

Discount Promotion's Role in Shaping Price, Smart Shopper and Behaviorial Intention: A Skintific Case Study

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Abstract

The rapid growth of Indonesia's premium skincare industry calls for marketing strategies that can effectively maintain customer loyalty, with discount promotions being one such approach. This study aims to examine the influence of price-quality perception and smart shopper self-perception on purchase intention, with discount sales promotions serving as a mediating variable among consumers of Skintific Offline Stores. Using a quantitative method, data were collected from 260 respondents through online questionnaires, selected via purposive sampling. Respondents were customers who had direct purchasing experience at Skintific's offline outlets. Data collection techniques included surveys, observation, documentation, and literature review. Analysis was conducted using Structural Equation Modeling with Partial Least Squares (SEM-PLS) via SmartPLS version 4.1.0.9. The results revealed that price-quality perception does not directly affect smart shopper self-perception but significantly impacts discount promotions. Smart shopper self-perception significantly influences both discount promotions and purchase intention. Moreover, discount promotions significantly affect smart shopper self-perception and serve as a mediating variable between both perception variables and purchase intention. These findings highlight the critical role of effective discount strategies in reinforcing Skintific's premium brand image and fostering consumer loyalty in a highly competitive market.

Keywords: Price-quality perception, Smart shopper self-perception, Discount sales promotion, Smart shopper self-perception



INTRODUCTION

The premium skincare market in Indonesia has seen rapid growth, fueled by increasing consumer demand for self-care and aesthetic enhancement in both personal and professional contexts. Among local brands, Skintific has emerged as a top player with clinically backed formulations and premium positioning. However, recent market reports show a decline in its market share from 5.5% in 2023 to 4.5% in 2024, raising concerns about the effectiveness of its promotional strategies, especially offline discount campaigns (Sumantri, 2024).

Despite maintaining a high-end image through price signaling, Skintific frequently offers sizable discounts, which is up to 35%, which may weaken consumer perceptions of quality. While some studies affirm that discounts drive purchase behavior (Pernanda et al., 2021), others suggest excessive discounts can harm a brand's premium image and reduce perceived quality (Lee & Chen-Yu, 2018; Rao & Monroe, 1989). Moreover, existing research has yet to explore how discount promotions interact with consumers' self-perception as smart shoppers, a psychological factor that influences their emotional satisfaction and perceived purchasing success (Atkins & Hyun, 2016).

From a theoretical standpoint, the interplay between *price-quality perception* and *smart shopper self-perception* has gained attention in consumer empowerment literature. Yet, few studies have examined how these perceptions collectively shape behavioral intention, especially in the context of discounted premium goods. The Indonesian retail skincare sector, with its growing reliance on time-limited promotions and flash sales, presents a rich setting to investigate these interactions further.

This study addresses both practical and theoretical gaps by examining the indirect and direct effects of price-quality perception and smart shopper self-perception on behavioral intention, mediated by discount sales promotion. Using Skintific's offline stores as a case context, this research contributes to a more nuanced understanding of how perceived value and emotional gratification impact consumers' purchase behavior in premium skincare retail.

Objectives

This study aims to analyze how consumers' perceptions, both rational and emotional, interact with discount strategies in shaping behavioral intention within the premium skincare sector. Specifically, it investigates whether *price-quality perception* and *smart shopper self-perception* influence purchase intention, either directly or through the mediating role of *discount sales promotion*. Using Skintific Indonesia as the case

1311



context, this research seeks to evaluate the effectiveness of discount promotions in maintaining brand appeal while supporting perceived value. The study further aims to provide empirical insights into how consumer psychology and pricing signals interact in an increasingly competitive beauty retail environment, especially within offline stores that operate under premium positioning.

LITERATURE REVIEW

Understanding behavioral intention in the context of premium skincare requires a multi-dimensional approach involving economic perception, self-concept, and promotional strategy. *Behavioral intention* refers to a consumer's psychological tendency to take future actions, such as making a repeat purchase or recommending a product, which is shaped by attitudes, perceptions, and emotional evaluations (Walker et al., 2016). According to Ajzen's Theory of Planned Behavior (1991), intention is a strong predictor of actual behavior, influenced by attitudes, perceived control, and subjective norms.

One key factor influencing behavioral intention is *price-quality perception*, which reflects a consumer's belief about the relationship between a product's price and its expected quality. This perception often acts as a quality signal when objective information is limited (Kotler & Keller, 2016). In premium markets, consumers tend to associate higher prices with superior quality (Salem & Shawtari, 2023). However, aggressive price reductions can dilute this perception, as suggested by the *price discount effect* (Rao & Monroe, 1989), which posits that large discounts may reduce perceived value or raise doubts about quality consistency.

Meanwhile, *smart shopper self-perception* describes the consumer's self-image as a rational, savvy buyer who derives emotional satisfaction from securing deals without compromising value (Atkins & Hyun, 2016). This perception links closely to the theory of *consumer empowerment* (Schindler, 1998), in which shoppers feel more competent and in control when they optimize purchases through time-limited offers, loyalty rewards, or bundling schemes. Emotional pride, self-validation, and the joy of "winning" in shopping are often associated with this construct (Gómez-Suárez et al., 2020).

Discount sales promotion functions both as a financial incentive and an emotional trigger. Beyond reducing price, discount strategies can boost perceived transaction value (Thaler, 1985) and evoke emotional gratification. However, the effectiveness of discounts varies depending on depth, duration, and brand context. For premium brands like Skintific, overly deep discounts may be perceived as contradictory to quality cues, while

1312



well-timed, moderate promotions may enhance engagement without undermining brand prestige (Lee & Chen-Yu, 2018).

Several studies have examined the separate effects of price perception, discounting, and consumer self-perception on buying behavior. However, few have explored how these variables interact within a single integrated framework. Jee (2021) proposed a conceptual model that combines *price–quality perception* (as a utilitarian driver) and *smart shopper self-perception* (as a hedonic motivator), mediated by *discount sales promotion*, to predict *behavioral intention*. This study adapts and tests that model in the context of Skintific's offline retail strategy.

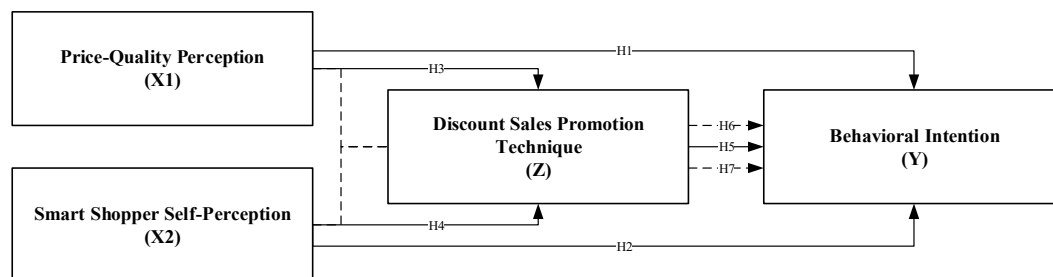


Figure 1. Conceptual Framework of the Study

RESEARCH METHODOLOGY

This study employed a quantitative research design with a causal approach to analyze the relationships between price–quality perception, smart shopper self-perception, discount sales promotion, and behavioral intention. A causal design was selected to test both direct and indirect effects among the latent variables within a unified structural model.

Primary data were collected using a structured questionnaire distributed online via Google Forms. A purposive sampling method was applied, targeting Indonesian consumers who had previously purchased skincare products from Skintific's offline stores and had sufficient familiarity with the brand's promotional practices. A total of 260 valid responses were obtained, meeting the minimum sample requirements for Partial Least Squares Structural Equation Modeling (PLS-SEM), particularly considering the number of indicators per construct (Hair et al., 2021).

The research instrument used a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire items were adapted from validated instruments used in previous studies, including Jee (2021), Kotler and Keller (2016), and

Atkins and Hyun (2016), with minor modifications to suit the local context. Each variable was measured through multiple indicators: price–quality perception (4 items), smart shopper self-perception (3 items), discount sales promotion (5 items), and behavioral intention (3 items).

Data analysis was conducted using SmartPLS 4.1.0.9. Before hypothesis testing, the measurement model was assessed to ensure convergent validity, discriminant validity, and internal consistency reliability. Structural model evaluation included path coefficient significance (t-statistics and p-values), effect size (f^2), coefficient of determination (R^2), predictive relevance (Q^2), and model fit indices. Mediation analysis was performed to test the role of discount sales promotion, while all constructs were treated as reflective latent variables.

This methodology allowed for a comprehensive evaluation of the proposed conceptual framework, especially in exploring how psychological perceptions interact with promotional stimuli to drive consumer intention in the premium skincare segment.

Before hypothesis testing, the measurement model was assessed to ensure the reliability and validity of the constructs. All indicators demonstrated satisfactory outer loading values above 0.7. The average variance extracted (AVE) for each construct exceeded 0.5, while Cronbach's Alpha and Composite Reliability values were above the 0.7 threshold, indicating strong internal consistency (Hair et al., 2021).

Table 1. Construct Reliability and Validity

Variable	Cronbach's Alpha	Composite Reliability	AVE
Price–Quality Perception	0.853	0.899	0.692
Smart Shopper Self-Perception	0.825	0.884	0.717
Discount Sales Promotion	0.877	0.911	0.673
Behavioral Intention	0.804	0.879	0.709

Source: primary data, July 2025

Subsequently, the structural model was tested using the bootstrapping method with 5,000 resamples to evaluate the significance of path coefficients. The R^2 values for behavioral intention and discount sales promotion were 0.667 and 0.521, respectively,



indicating a good level of explanatory power. The path diagram summarizing the model output is shown in *Figure 2*.

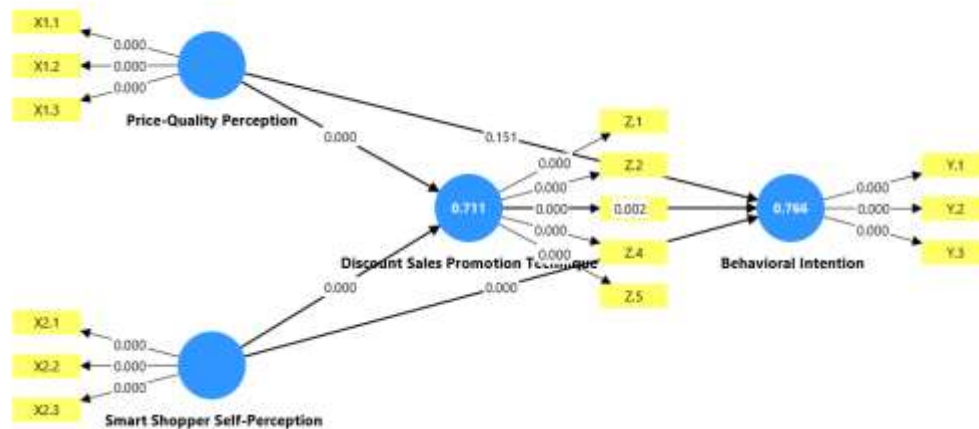


Figure 2. Bootstrapping Path Diagram

Results from hypothesis testing are summarized in *Table 2*. The findings reveal that price–quality perception significantly affects discount sales promotion, but not behavioral intention directly. Smart shopper self-perception has a significant influence on both discount sales promotion and behavioral intention. Discount sales promotion, in turn, significantly affects behavioral intention and mediates the effects of both perception variables.

Table 2. Hypothesis Testing Results

Hypothesis	Relationship	Original Sample (β)	t-value	p-value	Remark
H1	Price–Quality Perception → Behavioral Intention	0.061	1.049	0.295	Not Significant
H2	Smart Shopper Self-Perception → Behavioral Intention	0.332	4.268	0.000	Significant
H3	Price–Quality Perception → Discount Sales Promotion	0.458	6.376	0.000	Significant

Hypothesis	Relationship	Original Sample (β)	t-value	p-value	Remark
H4	Smart Shopper Self-Perception → Discount Sales Promotion	0.246	3.104	0.002	Significant
H5	Discount Sales Promotion → Behavioral Intention	0.433	6.424	0.000	Significant
H6	Price–Quality Perception → DSP → Behavioral Intention	0.198	4.769	0.000	Significant
H7	Smart Shopper Self-Perception → DSP → Behavioral Intention	0.107	2.604	0.009	Significant

Source: primary data, July 2025

DISCUSSION

The findings of this study reveal important insights regarding how price perception, shopper psychology, and promotional strategies interact in shaping consumer behavior within premium skincare retail. Notably, *price–quality perception* did not have a significant direct effect on *behavioral intention*, suggesting that consumers may not always equate higher prices with stronger purchase motivation when discounts are involved. This supports the argument of *price discount theory* (Rao & Monroe, 1989), which states that excessive discounts can degrade perceived value, even in premium categories. It also echoes findings by Lee and Chen-Yu (2018), who found that deep discounts often weaken direct perceptions of quality and, in turn, consumer intent.

However, *price–quality perception* did significantly influence *discount sales promotion*, indicating that consumers still rely on price as a signal of quality when promotions are present. This reflects an important duality: while discounts may dilute the premium image in the abstract, they remain effective in stimulating purchase behavior when the quality message is reinforced. In the case of Skintific, clinically tested formulations and “scientific” branding likely reinforce trust, allowing moderate discounts to function as “value enhancers” rather than “value destroyers.”

Meanwhile, *smart shopper self-perception* was found to significantly influence both *discount sales promotion* and *behavioral intention*. Consumers who view themselves as rational and empowered tend to engage more enthusiastically with discount programs

1316



and are more inclined to act on purchase intentions. This aligns with the *consumer empowerment* framework (Atkins & Hyun, 2016; Gómez-Suárez et al., 2020), which emphasizes emotional satisfaction and self-validation in shopping decisions. In Skintific's case, limited-time promotions, gamified reward programs, and TikTok-based flash sales seem to successfully reinforce this shopper identity.

The significant influence of *discount sales promotion* on *behavioral intention* confirms its role as a critical mediator. This supports Jee (2021), who argues that the pathway from perception to action is rarely direct in premium sectors; instead, it is shaped by perceived savings and emotional triggers associated with discounts. The mediation results also demonstrate that promotions can effectively channel both rational and emotional perceptions into action, without necessarily compromising the brand's perceived value, so long as the promotional design is selective, time-bound, and emotionally engaging.

These results reinforce the need for brands like Skintific to craft discount strategies that are not only financially attractive but also psychologically validating. Promotion should not be seen as a volume-driven tactic but as a strategic tool to affirm consumer identity while reinforcing perceived quality. This is especially relevant in the skincare category, where consumers are often driven by trust, satisfaction, and self-assurance rather than price alone.

CONCLUSION

This study concludes that discount sales promotions play a significant mediating role in translating both price–quality perception and smart shopper self-perception into behavioral intention, particularly in the premium skincare market. While price–quality perception alone does not directly predict consumer intention, it significantly influences how consumers evaluate promotional offers. Conversely, smart shopper self-perception directly affects behavioral intention, emphasizing the importance of consumer identity and psychological gratification in the buying process.

The findings highlight the strategic role of discount promotion as more than a financial incentive, it serves as a psychological bridge that transforms rational and emotional evaluations into concrete purchasing decisions. For premium brands like Skintific, this implies that discounting, when executed selectively and supported by credible quality signals, does not necessarily harm brand value. Instead, it can reinforce consumer trust, encourage engagement, and support long-term loyalty.



These results offer both theoretical and managerial implications. Theoretically, the study integrates utilitarian and hedonic perspectives into a cohesive explanatory model for consumer intention in discounted premium retail. Practically, it recommends that skincare brands implement time-bound, emotionally resonant discount strategies that affirm consumer identity while preserving perceived product quality.

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