Sales Promotion and Price Discount Effect on Consumer Purchase Intention with the Moderating Role of Social Media in Pakistan

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Abstract: The current study was done to identify the effect of the sales promotion, price discount, and the social media on the consumers’ purchase intention. Also, the moderating effect of the social media on the relationship between the sales’ promotion and the consumers’ purchase intention was investigated. The students of Gujranwala university in Pakistan were the participants of this study. The data were collected using the simple random sampling and through the questionnaire technique. Two hundred fifty questionnaires were distributed among the students. The confirmatory factor analysis and the structural equation model technique was used to analyze the data. The results indicated that the sales’ promotion and the social media had a remarkable and positive effect on the consumers’ purchase intention. Contrarily, discount had no effect on the consumers’ purchase intention. In addition, social media moderated the relationship between the sales’ promotion and the consumers’ purchase intention. In most of the research studies, the moderating effect of the social media has been ignored in the prior studies, and the current study has filled this gap. The present study had some limitations, and at the end of the paper, further suggestions have also been provided.

Keywords: Sales Promotion, Price Discount, Social Media, Consumer Purchase Intention

INTRODUCTION

The internet has changed the human life by its convenience and extra benefits, through the internet we have been connected with each other like a family. The internet has also made our life much easier and faster. The purchase intention is the intention of an individual to buy a product. In modern era, it is difficult to grab the customers’ attentions, in this era, marketing does not just produce a product and set a reasonable price for it, in present era, the customers have become much important; being loyal to them, attracting them and retaining them are very necessary for any company to maintain its position and name in the current competitive market. Purchase intention is a plan to buy a specific product in future (Ramayah et al., 2010). Consumer purchase intention has been an important indicator in the daily life (Arif et al., 2017); additionally, it is the consumers’ likelihood to buy a product, so the higher likelihood means they have higher intention to purchase, and less likelihood means the low purchase intention (Schiffman et al., 2010). There has been a need to study consumer purchase intention in future studies as Bhatti, Saad, & Gbadebo (2018) declared.

According to Pt (2016, December 5), advertising agency Zenith Optimedia, owned by France’s Publicis, predicted that the world’s advertising on the social media would account for 20% of all the internet advertising in 2019, and it was expected to hit $50 billion. Nowadays, social media has been consisted of only
1% lesser than the newspaper ads and it has been expected to overtake the newspaper ads in 2020. According to AURORA (2017, September 7), the total population of Pakistan was 198.8 million, in which 35.1 million were internet users and 31 million were active on the social media, among them 28 million were active on the social media through their mobile, but only 1% people were involved in the constructive activities. Educated, as well as uneducated people waste their time on some useless and immoral activities. Global businesses have had the widespread aim of strengthening their brand images (Nasar et al., 2012). However, the cost of attracting new customers is more than retaining the existing customers so, companies use different promotion tools to retain their customers loyal to them. There have been different ways of increasing sales by promotions like discounts, coupons, one get one free, free trail events by promoting different sources of use for the promotion like newspaper, magazines, TV ads, billboards, Blogs, websites; and one of the most effective sources to grab youngster is social media. Promotion has been mostly used to enhance sales and profits. Promotion grabs the consumers’ intentions, and motivates them to purchase without plan, it has been reported that more than 60% of purchases have been unplanned in organized retail stores because of the promotion. Sales promotion enhances company’s profits in a specific time, and social media plays a significant role in sales’ promotion and consumers’ purchase intention.

**Literature Review**

**Sales’ promotion and consumers’ purchase intention**

Promotion is a key component and a valuable tool for marketers, and it has been widely used to get a competitive edge and increase the sales and attract the consumers’ intention. Promotions influence the consumers’ purchase quantity and reduce the time for decision-making. Sales’ promotion is a short-term encouraging strategy to increase sales or purchase of brands (Kotler, 2000). Moreover, it is a strategy which demands short time to increase profits (Banerjee, 2009). This strategy has the ability to attract and retain the customers and build a strong link with the sellers (Oly Ndubisi & Tung Moi, 2006). It also motivates the staff to play a fair role in selling (Brassington & Pettitt, 2006). Furthermore, sales’ promotion includes three main strategies namely, push, pull and the combination of pull and push. Push means the product is pushed from distributors to the consumer by different promotions like discounts, personal selling, buy back guarantee, free trail, allowances, and contests; and pull means the consumer pulls the product from the distributors through different ways like samples, games, coupons, premiums, loyalty rebates and cash refund (Dolak, 2010). Sales’ promotion plays an important and significant role in the consumers’ purchase intention and their making a decision for purchasing a specific product (Neha & Manoj, 2013). Prior studies have shown that there has been a mixed relationship between the sales’ promotion and the consumers’ purchase intention (Neha & Manoj, 2013; Nochai & Nochai, 2011). So, there has been a need to introduce another variable between the sales’ promotion and the consumers’ purchase intention to strengthen this relation more and more: therefore, social media has been used as a moderator in this relation.

**H1:** Sales’ promotion has a significantly positive influence on the consumers’ purchase intention

**H2:** Social media significantly moderates the relationship between the sales’ promotion and the consumers’ purchase intention.

**Price discount and the consumers’ purchase intentions**

Price is a very important factor to influence and attract the consumers’ consideration and intentions to purchase a product. Discounted price means not only the reduced price, it also means to get the same services by differentiating price for the same product: it is a deduction of specific money from the total price for the short time period to enhance the sales and profits of the consumers. Price discount has a great influence on the high price products, and affects the consumers, and increases the value of the products (Chen et al., 2012). Research has proven that price affects on the consumers’ purchase intention (Alford & Biswas, 2002; Biswas et al., 2002; Jiang & Rosenbloom, 2005; Tarkiainen & Sundqvist, 2005). Moreover, price discount promotion
enhances the product’s value by attracting the consumers by offering discounted price (Lichtenstein et al., 1990; Zeithaml, 1988). Furthermore, price discount influences the consumers’ purchase intentions, and it also affects buying quantity, that is, if the price discount is offered on the same product, the customers buy more of that product. Price discount has a significant positive effect on the consumers’ purchase intention (Rizwan et al., 2013).

**H3:** Price discount has a significant positive influence on the consumers’ purchase intention.

**Social media’s effects and the consumers’ purchase intention**

Social media plays an important role in daily life (Arif et al., 2017; Bhatti, Maryam, & Arif, 2017). Moreover, social media is an important tool for today market, and it makes a close connection between the customers and companies (Bhatti, Maraim, & Arif, 2017). Social media affects on the consumers’ intention to purchase, and approximately 88% of marketers use social media to promote their business (Smith, 2011). Social media gives an opportunity to people as well as companies to interact with each other (Bhatti et al., 2017). Furthermore, research has shown that the world’s largest source of promotion is social media including Facebook, Google, other websites (Duffett, 2015). According to AURORA (2017, May 24), social media increases the revenues continuously. Google was the 1st rank in Pakistan with Rs. 1000 million, and Facebook was the second rank with 700 million. Some of the studies have shown that there has been a significant positive relationship between the social media marketing and the consumers’ purchase intentions (Bilal, Ahmed, & Shehzad, 2014; Husnain & Toor, 2017; Saher et al., 2016) (See Figure 1).

**H4:** Social media significantly and positively influences on the consumers’ purchase intentions.

![Figure 1. Theoretical Framework](image)

**Research Methodology**

The aim of this study was to examine the influence of the sales’ promotion and price discount on the consumers’ purchase intention with the moderating role of the social media. Quantitative approach was used in this study, and the data were collected by using random sampling from the students of the universities in Gujranwala Pakistan. The suitable sample size range for a good research must be 30 to 500 (Roscoe, 1975). In the current research, two hundred fifty (250) questionnaires were distributed among the students in Gujranwala universities. The data were collected using the simple random sampling technique. To collect the data from the respondents, a questionnaire which was adopted from the various studies, was used. The price discount was consisted of three items and was adopted from (Yoo et al., 2000). Sales’ promotion was consisted of ten items and was adopted from (Festus, 2016). Social media consisted of twelve items which were adopted from (Parveen et al., 2016). Furthermore, the consumers’ purchase intention consisted of three items which were adopted from (Thananuraksakul, 2007). The questionnaires after being adopted, were distributed among the students including the Likert scale ranging from 5 (strongly agree) to 1 (strongly disagree).

**Findings**

**Demographic profile**

From 250 students that filled the questionnaire, 116 (46.4%) were males and the remaining 134 (53.6%) were females. Regarding the age group of the students in this study, the majority of the respondents belonged to up
to 25 years group including 211 (84.4%) students, and the remaining respondents belonged to the age group between 26 and 45 years old. Moreover, in the study sample, most of the respondents were the master degree holders including 177 (70.8%), 17.2% of the respondents were bachelor degree holders, 10% of the respondents were Ph.D. degree holders, and 2% of the respondents were of the other degrees which were not specified.

**Reliability Test**

The reliability test was conducted to see that the data was reliable for further analysis or not. To calculate the reliability of the data, Cronbach’s alpha was measured for the items of the variables. According to Nunnally (1978), the standardized value of Cronbach’s alpha should be at least 0.7. Table 1 shows Cronbach’s alpha of the variables.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Promotion</td>
<td>10</td>
<td>0.899</td>
</tr>
<tr>
<td>Price Discount</td>
<td>03</td>
<td>0.751</td>
</tr>
<tr>
<td>Social Media</td>
<td>12</td>
<td>0.905</td>
</tr>
<tr>
<td>Consumer Purchase Intention</td>
<td>03</td>
<td>0.839</td>
</tr>
</tbody>
</table>

Table 1 shows that Cronbach’s alpha values of the sales’ promotion, price discount, social media, and consumers’ purchase intention were greater than the standard value that is 0.70 as suggested (Nunnally, 1978). Therefore, the reliability requirement was fulfilled, and the data was found to be reliable for further analysis.

**Normality Test**

After reliability test, it was time to see whether the data was normal or not, and for this purpose, the normality test was conducted. To test the normality of the data, the Skewness and Kurtosis concept that was presented by (Meyers et al., 2016), was followed. According to Meyers et al. (2016), the skewness value must be within ± 1.00 and the value of kurtosis must be within ± 3.0. In the current research, the findings revealed that the data met the requirements as mentioned above, and the data was normal for the further analysis.

**Confirmatory Factor Analysis**

To calculate the convergent validity of the items of the variables, three items including factor loading, average variance extract, and finally the composite reliability (CR) were assessed. Factor loading was calculated to find out the confirmatory factor analysis (CFA) to estimate the measurement model of the study. CFA technique was used to refine the variables’ items that were used in the questionnaire to access the validity of the constructs. According to Hair, Ringle, and Sarstedt (2011), the validity of the items is convergent when the factor loadings of the items are at least 0.50. In the current research, sales’ promotion factor’s loading was within the range of 0.649 to 0.850. Moreover, the price discount factor’s loading was within the range of 0.826 to 0.913. Furthermore, the minimum factor loading of the social media was 0.577, and the maximum factor loading was 0.806. Meanwhile, the range of the factor loading for the consumers’ purchase intention was 0.768 to 0.859. Hence, the requirement of the factor loading met the variables’ items. AVE values of the sales’ promotion, price discount, social media, and consumers’ purchase intention were 0.563, 0.765, 0.505, and 0.678; respectively. Hence, all the values of AVE of the variables met the criteria, since the values were greater than 0.50. The composite reliability of the sales promotion, price discount, social media, and consumer purchase intention were 0.928, 0.907, 0.924, and 0.863; respectively. Hence, all the values of CR met the requirement, and all the values were greater than 0.80.

**Descriptive & Correlation Analysis**

Table 2 shows the descriptive as well as the correlation analysis of the variables that were used in this study. The findings elucidated that all the variables were significantly correlated with each other. The correlation table shows that the sales’ promotion was highly and significantly correlated with the consumers’ purchase intention (r=0.685, p<0.01).
Table 2. Descriptive & correlations analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>SP</th>
<th>PD</th>
<th>SM</th>
<th>CPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>SP</td>
<td>3.86</td>
<td>.778</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PD</td>
<td>4.24</td>
<td>.823</td>
<td>.387**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SM</td>
<td>3.90</td>
<td>.695</td>
<td>.607**</td>
<td>.531**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>CPI</td>
<td>3.99</td>
<td>.789</td>
<td>.685**</td>
<td>.399**</td>
<td>.655**</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: **P<.01; SD= standard deviation; SP= sales promotion; PD= price discount; SM= social media; CPI= consumer purchase intention

Hypothesis Testing
The sales’ promotion, price discount, social media, and the consumers’ purchase intention were taken into consideration.

Structure Equation Modeling (Direct Effects)
Table 3 shows that the sales’ promotion was significantly and positively related to the consumers’ purchase intention (β= 0.459; p<.05) and the first hypothesis was supported. Meanwhile, the findings elucidated that the price discount had an insignificant influence on the consumers’ purchase intention (β= 0.029; p>.05) and the third hypothesis was not supported. Furthermore, social media had a significant and positive influence on the consumers’ purchase intention (β= 0.413; p<.05) and the fourth hypothesis was supported.

Table 3. Standardized estimates of the direct effects

<table>
<thead>
<tr>
<th>An indication of relationship of the constructs</th>
<th>Standardize estimate</th>
<th>S.E</th>
<th>C.R</th>
<th>P-value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>SP -----&gt; CPI</td>
<td>0.459</td>
<td>0.054</td>
<td>8.455</td>
<td>.000</td>
<td>Significant</td>
</tr>
<tr>
<td>PD -----&gt; CPI</td>
<td>0.029</td>
<td>0.048</td>
<td>0.604</td>
<td>.546</td>
<td>Not significant</td>
</tr>
<tr>
<td>SM -----&gt; CPI</td>
<td>0.413</td>
<td>0.066</td>
<td>6.258</td>
<td>.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Testing the moderator hypothesis and results
In the section above, the direct relationship between the sales promotion, price discount, social media, and consumer purchase intention was discussed. In this section, the moderating role of the social media between the sales’ promotion and the consumers’ purchase intention was discussed. The moderation effect of the moderating variable on the interaction between the independent and dependent variables, should be measured (Holmbeck, 1997), therefore, to test the moderation hypothesis, a separate model was developed, in which the moderating variable was used between the independent and dependent variables to test the impact of the standardized moderating score. In this study, SmartPLS 3.0 was used to test the moderation hypotheses, and throughout this process, the consumers’ purchase intention was expressed in the sales’ promotion, the social media served as the moderating variable. Moreover, the interaction term multiplied the scores that were obtained from the sales’ promotion and social media. The standardized values of these constructs were used as suggested by (Aiken et al., 1991) to avoid the problem of Multicollinearity. By doing this process, the significant correlation between the constructs and the interaction term did not make any kind of problem in testing the moderating variable (Bahar Ozdogan & Hakan Altintas, 2010).

Moderator: Social media
In this study, the moderating influence of the social media was tested considering the relationship between the sales’ promotion and the consumers’ purchase intention. Table 4 elaborates the findings of the social media’s effects on the relationship between the sales’ promotion and the consumers’ purchase intention. In the SmartPLS 3.0, during the structural equation, the modeling analysis of the moderation effect existed when the t-value of the interaction effect equaled to or was more than 1.96, or the p-value was less than 0.05 (Hair et al., 2011). To test the moderation effect of the social media, all the variables including (the standardized sales’ promotion), the moderating variable (standardized social media), and the interaction term (sales promotion standardized score x social media standardized score) were regressed on the consumers’ purchase intention. To confirm the moderating hypothesis that the moderation between the independent and
dependent variables exists or not, all the effects such as sales promotion on the consumers’ purchase intention, social media on the consumers’ purchase intention, and sales promotion x social media (interaction term) on the consumers’ purchase intention were specified.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Model Constructs</th>
<th>Estimate</th>
<th>S.E</th>
<th>P-value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2</td>
<td>SP ----&gt; CPI</td>
<td>0.235</td>
<td>0.059</td>
<td>0.001</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>SM ----&gt; CPI</td>
<td>0.132</td>
<td>0.047</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SP*SM (interaction) ----&gt; CPI</td>
<td>0.149</td>
<td>0.051</td>
<td>0.003</td>
<td></td>
</tr>
</tbody>
</table>

Table 4 shows that the sales’ promotion (SP) had a significant and positive influence on the consumers’ purchase intention with (β= 0.235; p<0.05), and the social media had a significant and positive influence on the consumers’ purchase intention (β= 0.132; p<0.05). Meanwhile, there was a significant and positive influence of the interaction term on the consumers’ purchase intention (β= 0.149; p<0.05). Hence, the second hypothesis was supported.

Discussion

The objective of current research was to examine the effect of the sales’ promotion and price discount on the consumers’ purchase intention. Moreover, the purpose of the current research was to determine the moderating effect of the social media on the relationship between the sales’ promotion and the consumers’ purchase intention. The findings elucidated that the sales’ promotion had the significant and positive influence on the consumers’ purchase intention, and H1 was supported. The findings were consistent with the findings of (Neha & Manoj, 2013). Moreover, the findings revealed that the price discount had an insignificant effect on the consumers’ purchase intention, and H3 was not supported. The findings were consistent with the work of (Mir, 2012). Meanwhile, the social media had a significant and positive influence on the consumers’ purchase intention, and H4 was supported. The results were consistent with the results of (Bilal et al., 2014; Husnain & Toor, 2017). Furthermore, social media moderated the relationship between the sales’ promotion and the consumers’ purchase intention, and H2 was supported.

Limitations and Recommendations

The current study covered a lot but still, there were some limitations in it, that must be considered in further studies. First, the current study covered only Gujranwala university students and the results of the current study were not generalizable to the other cities. Second, the sample size of the current study was 250 students, and in the future research studies, the sample size can be enhanced in order to get better results. Third, due to the time constraints in the current study only two independent variables were used, and researchers can increase the independent variables in future studies. However, other variables like the government’s role, psychological factors, social factors, culture, brand equity, and the electronic word of mouth can be examined in the future studies. In the current study, the focus was only on the consumers’ purchase intention, and due to the changes in purchasing trends caused by the modern technology, in future studies, the online shopping behavior must be considered. Future studies should be conducted in both developing countries and developed countries on the consumers’ purchase intention and online shopping behavior.

Conclusion

The current research was conducted to determine the influence of the sales’ promotion and the price discount on the consumers’ purchase intention in Pakistan. This research contributed to the literature of the sales’ promotion, price discount, social media, and the consumers’ purchase intention. The current study overcame some issues such as the sales’ promotion and the social media that had an influence on the consumers’ purchase intention. The major objective of the current research was to test the hypotheses and provide the support on the relationship between the sales’ promotion, price discount, and social media on the consumers’
purchase intention. The findings revealed that the sales promotion and the social media had an influence on the consumers’ purchase intention. However, discount had no effect on the consumers’ purchase intention. The findings elucidated that the social media moderated the relationship between the sales promotion and the consumers’ purchase intention.

**Significant Statements**
This research contributed to the literature on the sales promotion, price discount, social media, and the consumers’ purchase intention. In Pakistan, the consumers’ purchase intention has been an ignored area, and the current research filled this gap to work on the consumers’ purchase intention along with some indicators. This research provided benefits to the academicians and retailers.

**Reference**