

## Discount Programs And Special Offers For Consumer Purchasing Decisions Of H&M Products

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**Abstract** H&M (Hennes & Mauritz AB) is one of the leading global retail brands known for its trendy and affordable clothing collections. This research aims to analyze the marketing strategies used by H&M and their impact on the brand's success as a major player in the global clothing industry. In an era of intense competition in the retail industry, discount programs and special offers have become a common strategy used by brands like H&M to attract consumer attention and increase sales. The impact of strategic discounts on consumer behavior and business performance, focusing on the case example of leading retail company H&M. Additionally, this research identifies factors that can influence the success or failure of a strategy, including economic context, perceived value, and customer segmentation. The research method used in this research is a survey via questionnaire given to a sample of H&M consumers in the Bintaro area. The results of this research provide in-depth insight into the role of discounts in the context of the clothing industry and provide guidance for retail companies, especially H&M, in designing effective discount strategies to increase customer satisfaction and financial results.

**Keywords:** Global Marketing Strategy, Discounts, Customer Satisfaction.

**Abstrak** H&M (Hennes & Mauritz AB) merupakan salah satu merek ritel global terkemuka yang terkenal dengan koleksi pakaiannya yang trendi dan terjangkau. Penelitian ini bertujuan untuk menganalisis strategi pemasaran yang digunakan H&M dan dampaknya terhadap kesuksesan merek tersebut sebagai pemain utama dalam industri pakaian global. Di era persaingan yang ketat di industri ritel, program diskon dan penawaran khusus telah menjadi strategi umum yang digunakan oleh merek seperti H&M untuk menarik perhatian konsumen dan meningkatkan penjualan. Dampak diskon strategis terhadap perilaku konsumen dan kinerja bisnis, dengan fokus pada contoh kasus perusahaan ritel terkemuka H&M. Selain itu, penelitian ini mengidentifikasi faktor-faktor yang dapat mempengaruhi keberhasilan atau kegagalan suatu strategi, termasuk konteks ekonomi, nilai yang dirasakan, dan segmentasi pelanggan. Metode penelitian yang digunakan dalam penelitian ini adalah survei melalui kuesioner yang diberikan kepada sampel konsumen H&M di wilayah Bintaro. Hasil penelitian ini memberikan wawasan mendalam tentang peran diskon dalam konteks industri pakaian dan memberikan panduan bagi perusahaan ritel khususnya H&M dalam merancang strategi diskon yang efektif untuk meningkatkan kepuasan pelanggan dan hasil keuangan.

**Kata Kunci :** Strategi Pemasaran Global, Diskon, Kepuasan Pelanggan.

## INTRODUCTION

The world of fashion has always evolved with time and has become every human need for clothing. Currently, in Indonesia has launched many fashion stores from other countries. The development of the world today has created an increasingly tight competition in the business world, especially in an effort to penetrate an increasingly broad market. Fierce competition affects not only a few companies, but almost all companies. To achieve a better position than competitors, companies must be able to compete fairly with innovations and products that attract consumers, especially in the clothing industry. The main key to winning the competition is to implement the right marketing strategy by providing good value and

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customer satisfaction. Today's consumers are very critical in choosing products, so it is important to create products that suit their needs.

The world of fashion has developed very quickly and people have realized the need for fashion that is more than just dressing, but also to show social status. Fashion trends that continue to change quickly make people not want to be left behind. The growth of the fashion industry in recent years may contribute to changes in consumer habits towards fashion. Consumers are becoming more fashion conscious and adjusting to the latest fashion trends (D'Aveni, 2010). One of the fast fashion labels in Indonesia such as H & M turned out to trigger people's desire to consume fashion products.

With more and more fashion stores existing, consumers can choose according to their preferred taste. One of the leading fashion stores today and is being favored by consumers, especially teenagers, is the H & M brand. Since 2004, the H&M brand began to collaborate with well-known designers, Karl Lagerfeld. From the problems that arise above, prompting research on brand loyalty to a brand, the H&M story began when Erling Persson opened the first Hennes store in Västerås in 1947, Sweden, selling women's clothing. And the first Store outside Sweden opened in Norway. In 1968, the company was renamed Hennes & Mauritz when Erling Persson bought Mauritz Widforss hunting shop and supplies men's clothing was included. Global expansion was quickly successful in new markets such as Germany, the Netherlands, Belgium, Luxembourg, Finland, and France. The amazing journey has continued, as H&M expands with new markets, new concepts, new innovations, and an endless love of fashion.

In buying products, consumers do not immediately decide to buy the product they want. The consumer purchase decision process often involves a series of stages that can provide deeper insight into how consumers make purchasing decisions. According to Kotler & Keller (2009), there are 5 stages in the consumer buying process, namely: Problem Recognition: This stage begins when consumers realize that there is a need or problem that needs to be addressed. It can be triggered by a variety of factors, such as changing needs, social influences, or certain events. Information Search (Information Search): After recognizing a problem, consumers will search for information to understand the choice of products or services that can meet their needs. They can search for information through the internet, friends' resources, or other sources. Evaluation of Alternatives: At this stage, consumers will evaluate the various alternative products or services available. They will compare the characteristics, prices, and benefits of various options before making a decision. Purchase Decision: After evaluation, the consumer

will make a purchase decision. These decisions are influenced by a variety of factors, including personal preferences, budgets, and outside influences. Post-Purchase Behavior: After purchasing a product, consumers will evaluate whether their purchase decision is satisfactory. They can feel satisfied or dissatisfied with their purchase, which can influence future purchasing decisions.

In addition to the stages of the purchase process, many factors influence consumer purchasing decisions. The retailing mix is one of the important factors in this influence. According to Putri & Subagio (2013), the retail mix covers various aspects, such as product, price, store (location), promotion, store atmosphere, customer service, and personal sales. All of these elements can influence how consumers perceive a particular product or brand, and can influence their purchasing decisions.

Before making a decision on the government, consumers must have an interest in buying first. A good store atmosphere can encourage consumers to shop more comfortably (Karmela & Junaedi, 2009). In addition, research by Hariadi & Martoatmodjo (2013) shows that factors such as product, price, promotion, and distribution also influence consumer purchasing decisions.

According to Buchari in Emor & Soegoto (2015), consumer decisions are influenced by various factors, including economic, technological, political, cultural, product, price, location, promotion, physical evidence, people, and process. All these factors shape consumer attitudes towards a product and influence the purchasing decision-making process.

In influencing purchasing decisions, the marketing mix plays an important role. Kotler & Armstrong (2012) define a marketing mix as a collection of controllable marketing tools, with key components including product, place (location), promotion, and price. In the context of promotion, Foster (2008) mentions that sales promotion tools include discounts, special events, in-store demonstrations, coupons, and contests. Promotion is an element of the marketing mix that serves to inform products and influence purchasing decisions, while prices are often used to persuade consumers to buy products.

The provision of discounts to customers at the time of purchase has the potential to increase consumer interest in buying the products offered by the company. Discount, in this case, refers to a discount given by the seller to the buyer as a form of appreciation for certain activities that are pleasant to the seller (Tjiptonono, 2008). Consumers tend to be interested in getting a price they consider appropriate, where this fair price is based on consumer perception when making transactions. Consumers often charge expensive prices with good quality, so affordable prices are often considered good value. Conversely, very cheap prices can invite

doubts about product quality (Assauri, 2009). In other words, price cuts can be a powerful trigger to encourage consumers to make purchases at prices that are perceived to be proportional to the quality of the product they expect.

Previous research in the retail industry has identified a variety of factors influencing consumer purchasing decisions. One retailer that often provides discounts is H&M, a Swedish clothing brand that has a branch in Paris Van Java Mall, Bandung. H&M is known for offering a wide range of apparel products and has to carry out various sales promotions, including price discounts. The choice of H&M as a research subject is reasonable because today's business development is strongly influenced by various factors, and discounted prices are often an important factor in purchasing product decisions at stores such as H&M.

H&M, as an international brand with a presence in many countries, offers different types of clothing covering a wide array of styles and prices. They often hold price discounts and other promotions to attract consumers. As a clothing store with a focus on trends and styles, the marketing, promotional, and retail mix strategies used by H&M can provide valuable insights into how leading clothing brands manage consumer purchasing decisions in a competitive retail environment.

In the clothing retail industry, consumer decisions are often influenced by factors such as price, product quality, and promotion. Therefore, an understanding of how brands like H&M leverage price discounts and promotions to influence consumer purchasing decisions can provide valuable insights for the retail and marketing industries.

## **RESEARCH METHODS**

The research method used in this journal article is a qualitative research method that can be used to explore a deep understanding of discount programs and special offers for consumer purchasing decisions of H&M products. Sugiyono (2008: 6) revealed that survey research methods are used to obtain data from certain places that are natural (not artificial), but researchers carry out treatment in data collection, for example by circulating questionnaires, tests, structured interviews and so on (treatment is not like in experimental research).

This research method focuses on collecting and analyzing descriptive data, which aims to understand the meaning, point of view, and experience of individuals related to the research topic. The reason researchers use this method is to find out the information obtained to be more complete and can provide convincing conclusions, besides that this method also tends to be simpler and more detailed.

The purpose of this study was to evaluate the extent of the influence of the independent variable on the dependent variable. Data collection will be carried out through the distribution of questionnaires to obtain accurate information from respondents. The results of the questionnaire will be used in addition to the data, ensuring that the data obtained is based on facts that occur in the field.

## **RESULTS AND DISCUSSION**

The discount program turns out to be very influential on purchasing decisions because this can support the impulse purchases of H&M consumers, besides that special offers also affect purchasing decisions, it's just that consumers are more interested in discount programs because of clearer discounts. Both of these certainly have a good influence on consumer purchasing decisions of H&M products. In demand markets that depend on price and advertising, payments at discounted prices generate higher profits than payments at normal prices. Furthermore, some discounts can be applied by combining payment discounts and pre-order discounts. Retailers can optimize selling prices and replenishment cycles to maximize their profits.

The study considers several features related to retail businesses in the emerging e-commerce market. It considers online payment systems that bring efficiency and convenience. Consumer purchasing decisions are related to consumer preferences, where consumers decide purchases based on needs, wants, and others. By making special offers and discount programs, the desire to buy an item without prioritizing its needs will arise.

The fashion industry from time to time always has so many enthusiasts. Because clothing is a basic need for every individual. In business competition in the field of fashion, each brand has its own unique promotion strategy to increase sales in their stores. They conduct promotions with the aim of increasing purchases and to expand the market. One of them is the H&M Fashion Brand which conducts sales promotions by holding sale up to 50% - 70% special End of Season.

Sales promotion has a crucial role in a brand's efforts to advertise its products and attract consumers' attention to their brand identity. In addition to aiming to increase sales volume, sales promotion activities can also help build a close relationship between brands and consumers. But this will not be easy, because of the many players in the business in the fashion field. So every company must have powerful and different strategies, in order to influence consumer purchasing decisions about their products. In influencing purchasing decisions, it

cannot be separated from the marketing mix. The marketing mix consists of 4Ps, namely price, promotion, product, place.

According to Peter and Olson (2000: 182), "sales promotion is a direct stimulus aimed at consumers to make purchases." Sales promotion is a direct stimulus aimed at consumers to make purchases faster. Advertising is more about introducing and reminding consumers of the company's products and providing reasons for them to buy.

Price is one of the marketing mixes that is often used by companies in persuading consumers to use their products. According to Kotler and Keller (2007: 84), price policy is very decisive in marketing a product, because price is the only element of the marketing mix that provides income for the organization or company. So, it is undeniable that price is an important element, both for companies in influencing consumers and for companies in surviving in competition.

### **The Effect of H&M Sales Promotion on Consumer Purchasing Decisions**

Based on the results of research from Sales Promotion H&M has an influence on Consumer Purchasing Decisions. Several factors are likely to play a key role in the process:

1. **Discounts and Special Offers:** H&M often provides sales promotions with deep discounts or special offers, such as "up to 50% sale." This can encourage consumers to make purchases, especially if they feel they are getting added value or financial benefits from the promotion.
2. **Product attractiveness:** Sales promotion has the potential to increase the attractiveness of H&M products. Likely, consumers will be more interested in trying or buying products from H&M when there are special offers or discounts, thus giving the impression that the product is becoming more affordable. With incentives such as discounts, customers tend to feel more motivated to explore and own H&M products in their purchasing decisions.
3. **Drive impulse buying decisions:** Big discounts or special offers can often drive impulse buying decisions. Consumers may be more likely to take advantage of such promotions to make purchases without prior planning.
4. **Psychological influence:** Sales promotion has the potential to have a strong psychological effect, where consumers may feel that they are getting higher value or are taking advantage of a profitable opportunity. This sensation can have an impact on the perception of product value, making the product look more profitable for consumers. This psychological effect has the ability to motivate consumers, create a sense of urgency, and ultimately drive faster or greater purchase decisions.

5. Relationships with customers: By using sales promotions, H&M has the opportunity to strengthen engagement with its customers. Special offers given to loyal customers or loyalty program members can not only increase customer satisfaction, but also have the potential to deepen relationships. Through this strategy, H&M can create closer bonds with consumers who have shown loyalty, bringing a positive impact on customer retention.
6. Overcoming competition: In the highly competitive fashion industry, sales promotions can help H&M to compete with other brands. The existence of special offers can be a special attraction for consumers who are in the middle of the choice of many brands. The likelihood of many consumers choosing H&M as a shopping option can increase significantly when there are attractive special offers. Thus, sales promotion is not only a marketing strategy, but also an important instrument in the competitive battle in the fashion industry.

### **The Effect of Discount Programs on Consumer Purchasing Decisions of H&M Products**

The discount program is one of the pricing strategies that can be used as a means to influence consumer decisions and is also expected to have a positive impact on the company. Changes in a product are one of the important factors that can affect the demand and supply of products in the company. The word "discount" on the product offered makes consumers interested in buying the product so that they think that the product is cheap. Discounts give the consumer the perception that the amount of money paid is lower than the actual price.

Based on Iswati's research (2022), it shows that when framing various discounts and discounts given increases, consumer satisfaction indirectly increases. H&M's discount program is also part of H&M's marketing mix strategy that aims to attract customers and increase consumer loyalty. However, other factors such as product design, product quality, and price also influence consumer purchasing decisions at H&M. Sigit Winarno and Sujana Ismaya (2003) also explain the types of discounts, including:

- **Bank Discount (Diskon Bank)**

It is a deduction that the bank will take into account with a type of securities because it is purchased before maturity.

- **Cash Discount (Potongan Tunai)**

Deductions used to grow cash payments or before falling due.

- **Chain Discount (Potongan Beruntun)**

Is the provision of consecutive discounts on goods that have been discounted.

- **Functional Discount (Potongan Fungsional)**

It's a deduction given to a particular function.

- **Ordinary Discount (Potongan Biasa)**

A discount that sellers give to customers for making payments on time and buying in large quantities.

- **Quantity Discount (Potongan AppleNtitas)**

Discounts on the condition of bulk purchases.

- **Trade Discount (Potongan Dagang)**

Discounts that have been listed on the price list.

## **CONCLUSION**

Discount programs and special offers, especially in the fashion industry such as H&M, have a significant influence on consumer purchasing decisions. Factors such as deep discounts, special offers, product appeal, psychological effects, relationships with consumers, and the ability to compete with other brands through sales promotions can shape consumer purchasing preferences.

This study uses qualitative research methods with a focus on descriptive data collection and analysis, helping to understand the meaning, point of view, and experience of individuals regarding H&M discount programs and special offers.

Discount programs can have various influences depending on their context and implementation. The effect of discount programs can vary depending on a number of factors, including the industry, target market, and business strategy used by the company. Although discount programs can provide a variety of benefits, companies must also be careful not to rely excessively on discounts, which can damage brand image and reduce the long-term value of the product or service. Careful planning and analysis is required to ensure that the discount program supports the company's business objectives.

The effect of discount programs on consumer purchasing decisions of H&M products can be significant. H&M, as a global fashion company, often implements various discount programs and special offers to attract customers' attention. It is important to note that the effects of discount programs may vary depending on the specific policies and implementation of H&M and ongoing market trends. Consumer analysis, feedback, and constant evaluation are required to ensure that the discount program supports H&M's business goals and meets customer expectations.



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