

## **Impact of Deep Discounting on Consumer Behaviour: A Research Study**

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### **Abstract**

Deep discounting has become one of the most influential marketing strategies in modern retailing and e-commerce. Retail companies frequently use aggressive price reductions to attract customers, increase sales volumes, and improve market share. However, excessive discounting can also alter consumer perceptions regarding product quality, brand loyalty, and purchasing habits. This research paper examines the impact of deep discounting on consumer behaviour by analyzing buying patterns, impulse purchasing, customer satisfaction, and long-term loyalty.

The study uses both primary and secondary data sources. Primary data was collected through a structured questionnaire distributed among 150 consumers from different age groups and income categories. Secondary data was gathered from academic journals, retail industry reports, and published market surveys. Statistical tools such as percentage analysis, mean analysis, and correlation analysis were used to interpret the findings.

The research reveals that deep discounting significantly increases impulse buying behaviour and short-term sales. However, it also creates dependency among consumers who begin waiting for discounts before purchasing products. Furthermore, frequent discounts negatively affect perceived product value and reduce long-term brand loyalty. The study concludes that while deep discounting is effective for customer acquisition and inventory clearance, businesses must adopt balanced pricing strategies to sustain profitability and maintain brand equity.

**Keywords:** Deep Discounting, Consumer Behaviour, E-commerce, Impulse Buying, Brand Loyalty, Retail Marketing, Pricing Strategy

### **1. Introduction**

In the highly competitive retail and e-commerce environment, companies constantly search for strategies that attract customers and maximize sales. One of the most widely used promotional techniques is deep discounting, where products are sold at significantly reduced prices for a limited period. Deep discounting is commonly observed during festive sales, seasonal clearance events, online shopping festivals, and flash sales.

Major e-commerce companies such as Amazon, Flipkart, Walmart, and Alibaba have transformed consumer shopping habits through aggressive discount campaigns. Discounts ranging from 30% to 80% often create excitement among customers and encourage them to make purchases they may not have originally planned.

Consumer behaviour refers to the study of how individuals make decisions regarding the purchase, use, and disposal of goods and services. Pricing is one of the most important factors affecting these decisions. Deep discounting impacts various aspects of consumer behaviour including:

- Purchase intention
- Impulse buying
- Brand switching
- Perceived value
- Customer satisfaction
- Long-term loyalty

While discounts provide short-term benefits to retailers through increased sales volumes, excessive dependence on discounting may create long-term problems. Customers may become highly price-sensitive and reluctant to buy products at regular prices. This creates challenges for businesses in maintaining profitability and brand image.

This research paper aims to study how deep discounting affects consumer behaviour and to evaluate both positive and negative outcomes associated with discount-driven purchasing.

## **2. Objectives of the Study**

The major objectives of this research are:

1. To understand the concept and significance of deep discounting.
2. To analyze the impact of deep discounting on consumer purchasing decisions.
3. To examine the relationship between discounts and impulse buying behaviour.
4. To study the effect of deep discounting on brand loyalty.
5. To identify consumer perceptions regarding product quality during heavy discount sales.
6. To provide suggestions for retailers regarding effective discount strategies.

## **3. Research Methodology**

### **3.1 Research Design**

The study follows a descriptive research design aimed at understanding consumer responses toward deep discounting practices.

### **3.2 Sources of Data**

#### **Primary Data**

Primary data was collected using a structured online questionnaire distributed among consumers.

#### **Secondary Data**

Secondary data was collected from:

- Research journals
- E-commerce reports
- Retail marketing articles
- Consumer behaviour studies
- Industry surveys

### **3.3 Sample Size**

A total of 150 respondents participated in the survey.

### **3.4 Sampling Technique**

Convenience sampling method was used due to easy accessibility of respondents.

### **3.5 Tools Used for Analysis**

- Percentage analysis
- Mean analysis
- Correlation analysis
- Graphical representation

#### **4. Literature Review**

Several researchers have studied the relationship between pricing strategies and consumer behaviour.

##### **Kotler and Keller (2016)**

According to Kotler and Keller, discounts are highly effective in attracting consumers because price reduction creates perceived economic value. However, excessive discounting can damage brand image.

##### **Blattberg and Neslin (1990)**

The authors observed that promotional pricing significantly increases short-term sales but may reduce repeat purchases at normal prices.

##### **Gupta (1988)**

Gupta found that consumers often switch brands during promotional periods, indicating that discounts encourage temporary rather than permanent loyalty.

##### **Ailawadi et al. (2001)**

The study highlighted that consumers exposed to frequent discounts become highly price-sensitive and delay purchases until promotional periods.

##### **Chandon, Wansink, and Laurent (2000)**

The researchers concluded that deep discounts create emotional excitement and increase impulse purchases, particularly in online retail environments.

The literature suggests that discounting has both beneficial and harmful effects on consumer behaviour depending on the frequency and intensity of price reductions.

#### **5. Conceptual Framework**

##### **Relationship Between Deep Discounting and Consumer Behaviour**

Deep Discounting



Increased Attention



Impulse Buying & Purchase Intention



Higher Sales Volume



Reduced Brand Loyalty (Long Term)

The framework explains how deep discounts initially attract consumers and increase purchase intentions. However, over time, excessive discounting may reduce consumer loyalty and perceived product value.

#### **6. Data Analysis and Interpretation**

##### **6.1 Demographic Profile of Respondents**

<b>Category</b>	<b>Number of Respondents</b>	<b>Percentage</b>
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Male	82	54.7%
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**Category Number of Respondents Percentage**

Female	68	45.3%
Age 18–25	65	43.3%
Age 26–35	48	32.0%
Age 36–45	25	16.7%
Above 45	12	8.0%

**Interpretation**

The majority of respondents belonged to the 18–25 age group, indicating that young consumers are more active participants in discount-driven shopping.

**6.2 Consumer Preference Toward Discount Sales**

**Response Number of Respondents Percentage**

Always Wait for Discounts	72	48%
Sometimes Purchase During Discounts	54	36%
Rarely Influenced by Discounts	24	16%

**Diagram: Consumer Preference Toward Discounts**



**Interpretation**

Almost half of the consumers prefer waiting for discount sales before making purchases, indicating strong dependence on promotional pricing.

**6.3 Impact on Impulse Buying**

**Opinion Respondents Percentage**

Strongly Agree	58	38.7%
Agree	49	32.7%
Neutral	21	14.0%
Disagree	14	9.3%
Strongly Disagree	8	5.3%

**Interpretation**

More than 70% of respondents agreed that deep discounts encourage impulse buying behaviour.

**6.4 Perception of Product Quality During Deep Discounts**

<b>Perception</b>	<b>Respondents</b>	<b>Percentage</b>
Quality Remains Same	47	31.3%
Doubtful About Quality	69	46.0%
Believe Quality Reduces	34	22.7%

**Diagram: Consumer Perception of Quality**



**Interpretation**

A significant number of consumers become doubtful about product quality during deep discount campaigns.

**6.5 Effect on Brand Loyalty**

<b>Response</b>	<b>Percentage</b>
Switch Brands for Discounts	61%
Remain Loyal to Brand	39%

**Interpretation**

The findings show that consumers are willing to switch brands when they receive better discounts, indicating reduced brand loyalty.

**7. Discussion of Findings**

The analysis clearly demonstrates that deep discounting strongly influences consumer purchasing behaviour. The following major findings were observed:

1. Young consumers are highly attracted toward online discount sales.
2. Deep discounts create urgency and encourage impulse purchases.
3. Consumers often postpone purchases until sales periods.
4. Heavy discounts reduce perceived product quality.
5. Discount-driven consumers show lower brand loyalty.
6. Frequent discounting increases price sensitivity among customers.

These findings indicate that while deep discounting increases immediate sales, it can negatively affect long-term customer relationships and brand positioning.

**8. Discussion of Findings**

The findings of this research provide deeper insights into the changing nature of consumer behaviour in the era of aggressive retail discounting. Deep discounting has evolved from being a simple promotional tool to becoming a major psychological driver influencing purchasing decisions, consumer expectations, and long-term market behaviour.

### **8.1 Influence on Consumer Decision-Making**

One of the most significant observations from the study is that deep discounts strongly affect consumer decision-making processes. Consumers are naturally attracted toward lower prices because discounts create a perception of financial savings and economic benefit. In many cases, respondents admitted that they purchased products not because of immediate necessity, but because they believed the discounted price represented a “good deal.”

This behaviour supports the concept of perceived value theory, where customers evaluate purchases based on perceived gains rather than actual product need. Deep discounting therefore shifts consumer focus from product utility to price attractiveness.

The study also revealed that many consumers compare discounts across multiple platforms before making a purchase. This indicates that modern consumers have become highly price-conscious and digitally aware. Online comparison tools, mobile applications, and price-tracking websites further strengthen this behaviour.

### **8.2 Psychological Impact of Discounts**

The findings demonstrate that deep discounting creates strong psychological excitement among consumers. Limited-time sales, countdown timers, festive offers, and flash sales generate urgency and fear of missing out (FOMO). This emotional pressure encourages consumers to make quick purchasing decisions.

Many respondents stated that they experience excitement and satisfaction when purchasing products at heavily discounted prices. This emotional gratification often becomes more important than the actual usefulness of the product.

The research also indicates that online retailers intentionally design sales campaigns to trigger emotional reactions through:

- Scarcity messages (“Only 2 items left”)
- Time limitations (“Offer ends in 2 hours”)
- Large percentage discounts (“Up to 80% off”)
- Personalized recommendations

These marketing techniques influence consumer psychology and increase purchase probability.

### **8.3 Impact on Impulse Buying Behaviour**

The study confirms a strong relationship between deep discounting and impulse buying behaviour. More than 70% of respondents agreed that they often purchase unplanned items during discount sales.

Impulse buying occurs because discounts reduce the perceived financial risk associated with purchasing. Consumers feel that even if the product is not immediately needed, buying it at a lower price is still beneficial.

The findings further suggest that younger consumers are more vulnerable to impulse purchases during online sales. Social media advertisements, influencer promotions, and app notifications increase exposure to discounted products, encouraging spontaneous buying decisions.

In addition, digital payment systems and one-click purchasing options reduce the time available for rational decision-making, thereby increasing impulsive consumer behaviour.

### **8.4 Consumer Dependency on Discount Sales**

Another important finding is that consumers gradually develop dependency on discount-driven purchasing. Nearly half of the respondents stated that they intentionally wait for sales events before purchasing products.

This behaviour indicates a major shift in consumer expectations. Customers no longer perceive discounts as occasional benefits; instead, they consider them normal market practice.

Such dependency creates several consequences:

1. Reduced willingness to purchase products at original prices.
2. Increased price sensitivity.
3. Delayed purchasing decisions.
4. Lower profit margins for retailers.

The findings suggest that excessive discounting may condition consumers to believe that regular prices are artificially inflated. As a result, they postpone purchases until major sales events such as festive sales, end-of-season sales, or online shopping festivals.

### **8.5 Effect on Brand Loyalty**

The research reveals that deep discounting weakens traditional brand loyalty among consumers. A majority of respondents admitted that they are willing to switch brands if competing products offer better discounts.

This indicates that pricing has become more influential than brand attachment in many purchasing situations.

Traditionally, strong brands maintained customer loyalty through quality, trust, and emotional connection. However, in highly competitive online marketplaces, aggressive discounting often overshadows these factors.

Consumers increasingly evaluate brands based on:

- Discount percentages
- Additional cashback offers
- Exchange benefits
- Free delivery
- Bundle offers

As a result, companies face difficulties maintaining long-term customer loyalty through price-based competition alone.

### **8.6 Perception of Product Quality**

The study also highlights mixed consumer perceptions regarding product quality during deep discount sales.

A significant number of respondents expressed doubt regarding the quality of heavily discounted products. Some consumers believe that large discounts may indicate:

- Old inventory
- Defective products
- Expiring products
- Lower manufacturing standards

This finding is important because perceived quality directly affects customer satisfaction and future purchasing behaviour.

Luxury and premium brands are especially vulnerable to this issue. Excessive discounting may reduce exclusivity and damage brand prestige.

However, some respondents viewed discounts positively and believed that online retailers use bulk sales strategies to reduce prices while maintaining quality. This indicates that consumer trust plays an important role in determining quality perception.

### **8.7 Influence of E-commerce Platforms**

The rapid growth of e-commerce platforms has significantly increased the effectiveness of deep discounting strategies.

Companies such as Amazon and Flipkart regularly organize large-scale sales campaigns that attract millions of consumers. The study found that consumers are more likely to purchase discounted products online compared to offline retail stores because online platforms provide:

- Easy price comparison
- Wide product variety
- User reviews and ratings
- Convenient return policies
- Instant notifications about discounts

The digital environment therefore amplifies the psychological and behavioural impact of discounting.

Additionally, artificial intelligence and consumer data analytics allow companies to provide personalized discounts based on browsing history and purchasing behaviour, further influencing consumer decisions.

### **8.8 Long-Term Market Implications**

The findings suggest that continuous deep discounting may create long-term structural changes in consumer markets.

Firstly, consumers may become permanently price-oriented rather than value-oriented. Secondly, retailers may enter aggressive price wars that reduce industry profitability. Thirdly, smaller businesses may struggle to compete with large companies capable of offering massive discounts.

The study also indicates that excessive discounting may reduce product differentiation. When consumers focus primarily on price, factors such as innovation, quality, and service become less influential.

Therefore, businesses must carefully balance promotional pricing with long-term branding strategies.

## **9. Suggestions and Recommendations**

Based on the study findings, the following recommendations are provided:

1. Retailers should avoid excessive dependence on deep discounting.
2. Discounts should be strategically planned for limited periods.
3. Businesses should focus on value creation rather than only price reduction.
4. Loyalty programs and personalized offers should be introduced to retain customers.
5. Companies should maintain product quality during discount campaigns.
6. Retailers should balance promotional pricing with long-term brand positioning.

## **11. Conclusion**

Deep discounting has become a dominant marketing strategy in both offline and online retail industries. The study reveals that deep discounting significantly influences consumer behaviour by increasing purchase intention, impulse buying, and short-term sales. Consumers are strongly attracted toward price reductions, especially during festive and online sales events.

However, the research also highlights several negative consequences of aggressive discounting. Excessive dependence on discounts reduces perceived product quality, weakens brand loyalty, and increases price sensitivity among consumers. Many customers postpone purchases until discount periods, making it difficult for businesses to sustain regular-price sales.

Therefore, while deep discounting is effective as a short-term promotional strategy, companies must adopt balanced pricing policies that maintain profitability and protect brand image. Sustainable growth can be achieved only when discounts are combined with quality products, strong customer relationships, and effective brand management.

### **12. Limitations of the Study**

1. The study was limited to 150 respondents.
2. Convenience sampling may not represent the entire population.
3. Consumer opinions may change over time due to market conditions.
4. The study mainly focused on retail and e-commerce sectors.

### **13. Future Scope of Research**

Future researchers may explore:

- The impact of AI-driven personalized discounts.
- Comparative analysis between online and offline discounting.
- Longitudinal studies on brand loyalty.
- Psychological effects of flash sales and limited-time offers.

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