THE EFFECT OF PRICE DISCOUNTS ON SHOPPING BEHAVIOR IN A CLOTHING STORE

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ABSTRACT: *Consumer buying behaviour is the process by which customers decide to purchase products or services. This includes factors such as needs, wants, beliefs, environmental influences and decision making. Consumer buying behaviour research is used to understand how people choose and buy products and services and to adjust marketing strategies to better match customer needs and wants. Stores must thus determine which factors will best satisfy the needs of their customers. Among the well-known promotional methods is the reduction of the price of the product or services are the most successful and most common lure used to convince the consumer to buy.*
The aim of the survey was to find out which promotional methods customers use when purchasing. We also wanted to find out which product price reductions are most attractive to customers.

Keywords: purchasing behaviour, discounts, lower prices, sales promotion methods.

EFEKAT SMANJENJA CENE NA ODLUKU O KUPOVINI U PRODAVNICI ODEĆE

APSTRAKT: *Kupovno ponašanje potrošača je proces kojim se kupci odlučuju da kupe proizvode ili usluge. Ovo uključuje faktore kao što su potrebe, želje, uverenja, uticaji okoline i donošenje odluka. Istraživanje ponašanja pri kupovini potrošača se koristi da bi se razumelo kako ljudi biraju i kupuju proizvode i usluge i da bi se prilagodile marketinške strategije kako bi bolje odgovarale potrebama i željama kupaca. Prodavnice stoga moraju odrediti koji faktori će najbolje zadovoljiti potrebe njihovih kupaca. Među poznatim promotivnim metodama je smanjenje cene proizvoda ili usluge su najuspešniji i najčešći mamac koji se koristi da se potrošač ubedi da kupi. Cilj istraživanja je bio da se otkrije koje promotivne metode kupci koriste prilikom kupovine. Takođe smo želeli da saznamo koja su sniženja cena proizvoda najatraktivnija za kupce.*

Ključne reči: kupovno ponašanje, popusti, niže cene, metode promocije prodaje

1. INTRODUCTION

Discounts can have a significant impact on customer purchasing behaviour. Typically, customers are looking for products that offer the best value for their money, so discounts can prove to be attractive. Discounts can attract customers' attention, encourage them to buy and increase their satisfaction with the purchase.

As already mentioned, discounts can be used as a pricing strategy to attract consumers and increase sales. Discounts can be given in different ways, for example, coupons, discount cards, promo codes (online shopping) etc. Discounts can also encourage customers to buy more. For example, if we offer them a discount when they buy two or more products, customers may buy more products than they would otherwise. This, in turn, can increase the company's sales and revenue. In addition, offering discounts can affect customer loyalty. If customers have a positive experience with a product that was on sale, they may return to the store in the future to look for other discounts and offers. In general, discounts can have a positive effect on the buying behaviour of customers, but we must be careful not to offer them too often, as this could reduce the value of the products in the eyes of the customers and thus reduce profitability.

2. THE EFFECT OF PRICE DISCOUNTS ON PURCHASING BEHAVIOR

Discounts are a powerful pricing tool to motivate buying behaviours, typically applied at the point of purchase to reduce the buying price for a set amount of time: when you shop, you pay the discounted value straight away.

The purpose of a company offering a discount is to increase short-term sales, move out-of-date stock, reward valuable customers therefore creating better relationships, and make sure sale targets are met. Customers may also choose your product or service over your competitors if the price is discounted enough.

Just be cautious how you apply your discounts, lowering your prices might bring in customers, but if you don’t execute your sale properly, you could cut into your profits and even damage your brand and reputation [1].

Discount pricing is a type of promotional pricing strategy where the original price for a product or service is reduced with the aim of increasing traffic, moving inventory, and driving sales.

People are drawn to lower prices because consumers love feeling as if they are scoring a good deal. Discounting strategies also create a sense of urgency that might drive more customers to convert. Companies usually do discounts for holidays, volume purchases, and cash payments [2].

A price discount is a very prevalent marketing strategy to attract consumers by providing an extra value or incentive, which encourages consumers to purchase the promoted products immediately [3].

Sales promotion is a common marketing approach used in the clothing industry to attract customers and increase sales, resulting in the effect of sales promotions on consumer purchasing behaviour. Discounts, coupons, flash sales, and loyalty bonuses are all forms of sales promotions. Advertising and marketing of a product increase its reach to more

people [4]. A price discount is a very prevalent marketing strategy to attract consumers by providing an extra value or incentive, which encourages consumers to purchase the promoted products immediately [5].
Price discount is one strategy that companies can use to compete in the future and maintain the store's image and form a positive image in the minds of consumers [6]. Price discounts are not only helpful in attracting consumers but can also increase the number of company consumers. The increasing number of consumers certainly provides benefits for the company. This is the target of every company, which has made the company exist for a long time [7].
One aspect of consumer behaviour that influences decision-making in the face of discounts is the perception of value. Consumers evaluate the worth of a discounted item by comparing it to its original price.
The larger the discount, the greater the perceived value. For instance, the 2 Visions report states, "Shoppers are approximately 2x more likely to purchase a product with a 20% discount over a product at average cost. This likelihood rises dramatically to 99% when the discount offered is 50% as opposed to 20%." Price comparison websites and apps have empowered consumers to seek the best deals, making it essential for retailers to offer competitive discounts to capture their attention [8].

3. EMPIRICAL FINDINGS

The research sample was determined according to the objectives of our research. The survey was published online using the 1ka program. We shared the link to the survey via e-mail and distributed it to various groups on Facebook and Instagram.
The total number of respondents for carrying out a market survey was 128 of this, 82 were women and 46 were men.
First, we wanted to know the age of the respondents.

Table 1: Age of the respondents

Age (years)	Frequency	Percent
Up to 18	**3**	**2 %**
19-29	**65**	**51 %**
30-40	**37**	**29 %**
41-60	**23**	**18%**
61 and more	**0**	**0 %**
Total	**128**	**100%**

Of the 128 respondents, the age group 19-29 was the most marked, as much as 51%. They were followed by respondents aged between 30-40 with 29%. Respondents between the ages of 41 and 60 also took a large share, as much as 18%. The least number of respondents were up to 18 years old represent.

Table 2: Net monthly income

Net monthly income	Frequency	Percent
Up to 400 €	18	14 %
From 400 to 800 €	25	19 %
From 801 to 1200 €	51	40 %
More then 1200 €	29	23 %
I don't want to answer	5	4%
Total	128	100%

We asked the respondents what their average monthly net income is. Graph 2 shows that most (40%) answered from €801-1200. This is followed by net income more then €1,200, which was chosen by 23% of respondents. 19% indicated that their monthly net income is from €400 to €800, and 14% up to €400. 4% of respondents did not want to answer this question.

In the next question, we were interested in how many times in a month the respondents buy a new piece of clothing, footwear and accessories.

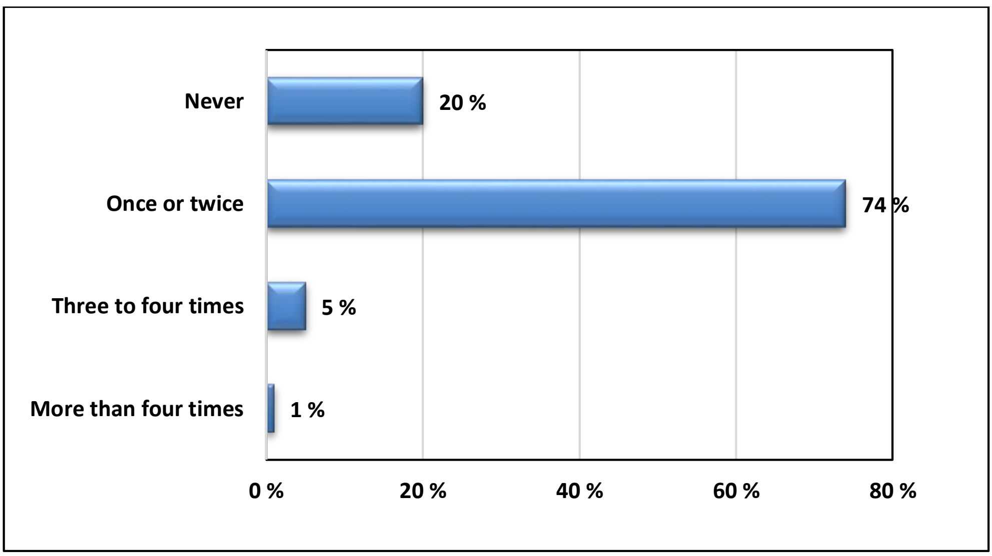

Figure 1: Purchase the product within a month

Figure 1 shows that as many as 74% of respondents buy a new product once or twice a month. There are 20% who do not buy a new product within a month. 5% buy them three to four times a month and 1% are those who buy a new product more than 4 times in one month.

Then we were interested in which methods of sales promotion the respondents use most often. We gave them 11 different methods. Several answers were possible.

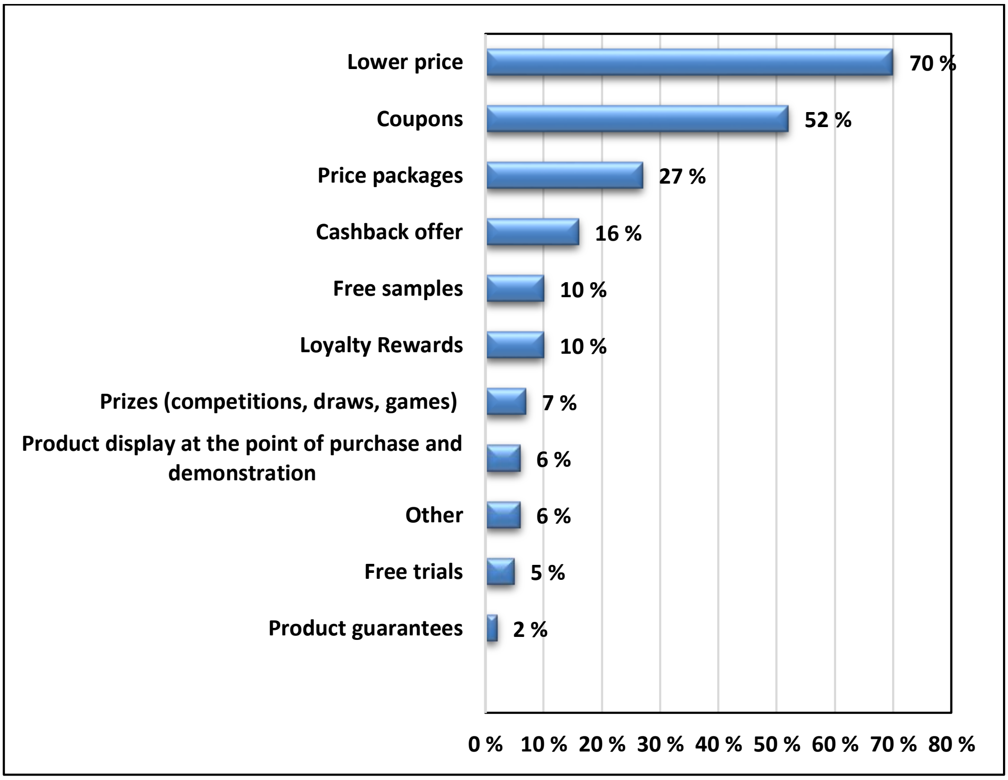

Figure 2: Sales promotion methods

Figure 2 shows that the lower price method is the most useful, as many as 70% of the respondents marked the indicated method. It is followed by coupons with 52%, price packages with 27% and an offer with cash back with 16%. Free samples and rewards for regular customers are used by 10% of respondents. Under 10%, however, the methods were labelled; awards; product displays at the point of purchase and demonstration; free tests, product guarantees. The second option was selected by 6% of the respondents, who wrote the following answers: "discounts"; "none of these"; "as needed when I need a piece"; "ecological"; "I don't use it".
The next question was about respondents' purchasing decisions for discounted products.
Most respondents (52%) indicated that they often buy products that are on sale. It is followed by 22% of respondents who indicated that they rarely buy such products. 10% of respondents always buy during the discount period. However, 3% of respondents never buy during this time (Figure 3).

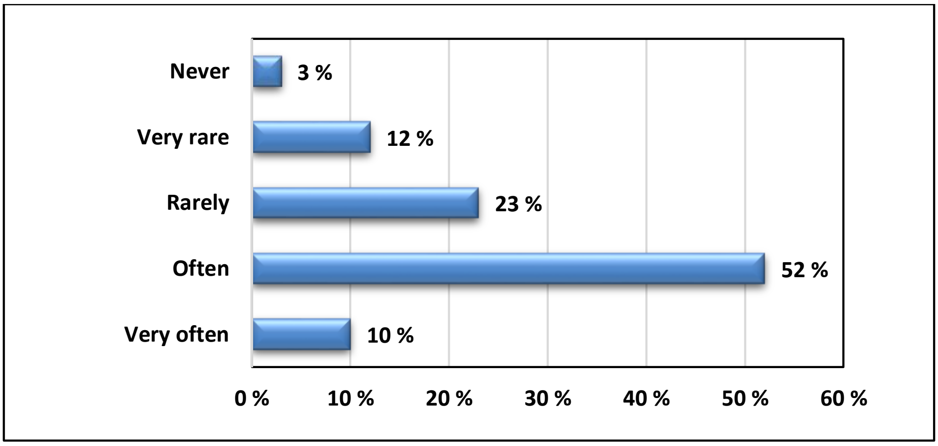

Figure 3: Purchase of products based on discounts

We also wanted to find out at which price reduction of the product in % the respondents decide to buy.

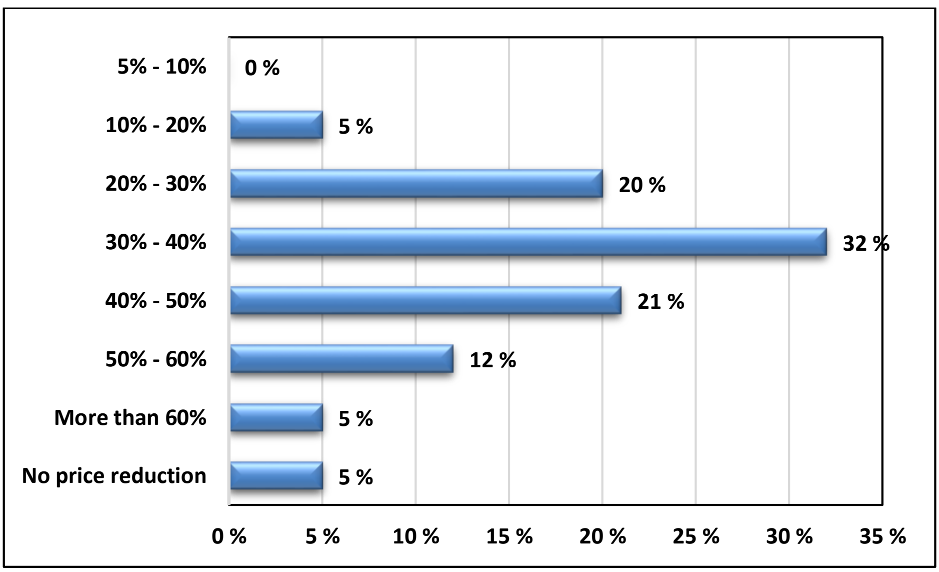

Figure 4: Product price reduction in %

Figure 4 shows that most respondents (32%) decide to buy a product when the price is reduced by 30%-40%. It is followed by respondents (21%), who decide to buy when the price of products is reduced by 40%-50%. 20% of respondents are encouraged to buy when prices are reduced by 20%-30%. When the price of products is reduced by 50%-60%, 12% of respondents decide to buy.

5% of respondents decide to buy when the product is discounted by more than 60%. The same % of respondents decide to buy at a reduced price of the product by 10%-20%. Also, 5% of the respondents decide to buy the product, even if it is not discounted.

It is interesting, however, that when the price of the product is reduced by 5% to 10%, none of the respondents decide to buy it.

4. CONCLUSION

Discounts can influence customer behaviour in several ways. First, discounts can encourage customers to buy products that they would not otherwise buy. Second, discounts can encourage customers to buy more products because discounts allow them to save money. Third, discounts can encourage customers to buy products faster because they fear that the discounts will expire soon. However, discounts can also have a negative effect on customer purchasing behaviour, as customers may start waiting for discounts before purchasing a product, thus delaying their purchases. This can lead to reduced sales and lower profits as marketers must lower prices to attract customers. In practice, this most often occurs when stores have larger discounts on a certain day of the year, for example Black Friday; night shopping, where shopping centres are open until 11 or 12 at night ("Late night shopping"); Valentine's Day, Christmas discounts, New Year's discounts, discounts in January, where most of last year's stock of clothes is reduced,... and customers wait for these days of the year, because they know that there will be bigger discounts.

The problem also arises that discounts are not always positive but can also have a negative note. So, discounts can affect customers' perception of a product's value. If the discounts are too frequent or too large, customers may think that the product is worth less than the actual price. This can influence their purchase decision and discourage them from purchasing the product even if they would otherwise. Also, discounts can affect customer loyalty. If customers are told about regular discounts, they may become less loyal to the brand and start looking for discounts from other providers. This can affect the company's long-term sales and profits. Marketers should be careful when using discounts and use them judiciously to avoid negatively impacting customer purchasing behaviour and maintain long-term sales and profits.

From the obtained results of the survey, we found that discounts have a great influence on purchasing decisions. Many customers decide to buy because the product is on sale. Most often, they use a lower price as a method to promote sales. As the most important factor that contributes to the purchase decision, the survey participants say that product quality is still the most important.

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