

# An Assessment of Consumer Response towards Price Discounts in Faisalabad City

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## ABSTRACT

Marketing has been changing worldwide. Several economic reasons coupled with new trends are shaping new practices. Firms are taking bold steps to gain profit. Among the various options, pricing/discount is one of them. This research will focus on effect of pricing/discount on consumer purchase intentions. Firms offer big pricing strategies/discount to gather more and more customers around and they offer discounts in different forms. Some researchers believe that loyal customers are not affected by the change in price while others argue that repeat customers look closely at pricing. In this study major shopping malls in Faisalabad were selected. For the purpose of data collection 200 respondents were selected conveniently. To analyze the collected data SPSS (Statistical Package of Social Sciences) was used. The results of this study found that store image, perceived price, perceived quality and customer satisfaction have positive relationship with purchase intention in terms of price discounts. The investigation of this study will provide the information to the policy makers in retail sector will lead to increase the number of customers as well as retain the existing customers. The perceptions of customers are not only about prices but also on quality as well during price discounts.

*So, brands should focus on quality while presenting price discounts. Along with the perception about price and quality store image also plays a vital role to satisfy the customers which ultimately leads to purchase intention. However, this study has succeed its aims, goals and contributions, there are also some certain limitations of the research. Due to the time duration and study research had limitations which include such as the use of cross-sectional way, survey method design and also sampling technique of non-probability convenience, as well as this research was also limited to no of demographic variables which were utilized to check the individual differences among customers. Researchers may be considering these limitations as the best guidance for this study in the future.*

## INTRODUCTION

Nowadays, world's rapid changing has encountered organizations with different challenges. Meanwhile, those organizations are successful that use management tools and new technologies to take advantage of emerged opportunities and increase their market share. Internet, as one of these tools, has become a wide field for commercial transactions and a powerful media for



organizations' marketing efforts. Statistical reports show a daily increase in the number of internet users and their growing tendency to trade via internet. In this regard, many online retailers provide various promotions such as free delivery or price discounts to attract more customers to their website and thus, to increase sales.

The Business World Crisis changed the daily basis immediately. Demolition cuts like environment change, low economic demand of business development and buying of power of environmental business. Success is not easy today. These steps include various marketing strategy numbers. The companies have adopted posters movements attract more customers and more. Promotion with other elements is one of the most widely used and effective in art. Research Promote Promotion. It explains Buil et al. (2013), "Media, public relations, sales promotion and media, including personal use."

Promotions provide useful tips for cognitive assessments and purchase decisions of products. Strahilevitz and Myers (1998) an unexpected promotion may be due to acquisition based on pure happiness and

reduce debt emotions. Promotions Researchers also show important property that contributes to a positive image of the store to create. Shih (2010), a commercial image, again has a positive effect on the purpose of the purchase. Therefore, sales promotion, the image of the store and want the relationship between sales managers is conducive to investigate an effective solution for obtaining the management of sales promotion and sale (Raghubir, 2004).

Promotion is a tool used by retailers or manufacturers to invite consumers to buy more. The results achieved by sales promotion, the use of a large number of bookings, inviting many new customers and a further increase in sales. While all marketing activities related to the promotion of sales that result in increased purchasing of consumers and improve the efficiency and collaboration of intermediaries or retailers. According to Meacham et al. (2005), many situations where common buying customers make little cognitive activity. In fact, it is difficult to stimulate behaviors such as rebranding or increasing the number of units purchased. The growing interest in using sales promotion as a marketing strategy has led to a significant



increase in research in this field. For example, there is a lot of literature on consumer response through sales promotion. The growing interest in using sales promotion and marketing tactics has led to unusual growth in research in this area.

How do many factors in sales promotion such as store image, perceived price, perceived quality and customer satisfaction influence the purchasing decision of a customer?

Companies are aware that not all factors of sales promotion are effective but they are not sure which one of those promotional frameworks will work best for them. In the past many research has shown that the price promotion techniques are often successful and have a significant impact on the sales. Knowledge of how customers perceive non-price promotional techniques such as in store advertising and point of sales displays frameworks could be very useful for the company to alter or to adjust their sales promotional schemes and it may allow companies to leverage their position in the market by striking the right balance between the promotional they offer and the promotion that customers prefer.

Thus, the purpose of this research is to help marketer understand, examine and explore what kind of factor is important in the minds of customers when they plan and implement a sales promotion activities. The purpose is also to explore what are the major factors that influence customers to choose the promotional framework while making their purchasing decision.

In Pakistan, sales promotion is a key marketing activity used to maintain sales volumes during economic fluctuation periods. As a result, Pakistani consumers have become very price conscious and the retail sector in Pakistani has increasingly become very competitive.

## **OBJECTIVES**

- To document consumer's perception about different attributes of price discounts offerings in the market.
- To delineate effect of price discounts on consumer's purchase intentions and satisfaction.
- To identify major challenges faced by consumer regarding price



discounts offerings and suggest recommendations.

## **REVIEW OF LITERATURE**

Grewal et al. (1998) emphasizes that price is one of the main determinants of sales. "Prices" is an important variable that is widely used in market research to classify products. In marketing, the price is usually defined by the consumer's point of view. Previous research has shown that price is a determining factor in the value of consumer ratings. Name Brad has positively influenced the buyer's internal reference. To make consumer purchasing decisions often the value and goal of the expected internal reference is compared. Alford and Biswas (2002) have indicated that the level of awareness of price impacts on the consumer's intention to buy.

Vineron & Johnson (1999) Influence of the company's reference groups and associates product or brand strength of the brand or low consumer product influence peer education to discuss. This is mainly public and consumer brand to come before, and determine the name of the product that consumer patterns are their own brands and luxury brands and products.

Kotler (1999) has been used to promote the sale / sale of products / services identified in the short term incentives. Promotion includes strong response marketing, focusing on three levels of activation and supply, chain of entrepreneurs first and forced to sell company. Consumption addresses, awards, dancing and promotions, and special price and product training are included free of charge. Group developments include President of Bonus, Commission and Contest. Consumers have emotional processes and will make these studies simultaneously put discount as a motivation.

Gilbert and Jack Aria (2002) said more than a purchase or development of new technologies to attract users to try a product or service. Sales promotion increased serious consequences including the number of shares and attracting new users. For example, it refers to increasing the temporary price reduction value to carry. Resellers have a label or a certain percentage of savings products or services. Previous studies have shown that a sudden increase in sales price conscious consumer experience. The discounted researchers indirectly contributed to consumer products

to attract new customers through behavioral tests.

Laroch et al (2003) described as part of a special promotion or marketing communication activities. To encourage a proposal or support makers and retailers to apply for their demand and marketing for other academic fiction science German demand. Retailers encouraged retailers to buy other sales concessions to buy or sell products or equipment that can be asked to encourage other sources of business.

Moore et al (2003) stated that in the field of marketing it is often thought that perceptions are stronger than reality; because consumers make decisions based on their perceptions of different stimuli. The concept of price consumer perception mixing a mixing element is a concept that takes the complexity associated with price promotion and promotion concept actually end up lowering the price of the product or the amount of funds the consumers have spent.

Kelleher and Peppard, (2011) believe that the landscape user, feelings and actions during consumption, thoughts, and individual feelings and zone the most interactive dynamic behavioral conditions of

keeping people involved in the conduct and behavior of the action in your life. Climate refers to the social and personal life of these factors, the true shopping experience and the physical strength and external factors of social and cultural forces. Behavior is communication and dynamic and interactive exchange between consumers and businesses.

Kalin and Siddiqui, (2014) argues for one of the elements of the marketing mix and the goals of customer activities, including the director, promoted, leading to the achievement of the importance of basic content and competing quota products, Demands the satisfaction of raw materials consumers to come into contact with the decision with them.

## **MATERIAL AND METHODS**

### **Study Area**

The present research was conducted in metropolitan city of Faisalabad, Pakistan. The total population of Pakistan is 179 million people, with sixth populous country in the world.

### **Data Sources**

The study was based on the primary data collected from consumer.

## Sample Selection

In present study, the sample comprised Of 200 consumers from Faisalabad. The respondents in the study sample were selected through random sampling. One of the main advantages of random sampling is that, it greatly help researcher to gather the required data from a sizeable number of respondents in a relatively short span of time (Hair et al., 2012). The study respondents were approached in different shopping areas, retail stores and super markets located in various parts of the city.

## Data Collection Method

The researcher used questionnaire as a tool for data collection because this method assists to increase response rate (Saunders, 2011).

## Data analysis

Data analysis was used to assist in answering the research on objectives and

accomplished the aims of the study. Preliminary analysis of data was tested using descriptive statistics frequencies and regression (Fritsche et al., 2008). Additionally, the factor influencing consumer response was tested through regression.

## RESULTS AND DISCUSSION

The purpose of this chapter is to present analysis and interpretation of data relating to the research problems under investigation. Univariate analysis explores each variable in a data set, separately. It looks at the range of values, as well as the central tendency of the values. It describes the pattern of response to the variable. It describes each variable on its own. Descriptive statistics describe and summarize data. Univariate descriptive statistics describe individual variables. The descriptive analysis is placed in the following tables:

**Table No. 4.1 Gender Mix of Respondents in the Study**

Gender	Frequency	Percent
Male	121	60.5
Female	79	39.5
<b>Total</b>	<b>200</b>	<b>100</b>

In this study the response of gender includes 121 males which is 60.5% portion of this survey and at the other hand 79 female are involved that is 39.5 shares in the study.

**Table No. 4.2 Respondent Age.**

Age	Frequency	Percent
20-29	40	20%
30-39	56	28%
40-49	62	31%
50-59	30	15%
Over 60	12	6%
<b>Total</b>	<b>200</b>	<b>100</b>

For this study, the age of respondents divided into some groups, such as the first group of 20 to 29 years, 30-39 Date of age between 40 to 49 years, 50 years to 59 and 60 age group age- old. Therefore, drop 40 respondents 20 to 29, which is 20% of the defendant's age. 56 respondents fall within the age range of 30 to 39, which is 28% of

respondents in this study. 62 subscribers fall within the age range of 40 to 49, which is 31% of the survey, 30 respondents are within the age range of 50-59 years, which is 15 inquiries and the last age group over 60 years. The group includes 12 interviewed, which is 6% of respondents' age.

**Table No. 4.3: Respondent's Qualification.**

Qualification	Frequency	Percent
Matric	4	2%
Inter	12	6%
Graduation	71	35.50%
Masters	76	38.00%
M.Phil	20	10%
PhD	5	2.5%

Others	12	6%
<b>Total</b>	<b>200</b>	<b>100</b>

The polls were divided into seven groups such as Matric, Inter, Bachelor, Master, M. Phil, PhD, and others. Matric falls in four respondents, which is 2% of the part of this study. In this group 12 respondents having intermediate qualification, 6% of this segment. The graduation group contains 71

subscribers and 35.50% of the main portion 76 contains 38% of respondents, M.Phil 20 people with 10% interest, the PhD contains five respondents and the last one is another category 12 interviewed 6% in the segment classification study.

**Table No. 4.4: Respondent's Occupation.**

Occupation	Frequency	Percent
Govt Job	68	34%
Private Job	60	30%
Business	42	21%
Student	27	13.5%
Not Working	3	1.5%
<b>Total</b>	<b>200</b>	<b>100</b>

There are some occupations defined for closed ended questionnaire like student, govt job, private job, business and not working. The govt job subscribers are 68 which is 34% portion of occupation response. Private job respondents are 60 that is contribute 30% portion in study. Full business holder

respondents are 42 that has share of 21% of study. Student class people are 27 which is 13.5% portion in this occupation survey results. While not working class has 3 respondents which has share of 1.5% in study.

**Table No. 4.5: Income Level of Respondents.**

Income Level	Frequency	Percent
less than 10,000	30	15%
10,001-20,000	25	12.5%





20,001-30,000	60	30%
30,001-40,000	45	22.5%
40,001-50,000	13	6.5%
51,000-60,000	17	8.5%
more then 60,000	10	5%
<b>Total</b>	<b>200</b>	<b>100</b>

As far as income level is concerned, it is also separated into different classes like less than 10,000 which has 30 respondents, 10,001-20,000 class has 25 respondents, 60 included in 20,001-30,000, 45 respondents included into 30,001-40,000, 40,001-50,000 has 13 customers, 51,000-60,000 has 17 customers, and 10 respondents included into more then 60,000 income class.

### Inferential Statistics

In this research, to check the effects of independent variables on the response variable multiple linear regressions were conducted. Regression model is an important method of analysis for developing cause and effect relationship between explanatory variables and response variable. This model is used to check the effects of more than two variables on the respond variable. However, the factors that shape the community attitude toward life insurance

were analysed through liner regression model. To check the suitability of the model assumption of the model was checked. The linear relation was analyzed by drawing the graph and the straight line shows that model is applicable. Regression analysis was performed by using stepwise regression procedure. This procedure included only those variables for which p-value of their regression coefficients was less than or equal to 0.05. In other words, this procedure includes only those variables in the model which possess significant influence on dependent variable at 1% or 5% level of significance. Whole regression analysis was done by using statistical package for social sciences (SPSS) version 17.0. The result of the stepwise regression analysis revealed all the above mentioned variables had significant influence on the response variable.

**Table 8: Influence of various independent variables on dependent variable: a multiple linear regression model**

Variables	Unstandardized Coefficient		Standardized coefficient Beta	t	Sig.
	B	Std. Error			
Constant	1.067	0.188		5.684	0.000**
Store Image	0.440	0.082	0.283	5.373	0.000**
Perceived Price	0.266	0.047	0.302	5.659	0.000**
Perceived Quality	0.143	0.082	0.092	1.738	0.003*

**Dependent Variable:** Purchase Intention

**R<sup>2</sup> = 0.87**

**F-value = 22.45 Sig. = 0.000\*\***

The value of R-Square is 0.87. This shows that the 87 percent change in purchase intention was explained by three variables such as store image, perceived price, and perceived quality. The overall significance of the model can also be judged by the F-test. The F-value is 22.45 which have significant at less than five percent level of significant. This too suggests that the model is highly significant.

### Impact of Store Image

The coefficient for this variable had a positive sign with the value of 0.440 and is high-significant at 5% level of significance. It shows the activities performed as store image have significant impact on the development purchase intention. Consumer's purchase intention can be

increased or decreased through the level of store image.

### Impact of Perceived Price

The coefficient for this variable had a positive sign with the value of 0.266 has a strong significant association at 1 & 5% level of significance. It illustrates that most of the respondents have trust on the advertising, website retailer and satisfied with the information on website and consider it trustworthy that increase the sale of product. It shows that useful product advertising pull the attraction of the customer.

### Impact of Perceived Quality

The coefficient for this variable had a positive sign with the value of 0.143 has



significant at 5% level of significance. It points out that promotional tools like coupons and sales options used by the marketing companies are very much important. These tools capture the attention of the customer. If the tools are more effective than the customer level of buying is increased.

## CONCLUSION

The purpose of this research was to test the effectiveness of promotion towards consumer purchase decisions in price discounts. Therefore, researchers have understood the discount rate, photo shop, the quality of the price, the quality of various tools, and the impact of consumer purchase decisions. The result of the research was to provide important information to the impact of promoting consumer procurement decision and to promote sales efficiency. Most consumers have now put us in an instrument.

Sales promotion plays an important role in marketing a business today. Research has shown that a large percentage of sales of the company is based on the promotion of sales. This situation becomes clearer in Pakistan after the political and economic crisis in 2012. Vendors have begun to use a range of promotional tools that provide

greater incentive for consumers to make purchasing decisions. It has been observed that consumer perception of various promotional funds has remained positive.

## Recommendations

In addition, researchers will not have any impact on the behavior of environment users in the future, so the respondents are advised to study behavioral behavior of different places. This research is not because the limited study represents the behavior of Faisalabad city to promote the country.

Promotion today plays an important role in marketing business. A number of sales based on the promotion of research sales have appeared. The situation in 2012 will be clear in the crisis after the economy in 2012, the market began to be used to promote customer's sales to purchase decisions. It is still positive in the sense of consumers in the fund has been observed.

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