



## Impact of Pricing Strategy on Purchase Decisions among D Mart Customers

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### Abstract

This research provides an in-depth qualitative and quantitative analysis of the impact of pricing strategy on purchase decisions among customers of DMart. The study is contextualized through a focused analysis of pricing practices implemented within the retail sector, supported by customer insights gathered from surveys, observations, and secondary platforms. The research adopts a descriptive approach, documenting key pricing dimensions such as low-cost pricing, discount offers, value pricing, and promotional strategies, while employing qualitative techniques including personal observation and thematic analysis, along with quantitative evaluation through percentage analysis of customer responses.

A purposive sampling method was used to select respondents with regular shopping experience at DMart, enabling a detailed understanding of how pricing strategies influence customer perceptions and purchase behaviour. The findings highlight that well-structured pricing strategies significantly affect purchase decisions by creating a strong perception of value for money and affordability. Customers who perceive consistent low prices and attractive discounts tend to show higher levels of satisfaction, loyalty, and repeat purchase behaviour. At the same time, the study identifies challenges such as price sensitivity, comparison with competitors, and the influence of non-price factors like product quality and store experience, which may also impact buying decisions.

The research concludes that pricing strategy plays a crucial role in shaping consumer behaviour and driving sales performance in the retail sector. It emphasizes that retailers can benefit by maintaining competitive pricing, ensuring transparency, and aligning pricing strategies with customer expectations. By optimizing pricing effectiveness, companies can enhance customer satisfaction, strengthen brand loyalty, and achieve sustainable competitive advantage in the retail market.

**Keywords:** Pricing Strategy, Purchase Decision, Consumer Behaviour, Retail Marketing, Discount, Pricing, Value of money, Customer Satisfaction, Competitive Pricing, Buying Behaviour.

## **INTRODUCTION**

In today's competitive retail environment, pricing plays a very important role in influencing customer purchase decisions. Customers are more aware of prices and actively compare products before making buying choices. With rising living costs and increased competition among retail stores, consumers prefer shopping at places that offer good quality products at affordable prices. As a result, pricing strategy has become a key factor in attracting and retaining customers.

One of the top retail companies in India, D Mart is well-known for providing goods at constantly low costs. The company follows an Everyday Low Price (EDLP) strategy, focusing on providing value-for-money products rather than offering frequent promotional discounts. This strategy has enabled D Mart to cultivate significant customer trust and loyalty, particularly among consumers who are sensitive to pricing.

Earlier, customers mainly focused on convenience or brand preference while shopping. However, today, price has become a major deciding factor in purchase behaviour. Factors such as discounts, price comparisons, perceived savings, and affordability strongly influence customers' decisions. D Mart's pricing strategy encourages bulk buying and repeat purchases, making it a preferred shopping destination for groceries and household essentials.

Purchase decision refers to the process by which customers select and buy products based on their needs, preferences, and available options. Pricing strategy directly affects this process by shaping customers' perceptions of value and satisfaction. When customers feel that they are getting quality products at reasonable prices, they are more likely to choose the store again.

Studying the impact of pricing strategy on purchase decisions is important for retailers to understand customer expectations and improve their marketing strategies. It helps retailers design effective pricing policies, increase sales volume, and enhance customer satisfaction. For customers, transparent and fair pricing builds confidence and long-term relationships with the brand.

This study focuses on understanding how D Mart's pricing strategy influences customer purchase decisions. It aims to analyse the role of pricing in customer satisfaction, buying frequency, and store preference. By examining customer responses, the study highlights the importance of effective pricing strategies in the organized retail sector and their impact on consumer buying behaviour.

## **REVIEW OF LITERATURE**

1. Kotler & Armstrong (2022) – Principles of Marketing: This study explained pricing as one of the most flexible elements of the marketing mix. The authors emphasized that price directly affects customer perception of value and purchase decisions. Consumers compare prices with perceived benefits before buying. The study highlighted value-based pricing as a key driver of customer satisfaction. It showed that fair pricing builds long-term relationships. The work remains foundational in marketing strategy.

2. Monroe (2021) – Buyers' Subjective Perceptions of Price: This research examined how consumers perceive price rather than actual price levels. It found that customers use price as an indicator of quality and value. Higher prices were sometimes associated with better quality. The study emphasized perceived value over absolute price. It helped explain why pricing influences purchase intention. The paper contributed to pricing psychology.

3. Zeithaml (2023) – Consumer Perceptions of Price, Quality, and Value: This study analysed how consumers evaluate price in relation to quality. It found that perceived value strongly influences purchase decisions. Customers prefer products that offer the best balance between price and benefits. The study highlighted the importance of value-for-money pricing. It is widely cited in consumer behaviour research.
4. Nagle & Holden (2022) – The Strategy and Tactics of Pricing: The authors explained how strategic pricing improves profitability and customer retention. The study showed that consistent low pricing attracts price-sensitive customers. Poor pricing decisions lead to revenue loss. The research emphasized understanding customer willingness to pay. It linked pricing strategy with competitive advantage.
5. Lichtenstein, Ridgway & Netemeyer (2021) – Price Consciousness and Value Perception: This study focused on price-conscious consumers. It found that such customers actively seek low prices and discounts. Price consciousness significantly affected store choice and purchase behaviour. The study highlighted the role of promotions in retail. It is relevant to discount retail formats.
6. Bell & Lattin (2020) – Shopping Behaviour and Price Sensitivity: This research analysed how pricing affects shopping patterns. It found that customers prefer stores with predictable low prices. Frequent price promotions increased store switching. The study supported everyday low pricing strategies. It is relevant to supermarket retailing.
7. Hoch, Dreze & Purk (2021) – EDLP vs. Hi-Lo Pricing: This study compared Everyday Low Pricing (EDLP) with high-low pricing strategies. It found that EDLP builds trust and reduces price uncertainty. Customers valued price stability over frequent discounts. The study explained why EDLP works well for grocery retailers. It supports consistent low-price strategies.
8. Tellis (2022) – Beyond the Many Faces of Price: This paper analysed multiple roles of price in marketing. It found that price affects demand, brand image, and purchase decisions. Consumers respond differently to price changes across categories. The study emphasized strategic price positioning. It strengthened pricing theory.
9. Grewal, Monroe & Krishnan (2022) – Price-Quality-Value Framework: This research developed a framework linking price to perceived quality and value. It showed that lower prices increase perceived value when quality expectations are met. The study explained repeat purchase behaviour. It emphasized customer satisfaction. The framework is widely applied in retail research.
10. Kalyanaram & Winer (2021) – Empirical Pricing Dynamics: This study examined how consumers react to price changes. It found that customers are sensitive to price increases but respond positively to reductions. Reference pricing influenced purchase decisions. The research highlighted price fairness. It contributed to dynamic pricing analysis.
11. Grewal & Levy (2007) – Retail Pricing Strategies: This paper examined pricing decisions in organized retail. It found that transparent pricing increases customer trust. Consistent low prices encourage repeat visits. Pricing strategy affected brand image. The study is relevant to value retail chains.

## **RESEARCH METHODOLOGY**

The methodology for this study is grounded in a descriptive and mixed-method research approach, combining both qualitative and quantitative techniques. The primary objective was to provide a detailed understanding of how pricing strategies influence purchase decisions among customers of D Mart. The descriptive aspect of the study enabled a systematic documentation of key pricing elements such as low-cost pricing, discount

offers, value pricing, promotional pricing, and their impact on customer buying behaviour and decision-making.

A non-probability purposive sampling technique was employed for this research. The respondents and data sources were selected deliberately rather than randomly, focusing on customers who regularly shop at D Mart and have direct experience with its pricing strategies. This targeted selection ensured the collection of meaningful, experience-based insights, particularly from customers who are price-sensitive and actively compare prices before making purchase decisions.

Primary data for the study was collected through direct observation of customer buying behaviour within the store, along with insights gathered through informal discussions with customers. A structured questionnaire was also used to collect responses regarding customer perceptions of pricing strategies, their level of satisfaction, and the influence of pricing on their purchase decisions, preferences, and loyalty.

Secondary data was obtained from reliable sources such as research articles, journals, retail industry reports, and company-related publications on pricing strategies and consumer behaviour. This combination of primary and secondary data enabled a comprehensive analysis of both practical experiences and theoretical perspectives. The overall approach provided valuable insights into how pricing strategies impact customer purchase decisions, while also identifying challenges such as price sensitivity, competitive pricing pressures, and the influence of non-price factors like product quality and store experience.

## **STATEMENT OF PROBLEM**

Customers shopping at large retail stores like DMart are highly price-sensitive, especially when purchasing daily-use and household products. However, the extent to which pricing strategies influence their final purchase decisions is not clearly understood. Customers may respond differently to low prices, discounts, and value offers. Some customers prioritize price over quality, while others consider both factors. Understanding this behaviour is important for effective retail pricing.

## **OBJECTIVES OF STUDY**

1. To study the pricing strategy adopted by D Mart.
2. To analyse the impact of D Mart's pricing strategy on the purchase decisions of customers.
3. To examine customer perception towards D Mart's pricing in influencing repeat purchase behaviour.

## **SCOPE OF STUDY**

The scope of this study is limited to understanding the impact of pricing strategy on purchase decisions of customers shopping at D Mart. The study focuses on how pricing factors such as low prices, discounts, value-for-money perception, and price transparency influence customers' buying behaviour. It examines customer responses related to purchase frequency, product preference, and satisfaction with D Mart's pricing approach. The study is based on primary data collected through a structured questionnaire, which helps in understanding the real and current opinions of DMart customers. The research mainly represents customers from urban areas and does not include customers from other retail formats or rural regions. Therefore, the

findings reflect customer behaviour within a limited geographical and retail context. For customers, the study helps create awareness about how pricing influences their buying decisions and encourages them to make informed purchase choices. For students and researchers, the study serves as a useful reference for further research in the areas of pricing strategy, consumer behaviour, and retail marketing. Overall, the study emphasizes the significance of effective pricing strategies in shaping customer purchase decisions and achieving success in the competitive retail market.

**LIMITATIONS OF STUDY:**

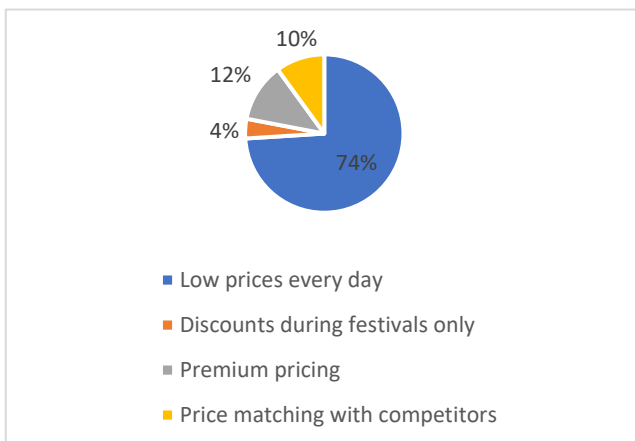
**Limited Sample Size:** The study is based on responses from a limited number of young professionals, which may not fully represent the entire population. A larger sample could provide more diverse perspectives. The findings may therefore have restricted generalizability. Time and resource constraints influenced the sample size. Results should be interpreted with caution.

**Use of Convenience Sampling:** Convenience sampling was adopted due to ease of access to respondents. This method may introduce sampling bias. Certain groups of young professionals may be overrepresented. The randomness of selection is limited. Hence, the findings may not be completely unbiased.

**Reliance on Self-Reported Data:** The study relies on self-reported responses collected through a questionnaire. Respondents may provide socially desirable or inaccurate answers. Personal perceptions can influence responses. Actual investment behavior may differ from reported behavior. This could influence the precision of the results.

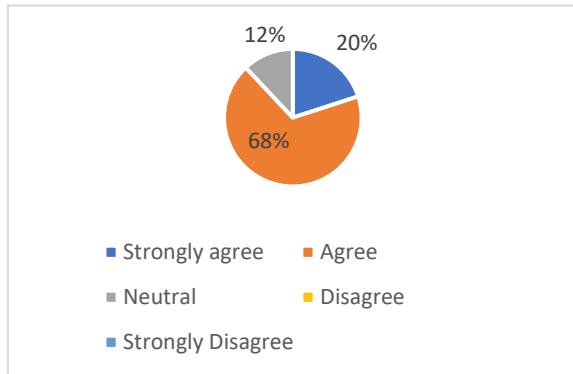
**DATA ANALYSIS AND INTERPRETATION**

The research focused on understanding the impact of pricing strategies on the purchase decisions of DMart customers through responses collected from shoppers across different demographic and income groups. The findings reveal that the sample provides valuable and practical insights, as it represents customers with regular shopping experience at DMart stores. The data highlights how key pricing factors such as discounts, promotional offers, competitive pricing, value for money, and seasonal sales influence customer purchase decisions, shopping frequency, and overall satisfaction. The analysis further indicates that affordable pricing strategies play a significant role in attracting customers, increasing customer loyalty, and encouraging repeat purchases at DMart.



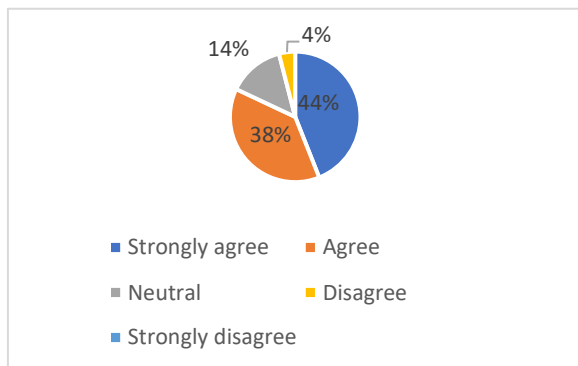
### Interpretation

The data clearly shows that a substantial majority of respondents perceive DMart’s primary pricing focus as “Low prices every day.” Around 74% of the respondents selected this option, indicating strong customer awareness and acceptance of DMart’s everyday low pricing (EDLP) strategy. This dominant response suggests that DMart has been highly effective in communicating its core pricing philosophy to customers. The consistency in low pricing appears to be well embedded in customers’ minds, making it a key differentiator for DMart in the organized retail sector.



### Interpretation

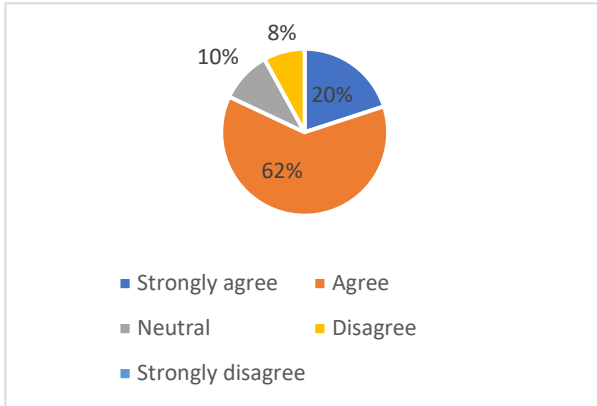
The data indicates that a significant majority of respondents agree that DMart avoids heavy advertising and instead offers lower prices on products. Out of 50 respondents, 68% agreed and 20% strongly agreed, making a combined total of 88% positive responses. This clearly reflects a strong customer perception that DMart follows a cost-leadership strategy by minimizing advertising expenses and transferring those savings to customers through lower prices. Only 12% of respondents remained neutral, and notably, there were no responses in the disagree or strongly disagree categories. This suggests that customers widely recognize and accept DMart’s operational strategy of maintaining low overhead costs rather than investing heavily in promotional campaigns.



### Interpretation

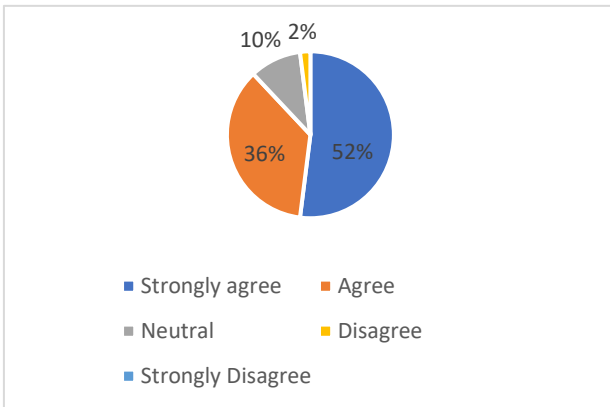
The data indicates that a strong majority of respondents believe DMart offers lower prices mainly by selling products in larger quantities or bulk packs. Out of 50 respondents, 44% strongly agreed and 38% agreed, resulting in a combined 82% positive response. This reflects a high level of awareness among customers

regarding DMart’s bulk-selling strategy as a key factor behind its low pricing model. Customers appear to understand that economies of scale and higher sales volumes help DMart reduce per-unit costs.



**Interpretation**

The data clearly indicates that DMart’s pricing plays a significant role in influencing customers’ decisions to shop at the store. Out of 50 respondents, 62% agreed and 20% strongly agreed, resulting in a combined 82% positive response. This strong majority reflects that pricing is a primary factor driving customer preference for DMart. Customers appear to associate the store with affordability and value for money, which directly impacts their purchasing decisions.



**Interpretation**

The data indicates that pricing is a major reason customers choose DMart over other retail stores. Out of 50 respondents, 52% strongly agreed and 36% agreed, resulting in a combined 88% positive response. This strong majority clearly demonstrates that customers primarily prefer DMart due to its competitive and affordable pricing structure. The high percentage of strong agreement highlights that pricing is not just a contributing factor but a dominant determinant in store selection.

**FINDINGS:**

The present study provides valuable insights into the impact of pricing strategy on purchase decisions among DMart customers by analysing their perceptions, preferences, and buying behaviour. Based on the percentage

analysis of responses collected from 50 respondents, several important findings have emerged that reflect how pricing influences customer decisions in a discount retail environment like DMart.

One of the major findings of the study is that a large proportion of customers consider price as a key factor while making purchase decisions at DMart. Most respondents agreed that affordable pricing strongly motivates them to shop at DMart. This indicates that customers are highly price-conscious and prefer stores that offer products at lower prices. Only a small percentage of respondents disagreed, suggesting that price sensitivity is widespread among DMart customers.

The study also reveals that DMart's low-price strategy positively influences store preference. A majority of respondents indicated that they prefer DMart over other retail stores due to its consistent low pricing. This shows that pricing strategy plays a crucial role in attracting customers and influencing store choice. Customers associate DMart with value-for-money shopping, which strengthens its competitive position in the retail market.

Another important finding is that customers perceive DMart's pricing as fair and transparent. Most respondents agreed that the prices charged at DMart are reasonable compared to other retail stores. This perception of price fairness increases customer trust and satisfaction. Very few respondents expressed dissatisfaction with pricing, indicating that transparent pricing contributes positively to customer experience.

The study further found that discounts and savings encourage bulk purchasing among customers. Many respondents agreed that lower prices motivate them to buy products in larger quantities. This behaviour is especially visible for grocery and household essentials. The finding suggests that DMart's pricing strategy not only increases footfall but also enhances purchase volume per visit.

Customer responses also indicate that pricing influences repeat purchase behaviour. A significant proportion of respondents agreed that they frequently revisit DMart because of its low prices. This highlights the role of pricing strategy in building customer loyalty. While some respondents remained neutral, very few disagreed, showing that pricing is an important driver of repeat visits.

The study shows that price perception is closely linked to perceived value. Most respondents agreed that DMart offers good quality products at affordable prices. This indicates that customers do not associate low prices with poor quality. Instead, they perceive DMart as offering high value for money. This positive value perception strengthens purchase intention and satisfaction.

Another key finding is that pricing strategy influences overall purchase decisions more than promotional offers. Many respondents preferred consistent low prices over temporary discounts. This suggests that customers value price stability and predictability while shopping. It shows that DMart's everyday low pricing strategy works well.

The analysis also reveals that pricing affects customer decision-making more than brand variety or store ambience. A majority of respondents agreed that price plays a more important role than other factors such as store layout or brand availability. This highlights the dominance of price as a decision-making factor in discount retail shopping.

Overall, the findings indicate that DMart's pricing strategy has a strong and positive impact on customer purchase decisions. Customers show high price sensitivity, strong preference for low prices, and positive perceptions of value and fairness. Pricing strategy significantly influences store choice, purchase quantity, and repeat visits. However, the presence of neutral responses suggests that a section of customers also considers factors such as product quality and convenience.

The study concludes that pricing remains the most influential factor shaping customer buying behaviour at DMart. Effective pricing strategies help DMart attract price-conscious customers, increase purchase volume, and retain loyal shoppers. The findings highlight the importance of maintaining consistent low pricing and transparent pricing policies to sustain competitive advantage in the organized retail sector.

## **RECOMMENDATIONS**

Based on the findings of the study on the impact of pricing strategy on purchase decisions among DMart customers, several practical recommendations are suggested to enhance customer satisfaction, purchase frequency, and long-term loyalty. These recommendations are aimed at retail management, marketers, and policymakers to strengthen pricing effectiveness in the organized retail sector.

First, DMart should continue to maintain its consistent low-price strategy, as customers strongly associate the store with affordability and value for money. Stability in pricing builds trust and reduces the need for customers to compare prices frequently. Maintaining transparency in pricing will further strengthen customer confidence and reinforce DMart's low-price image in the market.

Second, greater emphasis should be placed on clear communication of savings. While customers perceive prices as low, highlighting comparative savings through shelf labels or signage can enhance perceived value. Simple indicators showing price differences compared to competitors can help customers better understand the benefits of shopping at DMart and encourage higher purchase volumes.

Third, DMart can introduce category-specific pricing strategies to improve customer experience. Essential goods such as groceries and household items should continue to be priced competitively, while non-essential categories can include limited offers without disturbing the overall low-price perception. This balanced approach can maximize sales while maintaining price credibility.

Fourth, the study suggests that pricing influences repeat purchases; therefore, DMart should focus on customer retention through pricing-based loyalty benefits. Simple loyalty mechanisms such as cumulative savings messages or reward points linked to purchase value can encourage frequent visits without compromising the everyday low pricing strategy.

Fifth, customer education regarding price fairness and quality assurance can further improve trust. Some customers may associate low prices with lower quality. Clear communication about sourcing, quality checks, and brand partnerships can help remove this perception and strengthen value-for-money positioning.

Sixth, periodic feedback collection on pricing perceptions should be encouraged. Customer opinions gathered through digital surveys or in-store feedback can help DMart understand changing expectations. This data can support data-driven pricing decisions and timely adjustments.

Finally, retail policymakers and industry bodies should encourage transparent pricing practices across the organized retail sector. Fair pricing regulations and ethical competition will benefit both retailers and consumers. Such initiatives will promote trust, healthy competition, and consumer welfare in the long run.

In conclusion, effective pricing strategies play a vital role in influencing customer purchase decisions at DMart. By strengthening price transparency, reinforcing value perception, and focusing on customer-centric pricing practices, DMart can enhance customer satisfaction and sustain its competitive advantage. Implementing these recommendations will help improve long-term customer loyalty and overall retail performance.

## CONCLUSIONS

In conclusion, the study establishes that pricing strategy plays a vital role in shaping customer purchase decisions at DMart. Affordable pricing, perceived value, price fairness, and consistency collectively influence customer satisfaction, buying frequency, and loyalty. The research emphasizes that maintaining transparent and customer-oriented pricing policies is essential for sustaining competitive advantage in the organized retail market. The study provides useful insights for retail managers and marketers in designing effective pricing strategies that meet customer expectations and support long-term business growth.

## Declaration of Conflicting Interests

The authors declare no potential conflicts of interest with respect to the research, authorship and publication of this article.

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