

The Impact of Discounts and Promotional Offers on Consumer Purchase Intention in Grocery Retail Shops

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ABSTRACT

Discounts and promotional offers are widely used marketing strategies in grocery retail shops to attract consumers and influence their purchase decisions. These promotional techniques include price discounts, buy-one-get-one-free offers, seasonal sales, coupons, and loyalty rewards, which encourage consumers to purchase products by providing additional value and savings. In a highly competitive grocery retail environment, such promotional activities help retailers increase store traffic, stimulate impulse buying, and enhance consumer satisfaction. This study aims to examine the impact of discounts and promotional offers on consumer purchase intention in grocery retail shops. The findings indicate that attractive promotional schemes significantly influence consumer behavior by increasing the likelihood of purchase and encouraging repeat visits to the store. Therefore, effective use of discounts and promotional offers can play an important role in improving sales performance and strengthening consumer relationships in grocery retail businesses.

Keywords: Discounts, promotional, offers, retail, consumer, intention, grocer, shops

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Introduction

The grocery retail sector is one of the most competitive segments in the retail industry, where retailers continuously adopt various marketing strategies to attract consumers and increase sales. Among these strategies, discounts and promotional offers play a significant role in influencing consumer purchase intention. Discounts, price reductions, coupons, buy-one-get-one-free offers, and seasonal promotions are commonly used techniques to encourage consumers to buy products. These promotional activities not only attract new consumers but also motivate existing consumers to make repeat purchases. Sales promotions such as discounts and special offers are effective tools used by retailers to stimulate consumer demand and influence buying decisions.

Consumer purchase intention refers to the likelihood or willingness of consumers to buy a particular product based on their evaluation of price, value, and promotional benefits. In grocery retail shops,

consumers are often price-sensitive and tend to respond positively to attractive discounts and promotional schemes. Promotional offers can create a perception of savings and value, which encourages consumers to purchase more products or try new brands. Promotional strategies are important in influencing consumer behavior and increasing store traffic in retail environments. Therefore, understanding the impact of discounts and promotional offers on consumer purchase intention is essential for grocery retailers who aim to improve consumer satisfaction and enhance overall sales performance.

Review of Literature

Ms. A. Infan Lincy, Mrs. K. Princy Hebshibha (2023) in the article titled, "A Study on Customer Preferences on Coupon Code Based Promotional Activities with Special Reference to Coimbatore City", investigates how customers in Coimbatore perceive and respond to coupon code-based promotional activities. The authors Collect Primary Data through Google

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Forms questionnaires from 100 respondents in Coimbatore city. The research highlights that consumers prefer coupon codes primarily for discounts on products and services, and they are more likely to use them for online purchases rather than offline shopping. This study finds that coupon codes are highly effective in driving sales, customer loyalty, and online purchase behavior, with discounts being the most preferred form of promotion. In conclusion, the study demonstrates that coupon codes are not just short-term promotional tools but a strategic mechanism for building long-term customer loyalty and boosting online retail growth. Retailers in Coimbatore and beyond should integrate coupon-based promotions into their marketing mix to remain competitive.

Peng Wang, Rong Du, and Qiying Hu (2020) in the article titled, "How to Promote Sales: Discount Promotion or Coupon Promotion?" investigates the relative impact of two widely used promotional tools direct discounts and coupon-based promotions on consumer purchase intention and sales performance. The author used experimental approach from data collection, consumer responses were gathered through controlled experiments and surveys that tested purchase behavior under discount and coupon scenarios. The authors argue that while discounts provide immediate and transparent savings, coupons can stimulate consumer engagement by creating a sense of exclusivity and delayed gratification. The research focuses on identifying which method is more effective under different consumer and market conditions. In summary, the article demonstrates that both discount and coupon promotions are valuable tools, but their effectiveness varies depending on consumer behavior and retail objectives. Retailers must strategically balance the two to maximize both immediate revenue and long-term loyalty.

Zulki Zulkifli Noor (2020) in the article titled, "The Effect of Price Discount and In-Store Display on Impulse Buying" examines how promotional strategies such as discounts and in-store product displays influence consumer impulse buying behavior. The author conducted surveys among retail customers to measure their responses to price discounts and in-store displays. Selected sample consumers from retail outlets were included to capture real-world shopping behavior. This study highlights that impulse buying is often triggered by external stimuli rather than planned consumer needs, and retailers use price discounts and

in-store displays as key tools to stimulate such behavior. The researcher find price discounts significantly increase impulse buying by lowering perceived risk and encouraging immediate purchase. In-store displays also play a strong role, as visually appealing product arrangements attract attention and stimulate curiosity. The study concludes that retailers should integrate both tactics to maximize impulse buying and overall sales performance.

Dr. Anil R. Pande (2019) in the article titled, "A Study of Promotional Activities by Retail Stores and Their Impact on Consumer Retail Preferences", investigates the role of promotional activities in shaping consumer preferences in modern retail, particularly in supermarkets like Big Bazaar, D-Mart, and Reliance Mart. uses a structured questionnaire and random sampling of 51 respondents in Mumbai suburban retail outlets to analyse how different promotional strategies such as buy-one-get-one offers, cash-back schemes, and discount coupons affect consumer behavior and store preferences. The authors argue that since many supermarkets offer similar products at similar prices, promotions become a key differentiator in attracting customers, increasing footfall, and building loyalty. In conclusion, the study demonstrates that promotional activities are not just short-term sales boosters but strategic tools that shape consumer preferences and loyalty. Retailers who focus on impactful promotions tailored to their target demographics can achieve sustained growth and competitive advantage.

Mohammad Iranmane; KrishnaSwamy Jayaraman; Suhaiza Zailani; Seyed Mohammadreza Ghadiri (2017), "The Effects of Consumer Perception of Volume Discount Benefits on Intention to Purchase Grocery Products: Deal Proneness as a Moderator", investigates how consumers perceive volume discounts and how this perception influences their purchase intentions, with deal proneness acting as a moderating factor. The author used structured questionnaires through data collection from grocery shoppers in Malaysia. The researcher find positive consumer perception of volume discounts significantly increases purchase intention for grocery products. Deal proneness strengthens this relationship, meaning consumers who are more promotion-sensitive show higher purchase intentions when exposed to volume discounts. In conclusion, the study demonstrates that volume discounts are not just pricing tactics but strategic tools that influence consumer psychology, with deal

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prone to acting as a critical moderator in shaping purchase intentions.

Statement of the Problem

In the highly competitive grocery retail sector, retailers frequently use discounts and promotional offers as marketing strategies to attract consumers and increase sales. Consumers today have many options when purchasing grocery products, and their purchase intentions are often influenced by price reductions, special offers, and promotional schemes. However, not all promotional activities have the same effect on consumer behaviour, and retailers may face challenges in determining which types of discounts and offers are most effective in influencing purchase intention. Additionally, excessive promotions may sometimes reduce perceived product value or affect brand loyalty. Therefore, it becomes important to examine how discounts and promotional offers impact consumer purchase intention in grocery retail shops and to understand whether these strategies effectively influence consumer buying decisions.

Objectives

- To study the role of promotion activities in grocery retail shops
- To examine the impact of price promotion activity on consumer purchase Intention in grocery retail shops.
- To analyse the impact of discount and offers on consumer purchase intention in grocery retail shops.

Research Methodology

Research Design:

The study will adopt a descriptive research design, which is systematic and structured in nature. This type of research design helps in describing and analysing the opinions and behaviours of respondents related to the research topic. Data for the study will be collected through a structured questionnaire, which will be tested for reliability to ensure accuracy and consistency in responses. The survey will be conducted among respondents from different areas across Nagercoil city.

Sampling Method:

For the purpose of this research, a sample size of 385 respondents will be selected from various segments of Nagercoil city. The study will use purposive random sampling, where respondents are chosen based on their relevance to the study while maintaining a degree of randomness in the selection

process. Data will be collected using a structured questionnaire to ensure uniformity and reliability of the information obtained.

Statistical Methods:

The statistical methods used in the analysis were percentage and ANOVA is used to analyse the impact of consumer purchase intention in grocery retail shop.

Findings and Analysis

Table: 1

Demographic Profile of the Respondents

Variables		No of Respondents	Percentage
Gender	Female	234	60.8
	Male	151	39.2
Total		385	100
Age	Less than 20	27	7.0
	21-30	107	27.8
	31-40	129	33.5
	Above40	122	31.7
Total		385	100
Marital Status	Married	300	77.9
	Unmarried	85	22.1
Total		385	100
Education Qualification	School Level	76	19.7
	Graduate	197	51.2
	Post Graduate	112	29.1
Total		385	100
Monthly income	Below 25,000	93	24.2
	25,000 – 35,000	101	26.2
	35,000 – 45,0000	97	25.2
	Above 45,000	94	24.4
Total		385	100
Occupation	Daily Wage	97	25.3
	Private Employee	128	33.2
	Government Employee	76	19.7
	Business	84	21.8

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Total		385	100
Average time spent in shop	Within 1 hour	96	24.9
	1 to 2	122	31.9
	2 to 3	85	22
	3 and above	82	21.2
Total		385	100
Preferred day to visit the shop	Week days	102	26.5
	Weekend	123	32
	Both days	160	41.5
Total		385	100
Preferred day time to visit the shop	Morning	95	24.7
	Afternoon	78	20.3
	Evening	123	31.9
	Night	89	23.1
Total		385	100
Do you check any offers or discounts before entering shop?	Always	187	48.6
	Some times	122	31.7
	Never	76	19.7
Total		385	100
Does unplanned shopping happen after seeing any offers?	Always	156	40.5
	Some times	146	37.9
	Never	83	21.6
Total		385	100

Source: Primary Data

The above table exhibits that majority (60.8%) of respondents are female and (33.5%) of the respondents belong to the age group of 31- 40, 77.9% of respondents have completed their graduate level of education. The majority 26.2% of respondents has monthly income of 25,000-35,000, 33.2% respondents are private employees, 31.9% respondents spent 1 to 2 hours in the shop, 41.5% respondents visit the shop on both week days, 31.9% respondents prefer evening time to visit the shop, 48.6% respondents always check for offers or discounts before entering the shop and 40.5% always do unplanned shopping after seeing the offers available.

Research Hypothesis

H1: There is no significant difference in the impact of price promotions on consumer purchase Intention in grocery retail shops due to age.

H2: There is no significant difference in the impact of offers on consumer purchase Intention in grocery retail shops due to age.

H3: There is no significant difference in the impact of discounts on consumer purchase Intention in grocery retail shops due to age.

The following analysis examines the impact of age factor on consumer purchase intention price promotion, offers and discounts. The aim of this study was to know the impact of consumer purchase intention in grocery retail shop in major cities of Kanniyakumari District of Tamil Nadu.

Table 2
Age and Impact of consumer Purchase Intention in Price Promotions

		Sum of Squares	df	Mean Square	F	Si g.	Remark
Cash back offer	Between Groups	9.206	3	3.069	2.735	.043	Reject
	Within Groups	427.444	381	1.122			
	Total	436.649	384				
Bundle price	Between Groups	8.584	3	2.861	2.937	.033	Reject
	Within Groups	371.234	381	.974			
	Total	379.818	384				
Flat discount on price	Between Groups	8.136	3	2.712	2.927	.034	Reject

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	Within Groups	352.971	381	.926			
	Total	361.106	384				
Limited - Time Flash sales	Between Groups	7.920	3	2.640	2.818	.039	Reject
	Within Groups	356.896	381	.937			
	Total	364.816	384				
Negotiation price / competitor price	Between Groups	7.979	3	2.660	2.774	.041	Reject
	Within Groups	365.361	381	.959			
	Total	373.340	384				
Buy now pay after	Between Groups	8.207	3	2.736	2.860	.037	Reject
	Within Groups	364.427	381	.957			
	Total	372.634	384				
5% discount full payment is made within 10 days	Between Groups	8.773	3	2.924	2.946	.033	Reject
	Within Groups	378.225	381	.993			
	Total	386.997	384				

Source: Primary Data with computed data

An analysis of the data provided in table 2 the p value of the variables Cash back offer, Bundle price, Flat discounts on price, Limited - Time Flash sales, Negotiation price / competitor price, Buy now pay after, and 5% discount full payment is made within 10 days are less than 0.05 at the 5% level of significant. Hence null hypothesis for these variables are rejected. It is concluded that there is a significant difference between price promotional variables and age in influencing consumer purchase intention. Therefore, age has a significant impact on consumer purchase intention towards price promotions.

Table 3
Age and Impact of Consumer Purchase Intention in Offers

		Sum of Squares	df	Mean Square	F	Sig.	Remark
Buy one get one free	Between Groups	8.121	3	2.707	2.730	.044	Reject
	Within Groups	377.723	381	.991			
	Total	385.844	384				
Seasonal or festival offer	Between Groups	8.186	3	2.729	2.915	.034	Reject
	Within Groups	356.630	381	.936			
	Total	364.816	384				
Combo offer	Between Groups	7.856	3	2.619	2.720	.044	Reject
	Within Groups	366.777	381	.963			
	Total	374.634	384				

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Clearance sale offer	Between Groups	8.285	3	2.762	2.835	.038	Reject
	Within Groups	371.160	381	.974			
	Total	379.444	384				
Quantity offer	Between Groups	7.979	3	2.660	2.774	.041	Reject
	Within Groups	365.361	381	.959			
	Total	373.340	384				
Voucher or coupon offer	Between Groups	8.471	3	2.824	2.897	.035	Reject
	Within Groups	371.373	381	.975			
	Total	379.844	384				
Free delivery offer	Between Groups	8.341	3	2.780	2.851	.037	Reject
	Within Groups	371.478	381	.975			
	Total	379.818	384				

Source: Primary Data with computed data

It is clear from the above table 3 the p value of the variables Buy one get one free, Seasonal or festival offer, Combo offer, Clearance sale offer, Quantity offer, Voucher or coupon offer, and Free delivery offer are less than 0.05 at the 5% level of significant. Hence null hypothesis for these variables are rejected. It is concluded that there is a significant difference between offer variables and age in influencing consumer purchase intention. Therefore, age has a significant impact on consumer purchase intention towards promotional offers.

Table 4
Age and Impact of consumer Intention in Discounts

		Sum of Squares	df	Mean Square	F	Si g.	Remark
Price discount	Between Groups	8.652	3	2.884	2.808	.039	Reject
	Within Groups	391.364	381	1.027			
	Total	400.016	384				
Quantity discount	Between Groups	7.766	3	2.589	2.707	.045	Reject
	Within Groups	364.405	381	.956			
	Total	372.171	384				
Coupon discount	Between Groups	9.484	3	3.161	2.824	.039	Reject
	Within Groups	426.474	381	1.119			
	Total	435.958	384				
Seasonal or Festival discount	Between Groups	8.487	3	2.829	2.748	.043	Reject
	Within Groups	392.277	381	1.030			
	Total	400.764	384				

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Consumer card discount	Between Groups	8.493	3	2.831	2.791	.040	Reject
	Within Groups	386.478	381	1.014			
	Total	394.971	384				
Buy one get one at 50% discount	Between Groups	8.047	3	2.682	2.697	.046	Reject
	Within Groups	378.924	381	.995			
	Total	386.971	384				
Percentage discount	Between Groups	9.817	3	3.272	2.885	.036	Reject
	Within Groups	432.089	381	1.134			
	Total	441.906	384				

Source: Primary Data with computed data

It referred from the above table 4 the p value of the variables Price discount, Quantity discount, Coupon discount, Seasonal or Festival discount, Consumer card discount, Buy one get one at 50% discount, and Percentage discount are less than 0.05 at the 5% level of significant. Hence null hypothesis for these variables are rejected. It is concluded that there is a significant difference between discount variables and age in influencing consumer purchase intention. Therefore, age has a significant impact on consumer purchase intention towards promotional discounts.

Suggestions

Grocery retailers should provide attractive discounts during peak shopping periods, weekends, and festive seasons to attract more consumers and increase purchase intention.

Retailers should implement different types of promotional strategies such as buy-one-get-one offers, combo packs, cash back offers, and coupon discounts to create greater value for consumers.

Promotional offers should be clearly communicated through in-store displays, advertisements, social media, and digital platforms so that consumers are aware of the available discounts and benefits.

Grocery retailers should introduce loyalty programs and reward points for regular consumers, which can encourage repeat purchases and strengthen long-term consumer relationships.

Recommendations

Grocery retailers should design well-planned discount strategies that offer value to consumers while maintaining profitability. Proper timing and selection of discounted products can increase consumer interest and purchase intention.

Retailers should create attractive promotional campaigns such as seasonal sales, festival offers, and limited-time deals to encourage consumers to visit the store and make purchases.

Clear signage, promotional displays, and product placement should be used to highlight discounted items so that consumers can easily identify and take advantage of the offers.

Grocery retailers should use digital platforms, mobile apps, and loyalty programs to inform consumers about on-going promotions and reward frequent shoppers, which can increase consumer engagement and repeat purchases.

Conclusion

The study highlights that discounts and promotional offers play a significant role in influencing consumer purchase intention in grocery retail shops. Price reductions, special offers, coupons, and bundle deals attract consumers and encourage them to make purchasing decisions. These promotional strategies create a perception of value and savings among consumers, which motivates them to buy products that they may not have originally planned to purchase. As a result, discounts and promotional offers help grocery retailers increase consumer traffic, stimulate demand, and improve overall sales performance.

Furthermore, the findings suggest that well-planned promotional activities can enhance consumer satisfaction and strengthen the relationship between retailers and consumers. When consumers perceive that

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they are receiving good value for their money, they are more likely to revisit the store and remain loyal to the retailer. Therefore, grocery retailers should design effective promotional strategies that align with consumer needs and preferences. By implementing appropriate discounts and attractive offers, retailers can influence purchase intention, maintain competitiveness in the market, and achieve long-term business growth.

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