

**“IMPACT OF SALES AND DISCOUNTS ON CONSUMER
PERCEPTION OF THE BRAND”**



By

Bilal Baig

Enrollment # 01-220102-009

MBA

Supervisor:

Ma'am IZZA SHAZAD

Department of Management Science

Bahria University Islamabad 2016

ABSTRACT

Sales and Discounts are promotional tools use that brands use to stimulate sales for a short period of time. No matter what type of brand it is, it goes to Low Profit, High Volume for a specific amount of time. Sales and Discounts have their pros and cons and they might affect how a consumer perceives a brand positively or negatively. My aim is to test this in the context of Pakistan Fashion Retail Industry and provide substantial argument for both its benefits and hazards.

The research has been conducted by doing a thorough analysis of the literature. The literature review provides us with both sides of the story. There are arguments in favour of Sales and Discounts and there are arguments against it as well. Most authors are of the view that it has more hazards than benefits in the long run. The literature review helped me re-establish the variables as well as pointed out an opportunity to take into consideration the type of consumer who is coming in contact with the brand. The independent variable is Sales and Discounts whereas the independent variable is Consumer Perception of the brand. Data collection has been done through a survey questionnaire. The sample population were mostly residents of Islamabad and Rawalpindi and some were from Multan. Results were entered in SPSS and analysed. Correlation between the two variables was established and on basis of this, recommendations to the brands in Pakistan's fashion industry were given.

Table of Contents

Table of Contents

| | |
|---|----|
| 1 INTRODUCTION | 7 |
| 1.1 OVERVIEW | 8 |
| 1.2 SCOPE | 8 |
| 1.2 .1 SAMPLE DESCRIPTION | 8 |
| 1.3 PROBLEM STATEMENT | 8 |
| 1.4 PURPOSE | 9 |
| 1.4 .1TARGET AUDIENCE OF RESEARCH PAPER | 9 |
| 1.5 LIMITATIONS | 9 |
| 1.6 FUTURE RESEARCH DIRECTIONS | 10 |
| 2. THEORATICAL FRAMEWORK..... | 11 |
| 2.1 DEPENDENT VARIABLE | 11 |
| 2.2 INDEPENDENT VARIABLE | 11 |
| 2.3 RESEARCH QUESTIONS | 11 |
| 3. LITERATURE REVIEW | 12 |
| 3.1 PSYCHOLOGICAL IMPACT OF SALES PROMOTION | 12 |
| 3.2 BRAND EQUITY | 14 |
| 3.3 CONSUMER PROMOTIONS | 14 |
| 3.4 PREMIUM BRANDS | 16 |
| 3.5 PRICE QUALITY RELATIONSHIP | 20 |
| 3.6 DISADVANTAGES OF SALES PROMOTION | 21 |
| 3.7 WHY SUPPORT SALES PROMOTION | 21 |
| 4. RESEARCH METHODOLOGY | 21 |
| 4.1 DATA COLLECTION | 21 |
| 1.4 .1 STUDY TOOL | 21 |
| 1.4 2. SAMPLE SIZE | 21 |
| 4.2 TOOL FOR ANALYSIS | 21 |
| 4.2.1 .MODEL FOR CORRELATION AND ANALYSIS | 21 |
| 5. RESULTS AND FINDINGS | 22 |
| 5.1 .SPSS FINDINGS | 22 |
| 6. CONCLUSION AND RECOMMENDATIONS | 40 |
| 6.1 .CONCLUSION | 40 |

| | |
|---|-----------|
| 6.2 .RECOMMENDATIONS..... | 41 |
| 7. Annexure 1: QUESTIONNAIRE..... | 43 |
| 8. BIBLIOGRAPHY..... | 45 |
| TABLE OF TABLES | |
| TABLE 1: AGE GROUP | 22 |
| TABLE 2: GENDER | 23 |
| TABLE 3: INCOME | 24 |
| TABLE 4: PREFERENCE | 25 |
| TABLE 5: REPURCHASE | 26 |
| TABLE 6: FREQUENCY OF PURCHASE | 27 |
| TABLE 7: FAVOURITE BRAND | 28 |
| TABLE 8: PROMOTION PREFERENCE..... | 29 |
| TABLE 9: ASPIRATION..... | 30 |
| TABLE 10: MOTIVATION | 31 |
| TABLE 11: REPEAT PURCHASE | 33 |
| TABLE 12: RATIONALE | 34 |
| TABLE 13: DISCOUNTS | 35 |
| TABLE 14: STOPPAGE OF DISCOUNTS | 36 |
| TABLE 15: FAVOURITE CLOTHING BRAND | 37 |
| TABLE 16: CORRELATION | 38 |
| TABLE OF FIGURES | |
| FIGURE 1: THEORETICAL FRAMEWORK | 11 |
| FIGURE 2: AGE GROUP | 22 |
| FIGURE 3: GENDER | 23 |
| FIGURE 4: INCOME | 24 |
| FIGURE 5: PREFERENCE | 25 |
| FIGURE 6: REPURCHASE | 26 |

| | |
|--|-----------|
| FIGURE 7: FREQUENCY OF PURCHASE | 27 |
| FIGURE 8: FAVOURITE BRAND | 28 |
| FIGURE 9: PROMOTION PREFERENCE | 29 |
| FIGURE 10: ASPIRATION..... | 31 |
| FIGURE 11: MOTIVATION | 32 |
| FIGURE 12: REPEAT PURCHASE | 33 |
| FIGURE 13: RATIONALE | 34 |
| FIGURE 14: DISCOUNTS | 35 |
| FIGURE 15: STOPPAGE OFDISCOUNTS | 36 |
| FIGURE 16: FAVOURITE CLOTHING BRAND | 37 |