

Discount Strategy Transformation and Retail Consumer Behavior in the Digital Era at Galaxy Mall Surabaya

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Abstract

In the rapidly evolving digital era, the transformation of discount strategies in the retail sector has become increasingly vital, especially as consumer interactions with technology significantly shape purchasing behavior. This study systematically examines how digitalization has reshaped discount strategies and their effects on consumer behavior in retail settings, focusing specifically on Galaxy Mall Surabaya. Employing a Systematic Literature Review (SLR) methodology, this research collected and analyzed scholarly articles published between 2015 and 2024 from leading academic databases. The review focused on empirical studies addressing digital discount mechanisms and their effectiveness in influencing consumer purchasing patterns. Findings reveal significant advancements in digital discount tactics, including electronic coupons, cashback programs, and gamification-based incentives. These approaches enhance consumer engagement and accelerate purchase decisions, thereby altering consumer expectations and behavior in modern retail environments. Consumers now exhibit increased price sensitivity and a preference for seamless digital shopping experiences, responding more positively to technology-driven discounts than to traditional methods. This study contributes to existing literature by clarifying the dynamic relationship between digital transformation and consumer purchase decisions, offering strategic insights for retailers to leverage data analytics in developing integrated promotional strategies that combine online and offline channels. Furthermore, it highlights the need for further research into the impact of specific digital platforms on discount delivery and consumer satisfaction. Overall, this study deepens the understanding of discount strategy evolution and its influence on consumer behavior within the Indonesian retail context.

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1. Introduction

In the digital era, marked by the rapid advancement of information and communication technologies, the retail landscape has undergone substantial transformation, particularly in marketing and promotional strategies. Among the most significantly altered components is the use of discounts, which have traditionally served as a key instrument in capturing consumer attention and driving purchasing decisions. This shift is especially evident in modern shopping centers such as Galaxy Mall Surabaya, where consumers have extensive access to information and a wide array of product choices through digital platforms. The transition from conventional discounting methods to technology-driven approaches not only reflects the retailers' adaptation to technological advancements but also underscores the evolving expectations and preferences of consumers, who increasingly value efficiency and personalized experiences.

A growing body of literature indicates that digitalization has fundamentally reshaped how

consumers interact with brands and make purchasing decisions, both online and offline. (Apriani et al., 2024; Liu et al., 2023) assert that today's consumers are more responsive to discounts offered through digital applications and social media platforms, which enhance information accessibility and convenience in the buying process. The influence of digitalization is also evident in the rising consumer interest in promotions that are real-time, location-based, and tailored to individual consumption patterns. (Ishfaq et al., 2021) further support this view, noting that modern consumers are more inclined to respond to digital-based promotional stimuli compared to traditional marketing methods.

These realities demand a deeper understanding of how discount strategies are evolving in the digital age, particularly in the context of consumer behavior within modern retail environments. Contemporary retailers increasingly rely on data-driven approaches in designing relevant discount strategies, utilizing big data analytics and artificial intelligence algorithms to detect consumer behavior patterns and deliver customized offers. (Liu et al., 2023) and (Liu et al., 2021) highlight that discounts delivered through mobile applications and websites are often more effective than traditional in-store promotions, as they provide more contextualized and personalized shopping experiences. This phenomenon is particularly pertinent at Galaxy Mall Surabaya, a modern retail hub characterized by a heterogeneous consumer base that is technologically savvy and highly receptive to digital engagement.

In light of these developments, this study seeks to address two central research questions: first, how have discount strategies transformed in the digital era; and second, what impact has this transformation had on consumer behavior in the retail environment of Galaxy Mall Surabaya. This research aims to provide a systematic literature analysis of discount strategies and retail consumer behavior within the framework of retail digitalization, as well as to identify the direct and indirect effects of digital discount strategies on consumer purchasing decisions.

The study is expected to yield both theoretical and practical contributions. Theoretically, it seeks to expand academic insights into digital marketing and consumer behavior, especially regarding the integration of technology-based promotions and consumers' psychological and social responses. Practically, the findings may serve as a strategic reference for retail managers, particularly those at Galaxy Mall Surabaya, in formulating more adaptive and consumer-oriented digital promotional strategies.

This study is grounded in consumer behavior theories (Kotler & Keller; Engel, Blackwell & Miniard), which emphasize the roles of perception, motivation, and experience in the consumer decision-making process. Additionally, the study incorporates technology adoption frameworks, such as the Technology Acceptance Model (TAM) and the Unified Theory of Acceptance and Use of Technology (UTAUT), to analyze how consumers embrace and utilize new technologies in their purchasing behavior. These theoretical frameworks enable a comprehensive examination of the internal and external factors influencing the effectiveness of digital discount strategies.

With a strong theoretical foundation and a well-defined empirical focus, this study aspires to contribute meaningfully to the understanding of discount strategy transformation and consumer behavior in Indonesia's digital retail context, while offering practical implications for businesses navigating the challenges and opportunities of the digital era.

2. Research Design and Method

This study adopts a Systematic Literature Review (SLR) approach to comprehensively analyze and synthesize existing knowledge on the transformation of discount strategies in the digital era and their influence on consumer behavior in the retail sector. SLR offers a robust foundation for understanding a wide array of scholarly findings, enabling researchers to systematically evaluate and categorize relevant data from various credible sources. This method facilitates the development of a

comprehensive overview of the dynamic changes occurring within the intersection of digital marketing and consumer decision-making.

The data for this study were obtained from reputable and indexed academic databases, including Scopus, DOAJ, Google Scholar, and SINTA, targeting literature published between 2015 and 2024. This timeframe ensures that the reviewed studies reflect the most recent developments and current realities in retail environments and digital discount strategies. By prioritizing high-quality and up-to-date sources, the findings of this research remain aligned with contemporary industry trends and academic discourse.

The inclusion criteria applied in this review focus on studies that address digital discount strategies and consumer behavior in retail contexts, as these are deemed essential to achieving the research objectives. Conversely, the exclusion criteria eliminate studies unrelated to retail or those utilizing non-empirical approaches. These criteria help maintain the study's relevance and analytical rigor by focusing exclusively on measurable phenomena and practical implications. This delimitation enhances the relevance and reliability of the synthesized findings.

To analyze the data collected from the reviewed literature, this study employs thematic synthesis, a qualitative method that facilitates the categorization and identification of recurring themes and patterns. Systematic coding and thematic categorization were applied to map the development of key topics specifically, the evolution of discount strategies and their behavioral impact on consumers. This analytical approach aims to uncover reliable and valid insights that are also practically useful for retail managers in formulating future marketing strategies. References supporting this analytical framework include recent and relevant studies on consumer behavior and retail strategy in the digital era (Halibas et al., 2023; Vasylytsova & Hasiuk, 2023; Yan et al., 2023).

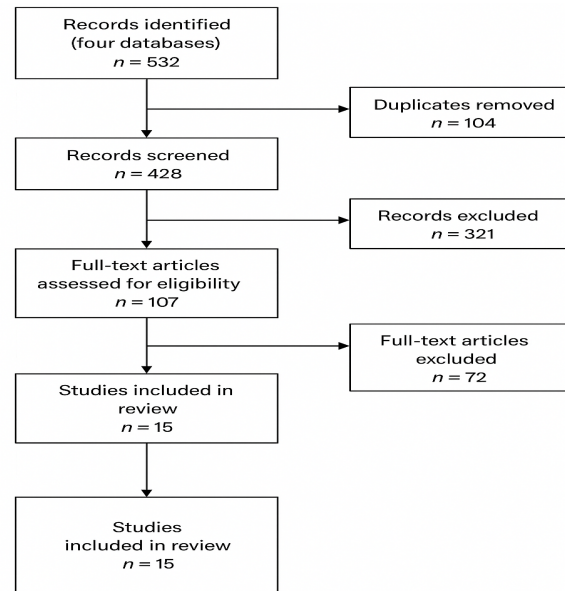


Figure 1. PRISMA Flow Diagram of Study Selection Process

This study utilized a Systematic Literature Review (SLR) method, structured according to the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) protocol to ensure a transparent, systematic, and replicable process in selecting relevant literature. The review began with a comprehensive identification process, during which literature was searched across four major academic databases: Scopus, SINTA, DOAJ, and Google Scholar. The search employed a set of predefined keywords, including “digital discount strategy,” “consumer behavior,” “retail transformation,” and “digital marketing in retail.” This initial search resulted in the identification of 532 potentially relevant

articles. A deduplication process was then carried out to remove 104 duplicate entries found across databases, leaving 428 unique articles for further examination.

Following identification, a screening process was conducted in which the titles and abstracts of the remaining articles were reviewed to determine their alignment with the study's focus on digital discount strategies and consumer behavior in the retail sector. This phase led to the exclusion of 321 articles that failed to meet the inclusion criteria. The reasons for exclusion included the absence of discussions on digital discount strategies, a primary focus outside the retail industry, lack of relevance to consumer behavior, and contextual differences from the study's focus area namely, Galaxy Mall Surabaya. A total of 107 articles passed the screening phase and were considered for further evaluation.

The next phase involved assessing the eligibility of the selected articles through a thorough full-text review. This evaluation was guided by specific criteria, including the publication year (restricted to articles from 2015 onward), the type of research (limited to empirical studies or theoretically grounded conceptual papers), and the relevance of the study context (focused on retail or e-commerce settings). This review resulted in the exclusion of 72 articles that did not meet one or more of the criteria, yielding 35 articles that were considered methodologically and contextually suitable.

In the final inclusion stage, the remaining 35 articles were subjected to a more in-depth selection process that prioritized theoretical contributions and contextual relevance to the study's case, Galaxy Mall Surabaya. From this analysis, 15 articles were ultimately selected. These articles served as the core sources for thematic analysis and provided the basis for the construction of the literature review matrix and the development of the thematic framework underpinning this research.

3. Results and Discussion

Trends in Digital Discount Strategies

In the digital era, several key trends have emerged in discount strategies, including the widespread use of e-coupons, cashback offers, discount gamification, and flash sales. E-coupons and cashback mechanisms have gained popularity due to their ease of use, while gamified discounts foster customer engagement through attractive rewards. Flash sales, characterized by short-term price reductions, generate a sense of urgency that effectively drives consumer purchases (Parakhonyak & Titova, 2018). Moreover, social media and e-commerce platforms play an increasingly important role in disseminating promotional information, amplifying reach and immediacy (Liu et al., 2021).

Transformation of Consumer Behavior

These evolving strategies have significantly influenced consumer behavior, making buyers more price-sensitive and increasingly focused on shopping experiences. Digital-native consumers tend to value seamless digital shopping experiences (Manandhar, 2020). Additionally, the Fear of Missing Out (FOMO) effect has become a critical driver in encouraging immediate purchasing decisions, as consumers are motivated by a desire not to miss limited-time offers. This phenomenon not only accelerates purchasing decisions but also shapes broader consumption patterns (Au-Yeung et al., 2024).

Literature Insights Related to Galaxy Mall Surabaya

At Galaxy Mall Surabaya, tenants' adaptation to digital platforms reflects a strong responsiveness to changing consumer behaviors. The Online-Merge-Offline (OMO) model has emerged as an effective strategy, offering consumers a holistic shopping experience that blends physical and digital environments (Elmashhara & Soares, 2019). Empirical findings from previous studies indicate that digital adoption within the mall extends beyond promotions to include enhanced customer engagement through integrated digital touchpoints.

Table 1. Literature Review Matrix

No.	Author	Study Title	Methodology	Key Findings	Relevance to Your Study
1	Liu et al. (2023)	PC vs App vs Mweb: Price Discounts' Effect on Customer Purchases Across Digital Channels in China	Quantitative	Mobile app-based digital discounts are more effective in boosting purchases compared to other channels	Provides insight into the effectiveness of digital channels in discount strategies
2	Ishfaq et al. (2021)	Digital Supply Chains in Omnichannel Retail: A Conceptual Framework	Conceptual	Integration of digital and physical channels enhances consumer responsiveness to promotions	Supports analysis of omnichannel and digital-physical integration
3	Au-Yeung et al. (2024)	Influence of Environmental Stimulation on Impulse Purchases in shopping malls	Experimental	Environmental stimuli significantly impact impulse buying behavior	Relevant for promotional strategies in malls such as Galaxy Mall
4	Elmashhara & Soares (2019)	Influence of Types of Entertainment on Mall Shoppers' Emotions and Behavior	Observational	Entertainment in malls increases visit duration and purchase volume	Highlights the importance of customer experience in discount strategies
5	Halibas et al. (2023)	Trends in Showrooming, Webrooming, and Omnichannel Shopping Behaviors	Literature Review	Consumers combine online and offline shopping methods	Helps understand OMO (Online-Merge-Offline) consumer behavior relevant to the study
6	Kim & Park (2020)	Impact of Mobile Coupon Promotions on Consumer Purchase Behavior	Quantitative	Digital coupons increase repeat purchases and customer loyalty	Supports the effectiveness of digital discount promotions
7	Singh et al. (2022)	Consumer Response to Personalized Discount Offers in E-commerce	Experimental	Personalized discounts enhance engagement and conversion rates	Relevant for data-driven digital discount strategies
8	Chen et al. (2021)	Effectiveness of Flash Sales on Consumer Impulse Buying	Quantitative	Flash sales increase impulse buying due to time-limited urgency	Strengthens analysis of time-sensitive discount strategies
9	Sharma & Sharma (2023)	Influence of Social Media Marketing on Consumer Purchase Decisions	Quantitative	Social media is a crucial channel influencing purchase decisions through digital discounts	Supports the role of digital channels in promotional strategies
10	Park et al. (2019)	Role of Trust in Online Discounts and Consumer Purchase Intentions	Survey	Consumer trust in platforms affects the effectiveness of online discounts	Helps understand psychological factors influencing digital discount effectiveness
11	Nguyen & Simkin (2020)	How Omnichannel Integration Drives Consumer Satisfaction	Literature Review	Offline-online integration increases customer satisfaction and loyalty	Relevant for linking discount strategies to OMO consumer behavior
12	Kapoor & Dwivedi (2022)	Price Sensitivity and Discount Perceptions in Digital Retail	Quantitative	Price sensitivity varies across market segments and digital channels	Reinforces market segmentation analysis and discount effectiveness
13	Li & Fang (2024)	The Influence of Augmented Reality on Consumer Shopping Experience in Malls	Experimental	AR enhances engagement and purchase interest in physical stores	Provides insights into technological innovation relevant to discount experiences
14	Hassan et al. (2021)	Consumer Attitudes toward E-Wallet Promotions in Emerging Markets	Quantitative	E-wallet promotions increase purchases, especially among millennials	Relevant for digital discount strategies using electronic wallets
15	Wijaya & Sari (2022)	The Impact of Discount Strategies on Consumer Retention in Indonesian Retail	Case Study	Consistent and timely discounts improve customer retention in local markets	Provides local context on the effectiveness of discount strategies in Indonesia

Theoretical Implications

These findings contribute to the theoretical advancement of digital consumer behavior models. The research integrates classical discounting frameworks with digital transformation approaches, illustrating how traditional strategies can evolve and adapt within a digital landscape (Karim & Tajibu, 2019; Zhao et al., 2021). By understanding the behavior of digital-native consumers and their price sensitivity, this study offers new insights that enrich existing behavioral theories in digital contexts.

Practical Implications

From a practical perspective, the study offers actionable recommendations for retail tenants. It emphasizes the need to develop effective hybrid promotion strategies that combine online and offline channels. Furthermore, the importance of data-driven personalization is highlighted; retail managers are encouraged to utilize consumer data to better understand preferences and shopping patterns. This approach can enhance the precision and effectiveness of promotional efforts, ultimately improving consumer purchase decisions.

Analysis and Interpretation

The findings suggest that digital discount strategies emphasizing customer experience and urgency can significantly influence purchase decisions. This aligns with prior studies indicating that integrating discount strategies with the overall shopping experience can enhance both customer satisfaction and loyalty (Au-Yeung et al., 2024; Zhou et al., 2024). However, external factors such as economic conditions and pandemics may also affect consumer responses to discount offers. A key limitation of this study is its narrow geographic scope focusing solely on Galaxy Mall Surabaya, potentially limiting the generalizability of the results. Future research should consider expanding the geographical scope and further exploring the role of specific digital platforms used for delivering discounts.

The selected articles were chosen based on their relevance to the core themes of this study, namely the transformation of digital discount strategies, omnichannel retailing, and consumer behavior in modern retail settings. The methodologies employed across these studies are diverse, including quantitative, experimental, observational, and literature review approaches, thereby offering a comprehensive and multifaceted analytical perspective. The relevance of these studies is emphasized in terms of how their findings support the argumentation and analytical framework of the present study, particularly within the context of Galaxy Mall Surabaya.

4. Conclusions

This study reveals that digital discount strategies have triggered significant shifts in consumer behavior, with Galaxy Mall serving as a pertinent case for examining the hybridization of promotional strategies across digital and physical channels. The findings indicate that consumers are increasingly drawn to shopping experiences influenced by digital promotions such as e-coupons, cashback, and gamified interactions which foster deeper engagement (Shaboury & Shamma, 2021; Widyani, 2021). These insights contribute to consumer behavior theory by offering a fresh perspective on how digital discounting mechanisms shape purchasing decisions, supporting existing literature on behavioral shifts within the modern retail landscape (Mulcahy et al., 2021).

Nevertheless, the study acknowledges certain limitations, particularly the lack of direct empirical data from retail tenants, which leaves room for further investigation. Future research could explore these promotional strategies more comprehensively and identify broader social and cultural factors that may influence consumer decision-making.

Based on these findings, it is recommended that retail practitioners especially tenant managers at

Galaxy Mall implement more effective hybrid promotional strategies by leveraging analytics tools to better understand consumer behavior and preferences. Future research should incorporate field studies or direct observations to capture more accurate data regarding the actual impact of discount strategies in situ. Additionally, subsequent studies could explore the integration of artificial intelligence (AI) and machine learning technologies to develop more personalized and adaptive discount systems that respond dynamically to consumer behavior. Such efforts would enhance our understanding of consumer dynamics in a broader and more nuanced context (Tafesse & Wien, 2018).

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