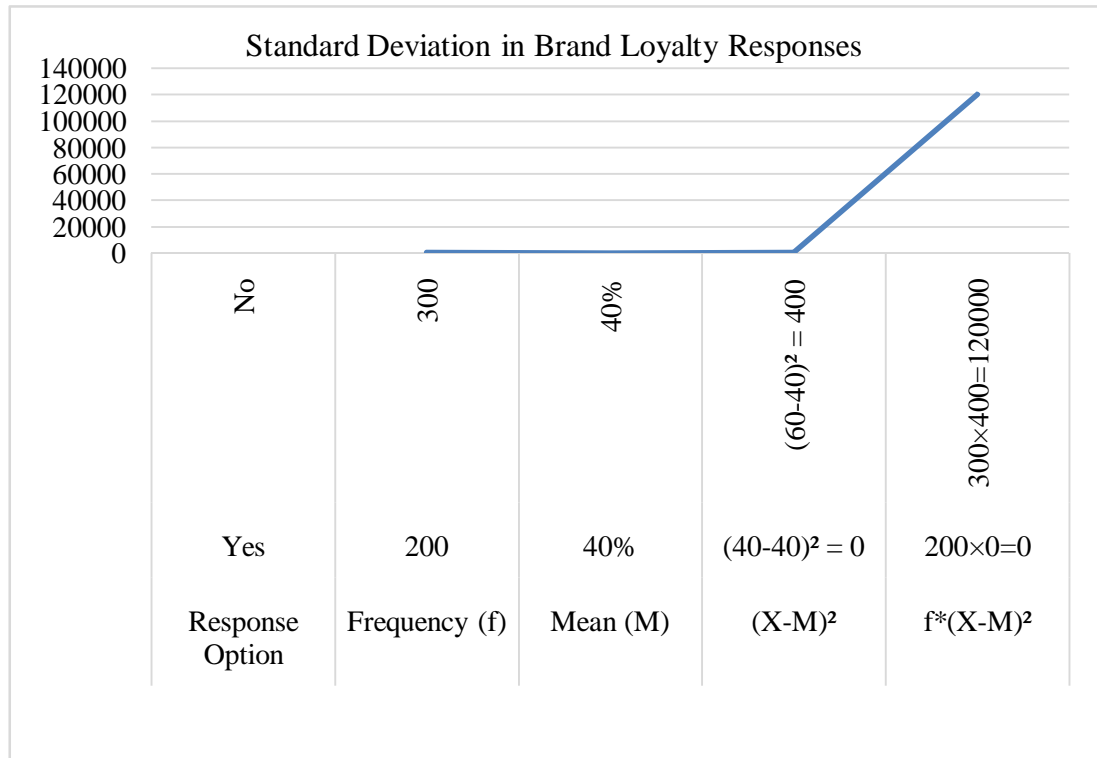
4.3 Standard Deviation Analysis (Variation in Brand Loyalty Responses)

To analyze brand loyalty variations, we calculate the **standard deviation (SD)** for responses on consumer brand-switching behavior.

Table 3:- Standard Deviation in Brand Loyalty Responses

Question	Response Option	Frequ-ency (f)	Mean (M)	(X-M) ²	f*(X-M) ²
Do you remain loyal to brands that offer frequent discounts?	Yes	200	40%	(40-40) ² = 0	200×0=0
	No	300	40%	(60-40) ² = 400	300×400=120000
Total		500	40%	400	120000

Source:- Self-constructed



Source:- Self-constructed

Figure 3:- Standard Deviation in Brand Loyalty Responses

Standard Deviation Calculation:

$$SD = \sqrt{\frac{\sum f(X - M)^2}{N}}$$

$$SD = \sqrt{\frac{120000}{500}}$$

$$SD = \sqrt{240}$$

$$SD = 15.49$$

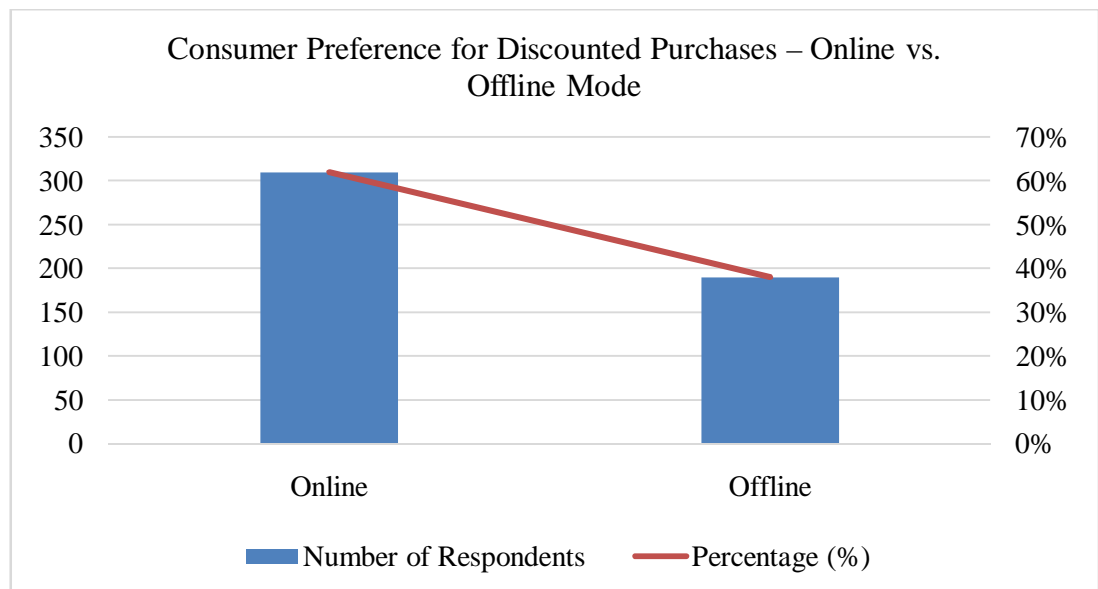
Interpretation:

- The standard deviation (15.49) shows a large diversity in customer brand loyalty.
- Higher SD indicates uneven brand loyalty, as many consumers switch brands once incentives expire.

Table 4:- Consumer Preference for Discounted Purchases – Online vs. Offline Mode

Mode of Purchase	Number of Respondents	Percentage (%)	Mean	Standard Deviation
Online	310	62%	4.2	0.85
Offline	190	38%	3.7	1.02
Total	500	100%		

Source:- Self-constructed



Source:- Self-constructed

Figure 4:- Consumer Preference for Discounted Purchases – Online vs. Offline Mode

4.4 Interpretation of Findings

- **Short-term Impact:** Discounts effectively increase sales and stimulate impulse purchases.
- **Long-term Impact:** Frequent discounts lead to low brand loyalty among consumers.
- **Strategic Discounting:** To retain loyal customers, brands should offer targeted discounts rather than excessive markdowns.

4.5 Key Findings

- The majority of customers give discounts a high grade when making purchases, indicating that they have a significant impact on purchasing decisions.
- During sales, consumers are more inclined to purchase gadgets, fashion, and personal care items; essentials are less likely to be impacted.
- Customers frequently sacrifice brand loyalty by switching brands in search of better prices, demonstrating a preference for bargains over brand loyalty.
- Although offline businesses are still significant for some product kinds, online platforms are favored for reduced shopping because they are more convenient and offer a greater range of deals.

4.6 Recommendations

- **Strategic Discounting:** To minimize over-reliance and brand degradation, offer discounts sparingly. To preserve perceived value, concentrate on limited-time deals and seasonal promotions.
- **Targeted Discounts:** To promote loyalty and boost repeat business, tailor discounts according to customer behavior and past purchases.
- **Balanced Approach:** To foster enduring brand loyalty, combine discounts with other value-driven tactics like product quality and customer service.
- **Integration of Online and Offline:** Make use of online channels to reach a larger audience with discounts while keeping a strong offline presence for customers who prefer in-store interactions.

5. Conclusion

According to the study's findings, discounts have a big influence on how consumers behave while making purchases. They promote impulsive purchases and short-term sales, especially in industries like electronics, fashion, and personal care. Offline businesses continue to be important for some product kinds, even though online platforms are preferred for discounts since they are more convenient and offer a wider variety of deals. Since many consumers transfer brands based more on price incentives than on an emotional bond, the study also shows that repeated reductions frequently weaken brand loyalty. Therefore, it is important to deliberately employ discounting techniques to draw in customers without compromising the brand's long-term worth. Businesses should guarantee consistent quality and client happiness while combining discounts and tailored offerings to preserve brand loyalty.

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