

Original Research Article

Impact of discounts on sales in Delhi NCR: a survey report

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ABSTRACT

Background: Delhi NCR, which includes Delhi and its neighbouring areas, has experienced considerable growth in the shopping sector over the past decade. A major factor that draws customers to these shopping destinations is the opportunity for bargaining and discounts. This paper examines the impact of discounts on the sales of various item categories.

Methods: A survey has been conducted to collect data. Along with focus on responses to a structured questionnaire, the study also analyses sales across various groups of items, with each group divided into two categories: one offering discounts and the other not.

Results: findings of this study have the potential to shed light on the fact that offering discounts is beneficial and finally leads to increase in sales as it attracts more customers. For most the groups an increase in sales has been witnessed.

Conclusions: From the findings of the study, it can be concluded that if discounts are offered, more customers are attracted which eventually leads to increase in sales day by day.

Keywords: Shopping, Delhi NCR, Discounts, Bargaining, Sales

INTRODUCTION

Delhi NCR, encompassing Delhi and its surrounding regions, has witnessed a substantial growth in the shopping sector over the past decade. This growth is driven by rapid urbanization, increased disposable incomes, and a burgeoning middle class. The region is now home to a plethora of shopping malls, high-street markets, and shopping complexes that cater to a diverse consumer base. From luxury brands to local markets, the retail landscape in Delhi NCR offers a wide array of options for shoppers. One of the significant factors that attract customers to these shopping destinations is the opportunity for bargaining and discounts. Delhi NCR, which includes the capital city of Delhi and its surrounding areas, has experienced remarkable growth in the shopping sector over the past decade. This expansion is largely attributed to factors such as rapid urbanization,

rising disposable incomes, and the emergence of a burgeoning middle class. Today, the region boasts a wide variety of shopping venues, including expansive malls, bustling high-street markets, and shopping complexes, each catering to a diverse and ever-growing consumer base. The retail landscape in Delhi NCR is incredibly diverse, offering everything from luxury brands to local market experiences, thereby providing shoppers with a multitude of choices.

In traditional markets, bargaining is an ingrained part of the shopping experience, allowing consumers to feel they are getting the best value for their money. Meanwhile, in more modern retail environments like shopping malls, seasonal sales, promotional discounts, and special offers play a crucial role in drawing in shoppers. These strategies not only enhance the perceived value of products but also create a sense of urgency and

excitement, encouraging higher footfall and increased spending. As such, both bargaining and discounting mechanisms are pivotal in shaping consumer behavior and preferences, contributing to the vibrant and dynamic retail scene in Delhi NCR. A key attraction for shoppers in these markets is the opportunity to bargain and secure discounts, which significantly influences consumer behaviour. In traditional markets, bargaining is deeply embedded in the shopping culture, allowing customers to negotiate prices and feel that they are receiving the best value for their money. On the other hand, in modern retail environments such as shopping malls, the allure comes from seasonal sales, promotional discounts, and special offers, which play a pivotal role in drawing customers in. These marketing strategies not only enhance the perceived value of products but also create a sense of urgency and excitement, leading to increased footfall and higher spending. As a result, both traditional bargaining practices and modern discounting methods are essential in shaping consumer preferences and driving the vibrant retail environment in Delhi NCR.

Organized retail in India makes up 8 percent of the total retail market and was projected to increase to 20 in upcoming years. However, the growth rate has been slower than anticipated. They attribute this slower growth primarily to a lack of retail experience. The Indian retail market continues to be dominated by small neighbourhood retailers, commonly referred to as "kirana" stores, and this trend is expected to persist. To fully understand the Indian retail landscape, marketing scholars and managers must consider the significance of these stores and their loyal customer base. Research into the behaviour of Indian shoppers has predominantly focused on their spending patterns, demographic profiles, and preferences for specific retail formats. However, insights from studies conducted in other countries suggest that consumer demographic profiles tend to exhibit similar characteristics across different regions. Bargaining and discounting have a significant impact on consumer behaviour, often leading to increased customer loyalty and repeat visits. Shoppers are more likely to return to retail outlets where they perceive they are getting good deals, whether through direct price negotiations or attractive discounts. This dynamic is a crucial factor in attracting and retaining customers in the competitive retail market of Delhi NCR.

Research on Indian shoppers has mostly focused on their spending patterns, demographic profiles, and preferences for specific formats. However, studies from other countries indicate that shoppers' demographic profiles tend to be quite similar. Bargaining or discounting has a large impact on consumer behaviour. Consumers tend to come again and again and get attracted to shopping if they are offered discounts or less price than MRP.

Some notable literature on above facts includes Sinha, Sarma, Rana, Dey, Srivastava, Dawra et al, Nabi et al,

O'Reilly et al, Shakeel et al, Manocha, and Mehra et al.¹⁻¹¹

This paper examines how bargaining influences shopping preferences among consumers in Delhi NCR. By surveying various malls and shopping complexes, the study aims to understand the role of bargaining in shaping consumer behaviour and preferences. The data was gathered from various popular shopping locations in Delhi NCR, including select citywalk, DLF South Court Mall, DLF Emporio, Ambience mall, MGF Metropolitan mall, Kempinski Ambience mall, The Chanakya, Saket District Centre, Pacific mall, South extension market, Karol Bagh, Connaught place, Sarojini Nagar, Chandni Chowk, and Chawri Bazaar. This data was collected through interviews with consumers and shopkeepers, as well as live recordings. Initially, a questionnaire was prepared to obtain a general public opinion. The study focused on two categories of shops: those that do not offer discounts or bargains and those that do. Sales data from these shops were observed over 250 days and visually analyzed through plotted graphs. The hierarchy of the remaining paper is as follows. Section two presents the methodology of the work. Section 3 describes the data involved in the study. Section 4 presents the results and conclusions. Section 5 presents the conclusion.

METHODS

The data has been collected through various popular shopping locations in Delhi NCR. The collected data is then analysed. Shopping areas include, select Citywalk, DLF South Court mall, DLF Emporio, Ambience mall, MGF Metropolitan mall, Kempinski Ambience mall, The Chanakya, Saket District Centre, Pacific mall, South Extension market, Karol Bagh, Connaught place, Sarojni, Chandni chowk and Chavri bazaar. The data is collected through interviews of consumers, shopkeepers, live recordings.

First a questionnaire is prepared to get a general review of the public. Next two groups or categories of shops have been under study. The first category that doesn't offer discount /bargain and the second category that offers discount and bargain. Their respective sales have been observed for two hundred and fifty days and the plots are visually analysed. Additionally, a graph that represents overall profit for the second category, that is overall profit for the category that offered discount has been constructed.

A large volume of data set is collected during the survey. The data is referred as market survey report data set. Objects such as electronic items, Clothing merchandise, medicines., etc have been under survey. The duration of data collection is September 25, 2023 to May 31, 2024. A total of 250 days. Variable of interest has been sales and discount. Where the word "discount" implies all types of discounts whether offered directly by shops or gained through bargaining.

RESULTS

Table 1 shows the summary of response obtained through questionnaire. These were obtained through direct interview with the consumers.

Table 1: Summary of questionnaire.

Questions	Responses
Do you get attracted towards discounts?	90.5% people said Yes
Upto what limit are you able to bargain on electronic items	Most of the people are able to bargain upto Rs 50-1000
Upto what limit are you able to bargain on clothing items	Most of the people are able to bargain upto Rs 100-10000
Upto what limit are you able to bargain on other items	Most of the people are able to bargain upto Rs 100-10000

The collected data has been divided into four groups. “Electronic items”, “clothing merchandise”, “medical items” and “other miscellaneous items”. Each group has sales data from two categories (one that offers discount and other that doesn’t). Next we show up the charts of how various sales perform over the days under different categories.

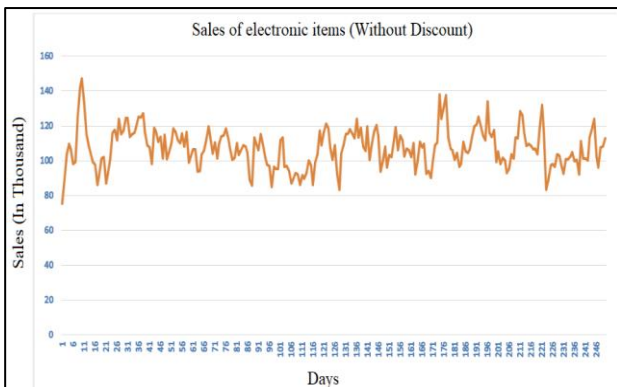


Figure 1: Sales of electronic items (without discount).

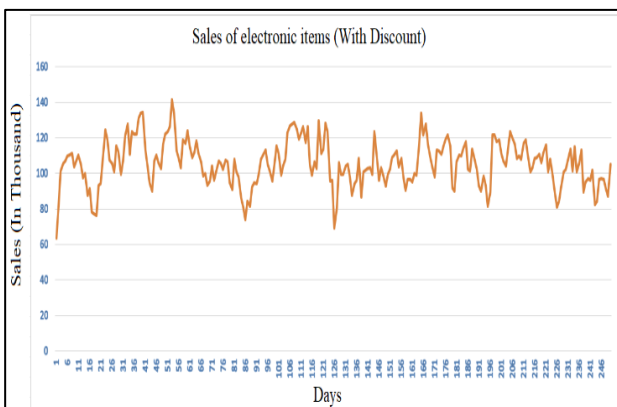


Figure 2: Sales of electronic items (with discount).

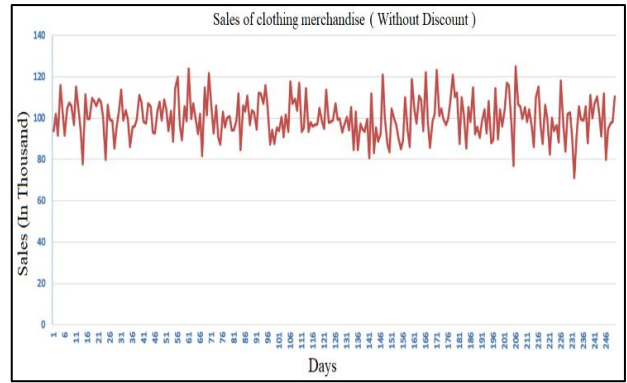


Figure 3: Sales of clothing merchandise (without discount).

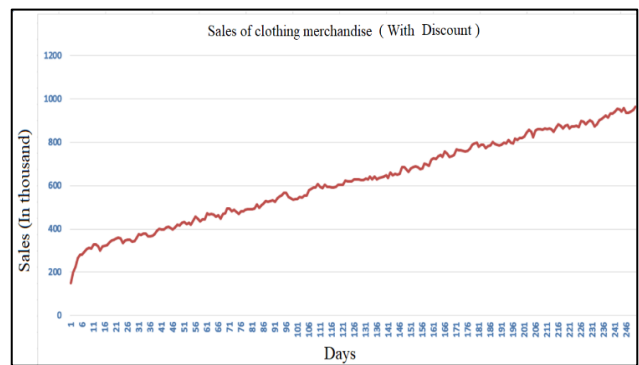


Figure 4: Sales of clothing merchandise (with discount).

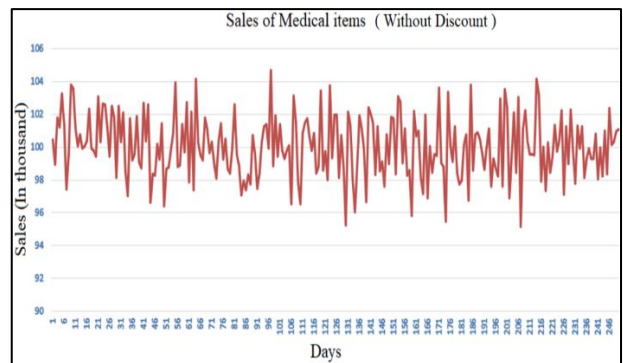


Figure 5: Sales of medical items (without discount).

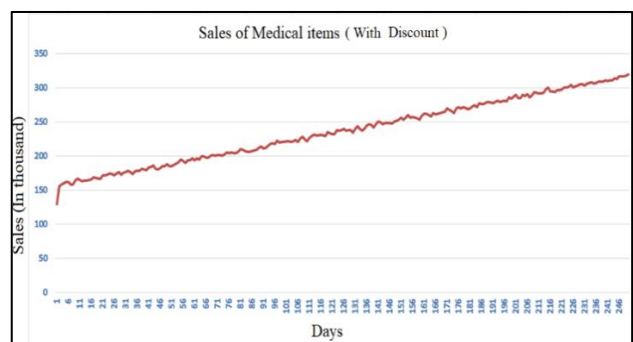


Figure 6: Sales of medical items (with discount).

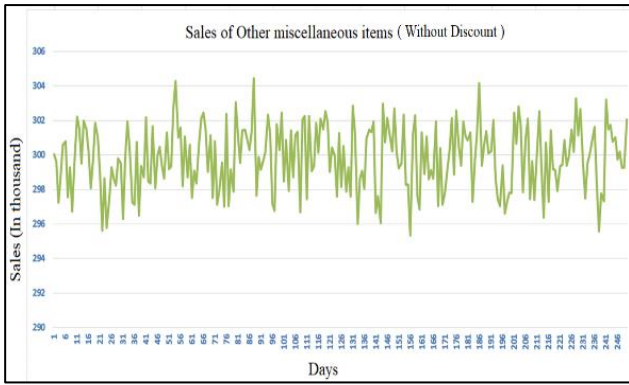


Figure 7: Sales of other miscellaneous items (Without discount).

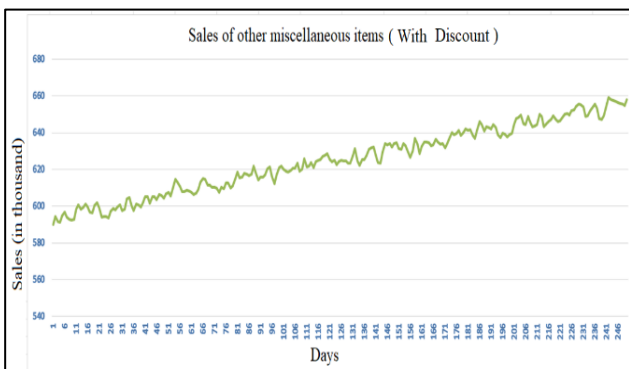


Figure 8: Sales of other miscellaneous items (With discount).

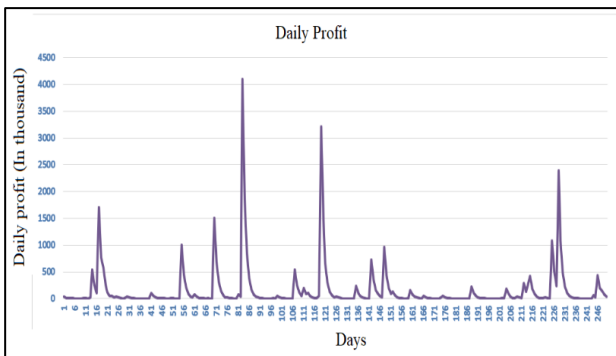


Figure 9: Over all profit under the category that offeres discounts.

DISCUSSION

For the group corresponding to electronic items, as evident from Figure 1 and 2, although a decline in the scale can be observed as one shifts from “with discount” to “without discount category”. The shops offering bargain and discount doesn’t seem to have any significant rising pattern. Shifting from Figure 3 to 4 one can see a significant increase in sales under the category that offers discount. Comparing Figure 5 and 6, It can be observed that a significant increase occurs in the sales of the category that offers discounts. Comparing Figure 7 and 8

it can be observed that there is a significant increase in the sales of other miscellaneous items under the category that offers discounts.

Through the survey it was observed that under the category that offered discount, each day resulted in profit. There was never a loss in the combined sales of all items. This indicates that although the discounts were offered but overall, the selling prices was more than the cost price. The shops never ran into loss due to discounts. The same is evident from Figure 9, which represents daily profit on all items for 250 days. It can be seen that no value is non negative.

CONCLUSION

In our knowledge, we are among the very first to conduct this type of research, and no further research has been done on this data set yet. In the analysis of electronic items, no significant upward trend in sales was observed in the category offering discounts. However, for other categories, including clothing, medical items, and miscellaneous products, there was a noticeable increase in sales where discounts were offered. This suggests that offering discounts generally leads to a day-by-day increase in sales across most product categories. So, it can be concluded that offering discounts in the form of bargain or other forms attracts consumers.

A large volume of data set has been generated during the survey. Though efforts have been made to analyse the data. The data presented in plots represents times series data. These data sets require expertise in statistics or specifically time series to be analysed. The data set can be provided through request from the authors.

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Conflict of interest: None declared

Ethical approval: The study was approved by the Institutional Ethics Committee

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