Maharashtra Education Society's
Institute of Management & Career Courses (IMCC), (Autonomous)
411038

RESEARCH PROJECT REPORT

On

"Impact of Discounts on Customer Behavior"

By

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Submitted to Maharashtra Education Society's
Institute of Management & Career Courses (IMCC)

AUTONOMOUS
Pune – 411038

In partial fulfillment of the requirements for the award of the degree of
Master of Business Administration (MBA) 2024–2026

Research Project Report

Topic: Impact of Discounts on Customer Behavior

Introduction

In the present era of rapid globalization, digitization, and intense market competition, businesses are continuously searching for new strategies to attract customers and increase sales. Among the wide range of marketing tools available, discounts have emerged as one of the most effective and commonly used methods. A discount is generally understood as a reduction in the original selling price of a product or service, offered for a specific time or under certain conditions. While the basic idea of a discount may appear simple, its influence on customers is far more complex and far-reaching.

Over the last few decades, the growth of retail outlets, supermarkets, shopping malls, and most importantly, e-commerce platforms, has led to an increased use of discounts as a promotional strategy. From "End of Season Sales" in fashion stores to "Flash Deals" on e-commerce platforms like Amazon or Flipkart, and from "Happy Hours" in restaurants to "Festival Offers" in electronics showrooms, discounts are everywhere. Customers are constantly exposed to such offers, which directly affect their shopping habits and decision-making processes. Businesses often promote these discounts with the belief that lowering prices will not only attract new buyers but also encourage existing customers to purchase more frequently.

From the customer's perspective, discounts are often perceived as an opportunity to save money or get additional value for the same amount spent. Many customers delay their purchases until discount periods, such as Black Friday, Diwali sales, or New Year offers, as they believe they will benefit from reduced prices. This behaviour highlights how discounts can alter not only what customers buy, but also when and how much they buy. Discounts may also generate a sense of urgency and excitement, encouraging impulse buying. For instance, when a website displays "Only 2 items left at this price!" alongside a discounted product, many customers feel pressured to make a quick decision, even if the purchase was not originally planned.

However, the impact of discounts is not always positive. While they may succeed in boosting short-term sales, frequent or excessive use of discounts can sometimes harm the long-term perception of a brand. When customers repeatedly encounter discounts, they may start associating the brand with "cheap" quality or may expect discounts all the time, refusing to buy products at regular prices. For example, if a clothing brand is always on sale, customers might avoid buying at full price, assuming that another discount will soon be available. In this way, discounts can create a cycle of dependency, where customers wait for offers instead of purchasing at normal prices. This raises an important question: do discounts genuinely build

customer loyalty, or do they only create temporary interest?

Another interesting aspect is the psychological impact of discounts on consumer behaviour. Research in psychology and marketing shows that customers often experience a sense of happiness, satisfaction, or achievement when they buy a product at a discounted rate. This "feel-good factor" comes from the belief that they are making a "smart" financial decision. Some customers even share their discounted purchases with friends or on social media, which adds to their sense of pride. On the other hand, there are also situations where customers later regret their impulsive discounted purchases, realizing that they bought items they did not really need. This mixture of emotions demonstrates that discounts can influence both the rational and emotional sides of decision-making.

In addition to psychology, economic and social factors also play an important role. Customers from middle- or lower-income groups may see discounts as opportunities to access products that might otherwise be beyond their budget. On the other hand, for customers from higher-income groups, discounts may be less about affordability and more about the thrill of getting a better deal. Social influence also plays a role, as many customers tend to follow trends during discount seasons—buying products because others in their social circle are doing the same.

The importance of studying the impact of discounts on customer behaviour lies in the fact that discounts are not a "one-size-fits-all" strategy. Different types of discounts—such as percentage-off offers, "buy one get one free" schemes, seasonal clearance sales, or cashback offers—affect customers differently. Some may encourage bulk buying, while others may push customers toward experimenting with new products or brands. Similarly, cultural factors, age groups, and shopping environments (online vs. offline) all influence how customers respond to discounts.

Moreover, in the age of digital marketing, discounts have become even more powerful. With the help of social media, mobile apps, and personalized email campaigns, companies can target specific groups of customers with tailored

discount offers. For example, e-commerce platforms often send app notifications about "exclusive app-only discounts" or "limited-time flash sales," which can instantly influence customer behaviour. At the same time, customers are becoming smarter and more informed. They compare prices across different platforms, use discount coupons, and even wait for specific events like "Big Billion Days" or "Prime Day" to maximize their savings. This shows how discounts have evolved from being just a simple price reduction tool to becoming a central part of modern consumer culture.

To sum up, discounts are one of the most powerful promotional strategies that shape customer behaviour in multiple ways. They can create excitement, drive sales, and attract new buyers, but they can also lead to challenges such as reduced brand loyalty, overdependence on offers, and a decline in product value perception. The psychology, emotions, and financial considerations behind how customers react to discounts make this topic highly relevant for research. By studying the impact of discounts on customer behaviour, we can better understand not only the short-term sales benefits but also the long-term implications for businesses and customers alike.

Problem Identification

In today's competitive market, businesses frequently use discounts as a promotional tool to attract and retain customers. While discounts can temporarily boost sales, their long-term impact on customer behavior is not always clear. Many customers may buy only during discount periods, which can affect brand loyalty, profit margins, and regular sales patterns.

There is a lack of clarity on:

- Whether discounts actually influence buying decisions or just encourage short-term purchases.
- what different types of discounts (percentage off, buy-one-get-one, seasonal offers, etc.) affect customer perception and satisfaction.
- If heavy reliance on discounts can weaken brand value or make customers wait only for offers.

"Although discounts are widely used as a sales promotion strategy, there is limited understanding of their actual impact on customer behaviour in terms of purchase decisions, brand loyalty, and satisfaction. This study aims to identify how discounts influence customer buying patterns and overall perception."

OBJECTIVE

1. To analyze the impact of different types of discounts on customer behavior
2. To analyze customer satisfaction on discount
3. To understand customer choice between discount offer and brand loyalty

Businesses use many kinds of discounts such as percentage-off deals (20% off), buy-one-get-one offers, or seasonal sales (Diwali Sale, Year-End Sale). But do all these types of discounts affect customers in the same way? For example, some people may prefer percentage discounts because they clearly save money, while others may get more excited by buy one get one offers.

Discounts are not just about buying they also create an emotional response. Many customers feel happy, smart, or satisfied when they get a product at a lower price. But sometimes, if the discount is confusing or feels like a "fake offer," customers may feel cheated or disappointed.

Some customers are loyal to a brand they buy products from their favourite brand even without discounts. Others are discount-driven shoppers they will switch brands if another brand offers a better deal.

That's why this objective is helpful for study this topic for analyse discount strategy, its help to understand what customer feel about discount. this also help for analyses the customer sentiment about discount and offer product.

Literature Review

1. **Zheng, D. (2022).** ***Retail price discount depth and perceived quality uncertainty***.

Zheng (2022) studied how the depth of discounts (how big a price cut is) affects how customers feel about product quality. Earlier studies showed that large discounts often make people think the product is of lower quality. Zheng's study goes further and explains that discounts not only affect what customers think about quality but also how uncertain they feel about it.
The research found that when discounts are small, people still trust the product. When discounts are moderate, customers start feeling confused and unsure about the real quality. But when discounts are very high, they assume there must be a clear reason (like clearance sale), so uncertainty becomes lower again.
This shows that moderate discounts create the most doubt in customers' minds. Therefore, companies should clearly explain the reason for discounts and give more product information to reduce customer confusion.

2. (2018) ***Effects of price discount on consumers' perceptions of savings, quality and value***

The 2018 study examines how price discounts influence consumers' perceptions of savings, product quality, and overall value. The research found that when consumers see a discount, they usually perceive a higher level of savings, which increases the product's perceived value and purchase intention. However, the study also shows that large discounts can have a negative effect on perceived quality, as customers may think the product is cheaper because it is of lower quality or outdated. Therefore, while discounts attract attention and improve the sense of value, they can also create quality doubts if not used carefully. The study suggests that businesses should balance the size of discounts to maintain both customer trust in product quality and the feeling of getting a good deal.\

3. Zhang, Dai & Dong. ***How Do Price Promotions Affect Customer Behavior on Retailing Platforms***

Zhang, Dai, and Dong explored how price promotions influence customer behavior on online retailing platforms. Their study focuses on how different types and levels of discounts affect consumers' decisions such as product choice, purchase intention, and brand loyalty**.** The research highlights that price promotions are powerful marketing tools that can increase sales in the short term, but their effects on long-term customer attitudes are more complex.

The study also discusses how online shopping environments amplify these effects. On e-commerce platforms, customers are constantly exposed to multiple deals and comparisons, which makes price sensitivity higher. Digital features such as reviews, ratings, and seller reputation influence how customers interpret discounts. For example, a big discount from a well-rated seller may be seen as a good deal, while the same discount from an unknown seller may raise doubts about product quality or authenticity.

Another key finding is that psychological **factors** such as perceived fairness**,** trust, and promotion framing (for example, "20% off" vs. "Save ₹200") strongly affect how consumers respond to discounts. Promotions framed in a clear and positive way improve consumers' feelings of saving and satisfaction, while unclear or frequent discounts can lead to confusion and mistrust.

4. Royanda, L. H. & Hidayat, A. (2024). ***Influence of Discount Prices on Consumer Perceptions of Quality, Savings and Value for Handbags and Shoes Brand***

Royanda and Hidayat (2024) studied how discount prices affect consumers' perceptions of quality, savings, and value for handbag and shoe brands. The study found that discounts play an important role in shaping how customers judge products. When brands offer discounts, consumers usually feel they are getting more savings and better value for their money. This often increases their interest in buying and their satisfaction with the purchase.
However, the research also showed that large discounts can create doubts about product quality. Customers may think that heavily discounted handbags or shoes are of lower quality or outdated. On the other hand, moderate discounts make buyers feel confident about both price and quality.
The authors concluded that while discounts are effective in attracting customers, brands should use them carefully to maintain a balance between value and quality perception. Properly planned discounts help improve sales and customer trust without damaging the brand image.

5. Powers, T. L., Jack, E. P., Choi, S. (2018). ***Price and Quality Value Influences on Discount Retail Customer Satisfaction and Loyalty***

Powers, Jack, and Choi (2018) examined how price and quality value influence customer satisfaction and loyalty in discount retail stores. The study found that customers in discount stores are mainly attracted by low prices, but their long-term satisfaction depends more on the perceived quality and overall value of the products they buy. While attractive prices can bring customers in, consistent product quality is what keeps them loyal.

The research also showed that when customers feel they are receiving good value for the price paid, their trust and satisfaction with the retailer increase. However, if low prices are linked to poor product quality**,** satisfaction and loyalty drop quickly.

The authors concluded that discount retailers should not focus only on offering cheap prices but should also maintain acceptable product quality and service standards. A strong balance between price and quality value is essential to build long-term customer loyalty and positive word-of-mouth.

6. Büyükdağ, N., Soysal, A. N., & Kitapci, O. (2020). *The effect of specific discount patterns in price promotions on perceived price attractiveness and purchase intention*

Büyükdağ, Soysal, and Kitapci (2020) studied how different discount patterns in price promotions affect consumers' perceived price attractiveness and purchase intention**.** The study found that specific discount styles, such as percentage-off or buy-one-get-one**,** influence how appealing a price looks to customers. When discounts are presented clearly and look valuable, customers find the offer more attractive and are more likely to buy**.**

The research also showed that the way a discount is framed or displayed plays a key role in shaping consumer response. Simple and easy-to-understand promotions create positive feelings and increase purchase intention**,** while confusing discount messages reduce interest.

Overall, the study concluded that using the right discount pattern helps businesses improve price attractiveness**,** encourage quick purchase decisions**,** and strengthen the overall effectiveness of promotions**.**

7. Study: *Influence of discount price announcements on consumer's behavior*

This study examines how announcing discount prices affects consumer behavior. The research found that when discounts are clearly announced, consumers feel a stronger motivation to buy, as they perceive greater savings and value**.** Discount announcements create excitement and a sense of urgency**,** encouraging quicker purchase decisions.

However, the study also notes that if discounts are announced too often or seem unrealistic, customers may doubt the quality of the products or become less responsive over time. The clarity and timing of discount announcements play an important role — clear and trustworthy messages increase trust and positive attitudes**,** while unclear ones may reduce purchase intention.

Overall, the study concludes that effective discount announcements can significantly influence buying behavior, increase sales**,** and strengthen customer engagement, but they must be used carefully to maintain brand credibility and consumer trust**.**

8. ***Effects of pricing and promotion on consumer perceptions***

This study explores how pricing and promotional strategies affect consumers' perceptions and buying behaviour. The research found that well-planned pricing and promotions increase consumers' perceived value**,** satisfaction, and purchase intention. When customers see fair prices or attractive offers, they feel they are getting good value for money**,** which builds trust and loyalty**.**

However, frequent or very large promotions can make consumers question product quality or wait for future discounts instead of buying at regular prices. The study highlights that the type and presentation of promotions — such as percentage discounts, coupons, or bundle offers — strongly influence how consumers view price fairness and product quality.

Overall, the study concludes that pricing and promotion strategies must be **balanced**. Effective promotions can enhance brand image and sales**,** while poor or excessive use can reduce consumer confidence and long-term loyalty**.**

9. Huang, J. (2018). ***Quantifying the Price of Perceived Discounts and Mark-ups***

Huang (2018) studied how consumers perceive discounts and mark-ups and how these perceptions influence their buying behaviour**.** The research focused on how people mentally calculate and respond to price changes, such as discounts (price reductions) and mark-ups (price increases).

The study found that consumers do not always respond rationally to price changes — they often overvalue discounts and underestimate mark-ups**,** leading to biased judgments of value.

The results showed that when prices are presented as **discounted offers**, customers feel they are getting extra savings**,** which increases their purchase intention**.** In contrast, mark-ups reduce the feeling of value and may discourage buying. The study also highlighted that the way price information is displayed affects how consumers perceive fairness and deal attractiveness.

Overall, Huang concluded that understanding the psychological impact of discounts and mark-ups helps retailers design better pricing strategies that maximize both sales and customer satisfaction**.**

10. Huber, M., Meier, J., & Wallimann, H. (2021). ***Assessing the demand effects of discounts on Swiss train tickets .***

Huber, Meier, and Wallimann (2021) studied how discounts on Swiss train tickets affect customer behaviour. They looked at data from the Swiss Federal Railways and used modern data analysis tools to understand people's choices.

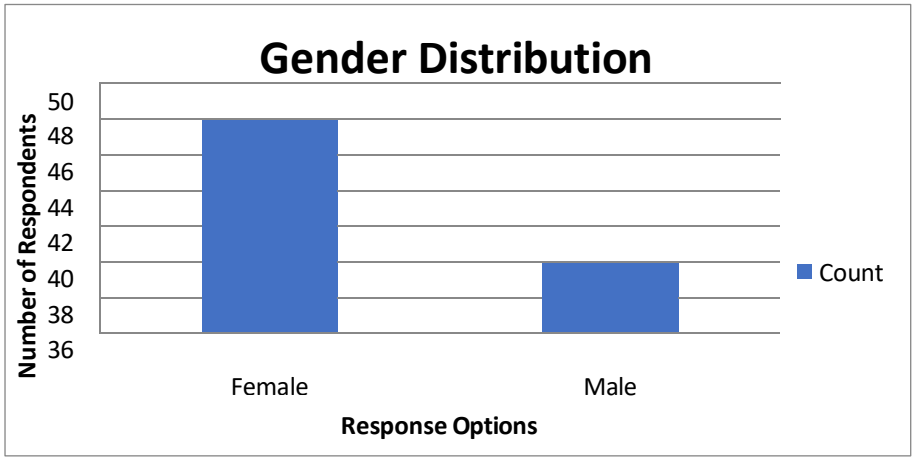
The study found that discounts make more people buy train tickets, especially when the discount is high. Age, travel time, and how busy the train is also influence whether people buy discounted tickets. The research showed that even a small increase in discount (for example, 1%) can increase the number of people changing their travel time or choosing discounted tickets.

In simple terms, discounts encourage more travel and help shift some passengers to less busy times, which is good for both the railway company and passengers. The study helps train companies understand how to use discounts smartly to manage demand and improve customer satisfaction.

METHDOLOGY:

DEMOGRAPHIC OVERVIEW

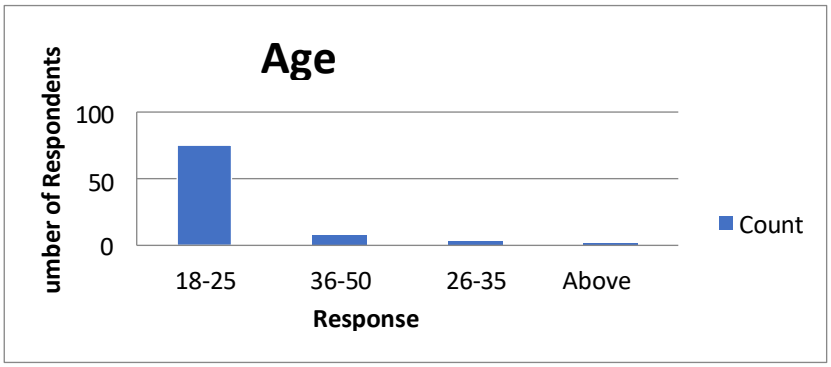
A total of 88 responses were recorded in the survey. Among them, 40 respondents were male and 48 respondents were female. Most participants belonged to the 18–25 age group, primarily students, indicating that young consumers are more responsive to discounts due to limited income and high interest in savings. This demographic information provides a foundation for understanding the behavioural patterns analysed in later sections.



Category	Count
Female	48
Male	40

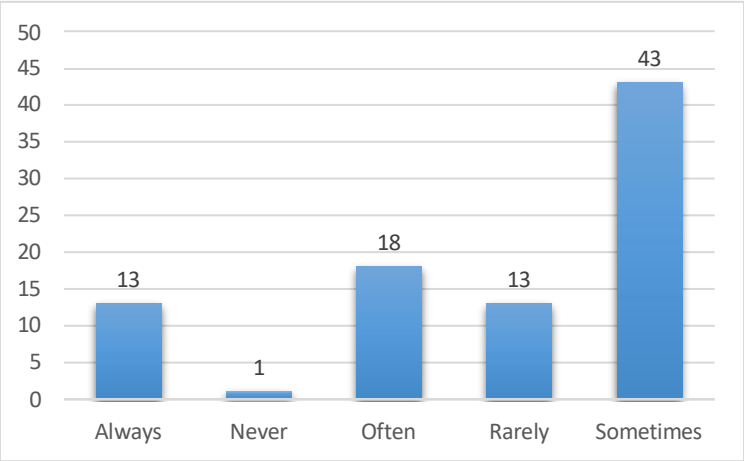
AGE DISTRIBUTION

The majority of respondents are aged between 18 and 25 years. This age group often includes students and young professionals who are more conscious about price and savings. Their purchasing decisions are easily influenced by attractive discounts. This demographic trend highlights that younger buyers are the primary audience for discount-based marketing campaigns.



Category	Count
18-25	75
36-50	8
26-35	3
Above 50	2

FREQUENCY OF PURCHASE DUE TO DISCOUNT

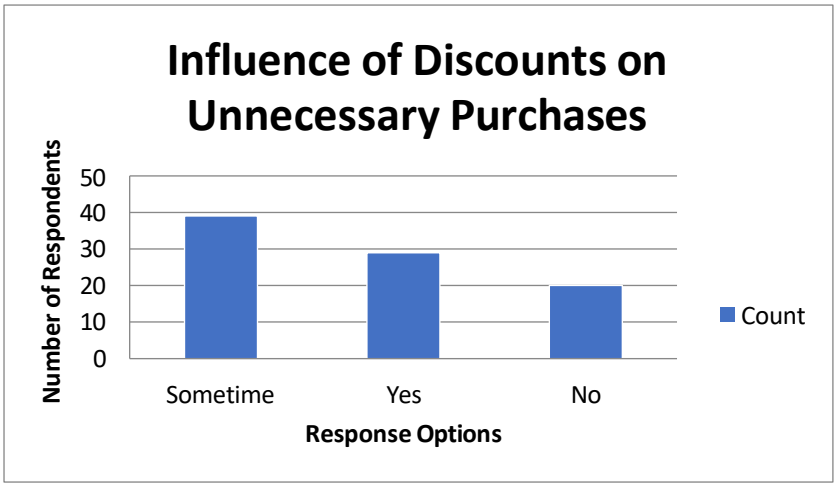


How often do you purchase products because of discounts?	Count of People
Always	13
Never	1
Often	18
Rarely	13
Sometimes	43

The survey results reveal that most respondents 'sometimes' or 'often' purchase products due to discounts. Only a few individuals reported 'never' buying because of discounts. This shows that discounts have a strong motivating effect on buying behaviour, even among those who are generally cautious shoppers. For businesses, this means periodic discount events can successfully boost sales volume and attract repeat customers.

Discounts are an active purchase trigger for most people in the sample. They do not always buy only because of discounts, but discounts frequently change the decision.

Discount effect on Unnecessary purchase



Category	Count
Sometime	39
Yes	29
No	20

A notable portion of respondents agreed that discounts sometimes influence them to buy products they do not actually need. This finding supports the idea that promotional pricing can trigger impulse buying behaviour. From a marketing perspective, this reflects how discounts act as psychological triggers that lower purchase hesitation and encourage experimentation with new products.

Discounts are a known impulse trigger — they reduce hesitation and encourage spur-of-the-moment purchases.

Discounts reduce perceived loss and increase the perceived gain; they trigger emotional responses like FOMO (fear of missing out) and instant gratification. When consumers see time-limited offers or BOGO (buy one get one) deals, the aversion to wasting money is outweighed by the chance to "get more" for the same money.

Types of discounts:

There is various type of discount I am going to mention some types of discount in this project for impact of discount on customer like BOMO (buy 1 get 1), Cashback, Percentage Discount, Coupons

According to the survey, 'Buy 1 Get 1' offers were the most preferred type of discount, followed by percentage discounts and cashback offers. Respondents appreciate deals that offer visible, instant benefits rather than deferred rewards. This indicates that direct-value discounts have a stronger emotional appeal, as customers feel they are receiving more for the same price.

the results are clear that "Buy 1 Get 1" offers are the most popular choice among respondents. A total of 59 people selected this option, showing that customers are most attracted to instant, visible deals where they feel they're getting something extra for the same price. This type of discount gives a sense of direct reward and value, which explains its strong appeal.

Coming next "Percentage discount" offers were chosen by 35 people. Many respondents appreciate seeing the price drop clearly in numbers it helps them feel they're saving money upfront.

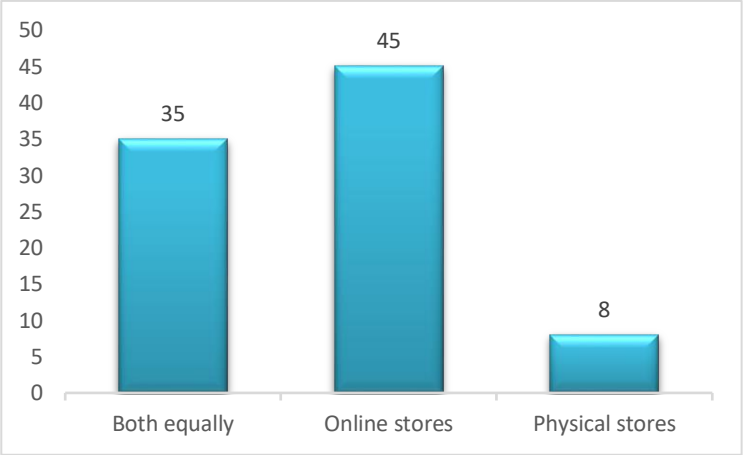
Cashback offers preferred by 25 people show

moderate popularity. This suggests that some shoppers are comfortable with delayed rewards, especially if the cashback process is simple and transparent. However, it's not as instantly gratifying as Buy 1 Get 1 or direct discounts, which could explain the lower preference.

Finally, Coupons were chosen by 14 people making them the least favoured option. This could be because coupons often require extra steps such as applying codes, saving them for later, or meeting minimum purchase requirements which might feel inconvenient to customers.

Discount Type	Number of People Who Prefer It
Buy 1 Get 1	59 people
Percentage discount (%)	35 people
Cashback	25 people
Coupons	14 people

Shopping platform



Types of shopping platform	Count of choice of customer
Both equally	35
Online stores	45
Physical stores	8

Most respondents believe that online platforms provide better discount opportunities compared to physical stores. This shows a shift in consumer perception toward digital shopping, where competition and dynamic pricing create more frequent promotions. It also suggests that brands investing in e-commerce discount strategies are likely to attract more customers in the digital space.

1. **Online Stores:**

A clear majority of participants believe that online stores offer better discounts. This finding reflects the current retail landscape, where e-commerce platforms frequently run promotions, flash sales, and festive campaigns to attract and retain customers.

Online stores often provide: Dynamic discounting like frequent price changes, special offers , Coupon codes, cashback, and membership benefit.

The convenience of shopping from home, coupled with visible savings and extra incentives like “Buy 1 Get 1” , percentage discounts and cashback offers, makes online shopping the most appealing option for today’s generation specially among 18 to 25 year olds, who formed the largest portion of respondents.

3. Physical Stores :

Only 8 people chose physical stores as offering better discounts.

Although this is the smallest group, their preference might be driven by: Trust and transparency like seeing real prices and products without hidden costs , Negotiation and personalized service specially in local stores where discounts can be discussed , Immediate ownership like no waiting time or delivery charges

However, the low count indicates that traditional retail stores are perceived as less competitive in offering attractive discounts when compared to the digital marketplace.

It also reflects the growing influence of online retail trends and the shift in consumer behaviour, especially among younger age groups who are more tech-savvy and price-aware.

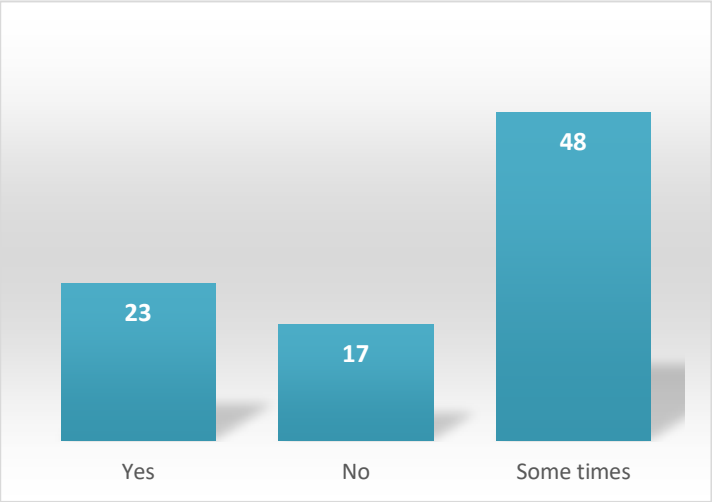
2. Both Equally:

These customers likely consider that each platform has unique benefits like online stores for variety and digital convenience, and physical stores for personal interaction and assured product quality.

This group demonstrates a hybrid shopping mindset, showing that many consumers today prefer a mix of both online and offline experiences in discount.

Perception of Discounts as Product Quality Indicator:

The majority of respondents indicated that discounts do not necessarily represent good product quality.



Do you feel discounts indicate good product quality ?	trust of good product quality with discount product ?
Yes	23
No	17
Some times	48

While discounts create excitement and increase purchase intent, they may also raise doubts about why the product is being sold at a reduced price. This suggests that businesses must balance promotional strategies carefully to avoid devaluing brand reputation while still offering competitive deals.

About **23 people** believe that discounts are an indicator of **good product quality**.

This group tends to trust that when reputed brands or stores offer discounts, it's not about clearing out defective or poor-quality products. A smaller group of **17** respondents clearly stated that discounts do not indicate good quality.

These customers tend to associate discounts with:

Stock clearance or outdated products

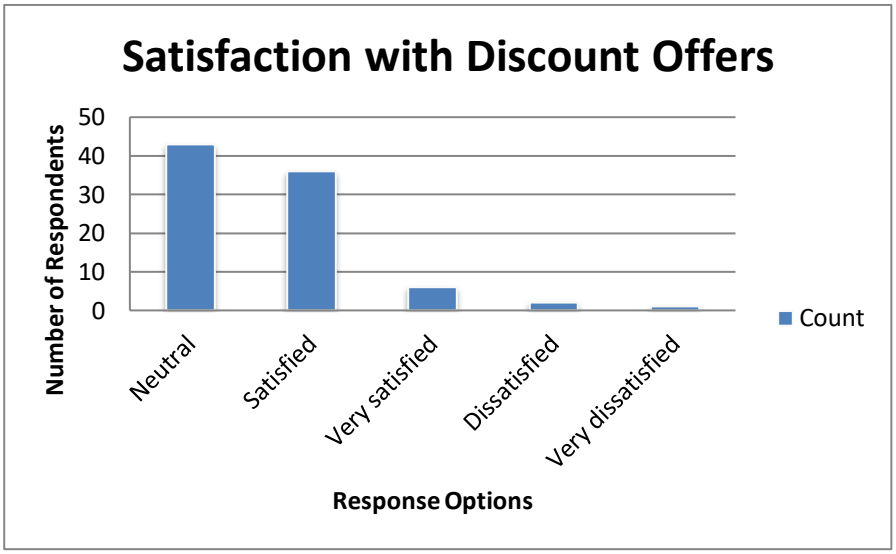
Low-quality or less-demanded items

Marketing tricks meant to make poor-quality products look attractive

The largest segment, with **48 people**, responded "Sometimes", showing that most customers have a mixed or conditional level of trust when it comes to discounted products.

This group reflects a cautious and balanced consumer mindset one that looks for deals but still pays attention to product reputation, reviews, and seller credibility. They don't fully distrust discounts, but they don't blindly believe in them either.

Satisfaction with Discount Offers:



Category	Count
Neutral	43
Satisfied	36
Very satisfied	6
Dissatisfied	2
Very dissatisfied	1

Neutral :

The largest portion of participants 43 people rated their satisfaction as neutral. This suggests that while customers don't have strong complaints about discounts, they also don't feel highly impressed or emotionally connected to them. Many may find discounts expected rather than exciting, possibly because such offers have become common in both online and offline markets. These consumers are generally indifferent they value discounts but don't see them as a major factor influencing loyalty or purchase decisions.

Satisfied:

A significant group of 36 respondents expressed that they are satisfied with the discounts offered. This indicates that most customers have a positive perception they find the discounts useful, reasonable, and worth their attention. These respondents likely appreciate that discounts help them save money and enhance the shopping experience without doubting the product's quality. Their satisfaction reflects that discount strategies are working well for a large segment of the audience.

Very Satisfied :

A smaller group of 6 people are highly satisfied with discount offers. This group represents customers who feel that discounts add real value and strongly influence their purchase behavior.They may be frequent online shoppers who actively seek out offers, cashback, or bundle deals.For them, discounts not only save money but also create a sense of excitement and brand loyalty.

Dissatisfied

Only 2 respondents said they are dissatisfied, showing that a small number of customers believe discounts are either not genuine, limited, or misleading. They might have experienced poor quality in discounted products or felt that the offers did not meet their expectations. This group suggests that improvements in transparency and value communication could enhance customer trust.

Very Dissatisfied

Just **1 respondent** reported being **very dissatisfied**. Overall, the majority of participants — combining Neutral (43), Satisfied (36), and Very Satisfied (6) — shows that most customers are generally content or indifferent toward discounts, with very few negative responses.

This means that discounts remain an effective promotional strategy, but many customers now view them as standard practice rather than a special privilege.

Wait for Discount Seasons:

The survey results reveal that a majority of respondents, 47 out of the total, remained neutral, indicating that most people neither agreed nor disagreed with the statement.



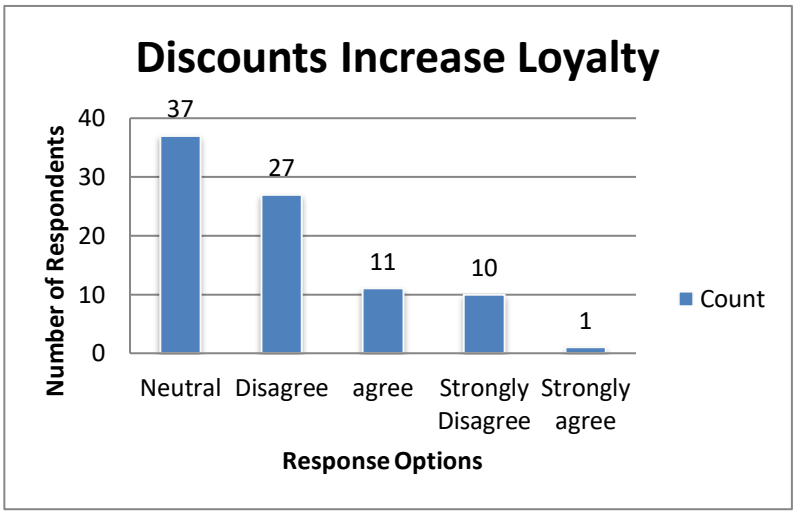
Category	Count
Neutral	47
Disagree	15
agree	14
Strongly Disagree	6
Strongly agree	4

This suggests that respondents may feel uncertain or indifferent about the topic, possibly due to a lack of strong opinions or mixed experiences. Meanwhile, 15 respondents disagreed and 6 strongly disagreed, showing that a portion of participants do not support or trust the statement, perhaps due to past experiences or skepticism toward the concept.

On the other hand, 14 respondents agreed and 4 strongly agreed, representing a smaller yet positive group who believe in or favor the idea being discussed. Overall, the results show that neutral and mixed opinions dominate, with fewer participants taking strong positive or negative stances.

This indicates that the statement does not trigger strong emotions for most people and that greater clarity or communication could help shift neutral respondents toward a clearer viewpoint in the future.

Discounts Increase Loyalty:



Category	Count
Neutral	37
Disagree	27
agree	11
Strongly Disagree	10
Strongly agree	1

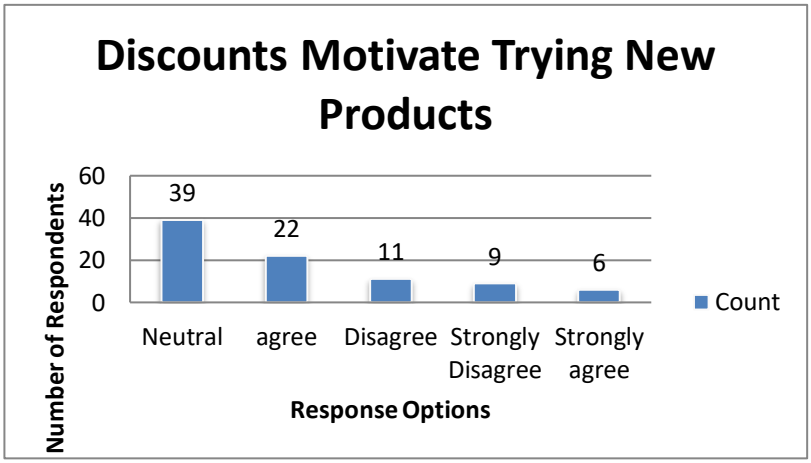
The data shows that the majority of respondents, 37 in total, remained neutral, indicating that most participants neither agreed nor disagreed with the statement. This suggests a general sense of uncertainty or indifference, possibly because they have mixed opinions or lack strong experiences related to the topic.

Meanwhile, 27 respondents disagreed and 10 strongly disagreed, reflecting that a significant portion of people hold negative views or dissatisfaction toward the statement. On the other hand, only 11 respondents agreed and 1 strongly agreed, showing that very few participants expressed positive support or belief in the statement.

Overall, the findings reveal that neutral and negative opinions dominate, suggesting that people may not be entirely convinced or satisfied with the subject being discussed. This pattern also highlights that awareness, trust, or personal experience could be influencing perceptions, leading most respondents to take a cautious or

uncertain stance.

Motivate Trying New Products:



Category	Count
Neutral	39
agree	22
Disagree	11
Strongly Disagree	9
Strongly agree	6

The data indicates that the largest group of respondents (39) remained neutral, showing that many participants neither agreed nor disagreed with the statement possibly due to mixed opinions or uncertainty about the topic.

Meanwhile, 22 respondents agreed and 6 strongly agreed, reflecting that a fair number of people hold a positive perception or supportive view. On the other side, 11 respondents disagreed and 9 strongly disagreed, suggesting that a smaller yet noticeable portion disagrees or doubts the statement.

Overall, the responses lean slightly toward neutral to positive, implying that while some participants recognize value or truth in the statement, many still prefer to stay cautious or undecided.

So, on the consumer response we understand the maximum customer not sure about buy the new product or new brand of product for use when the product is in discount. they can buy the product online and if don't like the product they can refund the are product

Sample :

For this study, a total of 88 respondents participated in the survey. The sample consisted of 48 females and 40 males, with the majority (75 respondents) aged 18–25 years (mainly college students). Data were collected using an online questionnaire distributed through student networks, social media groups and personal contacts.

Overall review (customer suggestion) :

From the collected responses, it's clear that most people didn't have specific suggestions about discount offers many simply said "no" or "nothing." This shows that most customers are generally satisfied with current discounts or don't think much about how they could be improved.
However, those who did give suggestions shared some interesting and useful thoughts.
Many people said that discounts should be given more regularly and not only during clearance sales or when the seller wants to get rid of old stock. They feel discounts should be fair and available throughout the year, so that everyone can enjoy them equally. A few participants also mentioned that discounts should be genuine, as some customers feel that companies use fake or misleading discounts just to attract buyers. When discounts look too good to be true, it sometimes makes customers doubt the product's quality.

Some people suggested that companies should give bigger or more meaningful discounts, rather than small offers that don't make much difference. They also said that discounts should benefit both the customer and the seller, not just one side.

A few responses even said that discounts should be personalized and clear, so that customers feel valued and not confused by complicated terms.
Interestingly, some participants pointed out that while discounts are nice, they sometimes make people buy things they don't really need. This shows that customers are aware of how discounts can affect their buying habits and that they want honest and thoughtful offers instead of purely marketing tricks.
Overall, people like getting discounts, but they want them to be honest, regular, and easy to understand. Customers prefer discounts that really save money like "buy 1 get 1 " & "percentage discount " which is don't make them doubt product quality. The responses show that people appreciate good offers but also expect companies to be transparent and fair when giving them.

Understanding from the Research Study :

From the study, it was found that customers enjoy discounts but want them to be more regular, transparent, and fair. Many people feel that misleading or limited-time discounts reduce trust and create confusion. The main problem identified is the lack of consistent and genuine discount practices that truly benefit the customer. To solve this, companies should focus on honest pricing, clear communication, and maintaining product quality. By following these suggestions, businesses can improve customer satisfaction, encourage repeat purchases, and build long-term loyalty.

Objective:

1. To analyze the impact of different types of discounts on customer behavior

Hypothesis:

H_0 (Null): There is no significant difference in customer attraction levels among different types of discounts.

H_1 (Alternative): There is a significant difference in customer attraction levels among different types of discounts.

observe table

Row Labels (Discount Type)	Always	Never	Often	Rarely	Sometimes	Row Total
Buy 1 Get 1	11	1	10	9	28	**59**
Cashback	0	0	2	1	3	**6**
Coupons	1	0	0	0	3	**4**
Percentage Discount	1	0	6	3	9	**19**
Column Total	**13**	**1**	**18**	**13**	**43**	**88**

EXPECTED TABLE

Formula:

$$E = \frac{(\text{Row Total})(\text{Column Total})}{\text{Grand Total}}$$

expected table

Row Labels (Discount Type)	Always	Never	Often	Rarely	Sometimes
Buy 1 Get 1	8.71590909	0.67045455	12.0681818	8.71590909	28.8295455
Cashback	0.88636364	0.06818182	1.22727273	0.88636364	2.93181818
Coupons	0.59090909	0.04545455	0.81818182	0.59090909	1.95454545
Percentage Discount	2.80681818	0.21590909	3.88636364	2.80681818	9.28409091

Degree of Freedom (df) :

$$df=(r-1)(c-1)$$

$$df=(4-1)(5-1)$$

$$df=12$$

p = 0.826298013

The Chi-square test shows a p-value of 0.826, which is much higher than the 0.05 significance level. This means there is no significant relationship between the type of discount and how often customers prefer or respond to it. In simple terms, customers' usage patterns (Always, Often, Sometimes, Rarely, Never) do not change much based on whether the discount is Buy 1 Get 1, Cashback, Coupons, or Percentage Discount. The differences seen in the observed table are small and likely happened by chance, so no particular discount type is proven to be more preferred than others in this data.

=CHISQ.TEST(O7:S10,O14:S17)

Observe table

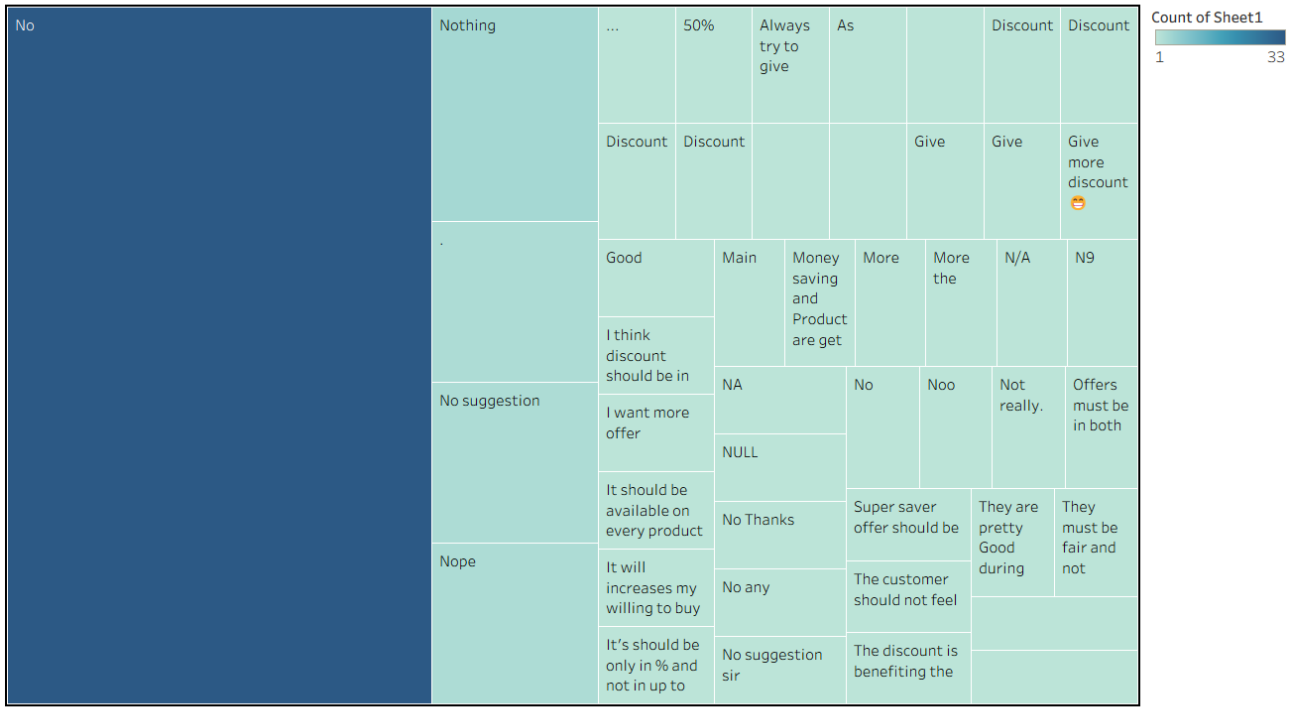
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Percentage Discount	2.80681818	0.21590909	3.88636364	2.80681818	9.28409091

p = **0.826298013**

suggestion from customer



Any suggestions regarding discount offers?. Color shows count of Sheet1. Size shows count of Sheet1. The marks are labeled by Any suggestions regarding discount offers?.

FINDINGS

Preference for Discount Types

The Chi-square test showed a significant difference in discount preferences.

a. Buy 1 Get 1 (BOGO) was the most preferred by respondents (59).

Coupons were least preferred (14).

b. This indicates that customers favour discount forms which offer *instant and visible value*.

Discounts Strongly Influence Purchase Behaviour

Most respondents *sometimes* or *often* purchased products because of discounts. This shows that discounts act as a strong behavioural trigger, encouraging customers to buy more frequently than usual.

Discounts Create Impulse Buying

A large number of respondents agreed that discounts sometimes lead them to buy items they do not need.

This means discounts can cause:

a. emotional purchases
b. reduced hesitation
c. FOMO-driven buying behaviour

Customer Satisfaction Levels

The Chi-square test for satisfaction (Neutral = 43, Satisfied = 36, etc.) showed significant variation ($p < 0.05$).

Most consumers remained Neutral or Satisfied, meaning:

a. customers appreciate discounts
b. but they do not view them as exceptional or emotionally impactful

Online Platforms Are Perceived to Give Better Discounts

45 respondents chose online shopping platforms as offering better discounts compared to offline stores (8).

This implies that digital platforms dominate discount-based marketing.

Discounts Do Not Always Indicate Product Quality

Majority selected *"Sometimes"* or *"No"* when asked whether discounts indicate good quality. This shows that discounts may create doubt about product quality, especially when the discount is too high.

Discounts Increase Brand Loyalty

The Chi-square association test between:

a. *Discounts motivate me*
b. *Discounts increase loyalty*

showed a significant association ($p < 0.001$).
This means customers who feel motivated by discounts also tend to become loyal to those brands.

Younger Consumers Respond More to Discounts

Since 75 out of 88 respondents were aged 18–25, data suggests that young adults are highly responsive to discount offers, especially due to limited income and digital exposure.

SUGGESTIONS

Use More "Instant Value" Discounts

Since BOGO and percentage discounts were most preferred, companies should focus on:

a. BOGO offers
b. Flat percentage discounts
c. Simple, transparent deals
   Instead of complex coupon systems.

Avoid Excessive or Continuous Discounts

Frequent discounts may reduce brand value and make customers wait only for offers.
Businesses should follow **strategic discount cycles**, not continuous discounting.

Improve Quality Communication During Discounts

Since customers doubt quality during heavy discounts, brands should:

a. clearly mention reason for discount (season sale, stock clearance, festival offer)
b. highlight product quality (reviews, certifications, ratings)
   This reduces uncertainty.

Personalize Discounts Through Digital Platforms

Majority believe online platforms offer better discounts.
Companies should leverage:

a. app notifications
b. personalized discount codes
c. AI-based recommendation discounts

Be Transparent and Avoid 'Fake Discounts'

Many respondents indicated distrust in confusing or manipulative discount displays.
Companies should ensure:

a. real discounts
b. clear MRP and selling price display
c. reduced fine print

This builds trust and long-term loyalty.

Offer Discounts That Encourage Repeat Purchases

Since discounts increase loyalty, brands can use:

a. loyalty points
b. membership-based discounts
c. repeat purchase vouchers
d. cashback for future orders

This improves retention.

Educate Customers About Smart Buying

Because discounts create impulse buying, brands can provide:

a. educational content
b. “Value calculators”
c. price comparison tools

This helps customers make informed choices and improves brand credibility.

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Annexure :

QUESTIONNAIRE

Topic: Impact of Discount on Customer Behaviour
This survey is part of an academic research project on the topic 'Impact of Discount on Customer Behaviour'. Your responses will remain confidential and will only be used for academic purposes. Thank you for your time.
Please answer all questions honestly. This will take approximately 3-4 minutes.
thank you for your time ..

Section A: Demographic Details

Q1 . NAME : ----------

Q2 . Age:

- Below 18
- 18-25
- 26-35
- 36-50
- Above 50

Q3 . Gender

- Male
- Female
- Prefer not to say

Q4. Occupation

- Student
- Working professional
- Business
- Other

Q5. Monthly Income (Optional):

- Below 20000
- 20000 – 50000
- Above 50000

Section B: Questions on Discounts & Buying Behavior

Q6. How often do you purchase products because of discounts?

- Always
- Often
- Sometimes

- Rarely
- Never

Q7. Do discounts influence you to buy products you don't need?
- Yes
- No
- Sometimes

Q8. Which type of discount attracts you the most?
(choice which you prefer)
- Percentage discount (%)
- Buy one get one
- Cashback
- Coupons

Q9 . Which platform offers better discounts in your opinion?
- Online store
- Physical store
- Both equally

Q10 . Do you feel discounts indicate good product quality ?
- Yes
- No
- Sometimes

Q11. How satisfied are you with the discount offers available in the market ?

- Very satisfied
- Satisfied
- Neutral
- Dissatisfied
- Very dissatisfied

Rate the following statement

1.I wait for discount seasons before buying products.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

2. Discounts increase my loyalty toward a particular brand.
- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

3. Discounts motivate me to try new products.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Section D: Suggestions

Any suggestions regarding discount offers?
