

## **“Retailers Price Promotional Strategy and its influence on Customers Purchase Intentions.”**

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### **Purpose:**

Consumer price sensitivity was always a matter of concern for retailers when designing price strategies. The anticipatory response towards changing price is felt among the Middle class consumers in Indian. This research aims to determine, whether the Pricing Promotional Strategy for Key Value Category (KVC), brings a significant change in the sale of Key Value Items (KVI) or not.

### **Design/methodology/approach:**

The study is conclusive and applied the quantitative technique to validate the proposed hypothesis. A structured questionnaire consisting of 21 questions was used to collect data through an online survey. Snowball sampling method was used to collect data from respondents, including young earners, homemakers, and business owners and collected response towards the frequent price discounts offered by leading hypermarkets chains and supermarkets in the country. The liner regression is conducted using SPSS Software.

### **Findings:**

Findings of the research concluded that as Indian middle segment is highly priced sensitive, hence huge price discounts instigate brand churning among them and even influence the pre-buying decision for purchase.

### **Research limitations/implications:**

The major limitation of the research was that it focused only on studying the impact of Price promotional offers on sales which is very contextual and limited to product categories, wherein there are other factors also which can have a significant impact on sales. We have determined the

impact of one construct (Price Promotional offers on Key Value items) over other (Sales) under the shadow of Key Value Categories, whereas further research can gauge the impact individually or on other categories also.

**Originality/value:**The research is purely empirical and conducted for the first time by the researcher to signify the importance of price promotion strategy in consonance to sales. The freshly collected primary data used for validation.

**Keywords:**Price Promotional Strategy, Key Value Category (KVC), Key Value Items (KVI), Sales, Retailers.

## 1. Introduction:

In today's scenario, Indian retail has developed as one of the most vibrant industry with a much faster pace because of the entry of the new players. As per IBEF, (2019), India expects the retail industry to shape-up as US\$1,200 billion industry by 2021, in comparison to US\$672 billion and fifth most preferred destination among global retail consumers. Over all consumption an expense which was US\$ 1,824 billion in 2017 expected to reach nearly US\$3,600 billion by 2020, accounting 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. Retail is growing the industry with a much faster pace in the Indian market. India is one of the fastest growing strategic economies in the Asian Continent. The country comes under the political and economic consortium of the Continent having a mass market of the middle earner. The retail sector has been one of the fastest growing segments marked by the presence of almost all big national retailers such as Big Bazaar, Reliance Fresh, Hyper city etc. Some of the pertinent characters among industry players both in grocery and non-grocery segments are its growing competitions and competing for pricing strategies. In the last few decades, the Indian economy has escalated out of its focused attention by its market structure, increased drivers for consumptions, source of income, lifestyle, and infrastructural facilities. This instigated the interest of many multinational players to craft competitive marketing strategies. As asserted by Black (2007) that compulsive buying behavior largely influenced by factors like market based economy, access, and availability of a wide variety of goods, availability of easy credit facilities, and high level of disposable income and sufficient avenues of shopping (p.14).

Earlier in the report presented by Drozdenko, Jensen, & Coelho, (2011), from all the four marketing mix variables, pricing has been used as one of the major tools for creating a learned pattern response in the brain of the customers (p. 106-116.). Today the situation is more intense due to the fierce competition among the retailers through changing price offers and low price strategies (Mrak, 2000).Sufficient evidence was there to verify that products are impulsively purchased more when having low price leading towards compulsive buying behavior (Cobb and Hoyer, 1996).The retail market is now confronting with intense completion as the number of players is more, having almost equal firm size having shadowed differentiation between the product/brand categories. Henceforth Indian retailers are considering changing pricing strategy as one of the major tool/weapons to trigger the sales, adopting both competitive pricing and discounted pricing as a strategy.

As Arnold, Oum, & Tigert, (1983) stated that the customer store choice significantly influenced by the price offered by the retailers, making pricing issue as most strategical part of business activity for retailers (as cited by Ofir, Raghurir, Brosh, Monroe, & Heiman, 2008, p. 414-423). Kumar, N. (2006) pointed out that the low price discount offered by retailers may attract all the customers in the market and only low cost entrants can compete with the price warriors. (p.104). Eventually pricing strategies, price discounts are used frequently by all the retailers in the country. Repeatedly adopted price discounts offers continued the expansion of the retail sector with more numbers of outlets that can gear cyclical higher intensity of competitive pressure on retailers. These activities further lead to heavy discounts maintaining market share and total profit due to lower margins. The price discounts adopted by the major supermarkets and hyper-markets points towards the fact that the price has been reduced to a very low level to generate a higher price elasticity so that the customers get attracted towards the retailer mainly because of the attraction of lower prices only. This pricing strategy has changed the consumer behavior of those customers that belong to middle class segments in India. The retailers create key value categories (KVC) and key value items (KVI) to attract the customers so that the normal stages of typical consumer behavior such as problem identification, information search, evaluation of alternatives, purchase decision and post purchase behavior undergo basic changes now. The problem situation becomes a routine problem situation (RPS) rather than an extensive problem situation (EPS) in the buying decision process. The changed behavior is more applicable in the case of hypermarket and supermarket purchases of grocery and non-grocery items.

Further, it was detected that Retailers often use promotions involving price discounts to increase store traffic and stimulate purchase (Grewal, Krishnan, Baker, & Borin, 1998, p. 331-352). Eventually, Aviv & Pazgal noticed that retailer's commitment for discount magnificently brings advantages to the seller up to 8.32% increase in expected revenue (p. 339-359). Retailers generally adopt a price-comparison strategy as tactics to induce price promotions (Grewal, Monroe, & Krishnan, 1998, p. 46-59). Inman, & McAlister, (1993) referred that; retailers more frequently use price promotions to increase store sales (339-356). Considering all these insights, this research tends to determine what happens if retailers change the Pricing Promotional Strategy for Key Value Category (KVC)? Does it bring a significant change in the sale of Key Value Items (KVI) or not. Secondly, we also tried to determine whether the change in price promotional strategy changes Consumers purchase intention for product/brand or not. Thirdly, we tried to determine how Word Of Mouth plays an important role in building Brand images.

## 2. Literature Review

The following review section will intercept the literature explaining the relationship of applied constructs followed by the formation of hypothesis articulated for the study.

### 2.1. Consumers of today:

Consumers of today are more open to a context regarded by the individual style of being customized and niche marketing (Sassatelli, 2006). The consumerism gets deep rooted in the country due to the unexpected flow of sources for income like BPO's Startup's, Migration of rural consumer to urban, etc. has created an interplay between spiritual and nationalistic values and the dominant attraction towards materialism as shown by the consumption pattern of the nationals. The attitude towards consumption influenced by the rich-poor divide, rural-urban setting (Stearns 2006). Shopping is a major leisure activity in the country for nationals as well as for the immigrants and is one of the major topics of discussion between people than any other topic. The newcomers are indoctrinated into this system deliberately through orientation tours focusing on malls, hypermarkets, and supermarkets. The relationship between consumerism and increased marketing efforts have been tracked each other for the last 300 years as it found that there existed a relationship between the development of marketing channels and methods side by

side with the development of consumerism during the 18<sup>th</sup> century in Western Europe (Stearns 2001). Consumer researchers have found a causal relationship between consumerism and promotional efforts, especially through advertising by companies (Zinkan 1994). Many empirical studies have proved that materialism gets promoted by watching television and television advertising. Marketers' efforts are focused and targeted towards the creation of compulsive buying which is defined as "chronic, repetitive purchasing that becomes a primary response to negative events or feelings" (O Guinn & Faber, 1989, p. 147-157). These factors are very much prevalent in our country. The escalation of hypermarkets, super markets, shopping malls, etc. provide ample avenues for the shoppers to grab the products that they like to buy and the financial institutions motivate them to purchase more by providing credit facilities in the form of credit cards, loans, etc. The 4Ps in marketing has got considerable influence on purchase. The major products that are purchased by the people are clothes; jewelry, shoes, food items, household articles, etc. and all global brands are available in all the hypermarkets, supermarkets and shopping malls in plenty. The players launch heavy promotional activity by offering heavy discounts; buy one get one free offer, coupons. Distribution is covered all over the country through retail formats that range from big hypermarket concepts to small mini markets.

### *2.2.Pricing Strategies:*

Among the other 4P's of the marketing mix, price occupies a major role in reinforcing the buying decisions for consumers. Price is one of the important costs owned by the consumers, in addition to other emotional costs. Also, the price is one of the costs that can be easily determinable by the consumers, and hence it becomes an important criterion for shoppers while making marketing strategies (Agardi and Bauer, 2000). In addition to this Narasimhan, Neslin, & Sen (1996) quoted that it is not necessary that price-related promotions might not motivate impulse buying (p. 17-30). Marketers apply heavy price discounts for their retail shops intend to attract customers for a particular product or category anticipating to get a reference from the customers in the future for shopping. Heavy price discounts was done to build an impression among consumers making them believe that the retailer selected by them is a leader in discounts. When consumers purchase the product at a low price, it becomes a reference pricing for retailers for the future. As referred by Mazumdar, Raj, & Sinha (2005) price can be categorized into two types, internal reference price, and the external reference price. Internal price is formed when

consumer memories the last price at which purchase was made and hence it is dependent on the memory of the consumer and previous purchase experience and the external reference price is dependent on external environmental factors such as price incentive offered by the seller (p. 84-102).Mazumdar's and Papatla's (2000) studies prove that both internal and external reference price influence are purchasing with varying degrees of influence based on variations in the market segments.

### *2.2.1. Price Discount Promotions:*

Designing pricing strategy is always contextual to the fact that what is happening in the market. Understanding Market and proper market analysis drive to better pricing strategies specially when referring this for middle class mass buyers. Talking about various pricing strategies like full price strategy, competitive pricing, discount pricing buyers are often inclined or instigated by price discount strategy. Moreover for retailers of supermarkets and hypermarkets price discount promotions are largely used to scale sales of convenience goods (Zerres&Hünerberg, 2009, p. 109-120).Mullin and Cummins (2008) stated that price promotions include money-off coupons, pence off flashes, buy one get one free and extra fill packs(as cited by Urun, S. 2014). Even Yeshin, (2006),noted that price sensitive customers are more aware of promotional activities and actively participate in searching for price promotional offers.Madan and Suri's (2001) pointed out in their research, that price discount can have negative results on promotions, stresses that retail industries have been using varied forms of price strategies like short-term price discounts and the most popular and actively used price promotionto revitalize sales and increase short-term demand for their products and services (p. 170-184).This is not very significant in the Indian context as mass middle class mostly prefers discounts in price. Generally, retailers in India use both competitive pricing and discount pricing strategy to entice customers. Today the market condition for retailers is very fierce, because of new entrants. The situation is very much reflecting on what mentioned as reasons for intense rivalry which has led to the development of a scenario of discount pricing practice for which India has been very popular for a long time.All the leading retailers use the discounting practice on weekdays, in addition to special discount offers during seasons and festivals. For example, during Diwali Shopping Festival, special discounts are offered for all products by retailers. Similar is the situation during the other

Festival also. In traditional marketing, it was stated that occasional discounts or discounts that reward loyal customers are effective, but in the current scenario of fierce competition, frequent deep discounts are offered to attract the customers towards an outlet so that the outlet becomes popular in the country and attract heavy customer traffic. The discounted product is offered at a very low price so that the seller can recover only the cost sometimes. It's found that the companies that offer products at a very low price always stay ahead of market leaders because the consumer behavior gradually works in favor of them. If a business gets customers only based on low price, it will lose the customers only when competitors offer a lower price than the price offered by the company. The same situation is applicable in the case of hypermarkets and supermarkets where new-comers with lower price captured the market from the market leaders of late. Thus for certain products, pricing strategy aims at attracting the customers from the competitors so that customers flock to the retail outlet attracted by the prices of certain products which even provided at a discount of more than 60% to 70 %.

#### *2.2.2. Pricing and Key Value Categories (KVC) and Key Value Items (KVI):*

Reportedly there are few categories which have greater importance for building customer price image than others (Bell and Lattin, 1998, p. 66-88). Sometimes Key Value Categories act as influencers to impress customer's perception for the price (Kilroy, MacKenzie, Manacek, 2015). However, there is the probability that with a given depth of assortment and frequent changes in pricing strategies customer may get confused or unable to recall the price comparison for all products, and hence she/ha may refer to the similar product category called as Key Value Items (KYI). (Hamilton, &Chernev, 2013; D'Andrea, Schleicher &Lunardini, 2006). Mostly retailers using high-low (hilo) pricing strategy usually do deep price promotions of products which have the potential to attract a large number of consumers in the store. Although their objective is that most of those consumers will buy other products on regular prices, on the market are present cherry pickers, consumers who explore and compare retailer's offers and buy on exclusive price offers (Bell &Lattin, 1998; Leszczyc, Sinha, &Sahgal, 2004). Often then retailers with usually higher price image, most common hi-lo retailers, have the best prices on the market for certain products (Hamilton, R., &Chernev, A. 2013). These temporarily low

prices, together with a low price image of certain categories at different retailers is one of the causes of cherry pickers appearance.

The retailers normally create a Key Value Category (KVC) which drive the value perception of the customers and create a Key Value Item (KVI) mix that drivesthe highestpreposition. The retailers have created a KVC which is the fast selling category of products such as produce, cleaners, personal care, cooking media, household articles,etc. Out of the KVC, the retailers select few items which create the highest value perception among the customers which called as KVI. For example, if the price of cooking oil is reduced by 60% to 70%, it creates a high value perception in the mind of the middleclass housewives who get attracted to the shop based on their price experience of the past purchase as well as the word of mouth communication developed in between the customer group. So once a shop getsthe attention of the customers as a low price leader, it gets crystallized in the memory of the purchasers who use it as a reference price and reference shop for future purchases.

In addition to the above, once the customers enter the shop attracted by the heavy price discount, the sale of many other items which were not included in the discounted offers get boosted up through the promotional activities launched by the internal sales people. It is been found that there exists a very strong correlation between the demand for the product whose price was reduced and the demand for many other items sold by the retailer which in fact, not related to the product whose price was slashed. Thus, the price decrease creates accelerated demand for many of the other items sold by the retailers. It is not a rare scene that people get flocked in front of the shop on weekdays to enter the shop when they open the doors as the supply of the product whose price slashed get exhausted within few hours of opening the shop.

### *2.3. Consumers' Purchase Decision and its relation to Sales.*

Gogoi (2013) as asserted that the purchase intention and purchase decision by consumers is a complex process and is affected by various internal factors as well as external factors (as cited by Mirabi, V., Akbariyeh, H., &Tahmasebifard, H. 2015) The purchase intention and subsequent purchase decision depends upon the perceived value of a product (Zeithaml 1988). Perceived

value depends on the difference between the reservation price of the buyer (RPB) and the reservation price of the seller (RPS). RPB is the maximum price which the buyer is willing to pay, and RPS is the minimum price that the seller wants to realize after the sale. The RPB is derived by the customer through advertising, word of mouth, price promotions. The RPS normally depends on the cost of the product that the seller sells. Thus the price is one of the most important factors that affect the purchase decision if the products offered by all the retailers are of the same brand and quality (Heitmann, Lehmann, & Herrmann, 2007).

The price promotion in the form of compelling discounts creates a cue sense in the mind of the customers not only about the product but also about the retailer that offer the discounts. Frequent pricing discounts create price consciousness in the mind of the customer. Price consciousness is the degree by which the consumer exclusively focuses on purchase at a low price (Lichtenstein, Ridgway, & Netemeyer, 1993). Therefore, the customers who are price conscious will search for low price offers in the market, and they get emotional value and find entertainment in purchasing at lower prices (Alford, & Biswas, 2002). Thus, we can derive a hypothesis that there exists a positive correlation between the price promotion and the purchase decision of the customers due to price consciousness. The purchase decision is easier for the customers as they can easily refer to the price discounts offered by the retailer and compare it with reference price in mind.

Based on the factors that influence sales, we can propose the following hypothesis:

**H<sub>01</sub>:** There is no relationship between price promotional strategy designed for Key Value Categories (KVC) and the sales of Key Value Items (KVI).

**H<sub>02</sub>:** Price Promotional Strategy has no significant impact on the sales of those products, which were not listed in the price discount offer.

**H<sub>A1</sub>:** Price Promotional Strategy positively correlated with the tendency to purchase on credit card in the market.

### **3. Research Methodology:**

Research Procedure and Sample:

The study is conclusive and applied the quantitative technique to validate the proposed hypothesis. A structured questionnaire consisting of 21 questions was used to collect data

through an online survey. Snowball sampling method was used to collect data from respondents, including young earners, homemakers, and business owners and collected response towards the frequent price discounts offered by leading hypermarkets chains and supermarkets in the country. The primary survey conducted from September 2018 to March 2019. Family with an average income of 50k to 1 lacs per month is randomly selected for the study. The sample size taken is administered with a closed questionnaire. The data on customers' buying habit for ten essential edible products, quantity-wise as well as shop-wise, were collected for analysis. However, by selecting ten leading retailers, Big Bazar, Hyper city, Reliance Fresh and M&S, the study was concentrated in the Delhi-NCR. A hyperlink to the online questionnaire was sent to 335 respondents via email, and the respondents were also requested to forward the questionnaire to their friends, colleagues, and relatives. The data collection process was carried out from November 2018 to March 2019. A total of 325 valid responses were received indicating a response rate of 44.2 per cent, which was reasonable for studies of this scale. 49.5 of the respondents were females, and 50.5 percent were males. The age of the respondents ranged between 20 years to 55 years. Out of the total sample, 36 per cent were young earners, 31.7 per cent was business owners, and 32.3 per cent were housewives. The sample is an indicator group to test the research model as retail outlets/malls are very popular among students and homemakers. Moreover, working professionals excessively use the retail outlet for online shopping while at work.

#### Measurement

The scales for all the constructs of the research model adapted from previous studies carried out in the context of price promotional offers (PPO) and purchase intentions (PI). Explicitly, 12 items were used to measure price promotional offers (PPO) and nine items were used to measure purchase intentions (PI). Each item was measured using a 5 point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Apart from these items, three demographic questions (age, gender, and profession) also included in the questionnaire. Age was measured in years, whereas gender and profession were measured using a nominal scale.

The questionnaire was designed and administered in the English language and was checked for content validity by experts researchers. Pilot testing was also done with 50 randomly chosen respondent in October 2018. The sampling frame is the database maintained by all the hypermarkets and supermarkets based on their CRM module and loyalty programs. A

questionnaire was designed including both open and closed ended questions to derive information about the attitude, perception, response of the customers about repeat purchase, purchase of other products in the price discount promotion, credit card purchase, purchase frequency, etc in response to frequent price discount offers.

#### ***Price Promotional Strategy (Independent Variable)***

In the analysis, price discount strategy is the independent variable, and the sales were considered as a dependent variable. The independent variable is further categorized into five sub variables as detailed below:

- Size of the Price Discounts.
- Internal/External Price Referencing.
- Product Categories.
- Type of price promotional strategy.
- Duration/Timing of price promotional offers.

#### ***Sales (Dependent Variable)***

The price discount strategy is impacting the sales, and hence, the following factors were taken as sub-variables.

- Purchase Decision.
- Purchase of other Products.
- Purchase on Credit Facilities.

Secondary data collected from the websites of the retailers, a database maintained by them related to sales and price changes, various journals of management, business magazines, various websites and other related sources such as local newspapers. The study explores the impact of price discount promotion on the overall sales of all the major supermarkets and hypermarkets by linking price discount offers with volume of sales, sales were linked to variables such as repeat purchase decision, increase in the quantity demanded of other products in the retail outlet other than the discounted products, credit card purchase. By taking the customer traffic in the retail outlets and the volume of sales, the study has taken seven major leading supermarkets and hypermarkets Big Bazaar, Reliance Fresh, Hypercity.

#### 4. Analysis & Result:

Table 1 shows the results of the data collected through the questionnaire from the sample respondents. The table shows the mean values of the dependent variables that reflect changes in the purchase of the consumers.

**Table 1: Means values of the various elements in sales performance**

Sales (Dependent Variables)	Mean Value
Purchase Decision	4.153
Demand for other products	4.110
Purchase on Credit	3.935

*Source: Author's Own.*

The mean value of price discount promotion on purchase decision (4.153) and demand for other products (4.110) represents the significant impact of price promotion scheme on purchase intentions. Whereas the mean value of credit purchase (3.935) represents that credit purchase affects the purchase frequency of product/brand but not to that extent as price discount impacts sales.

The impact of price discount promotion on sales promotion was predicted in table 2 by using multiple regression analysis. The study results show that the impact of price discount promotion explains about 46% variations in the sales performance of the retailers as  $R^2 = 0.46$ . The study

also reveals that there exists a positive correlation between price discount promotions and the increase in sales volume at the retail. Table 2 also represents the correlation between the price discount offers of the supermarkets and hypermarkets and its impact on their sales performance at 1% significant level. The table 2 shows that there exists a positive correlation between the various elements of price promotional activities of the firms and the sales volume generated by it through repurchase, demand for other products credit card purchase and frequency of purchase. Hence this finding supports the entire three proposed hypothesis. Consumerism is strongly implanted among the middle class families in the country by frequent price promotion offers by the retailers.

**Table 2. The correlation coefficient between price promotion offers and sales.**

Price Promotions	Repurchase Decision	Demand for Other Products	Credit Card Purchase
Size of the Price Discounts.	0.373	0.389	0.385
Internal/External Price Referencing.	0.379	0.428	0.398
Product Categories.	0.219	0.287	0.254
Type of price promotional strategy.	0.346	0.358	0.430
Duration/Timing of price promotional offers.	0.369	0.396	0.391

*Correlation is significant at the 0.01 level.*

Table2 shows the correlation between the price discount offers of the supermarkets and hypermarkets and its impact on their sales at 1% significant level. The table shows that there

exists a positive correlation between the various elements of price promotional activities of the firms and the sales generated by it Size of the Price Discounts, Internal/External Price Referencing, Product Categories, Type of price promotional strategy, Duration/timing of price promotional offers. Consumerism is strongly implanted among the middle class families in the country by frequent price promotion offers by the retailers.

### **5. Findings of the Study:**

The study has revealed the following insights into the functional relationship between the price discount offers and the purchases by the middle class Indian. The purchasing behavior of the middle class families were strongly influenced by the price discount offers or price promotion programs of the retailers in India. The frequency of price discounts offers more as they positively impacts the frequency of visits by the buyers attracted towards the retail outlet. The people are motivated to purchase more of many commodities which are not needed to them when there is a price-discount offer for certain products which are key value items. The price discount offers are propagated by the retailers through various media initially, but it triggers a subsequent second wave of propaganda through word of mouth, which is a potential element in creating a high level of awareness among the people about the promotion during a very short period. Certain retailers adopt price discount in such a way that a low-price leadership was created which in turn becomes a reference price-point for the customers.

### **6. Conclusion and Managerial Implications.**

The purpose of the research was to determine the impact of changing the pricing strategy on the customer purchase decision. The data was extracted from 325 respondents from the age group of 20 to 55 years, out of which 49.5 per cent & 50.5 percent females and males respectively, representing Delhi-NCR Region. Out of the total sample, 36 per cent were young earners, 31.7 per cent was business owners, and 32.3 per cent were housewives. The prominent observations made in the research were that price promotion/discount scheme has a significant impact on the purchase decision of the customer (Lichtenstein, Ridgway & Netemeyer, 1993). Credit facilities also impact purchase intention, but not with the strong intensity as price discount does for sales. The study has revealed the few insights into the functional relationship between the price

discount offers and the purchases by the middle class Indian in the given region. Firstly the purchase behavior of the middle class families is strongly influenced by the price discount offers or price promotion programs of the retailers. Also, the frequency of price discounts offers is more as it positively impacts the frequency of visits by the buyers attracted towards the retail outlet. It is been observed during research that the customers are motivated to purchase more of many commodities which are not needed to them when there is a price-discount offer for certain products which are key value items. Thirdly it was also seen that retailers adopting price discount offer legitimately started owning the low-price leadership creating reference price-point for the customers.

Retailing is one of the very promising and upcoming activities in India, wherein the presence of almost all the multinational players were strongly felt now. The market has transformed into a highly competitive one with all the features of an imperfectly competitive market that resembles the competitive framework of Michael E. Porter. The internal competitive rivalry has become so strong that the existing retailers are developing various strategies to safeguard their turf. In their effort to retain and increase the market share, price discount offers have become a frequently applied tool to attract the customers and retain them by creating perceived gains in their mind through various price discount offers and programs. The paper gives sufficient insight into the intricate relationship between the price discount offers and the volume of sales performance by the retailers, which is empirically proved by studies conducted by Bucklin et al (1998) and Li et al (2007) by emphasizing the fact that price discounts always motivate households to switch and purchase earlier than planned. This paper has given thoughtful insights to retailers to plan competitive pricing strategies to attract and retain customer loyalty. Credit loan facilities have increased the purchasing power of customers.

### **7. Limitations and Future Implication of the Study:**

The major limitation of the research was that it focused only on studying the impact of Price promotional offers on sales which is very contextual and limited to product categories. Wherein there are other factors also which can have a significant impact on sales. We have determined the impact of one construct (Price Promotional offers on Key Value items) over other (Sales) under the shadow of Key Value Categories, whereas further research can gauge the impact individually or on other categories also. In our study we importantly focused only on price as impacting

variable for sales, whereas there can be other factors also which can equally impact the sales of Key Value Items, secondly we have analyzed the data in consonance to key value category where other categories can also have a significant impact of purchasing decision influencing the retailers sales. Thus in future research, along with KVC, other categories can also be considered to measure the combined effect of construct on sales.

This research can have serious implication for retailers in a way to understand the consumer response towards price change and can think over the strategies of price promotions. They can also get better insights into knowing how far price promotional can actually help their business profit to grow. Middle class consumer can have price economy benefit by such offers and can allow them to do convenience shopping.

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