

# The Hidden Cost of Discounts: Do Consumers Value What They Pay Less For?

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## ABSTRACT

Discounts possess a major role in the consumer's perspective of worth. Consumer choices are greatly affected and loyalty to some brands change according to how the company offers discounts, the study says. With both qualitative and quantitative methods, this research comprehensively investigates the mental and behavioral effects of the discounts on consumer perception. Indian people of all ages and affiliations were asked to fill out a Google Form and 3000 members across India were chosen to join the study for a large-scale study analysis. It is evident that, albeit the fact that discounts and rebates might be effective in generating sales and purchase intentions in the short run, they can also cause a decline of customers' trust as to product value and brand loyalty when they are used more frequently. Consumer feedback would seem to suggest that there is a threshold beyond which significant discounts are likely to diminish the perceived value of the product while at the same time strategic discounting will improve the appeal of the brand. The study proposes good discount strategies that will attract new customers while still having a good brand at the end. These findings would be a great help for the marketers, price strategists, and companies that want to use discounts in marketing strategies without harming the reputation of the brand and the trust of their customers.

**Keywords:** Discounts, Consumer Perception, Pricing Strategy, Purchase Intent, Brand Equity, Perceived Value, Marketing ethics

## 1. INTRODUCTION

Discounts are one of the most powerful instruments of businesses to attract consumers, take away their money and make them win a competitive advantage in today's highly aggressive and competitive plus budget-friendly market. In both traditional retail stores and on the internet, the strategies that were most growing in the promotion of seasonal discounts, flash sales, buy-one-get-one-free (BOGO) offers, and discounts fueled by loyalty have been adopted by the marketers to grab the attention of the buyers. Nonetheless, while discounts' main aim is to boost revenue and demand, their influence on customer behavior is a much more complicated one than it seems.

Many buyers believe that discounts are a chance to save some money and get the highest possible value hence making them more likely to buy more. However, research implies that discounts do not only cut the prices down—they mold consumer attitudes, affect decision-making when purchasing, and sometimes, even, they change brand perceptions. The way a discount is posited, the regularity of the discount campaign, and the depth of the price reduction are essential components that can make customers understand the product's worth in one way or another. Limited-time discounts can offer a sense of urgency

and exclusivity, thus stimulating the desire in customers to make a purchase, meanwhile excessive discounting can raise consumer skepticism and cause doubts regarding product quality or brand reputation. Perception of value is one basic concept in consumer behavior. The procedure usually goes like this: price, quality, and brand reputation are the parameters customers usually take into account when buying a product. However, when a discount is introduced, it distorts the evaluation process by incorporating psychological aspects such as FOMO (fear of missing out), loss aversion, and price anchoring. A discount that is available only for a short time will create a feeling of urgency in a consumer who will, then, be pressured to make a purchase before the deal ends. Furthermore, a discount that looks too steep may arouse suspicions that the company is not being genuine about the product's quality or the original price was artificially inflated. It is these psychological mechanisms that here are the first thing here that highlight better the importance of understanding how discounts influence customer perceptions of a product beyond the immediate benefits.

A key issue is the search for the balance between the offer of attractive discounts that lead to high sales while brand integrity and long-term profits are sustained. Continuous discounting, in this regard, can bring about discount fatigue, where consumers get used to promotions that they begin to expect discounts as defaults. Thus, they won't be ready to purchase products at full price, because it will make businesses stay in the perpetual state of discounting in order to keep the sales at the same levels. Conversely, the strategic use of discounts at the right time can be a means of creating customer loyalty by the means of the customer's feeling of being privileged and by the repetition of a customer's purchase.

In India, the use of these discounts to shape the behavior of consumers is even more exaggerated due to the high price sensitivity that characterizes the market. Discounts have become a key factor in driving consumer purchases across both online and offline retail channels. There have been a lot of changes in the e-commerce sector, in particular, a trend of discount-driven purchasing has come through big online events like Great Indian Festival (Amazon) and Big Billion Days (Flipkart). These activities have been the ones that have brought consumers the habits of waiting for discounts to make purchases, instead of buying the products at the normal prices. Also, India's time-honored tradition of bartering in street markets has fostered the idea that prices have to be negotiable, thus making discounts an immensely influential tool in the causation of a purchase.

Besides the appearances of individual consumers, discounts are also shaping broader economic trends and the industry. Price wars between different businesses frequently lead to employing very aggressive discounts that may give sales a transient increase, but the ultimate outcome may be a decrease in profit margins and a reduction in brand value. Retailers should take into account not just the way a discount will affect present revenue, but also how it will influence customer expectations and the outlook of the brand on a long-term basis.

The main purpose of this research is to examine the complex relationship between discounts and the public's degree of the value of the product. The respondents come from different demographics in India and their collective input will serve as solid proof to discover the ways through which the brand's integrity can be retained while the discounts are used as tools for customer engagement. In other words, it investigates the relevance of the concept of perceived value and the ways it relates to the consumer and in tandem learns effectual methods to manage discounts affecting brand loyalty and engagement.

The discoveries of the research project will bear weight on business, marketing, and policy-making. Coming to know how discounts mold customer perceptions can be a boost for the companies when they work on refining their pricing strategies, promoting their products, and doing this, making the discounts

fit in the companies' long-term brand successes rather than having only some ups in sales in the meantime. Moreover, the knowledge obtained can help policymakers together with consumer advocacy organizations to understand the effect of pricing techniques on consumer judgment, especially in a sealed economy.

Sources:

Discounts have overtaken the marketplace as a significant tool for businesses to lure customers, amplify sales, and dominate the market by whether in the traditional retail stores or on digital platforms, are promotional pricing strategies such as seasonal discounts, flash sales, buy-one-get-one-free (BOGO) deals, and loyalty-based discounts have become an integral part of marketing and sales strategies. However, the fact that discounts have promised to provoke demand and generate revenue is a straightforward idea; their effect on the consumer's purchase behavior is far more intricate than that.

For some buyers, discounts are the chances for them to keep more money in their pocket and get more benefit per each spent dollar, and consequently they are more likely to buy something. A study found that discounts play a more significant role in reducing prices, but they are also responsible for shaping consumers' opinions, influencing spending decisions, and perhaps, changing brand images. The type of discount offered, the frequency of discounts, and the price level the product may reach upon reduction are key determinants for how a consumer will perceive the total value of a product. Some discounts may make the product more attractive by creating a feeling of urgency and exclusivity, but plenty of discounting may make people distrustful, and make them doubt the quality and brand of a product.

The value symbolizes the basis of psychological marketing (Mun & Smith, 2019). Traditionally, buyers make decisions based on price, quality, and brand. The moment the discount is introduced, it forces consumers to shift their focus away from these main dimensions and include emotional reactions instead. People start thinking in terms of things they potentially have been missing out on, things that they don't need, and then buy them, based on fear of being the odd one out or because someone has informed them that the product is on sale. Fortunately, minor time-limited sales are there to fill our demand for FOMO while others are creating a whole different picture of buying opportunities. Apart from that, products that are discounted too much may retain a negative image which would help the buyer to think, perhaps, the product is of low quality or the original price was too high. These mental reactions really show how companies should know the reasons why people perceive discounts as more than just a financial advantage. Besides the fact that frequent promotion may become a dull affair if prices are halved often, it may also lead to the sleeping of consumers. Frequent discounting being the case it can mean that the consumers could get accustomed to the promotions and feel that they get the discount even when it is not the case thus decrease of the willingness to on the other hand more priority shop full price resulting from businesses having to run discount promotions repeatedly to keep up the sales levels. Conversely, discounts that are based on good strategies and well timed can be a tool for creating customer loyalty through the perception of exclusivity and the awarding of repeat customers.

Meanwhile, in India, the significance of the role discounts play in shaping consumer behavior can hardly be underestimated given the price-conscious tendencies of the market. With discounts as a powerful tool, the consumer market of the e-commerce sector is growing both online and in brick-and-mortar outlets. To illustrate, e-commerce has driven discount shopping with the big festival such as Amazon's Great Indian Festival and Flipkart's Big Billion Days. No wonder, these events help create the kind of spent patience consumers no longer display when they actively await the favorable prices. On the other hand, bargaining in street markets in India, which has been a long tradition, has led to the fact that the customers have

become accustomed to the flexibility of prices, consequently, this has made simple price cuts a very potent force in convincing people to buy.

Apart from the one-person reductions in favor of the store, discounting is also a tactics leveraged to direct more general economic and industrial trends. Price clashes fought by commercial enterprises often result in them using extreme measure such as never before sales and aggressive discounts, a sales strategy that boosts sales but can eventually lead to the loss of profit margins and weakening brand. Retailers should be aware of not only the direct effect of discounts on sales revenues but also their impact on the customer's future perception, and hence the value of the brand.

The study brings out the complicated connection between the discounts and consumer's evaluations of the products, especially in the Indian market. Using mixed methods research, we will investigate how discounts affect shopper's choices, whether they bend the representation of a higher quality product, as well as what is their influence on businesses. This study, through the help of the data collected from a large and diverse group of respondents, will dig into the ways companies can develop discount tactics that promote collaboration with their clients while keeping the brand unblemished.

The outcomes of this research have the potential to be very significant for businesses, marketers, and policy-makers. Knowledge of how discounts model customer opinions gives companies a chance to work out their prices, to optimize their promotional campaigns, and to use the discounts as a tool for long-term brand growth instead of just short-term sales. Furthermore, the results of the research can assist the policy-makers and consumer advocates in understanding the impacts of pricing strategies on consumer perceptions, particularly in the context of a fast-evolving digital economy.

As we shall see in the forthcoming parts, we shall look into the psychological aspects that relate to consumer's reactions towards discounts, the distinct ways of utilizing discounts in the Indian market, and the theoretical background of buying decisions in the discount shopping category. This investigation is intended to be a building block for the collective wisdom of behavioral economics and marketing strategy by means of a comprehensive analysis of the different effects of discounts on consumer perception and purchasing behavior.

### **1.1 The Psychology of Discounts and Perceived Value**

Consumer decision-making is not pure rational but rather it is deeply influenced by psychological factors, cognitive biases, and emotional triggers. Price cutting, even though people see it as just a reduction in price, has a substantial psychological effect on the way people perceive value, quality, and necessity. Companies misuse these recognizable characteristics to invent promotional tactics that widen up sales and consequently affect the brand image. Knowledge of the psychological processes that underlie discounts is what can allow companies to create the most suitable pricing strategies which would not in turn undermine consumer faith or brand name.

The principal psychological factor involved with discounts is the feeling of saving money. When a product is discounted, clients usually just calculate the savings and the product's actual value is overlooked in the process. This is expounded by the concept of Prospect Theory whereby a person's judgement of gains amount is not equal to the same amount being a loss. A client generally perceives the discount as a kind of "gain," where a purchase seems like an investment rather than an expense. Nevertheless, the manner in which a discount is shown exerts a big influence on clients' behavior. The price of \$200 off may be considered more attractive than the other at a final cost of \$1500. The price was the same but "\$200 off" will be the one that attracts clients because the mentally considered price turns out to be \$1300.

Reference Price Theory is yet another very crucial factor, which involves the inference of internal price

benchmarks obtained through own or others' experience cues. When a product is frequently discounted, consumers start to accept the price as the new "normal" price, so they will be paying less for it. Suppose, for instance, you spot a customer checking out a \$1500 product at \$999 multiple times, you are likely to think that \$999 is what it costs and may feel reluctant to pick it in its original price. The practice of conditioning that belongs to the one called discount addiction may be responsible for the postponement of purchase as the consumer begins to expect future price cuts.

Discount psychology makes The Scarcity and Urgency Effect an essential part of that. The FOMO (Fear of Missing Out) syndrome can occur when discounts are only available for a limited time or sold in a limited number of units. This fear is stronger than the fear of losing money, so it can override rational decision-making. Flash sales and countdown timers are the means to the end that takes advantage of this urgency to lure shoppers to flash sales which simply leads them to making quick purchases without even thinking about their requirements. This technique works especially well in e-commerce, and businesses exploit the psychology of "Only 2 left in stock!" or "Sale ends in 3 hours!" to create a psychological pressure point.

Discounts also affect the perceived product quality. Despite the fact that people are usually attracted by the lowest prices, extremely high discounts can also make them suspicious. As regards Price-Quality Inference Theory, consumers tend to think that better quality always comes with a higher price. When products are substantially discounted, especially in segments like electronics or luxury fashion brands, consumers may get suspicious and think that the products are defective, out of date, or of inferior quality. For example, a luxury watch which is originally priced at ₹10,000 but has a discount to ₹3,000 might cause customers to hesitate and ask questions about the authenticity of the product and its durability, so they may be afraid to buy it due to the attractive price.

Furthermore, social proof and herd mentality also have an impact on how people perceive discounts. In case a shop offers a discount which is promoted as an exclusive offer to a limited group of buyers or potential buyers like loyalty members or early-bird purchasers, the attractiveness of the product will be enhanced.

Further, as others are buying the products at a reduced price which is indicated by mechanisms like "50,000+ people bought this..... which adds more excitement to the event", more people are buying also. This is consistent with Social Influence Theory which posits that individuals mostly tend to follow the decisions of others especially when faced with uncertainty.

Discounts are considered to be a psychological phenomenon as it saves more than just money, and in fact, people engage in this psychology. Discount framing, reference pricing, urgency effects, perceived quality, and social influence are components that help consumers to see value of one or the other product. Of course, it is necessary to mention that discounts are capable of promoting sales and strengthening a brand's identity. However, if discounts are implemented excessively or badly, they can also bring harm through brand dilution, skepticism, and consumer mistrust. Companies must carefully put together their discount strategies so that the strategies do not only make them attractive to customers but so that the long-term brand integrity is also preserved.

## 1.2 Discounts and Consumer Decision-Making Behaviour

Discounts can be very important in the decision-making process of the consumers when they make purchases as the discounts give them a feeling of the prices are under their control, a feeling of the need to act soon and making them think of the product as the best deal they have ever got. ...To acquire a



product, the thought of saving money is not the only proposition but is also affected by psychological and behavioral triggers. Enterprises are resourceful in that they use varied approaches to entice consumers to engage in the desired behavior such as impulse buying, bulk purchasing, and brand switching.

### **1.2.1 Impulse Buying and Urgency Triggers**

Instant discount on a product that makes one get attracted to a product and a quick decision on the product are the first effect of discounts. Only offering, flash sales, and promotion of exclusive goods fall into the category of urgency products. Consumers prefer to buy things quickly without proper evaluation when motivated by the "Deal Ends Soon!" or "Limited Stock Remaining!" signals. Furthermore, research also found that unaware purchases were the result of a subject receiving a notification saying "Deal Ends Soon!" or "Limited Stock Remaining!". This behavior is congruent with the Scarcity Principle, under which consumers tend to overvalue such goods because of their apparently short availability.

### **1.2.2 The Role of Price Sensitivity in Purchase Intent**

Unlike in certain parts of the world, pricing is not uniform as it affects different categories of people in special ways. People who are highly price-sensitive tend to react to quality discounts as compared to those who are insensitive to prices. These latter may go for the quality, brand name, or product exclusiveness. It is common knowledge that the price-elastic nature of consumers can be conditioned through a series of discounts making them hold on to the purchasing of goods until the next sales event. This type of practice is prevalent in India, especially during Amazon's Great Indian Festival and Flipkart's Big Billion Days major e-commerce sales.

### **1.2.3 Brand Switching vs. Brand Loyalty**

While discounts can serve as a magnet to new customers, they can also quickly undermine the brand loyalty when consumers begin to link the brand to low prices. If a competitor gives bigger bargains, price- and convenience- driven individuals might decide to change brands regardless of other factors such as quality, service, or trust. Nevertheless, brands that create personalized or exclusive promotions (like loyalty rewards) could be the ones that will retain customers, develop long-term relationships and eventually prosper.

In the final analysis, as impulse purchase, the price sensitivity, and brand loyalty are the main factors, discounts are a key factor that shapes the behavior of consumers in the market. The businesses have to be very careful in designing discount strategies to balance the on-going sales without making the situation of giving brand equity discounts and the decrease of the brand value in the long run.

## **1.3 Methodology: Mixed-Methods Approach to Studying Discount Perception**

To carry out a thorough analysis of how the discount would change the customers' perception of value, a mixed-methods research approach was employed by the authors, in which both quantitative and qualitative data were integrated. This method of research ensures a well-rounded understanding of the psychological and behavioral aspects of discount-driven purchasing decisions.

### **1.3.1 Quantitative Data Collection: Survey-Based Research**

A structured Google Form survey was given to people of diverse backgrounds in India and the details were collected from over 3,000 respondents. The survey had both closed-ended and Likert-scale questions, thus, the quantification of consumer attitudes towards different discounting strategies was made possible. The key research areas were:

**Purchase Intent:** The degree of purchasing tendency of the consumers when the discounts are applied.

**Perceived Quality:** If discounts will change their perceptions of the product quality-how the product qu-

ality and brand trust are affected by the discounts.

Discount Expectations: How being exposed to discounts regularly makes people more willing to pay the full price.

The large amount of broader sample groups used in the study ensures that the findings will be statistically significant and that the study will be representative of all age groups and income levels.

### **1.3.2 Qualitative Data Collection: Consumer Sentiment Analysis**

Besides survey data, open-ended responses were also interpreted to get the feelings and the psychological reasons of the customers. The respondents were requested to describe their thoughts, emotions, and decision-making processes when they faced the discounts. This method also led to a broader range of emotions, covering topics like trust issues with promotional pricing, there is the fear of missing it, and the company's reputation's role.

### **1.3.3 Comparative Analysis Across Consumer Segments**

The data was divided according to the consumer's general segment to be able to find patterns and differences in consumer behavior such as:

Age and Generation: Do younger consumers display different behaviors in response to discounts than older ones that shows no response even after the offer?

Income Level: Are the high-income group ease to lure to the store than the budget-conscious group after holding discounts?

Thus, a well-ordered approach of data collection through the whole research period, permits the evidence giving information for retailers on what should be the best discounting strategy for short-term selling and long-term brand loyalty.

## **1.4 Theoretical Framework**

The psychological and behavioral effect that the discounts have on the consumer's mind can be explored through several main theories in behavioral economics and consumer psychology. These theories inform about the reasons why consumers make a purchase after the discounts being given and how value shapes the purchase decisions and perceptions of them.

### **1.4.1 Prospect Theory**

Prospect Theory is a theory by Daniel Kahneman and Amos Tversky that, in a nutshell, delineates how consumers think about profit and loss in a variety of alternative ways. The discount is often depicted as the "gain" because it seems to be a way of saving money through purchasing; however, in reality, it is the way of spending money and the bond purchase plan. Consequently, rising the purchase intent. Apart from that, loss aversion makes the consumers believe that the product is being sold cheaply.

### **1.4.2 Reference Price Theory**

Consumer models set up their reference price which is the price that they believe a certain product should cost. A good example of this is loyalty cards for supermarkets. If a shopper keeps seeing items at a discounted price, it becomes the new reference price which would then make the regular price seem higher. The effect of this could be the increase in non-discounted products sales delayed.

### **1.4.3 Scarcity and Urgency Effect**

On the one hand, limited-time offers run the scarcity principle to the ground, due to which a psychological pressure is created that leads to the increase of impulse buying. Customers, as a rule, are afraid of losing money, so, they are forced to make decisions quickly and not make price comparisons.

By utilizing those theories, the present study focuses on explaining the customer decision-making process

through the vehicle of discounts, the ways in which discounts shape brand perception and purchasing behaviors.

### 1.5 Implications and Expected Findings

The recognition that the discount policy has an effect on the perceptions of the value of the goods among the consumers will have clear implications for businesses, marketing people, and pricing strategists. The action of discounting may lead to growth of short-term sales but it might also damage customers' perception of the brand. In addition to that, the measure of research findings will not require additional information about companies regarding designing discount strategies that will contribute to the rise in the volume of sales but will also enhance their brands.

#### 1.5.1 Implications for Businesses and Marketers

The study will help businesses:

The business entity through the research study would be able to:

- **Identify the "sweet spot" for discounting** – determine the optimal amount of discount and the number of events when the price should be reduced without decreasing the utility of the product.
- **Understand consumer discount expectations** – using this information to forecast the instances when providing discounts will be profitable and the ones when it may be detrimental.
- **Balance short-term sales with long-term brand perception** – avoiding giving frequent discounts to consumers, thinking that this will automatically lead to full-price sales, which could bring lower profits to the company.

Segment discount strategies for different consumer groups – giving out discounts cleverly based on factors such as age, income, and purchase history so that the quality is guaranteed.

#### 1.5.2 Expected Findings

Built on the prior research and the survey data coming from the 3,000 respondents, the research is about to reveal the next major conclusions:

Shoppers are significantly affected by the way the discount is presented and distributed. Including the eye-catching discount percentage, clearly, the absolute price reductions, and only the unique offer deals can be differently viewed depending upon what exactly they are brought of, making the mind perception uneven.

The habitual discounts may cause a deficit in the customer's mind, especially in the premium or luxury categories, where the higher price is perceived with the better quality and exclusive style.

Clients make a discount habit, therefore, they postpone their buying decision only for the sake of buying in the future for a lower price. This harms the company's long-term pricing strategies.

Discount treatment demographics have notable distinctions, the sale effects are the most significant among the younger and the cost-conscious ones in comparison with the high earners who might approve of the reputation of the brand at the expense of a discount.

Through the analysis of such trends, these findings will facilitate the generation of insightful and consumer-friendly discount strategies for businesses which is able to obtain a harmonious mix of revenue growth and brand which is sustainable.

## 2. LITERATURE REVIEW

[1] Alford and Biswas (2002) interrogate whether offering products at slashed prices, flitting to and fro from the price said to be the best, and the charm of sales, they are the dominant factors touching the



perceptions of the customers which thereby affect their buying behavior. The result shows a higher perceived value and buying intention with higher discounts as well as a decrease in the search intention. Nevertheless, consumers who focus on price will go on searching for better deals, no matter what the discount amount is, while the sale-prone consumers respond more favorably to any discount. The research living social impose, inter alia, the concepts of Adaptation-Level Theory, Assimilation-Contrast Theory, and Transaction Utility Theory to demonstrate the consumer's skill of evaluating discounts concerning his/her internal reference prices. This study makes it clear that a practice of extreme discounting may instead raise price sensitivity, sending customers off to wait until the next promotion they see.

[2] Nagpal (2025) studies how anchoring and the decoy effect through discounts and recommendations operate and influence e-commerce buying decisions. The study uncovers the fact that the first anchor price seems to be the basis for customers' discount perception, whereas fake offer pricing makes clients choose mediums. It not only illustrates the perks of applying these tactics but also brings up ethical matters that can be avoided through honest marketing techniques that keep consumer confidence.

[3] Lee and Stoel (2014) the query they wish to solve is whether considerable versus meager discounts on online-transaction prices have a telling effect upon the customers' attitudes such as risks and purchase intentions. The result exhibits that more significant discounts result in higher risk values sentiment with issues more about the quality of the product than security and retailer credibility. Consistent with the Signaling Theory, the paper asserts that large discounts can result in a certain amount of cautiousness among the customers thus creating misdoubt about the involved product or company. Moreover, the research attributes significant increases in sales to moderate price cuts (30-50%) relative to the cases when massive ones (70-90%) lead to customer backlash because of boosted risk perceptions. The implication of the current research for online retailers is that they should weigh discount sizes very carefully and also these firms should find ways of reassuring the potential customers by way of have several trust signals in place like warranties, review criteria, and return policies.

[4] Santini et al. (2015) focus on how discount sales promotions affect buying intent of consumers stressing impulsivity, hedonic perception, and financial risk important. The researchers discover that sales promotions magnify the temptation to buy on impulse and also give more pleasure, hence the customers decide to purchase the goods. At the same time, it reveals that financial risk perception is a factor that is detrimental to buying motivations and that offering high discounts tends to raise product performance related skepticism. Furthermore, the study notes that discount attractiveness acts as a moderator, the results that come out are not that significant. The findings imply that although on the one hand discounts are successful in enhancing sales firms must wisely manage the rather high degree of perceived risk and trust in their product to make the consumers confident.

[5] Lee and Chen-Yu (2018) show the link between the level of price discounts and people's perception of savings, quality, and value while shopping for digital clothing. The authors provide evidence for the statement that more significant discounts are likely to increase the amount that is saved but this is followed by the products being seen as of lower quality, especially in the case of fashion. Nevertheless, the presence of fervid emotions when a customer receives a discount lessens the doubts about the quality of the products and, thus, the level of the item's valuableness is augmented. By borrowing from the Price–Quality–Value Model and Means-End Model the paper shows the emotional factor of discounts exerting a significant impact in consumers' purchase decisions. As per the study, the brands which sell apparel will have to strike a balance between the price slashing and the psychological attractiveness so that they can retain the perceived quality and purchase intent at the same time.

[6] Jee (2021) inspects the different types of economic (utilitarian) and emotional (hedonic) impacts on the purchased behavior of the consumer. For instance common utilitarian benefits can define as the quality-price aspect. Additionally, consumers who think themselves savvy and frugal (smart shopper self-perception) have more positive attitudes and behavioral intentions toward discounts. They confirmed that while people in the utilitarian camp see discounts as money saved, others find it more motivating to have acquired a good deal. The review constitutes that retailers need to decide on both angles and thus cash in on the discount strategies, however, the price and quality matter to the consumer, (m) whereas the feeling of satisfaction (h) is connected with the emotion.

[7] Deore and Borade (2020) delve into the study of how discounts influence consumer behavior and the nexus between perceived value, savings, and impulse buying. The study establishes an intimate relationship between perceived value, savings, and impulse purchase. The authors make a thorough analysis of the survey results, which reveal that most consumers think that it is worth waiting for the discounts when they want to buy high-value products and usually feel they get "value for money" when they buy things with a discount. At the same time, research demonstrates that frequent discounts can build up the tendency to not be interested in full-price purchases. They make use of the Price–Quality–Value Model to point out that while price discounts add value to the consumer's perceived savings in the short run, they may have negative consequences in the form of price sensitivity in the long run.

[8] Arif and Ali (2024) describe in their research the interaction of price reduction strategies with impulse buying behavior, using questionnaires of 261 participants from Chennai. The findings indicate that discounts are the mediators for the relationship between factors which include product promotion, online platforms, and sales strategies. Consequently, impulse purchases are the ones being largely driven. The outcomes emphasize the fact that flash sales, time-limited discounts, and customer loyalty points accelerate impulse buying, and just like them, extreme discounts could create a impairment of consumers waiting for promotions to buy. The research recommends e-commerce platforms too perfectly time and control the frequency of discounts to drive immediate sales as well as customer retention.

[9] Shekhawat et al. (2020) presents the findings of a study that explores the link between consumer buying behavior and discounts by observing consumers' brand switching, impulse buying, and customer loyalty to various sales promotion techniques. The researchers confirm that discounts, coupons, and "buy one, get one free" offers are the most effective at sales encouragement of consumers, especially with rivals. However, the results also show that frequently giving discounts can lessen the connection to the brand, which, in turn, can make clients more pushy about price and eventually not very loyal. Furthermore, the companies also revealed that discounting retailers were fully successful and thereby boost the perception of the economy. These data newly sound that vendors should carefully handle discounts along with non-price promotions to further referral and preserve bonding with clients.

[10] The exploration of Alnazer (2013) demonstrates that consumer support (in the form of price discounts and premiums) stands out as the ultimate tool to negotiate the brand's product price. Furthermore, the researcher confirms that the price discounts that are implemented by low-awareness brands are more effective since they tend to attract the population by offering instant monetary gratifications. In the same breath, high-awareness brands are advantaged by free gifts and other non-financial promotions that help in building the brand image and thus, customer loyalty. Given the theoretical concepts such as Mental Accounting and Prospect Theory, the study posits that price promotions give the psychological impression of money loss (by way of price reduction) as well as perceived gains through non-monetary promotions

(e.g., for free gifts). The results of the study show that companies will be more effective if they use brand awareness as the main factor in marketing.

[11] In the article by Sheehan et al. (2019), the key issue is to highlight the way consumers behave when they are dealing with discounts while online shopping. The survey reveals that the reduction in discounts is more important in the case of a gift in the latter part of a shopping trip in comparison to a gift in the beginning. It is implicit in the result of the study that retailers need to be smart in their discount program by starting the discounts with small ones during the first period of a visitor on the website and then giving the largest slashes at the final stage of the shopping to the audience who got engaged with products all at the beginning of the session. The research also covers the reference point effect for discount items, which state that customers as new receivers of the discounts will be comparing them with other discounts that have preceded, thus affecting their perceived value. The new discovery indicates that the dynamic discounts, which can be modified according to events, can lead to an increase in sales as well as an improvement in the shopping satisfaction levels for people.

[12] Darke and Chung (2005) Ca Fr impose the consumer's choice to consumption, framing effects on consumer perceptions of discounts and promotions based on which way is more favorable ad a consumer. The study finds that the discount framing campaign is successful in providing a better deal. However, it may act as a signal of reduced quality in the absence of the quality assurances, hence, people may infer that free things are of low quality. On the other hand, the research identifies that everyday low price (EDLP) strategies are in the same line as low quality perceptions, while free gifts bring about no change in product value. The research uses the Transaction Utility Theory (TUT) and Attribute Framing Theory, which reveal that the way a discount is framed has a significant effect on the customers' responses. These conclusions confirm that businesses need to be more creative in the writing of the promotional messages in order to support consumer's perception of the quality at the same time as dealing with the price issues.

[13] Grewal et al. (1998) formulate an empirical model of how store name, brand name, and price discounts together act on consumer evaluations and purchase intentions. The theory proposes that discounted prices are associated with higher value in the consumer's mind and does not influence brand image, especially if the store reputation is strong. Big brand brands are not affected by the discounted offerings, however, low awareness brands depend on the store image to guarantee authenticity. The study also suggests that the part of the consumers relying on price is significantly high. The article also makes it clear that buyers mainly regard the retail prices when taking their buying decisions

[14] Rakesh and Khare (2012) have studied the effects of online promotions and the consciousness of nonessential purchases on the Indian people. According to the study, more than ninety-five percents of alternative consumers do not report that sales and promotional offers are crucial factors in influencing online shopping experiences. With the focus on the e-shop features to be user friendly, utility and regard to the service quality are paramount in making decisions on the e-shop. The study indicates that although price discounts are catchy and draw customer's eye, it is important to note that they may not lead to high conversion rates. The results tie in that Indian online sellers need to work on the whole shopping experience rather than just using price promotions to increase sales.

[15] Darke and Dahl (2003) consider the psychological value of savings, while stressing the importance of the customers' perception of justice with respect to their purchase in market. The investigation shows that customers view discounts as a means of obtaining emotional value besides financial ones, often believing that they have a bargain, a "fair" deal. The study, as expressed by Transaction Utility Theory

(TUT) and Equity Theory, shows that the social comparison is one of the elements that assist in evaluating the merits of discounts, and thus the feeling was less pleased with the case of knowing that other people have had a privilege. The findings reveal that companies need to be equitably discounted and transparent discounting approaches with the clients so as to keep both their satisfaction and trust.

[16] Shamout (2016) in his paper the impact of offers (discounts, coupons, samples, and buy-one-get-one-free) on consumer buying behavior in retail markets. The research indicates that price discounts and free samples exert the most profound effect on buying decisions by facilitation of brand switching and purchase frequency. On the contrary, coupons were more or less effective, as not many consumers were keen to go and redeem them. The study proposes that vendors are to integrate a number of promotion mechanisms for engagement maximization while they should steer clear of over-relying prey too much on a singular machination. The research stresses on the fact that bigger promotional offers like the ones that offer free goods are the best but not always feasible options.

[17] Tang and Hao (2017) scrutinize the impact of price promotions on the decision making of the purchaser of products in the online environment. The study discovers that price promotions are the most effective tool to stimulate impulse purchases particularly when coupled with limited-time offers. It declares that constant discounting is the most common cause of brand equity loss and of the rise of the price sensitivity level which in turn forces companies to offer constant promotions. Based on the Mental Accounting Theory, the study proposes that consumers view transaction utility (the perceived deal value) as a decisive pathway of making impulse purchases. The information is that companies should think about giving away gifts in order to maintain the price on the market and not to suffer in the long run from low prices caused by the consumers that are waiting for more sales.

### 3. METHODOLOGY

This study uses a statistical research method to study how discounts affect consumers' perception of value. The research is based on primary data collection through a survey and secondary data from peer-reviewed journals and industry reports. The methodology has well-defined operations that enable the collection of data by both empirical and existing literature on consumer behavior and pricing strategies.

#### 3.1 Research Design

This research uses a survey-based research design that employs a standard questionnaire to gather and analyze data that will lead to a specific inference about the population. The aim is to identify consumer attitudes, preferences, and behavioral responses to various discounting strategies.

The research encompasses:

- How consumers' perceived value of a product is affected by discounts.
- The bond between discount volume and purchase intent.
- Whether the presentation of frequent discounts causes skepticism of the company or customer dependencies.
- The details of the study also present the survey responses that are analyzed to show the tips and trends about the consumers' interaction with the pricing strategies.

#### 3.2 Data Collection

##### 3.2.1 Primary Data: Consumer Survey

A fixed survey was carried out to gather empirical views on discount perception from real consumers. The

survey was made up with simple, multiple-choice questions and was situated on a Google Forms page. The data retrieved came from over 3,000 individuals in India of different ages, different income levels, and with different shopping preferences.

The survey covered the following:

- How often customers bought goods that were reduced in price.
- The merits of high as opposed to low discounts based on the perception of value and trust.
- Probability of impulse buying because of tempting offers.
- The impact of permanent discounts on the perception of the brand.

### 3.2.2 Secondary Data: Peer-Reviewed Literature and Reports

To justify the results of the survey, for this research, we were using 18 peer-reviewed research papers, industry reports, and marketing studies associated with the tactics of discounts and consumer psychology. These printed materials constituted the theoretical foundation and offered empirical evidence, enabling a deeper understanding of the survey results.

## 3.3 Inclusion and Exclusion Criteria

### 3.3.1 Inclusion Criteria

- Recent studies released in the last few decades and covering different discount strategies and the behaviour of the consumer.
- Research on the psychology of pricing, brand recognition, and buying intention.
- Studies that explore both online and offline retailing situations.

### 3.3.2 Exclusion Criteria

- Works that are not peer-reviewed and a part of popular media, such as blogs and opinion pieces.
- Studies that do not have a connection with discounting and consumer psychology.
- Papers with no empirical data and relying completely on theoretical models.

## 3.4 Data Analysis

The data derived from the survey served as a base to summarize the relevant statistics for the purpose of identifying tendencies and patterns in consumer preferences and behavior. The analysis involved:

- The percent of consumers affected by various still cliffhanger levels.
- Informed consent – Participants were made aware of the study's objectives before they agreed to participate.
- Anonymity – No personal identifiable information was obtained during the study.
- Confidentiality – The collected data was handled with due care, and no-one other than the researcher used the data.

## 4. RESULTS AND DISCUSSION

### 4.1 Key Findings from the Survey

A survey conducted in India collected opinions of over 3,000 respondents in order to investigate the influence of discounts on their decisions. The answers received reflect the existence of significant tendencies in the behavior of consumers in the market for price cuts and discounts. More influential information came from the study on consumer evaluations which showed that the purchase decision of the discounts is there, then the consumers' perceptions of quality and value also vary on the discount size,



product category, and marketing strategy grounds. The consumer's sense of quality is mainly influenced by these 3 core factors (deals, product type, strategy) in the purchase of any product.

## 4.2 Consumer Trends in Discount-Based Shopping

### 4.2.1 Frequency of Purchasing Discounted Products

Q1. How often do you purchase items on discount?

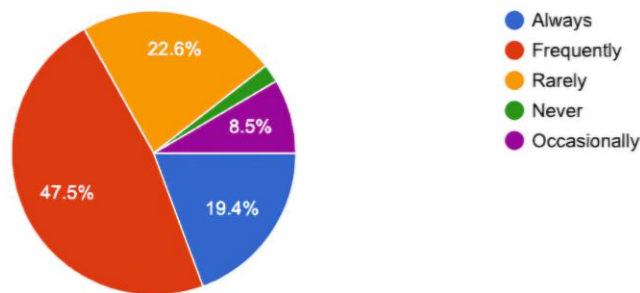


Figure 1

The findings of the survey illustrated that a large number of buyers frequently purchase items with lower prices, and they are no different from the rest who like discounts. Generally, close to half the respondents (47.5%) confirmed they were frequent buyers of discounted items as opera mundi blocked Charles Tovey. Although 19.4%, respectively, always seek discounts so the least buyers are those who infrequently purchase 8.5% and never 2% (Figure 1). These outcomes enhance the understanding and area of application of the importance of discounts in the behavior of the consumers who are represented.

### 4.2.2 Perception of Discounts and Product Quality

Q2. What is your first thought when you see a product with a high discount?

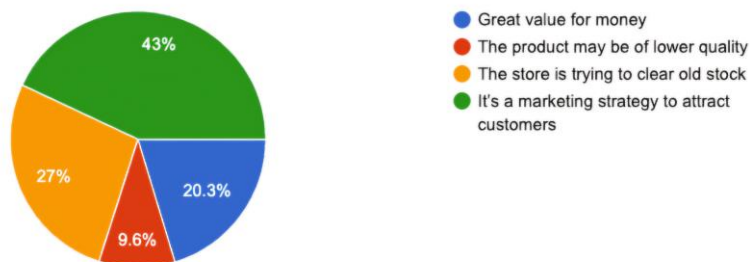
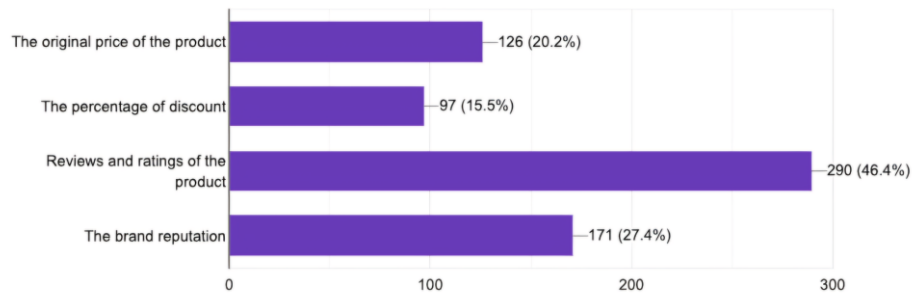


Figure 2

Among the answers to the first question, what was the initial thought of a consumer on seeing a higher than 50% discount, 43% of people concurred that it was a marketing trick to attract customers. In contrast, 27% of the respondents thought that the store was trying to dispose of old stocks. Also, 20.3% of the public associated high price-cuts with the best value for money, and 9.6% were of the opinion that this was an indication of the inferior product quality (Figure 2). The result is clear: although it is a fact that consumers

are attracted by discounts they also often raise concerns about product quality.

**Q3. When deciding to buy a discounted product, which factor matters most to you?**

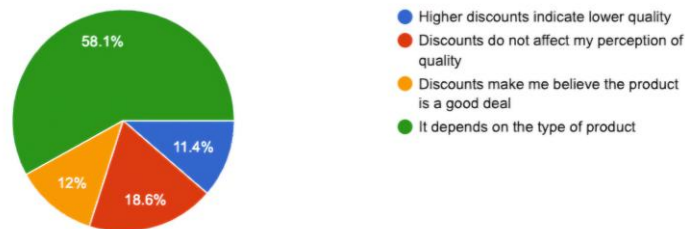


**Figure 3**

Moreover, the statistics showed that more than half of the respondents (58,1%) thought that the quality of the product affects their perceptions of discounts and depend on the product type. In contrast, 18.6% mentioned discounts as non-influence factors, whereas 11.4% perceived discount coupons lower than the product (Figure 3). This part of the result was that although discounts appeal to consumers, they are still wary of the potential quality issues that could arise.

**4.2.3 Factors Influencing Discount-Based Purchases**

**Q4. How does a discount influence your perception of a product's quality?**



**Figure 4**

The research also included the analysis of the most significant solutions affecting the discounted decision process. Almost half of the population, or 46.4%, voted for product reviews and ratings as the primary criterion, followed by brand reputation companies (27.4%). Nevertheless, only 15.5% considered the discount rate as their top priority reason, with the price remaining the next most important (Figure 4). The fact that besides the emotions of consumers, brands should have the most credibility and human recommendation to be loved and bought is also here.

#### 4.2.4 Impact of Discount Size on Consumer Perception

Q5. Do you perceive a product with a small discount (e.g., 5%) differently from one with a large discount (e.g., 50%)?

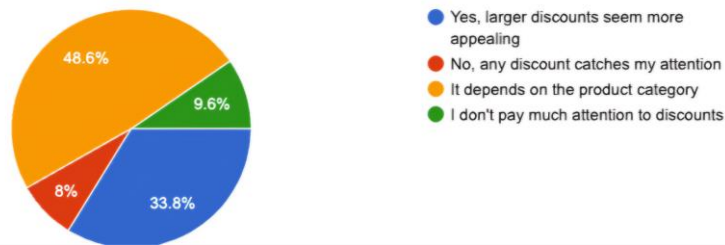


Figure 5

When comparing small vs. large discounts, 48.6% of consumers (48.6%) posited that deeper discounts would be more attractive, whereas 33, 8 % expressed indifference and said that all percent discounts are the same to them. Only 9.6% of the participants mentioned they are not interested in discounts (Figure 5). This affirms the idea that psychologically consumers are more driven to buy products that are offered with higher discount percentages, even if the real price difference is not that great.

#### 4.3 Impulse Buying and Discount Influence

##### 4.3.1 Purchasing Unnecessary Items Due to Discounts

Q6. How likely are you to buy an item you don't need just because it's heavily discounted?

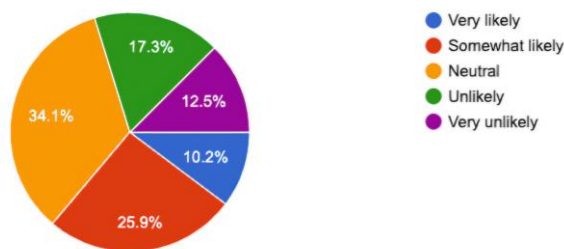


Figure 6

Impulse buying constitutes an essential aspect of discount-influenced shopping behavior. In response to "How likely are you to buy something you don't need just because it is deeply discounted?", 34.1% of people were neutral, and another 25.9% said they might buy it. Only a few (10.2%) said they would definitely do so (Figure 6). This IRREDUCIBLY shows that the money they could save with discounts stimulates temptation buying in some consumers while others are still aware of unneeded overspending.

### 4.3.2 Perception of Products on Continuous Discount

Q7. What do you think when a product is continuously on discount?

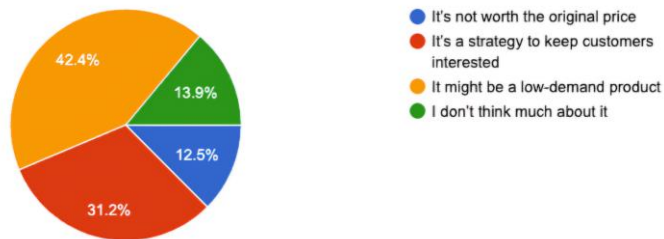


Figure 7

Other questions also inquired about the idea with what they associate a product on continual discount. 42.4% figured that it can be a slow-moving item or a time when it is not in the season because of discounts, whereas 31.2% said it would be a way for keeping the customers interested. A comparatively lower percentage - 12.5% of respondents reported that the product was not the full price (Figure 7). This study unfolds that Offering frequent discounts may create the impression of lower product value and thereby develop the question of actual product cost in consumers mind.

### 4.3.3 Discounts and Overall Shopping Satisfaction

Q8. What role do discounts play in your overall shopping satisfaction?

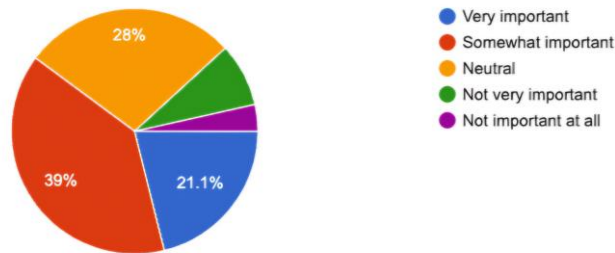


Figure 8

Last but not least, the role of discounts in shopping satisfaction got probed. One-third of respondents, that is, 33% of them, considered discounts to be somewhat important as they would work out to be. Of the 33%, 21.1% of them could comprehend the fact that to get and to shop at a reasonable price brought them ease thus they found the discounts to be very important. Moreover, 28% of them are unanimous in their opinions while the remaining 11.9% differ as they think that the discounts are not very important (Figure 8). This tells us that the fact that people are looking for bargains in turn is the reason why the discounts are the best way to make a customer satisfied.

### 4.4 Implications for Retailers and Policymakers

Please note that this study shows new knowledge for retailers and policymakers.

- In terms of sellers, organizations should be aware that discounts attract shoppers, but also, they make

them concerned about the quality of the products. Therefore, the companies should associate the promotions with good products, branding, and customer feedback,

- In order to prevent the deception of consumers, price transparency of promotional offers may be enforced by the sanctioning of scheming merchants and the introduction of strict regulations to bar the companies from such marketing.

#### **4.5 Research Gaps and Future Directions**

This study not only helps us understand the technique used to attract buyers by providing them with discounted goods but also has few limitations. For example, the survey focuses on short-term experiences and its findings are not easily echoed in different social contexts. Particularly, the current investigation did not capture the long-term influencing the consumers' decisions to buy. Besides, the purchasing behavior of some consumers affected by the discount on a cultural basis was not fully studied.

### **5. IMPLICATIONS AND RECOMMENDATIONS**

#### **5.1 Practical Implications for Retailers**

This study offered very important lessons to retailers who want to be strategic in their discounting suits. Over and above the discount, the price is just one factor in the consumer judgment. The other important factors are brand reputation and product reviews. The retailers, therefore, have to be clear and credible in their discount offerings. Besides, the provision of additional trust signals like the customer testimonial and a high-quality product description will bring more confidence to customers and the result will be the sustained sales even if the price is set.

#### **5.2 Ethical Considerations in Discount Marketing**

Discounts are a great driver of sales, however, when they are supposed to cover ethical sides the retailers do indeed deceive consumers. Continuous or excessive discounting can result in the consumers' being skeptical about the quality of the product and hence, the reputation of the long-term brand is put in danger. Retailers should consider both promotional strategies and reasonable pricing in order not to be seen as dares that seduce or impose unprecedentedly on customers. Giving a clear discount policy and not going on with deceptive pricing tactics would internally create customer trust and have more satisfaction.

#### **5.3 Suggestions for Future Research**

Subsequently, research should also ponder on the important question concerning the difference of the target discount as perceived and reacted to by different demographic groups. What is more, over several periods, research designs that would measure the sustained effects of discounts on brand loyalty and deeper insights into sustainable pricing strategies can be developed. Moreover, taking a cultural and psychological slant with a view to discovering the role of discounting in a purchase decision will give a more comprehensive view of the subject, which, in turn will help in better consumer appreciation in-diverse market settings.

### **6. CONCLUSION**

This research study examines the impact of discounts on consumer value perception. The research results are emphasized by the fact that although discounts play an undeniable part in short-term sales, they also possess the power to change long-term brand standing and winning customer trust. To remain in business and keep a good rating the retailers have to make strategies carefully with the help of a promotional pricing strategy that does not lead to the devaluation of their products, and aims at ensuring sustainability. Ethical issues of discount marketing are, insanely, still among the core concerns in relation to this as



unconventional achievers can make dishonest promotions that make clients skeptical, hence loyalty reduction. The analysis should be done on various societies and generations to following discount offers and this could lay the foundation for future empirical studies on marketing to and among various consumer cohorts. Due to the transparency and well-structuring of the said discount policies, businesses can have high audience engagement as well as a firm position of the brand in the market.

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