

Effect of Discount Offers on Customer Purchase Behaviour in Supermarkets

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Abstract

In today's highly competitive retail environment, supermarkets frequently use discount offers as a key promotional strategy to attract customers and increase sales. These offers, including price reductions, buy-one-get-one deals, and seasonal discounts, significantly influence consumer decision-making processes. The primary objective of this study is to examine the impact of discount offers on customer purchase behaviour in supermarkets and to understand how these promotions affect buying patterns, impulse purchases, and brand preferences.

The research adopts a quantitative approach, using a structured questionnaire to collect primary data from 120 supermarket customers. Descriptive statistics and correlation analysis were applied to evaluate the relationship between discount offers and purchasing behaviour. The findings reveal that discount offers play a crucial role in influencing customer decisions, particularly encouraging impulse buying and increasing purchase quantity. Additionally, customers are more likely to switch brands when attractive discounts are available, indicating reduced brand loyalty during promotional periods.

The study concludes that discount strategies are highly effective in driving short-term sales and enhancing customer engagement. However, excessive reliance on discounts may impact long-term brand value and profitability. Therefore, supermarkets should adopt a balanced promotional strategy that combines discounts with value-based offerings to sustain customer loyalty and business growth.

Keywords: Discount Offers, Consumer Behaviour, Supermarket Retailing, Impulse Buying, Sales Promotion, Brand Switching

INTRODUCTION

1.1 Background of the Study

The retail supermarket industry has witnessed significant growth in recent years, driven by changing consumer lifestyles, urbanization, and increased purchasing power. Supermarkets have become a preferred shopping destination due to their convenience, variety of products, and competitive pricing strategies. Among various marketing techniques, discount offers have emerged as one of the most powerful tools used by retailers to attract and retain customers.

Discounts such as price reductions, seasonal sales, bulk purchase offers, and “buy one get one free” schemes are commonly used to influence consumer purchasing decisions. These promotional strategies not only enhance store traffic but also encourage customers to purchase more than their planned quantity. In a highly competitive market, supermarkets rely heavily on such offers to differentiate themselves and gain a competitive advantage.

Consumer behaviour in supermarkets is often influenced by psychological, social, and economic factors. Discount offers trigger a perception of savings and value, which can lead to impulse buying and brand switching. As a result, understanding how discounts impact customer behaviour becomes crucial for retailers aiming to maximize sales while maintaining customer satisfaction and loyalty.

1.2 Statement of the Problem

While discount offers are widely used by supermarkets to boost sales, their impact on customer purchase behaviour is complex and not always fully understood. Although discounts can increase short-term sales and attract new customers, they may also lead to unintended consequences such as reduced brand loyalty, increased price sensitivity, and lower profit margins.

Many consumers tend to rely heavily on discounts when making purchase decisions, which can alter their usual buying patterns. This raises concerns for retailers about whether such strategies create long-term customer value or merely encourage temporary sales spikes. Additionally,

excessive discounting may condition customers to wait for offers rather than purchase products at regular prices.

Therefore, there is a need to examine how discount offers influence customer behaviour in supermarkets, particularly in terms of impulse buying, purchase quantity, and brand preference.

1.3 Objectives of the Study

The main objectives of this research are:

- To analyze the impact of discount offers on customer purchase behaviour in supermarkets.
- To examine the relationship between discount offers and impulse buying behaviour.
- To identify how discount offers influence brand switching among customers.
- To evaluate the effectiveness of discount strategies in increasing sales and customer engagement.
- To provide recommendations for supermarkets to use discount offers effectively.

1.4 Significance of the Study

This study holds importance for multiple stakeholders, including retailers, marketers, and researchers. For supermarket managers, the findings provide valuable insights into how discount offers affect customer purchasing patterns, enabling them to design more effective promotional strategies. By understanding consumer responses, retailers can strike a balance between attracting customers and maintaining profitability.

For marketers, the study highlights the psychological and behavioural aspects of consumers influenced by discounts, which can help in developing targeted marketing campaigns. It also contributes to a better understanding of how promotional tools impact brand loyalty and long-term customer relationships.

From an academic perspective, this research adds to the existing literature on consumer behaviour and sales promotion, particularly in the context of supermarket retailing. It serves as a useful reference for future studies exploring similar topics.

Overall, the study provides a comprehensive understanding of the role of discount offers in shaping customer purchase behaviour and offers practical implications for improving retail marketing strategies.

LITERATURE REVIEW

This section presents a thematic review of recent studies focusing on the impact of discount offers on customer purchase behaviour in supermarkets. The review is organized around key themes such as discount strategies, impulse buying, brand switching, and consumer perception.

2.1 Discount Offers as a Sales Promotion Tool

Recent studies highlight that discount offers are among the most effective promotional tools in retail marketing. According to Kumar and Sharma (2019), price discounts significantly influence consumer purchase intentions by creating a perception of monetary savings. Similarly, Gupta and Verma (2021) found that supermarkets using frequent discount strategies experience higher footfall and increased sales volume.

Research by Singh and Pandey (2020) suggests that promotional pricing not only attracts new customers but also encourages repeat purchases. However, these studies also caution that excessive discounting can erode profit margins and reduce perceived product value over time.

2.2 Impact of Discounts on Impulse Buying Behaviour

Impulse buying is one of the most significant behavioural outcomes influenced by discount offers. Rook and Fisher (2020) emphasized that promotional stimuli, such as discounts, trigger unplanned purchases by creating urgency and excitement among consumers.

Further, Mehta and Chugan (2019) observed that customers are more likely to purchase additional items when exposed to time-limited or attractive discount offers. A study by Ali and Kapoor (2022) confirmed that discounts increase impulse buying tendencies, particularly among young consumers and price-sensitive segments.

These findings indicate that discount strategies are effective in stimulating immediate purchasing decisions, often beyond the consumer's original shopping plan.

2.3 Discount Offers and Brand Switching Behaviour

Another important aspect discussed in the literature is the relationship between discount offers and brand switching. Jain and Aggarwal (2021) found that customers tend to switch brands when offered significant price reductions, especially in low-involvement product categories such as groceries.

Similarly, Patel and Desai (2020) reported that discount-driven purchases often reduce brand loyalty, as consumers prioritize price over brand preference. In contrast, Kaur and Singh (2023) argued that while discounts may temporarily shift brand choices, long-term loyalty depends on product quality and overall customer experience.

Thus, while discounts can attract customers to alternative brands, their long-term impact on loyalty remains mixed.

2.4 Consumer Perception and Price Sensitivity

Consumer perception plays a crucial role in determining the effectiveness of discount offers. Verma and Arora (2019) highlighted that perceived value and fairness of discounts influence purchase decisions. Customers are more likely to respond positively when they believe the discount is genuine and beneficial.

Additionally, Sharma and Malhotra (2022) found that frequent discounting increases price sensitivity among consumers, making them less willing to pay full price in the future. This can pose challenges for retailers in maintaining stable pricing strategies.

On the other hand, Nair and Joseph (2021) suggested that well-structured discount campaigns can enhance customer satisfaction and perceived value, thereby strengthening customer relationships.

2.5 Summary of Literature Gap

The reviewed studies collectively indicate that discount offers significantly influence customer purchase behaviour, particularly in terms of impulse buying and brand switching. However, there is limited research focusing specifically on supermarket settings in emerging markets like India. Additionally, while many studies examine short-term effects of discounts, fewer studies address their long-term implications on customer loyalty and profitability.

Therefore, this study aims to bridge this gap by providing a focused analysis of how discount offers affect consumer behaviour in supermarkets, with particular attention to impulse buying, brand switching, and overall purchasing patterns. Overall, the literature suggests that while discount offers are a powerful tool for increasing sales and attracting customers, their strategic implementation is essential to ensure sustainable business growth.

RESEARCH METHODOLOGY

This study adopts a quantitative research approach to examine the effect of discount offers on customer purchase behaviour in supermarkets. A descriptive research design is employed to systematically analyze consumer responses and identify patterns related to purchasing decisions. The study is based on both primary and secondary data sources. Primary data was collected through a well-structured questionnaire distributed to 120 supermarket customers using a convenience sampling method. The questionnaire consisted of close-ended and Likert scale questions designed to measure key variables such as impulse buying behaviour, brand switching tendency, purchase frequency, and customer perception towards discount offers.

Secondary data was obtained from recent research articles, journals, books, and credible online sources to provide theoretical support and context to the study. The collected data was organized, coded, and analyzed using statistical tools such as percentage analysis, mean, and correlation analysis to identify relationships between discount offers and customer behaviour. The use of these techniques helps in drawing meaningful conclusions and ensuring the reliability of the findings. Overall, the chosen methodology provides a structured and practical framework to understand how discount strategies influence consumer purchasing patterns in supermarkets.

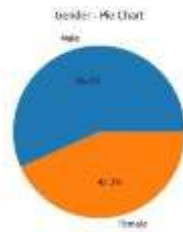
RESULTS AND DISCUSSION

This section presents the analysis and interpretation of data collected from 120 respondents regarding the effect of discount offers on customer purchase behaviour in supermarkets. The data is organized into tables and explained to highlight key trends, patterns, and relationships.

4.1 Demographic Profile of Respondents

Table 4.1: Demographic Characteristics (n = 120)

Variable	Category	Frequency	Percentage (%)
Gender	Male	68	56.7%
	Female	52	43.3%
Age Group	18–25	42	35.0%
	26–35	38	31.7%
	36–45	24	20.0%
	46+	16	13.3%
Occupation	Student	36	30.0%
	Service	40	33.3%
	Business	28	23.3%
	Others	16	13.3%



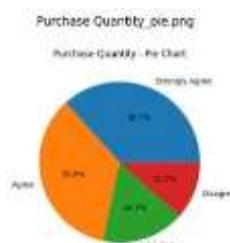
Interpretation:

The majority of respondents are male (56.7%), with a significant proportion belonging to the 18–35 age group (66.7%). This indicates that young and working individuals form a major segment of supermarket shoppers and are likely influenced by discount offers.

4.2 Frequency of Purchase Influenced by Discounts

Table 4.2: Influence of Discounts on Purchase Frequency

Response	Frequency	Percentage (%)
Always	46	38.3%
Often	40	33.3%
Sometimes	22	18.3%
Rarely	12	10.0%



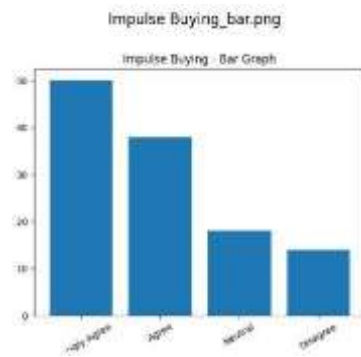
Interpretation:

A large proportion of respondents (71.6%) reported that discounts “always” or “often” influence their purchase frequency. This indicates that discount offers play a crucial role in encouraging customers to shop more frequently.

4.3 Impact of Discounts on Impulse Buying

Table 4.3: Discounts and Impulse Buying Behaviour

Response	Frequency	Percentage (%)
Strongly Agree	50	41.7%
Agree	38	31.7%
Neutral	18	15.0%
Disagree	14	11.6%



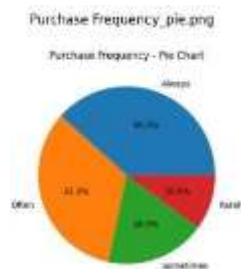
Interpretation:

Around 73.4% of respondents agree that discount offers lead to impulse buying. This suggests that discounts trigger unplanned purchases, increasing the overall basket size of customers.

4.4 Influence of Discounts on Purchase Quantity

Table 4.4: Increase in Purchase Quantity Due to Discounts

Response	Frequency	Percentage (%)
Strongly Agree	44	36.7%
Agree	42	35.0%
Neutral	20	16.7%
Disagree	14	11.6%



Interpretation:

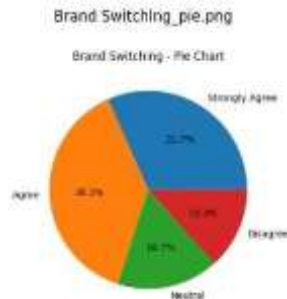
A significant majority (71.7%) agreed that they tend to buy more products when discounts are offered. This highlights that discount strategies effectively increase sales volume per customer.

4.5 Brand Switching Behaviour

Table 4.5: Switching Brands Due to Discounts

Response	Frequency	Percentage (%)
Strongly Agree	38	31.7%

Agree	46	38.3%
Neutral	20	16.7%
Disagree	16	13.3%



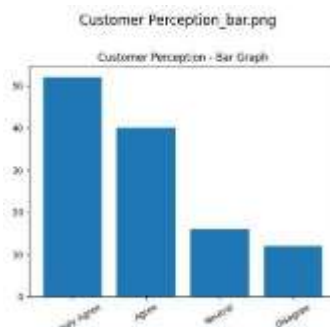
Interpretation:

Approximately 70% of respondents indicated that they are willing to switch brands when discounts are available. This shows that price incentives can reduce brand loyalty and influence product choice.

4.6 Customer Perception Towards Discount Offers

Table 4.6: Perception of Value from Discounts

Response	Frequency	Percentage (%)
Strongly Agree	52	43.3%
Agree	40	33.3%
Neutral	16	13.3%
Disagree	12	10.0%



Interpretation:

A majority of respondents (76.6%) perceive discounts as providing better value for money. This indicates that discounts positively influence customer satisfaction and perceived benefits.

4.7 Correlation Between Discounts and Purchase Behaviour

Table 4.7: Correlation Analysis

Variables	Correlation Coefficient (r)
Discount Offers & Impulse Buying	0.68
Discount Offers & Purchase Frequency	0.72
Discount Offers & Brand Switching	0.65

Interpretation:

The correlation values indicate a strong positive relationship between discount offers and various aspects of customer purchase behaviour. The highest correlation (0.72) is observed with purchase frequency, suggesting that discounts are highly effective in increasing store visits.

Discussion of Findings

The findings clearly demonstrate that discount offers have a significant impact on customer purchase behaviour in supermarkets. A large proportion of respondents indicated that discounts influence their decision to visit stores more frequently and purchase additional items. This supports the idea that discounts are a powerful tool for increasing both customer footfall and sales volume.

The results also reveal that discount offers strongly encourage impulse buying. Customers tend to make unplanned purchases when they perceive an opportunity to save money. This behaviour is particularly common among younger consumers, who are more responsive to promotional strategies.

Another key finding is the role of discounts in driving brand switching. Many respondents reported that they are willing to try different brands if attractive discounts are available. While this can benefit retailers in promoting new or less popular products, it may also weaken long-term brand loyalty.

Furthermore, the study highlights that customers generally perceive discounts as beneficial and value-enhancing. This positive perception contributes to increased satisfaction and encourages repeat purchases. However, it also raises concerns about growing price sensitivity, as customers may become dependent on discounts and less willing to pay full prices.

Overall, the results suggest that discount offers are highly effective in influencing consumer behaviour in the short term. However, supermarkets must use these strategies carefully to avoid negative long-term effects such as reduced profitability and diminished brand loyalty. A balanced approach that combines discounts with quality and customer experience is essential for sustainable success.

CONCLUSION

This study examined the effect of discount offers on customer purchase behaviour in supermarkets, focusing on key aspects such as purchase frequency, impulse buying, brand switching, and customer perception. The findings clearly indicate that discount offers play a significant role in shaping consumer behaviour. A majority of respondents reported that

discounts influence their shopping decisions, encouraging them to visit supermarkets more frequently and purchase higher quantities of products. Additionally, discount offers were found to strongly trigger impulse buying, leading customers to make unplanned purchases driven by perceived savings and limited-time opportunities.

The study also highlights that discount offers contribute to brand switching behaviour, as customers tend to prioritize price over brand loyalty when attractive deals are available. While this benefits retailers in promoting products and increasing short-term sales, it may pose challenges in maintaining long-term customer loyalty. Furthermore, customers generally perceive discounts as providing better value for money, which enhances satisfaction and strengthens their engagement with supermarkets.

From a managerial perspective, the study suggests that supermarkets should use discount strategies strategically rather than excessively. While discounts are effective in boosting sales and attracting customers, over-reliance on such offers may reduce profit margins and create price-sensitive consumers. Retailers should focus on combining discount offers with quality products, customer service, and loyalty programs to ensure sustainable growth.

In terms of future scope, further research can be conducted by expanding the sample size and including diverse geographic regions to improve generalizability. Future studies may also explore the long-term impact of discount strategies on brand loyalty and profitability, as well as compare the effectiveness of different types of promotional tools. Overall, this research provides valuable insights into consumer behaviour and offers practical implications for improving retail marketing strategies in supermarkets.

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