

The Effect of Price Perception and Discount Strategy on Customer Satisfaction and Customer Loyalty

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Abstract

This study aims to examine the effect of price perception and discount strategy on customer satisfaction and customer loyalty, with customer satisfaction serving as a mediating variable. In today's competitive business environment, pricing and promotional strategies play a crucial role in influencing consumer behavior and long-term relationship sustainability. This research adopts a quantitative approach using a cross-sectional survey design. Data were collected from 268 respondents who had experience purchasing products or services involving discount promotions within the last six months. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) to evaluate both direct and indirect relationships among variables. The results indicate that price perception and discount strategy have positive and significant effects on customer satisfaction. Furthermore, price perception, discount strategy, and customer satisfaction significantly influence customer loyalty. Among these variables, customer satisfaction demonstrates the strongest effect on customer loyalty. Mediation analysis reveals that customer satisfaction partially mediates the relationship between price perception and customer loyalty, as well as between discount strategy and customer loyalty. These findings highlight the importance of balancing fair pricing and strategic discount programs to enhance customer satisfaction, which ultimately fosters sustainable customer loyalty. The study contributes to marketing literature by integrating pricing perception and promotional strategy within a comprehensive loyalty framework and provides managerial insights for developing effective pricing and relationship marketing strategies.

Keywords: Price Perception, Discount Strategy, Customer Satisfaction, Customer Loyalty, PLS-SEM, Marketing Strategy.

1. Introduction

In the era of intense market competition and rapidly evolving consumer behavior, businesses must work strategically to attract, satisfy, and retain customers. Two critical elements that significantly shape consumer purchasing decisions are price perception and discount strategy (Nisa et al., 2025). Price perception refers to the consumer's subjective evaluation of a product's price relative to its perceived value, fairness, or expected benefits, and it has long been recognized as a major determinant of satisfaction and loyalty (Nisa et al., 2025; Yani et al., 2023). In parallel, discount strategies are commonly employed by firms as part of promotional tactics to stimulate short-term sales, reduce inventory, and increase customer responsiveness (Ramadhani et al., 2025; Yani & Maisarah, 2023). However, while discounting may lead to initial purchases, its long-term effects on satisfaction and customer



loyalty remain an important research question for marketers (Adhilni & Kusuma, 2024; Medium, 2024).

Price serves not only as an economic signal but also as a psychological cue that frames how consumers evaluate value. When customers perceive prices to be fair and aligned with expected quality, they tend to experience higher satisfaction, which subsequently builds stronger loyalty (Nisa et al., 2025; Nizam & Chrismardani, 2022). For example, research has found that price perception positively influences customer loyalty in various retail and service contexts (Yani et al., 2023). Moreover, perceived reasonable pricing can reduce uncertainty and enhance trust, further intensifying satisfaction and repeat purchases (Nisa et al., 2025; Azhar, 2025). These findings draw from stimulus–organism–response (S-O-R) theory, which suggests that external stimuli (like price cues and promotions) shape internal consumer evaluations and behavioral responses (Mathori & Wulandaru, 2025).

Discount strategies, frequently integrated into pricing policies, aim to provide customers with tangible benefits such as reduced expenditure or added value offers (Ramadhani et al., 2025; Yani & Maisarah, 2023). Consumers often respond positively to discounts because they enhance perceived value—especially in contexts of high price sensitivity—and prompt immediate purchase behavior (Yani & Maisarah, 2023; Azhar, 2025). Studies examining promotional discounts in digital commerce indicate that discounts can increase repurchase intentions and satisfaction by creating greater perceived benefits among shoppers (Yani & Maisarah, 2023). Along similar lines, experiments in consumer psychology show that well-designed pricing strategies—such as percentage discounts or dynamic pricing—can enhance perceived value and strengthen the likelihood of repeat purchases and loyalty (Azhar, 2025).

Despite their apparent benefits, price perception and discount strategies can also produce complex effects. Some literature suggests that an overemphasis on discounts may lead to price sensitivity, where customers prioritize low prices over product quality or brand affinity, potentially undermining long-term loyalty (Medium, 2024; Scribd, 2025). This tension underscores the need to balance price-oriented tactics with value-enhancing service quality and brand relationships that reinforce customer experience beyond transactional benefits (Nisa et al., 2025).

In marketing research, customer satisfaction has consistently been shown as a key mediator between marketing strategies and customer loyalty outcomes. When consumers feel satisfied with a purchase—because they perceived the price to be fair or accepted the discount as an added benefit—they are more likely to exhibit loyal behaviors like repeat purchasing and positive word-of-mouth (Nisa et al., 2025; Yani et al., 2023). Comprehensive reviews demonstrate that satisfaction significantly influences loyalty, whether in service sectors, e-commerce, or traditional retail environments (Nisa et al., 2025). Understanding the interplay between price perception, discount strategies, satisfaction, and loyalty is essential for developing effective marketing models that support sustainable competitive advantage.

Furthermore, although numerous empirical studies examine individual relationships—such as price perception with satisfaction or promotion with loyalty—few simultaneously investigate both price perception and discount strategy as predictors of satisfaction and loyalty within a single structural framework (Medium, 2024; Scribd, 2025). Integrative analyses are valuable because they allow researchers and practitioners to see how pricing and promotions combine to shape consumer psychology and behavior holistically, rather than in isolation. In

doing so, businesses can more effectively design marketing actions that optimize both short-term sales performance and long-term customer retention.

Extant research also points out contextual differences across industries, regions, and customer segments in how pricing and discount mechanisms influence satisfaction and loyalty (Adhilni & Kusuma, 2024; Nizam & Chrismardani, 2022). For example, e-commerce consumers may highly expect deals and free-shipping discounts as part of competitive online shopping contexts, while traditional retail customers may prioritize price fairness over sporadic discount events. Therefore, investigating this phenomenon with a clear focus on diverse consumer markets is vital for generating generalizable findings that bridge theory and practice.

In summary, price perception and discount strategy play pivotal roles in shaping customer satisfaction and loyalty. While perceived fairness and competitive pricing foster greater satisfaction, discount tactics can serve as effective stimulants for purchase behavior. However, how these constructs interact—particularly in driving long-term loyalty—requires deeper empirical exploration, especially within the context of contemporary market conditions marked by digital transformation and heightened customer expectations.

The primary objective of this research is to analyze the effect of price perception and discount strategy on customer satisfaction and customer loyalty. Specifically, this study aims to examine: (1) how consumers' perceptions of price fairness and value influence their satisfaction with the product or service, (2) how discount strategies implemented by companies affect customer satisfaction, (3) the direct influence of price perception on customer loyalty, (4) the direct influence of discount strategy on customer loyalty, and (5) whether customer satisfaction mediates the relationship between price perception and customer loyalty as well as between discount strategy and customer loyalty. Through this comprehensive investigation, the research seeks to provide insights that help marketers balance pricing and promotion decisions to enhance both customer satisfaction and loyalty in competitive market environments.

2. Literature Review and Hypothesis Development

2.1. Price Perception

Price perception refers to the customer's subjective judgment regarding whether a product's price is fair, reasonable, and aligned with the value received. Unlike objective price, price perception is psychologically constructed and influenced by reference prices, previous experiences, and comparative evaluations (Prospect Theory; Equity Theory). According to Prospect Theory, consumers evaluate gains and losses relative to a reference point, meaning that price discounts or perceived savings may be interpreted as gains, thereby enhancing positive evaluations. Meanwhile, Equity Theory posits that perceived fairness in exchanges influences satisfaction and future relational behavior.

Recent studies highlight that perceived price fairness significantly determines customer satisfaction and loyalty across retail and service contexts (Nizam & Chrismardani, 2022; Yani et al., 2023). When consumers perceive the price as justified by product quality, service performance, and overall value, they are more likely to report satisfaction and develop positive post-purchase attitudes (Adhilni & Kusuma, 2024; Arif, H. M., 2026). Conversely, perceptions of overpricing may lead to dissatisfaction and switching behavior.

In digital commerce environments, price transparency and price comparison tools have increased consumers' sensitivity to price fairness (Yani & Maisarah, 2023). Therefore, companies must carefully design pricing strategies that maintain value congruence and competitive positioning. Empirical evidence suggests that favorable price perception directly enhances repurchase intention and loyalty, particularly when supported by consistent service quality (Nisa et al., 2025). Based on this reasoning, price perception is expected to significantly influence customer satisfaction and loyalty.

2.2. Discount Strategy

Discount strategy refers to a firm's promotional pricing approach aimed at temporarily reducing prices to stimulate demand. Common forms include percentage discounts, cashback, bundled pricing, seasonal promotions, and limited-time offers. From a theoretical perspective, discount strategies can be explained through the Stimulus–Organism–Response Model, which suggests that marketing stimuli (discounts) influence consumers' internal evaluations (perceived value and satisfaction), ultimately shaping behavioral responses (loyalty or repurchase).

Discounts create perceived economic benefits and increase perceived value, especially for price-sensitive consumers (Ramadhani et al., 2025). Research shows that promotional discounts positively influence purchase decisions and satisfaction because customers perceive they are receiving more value for less cost (Yani & Maisarah, 2023). Furthermore, well-structured discount strategies may enhance brand image when consumers interpret them as generous or customer-oriented actions (Azhar, 2025; Sahabuddin et al., 2023).

However, the long-term impact of discounting on loyalty remains debated. While moderate discounts can strengthen satisfaction and encourage repeat purchases, excessive or frequent discounting may reduce perceived quality or condition customers to wait for promotions (Adhilni & Kusuma, 2024). Therefore, understanding how discount strategies affect satisfaction and loyalty is essential to balance short-term revenue growth with long-term relationship building.

2.3. Customer Satisfaction

Customer satisfaction is defined as a post-purchase evaluative judgment concerning whether a product or service meets or exceeds expectations. The concept is widely grounded in Expectation-Confirmation Theory, which explains that satisfaction results from the comparison between expectations and actual performance. If performance exceeds expectations, positive confirmation occurs, leading to satisfaction.

In marketing literature, satisfaction plays a mediating role between marketing stimuli and loyalty outcomes (Nisa et al., 2025). Price perception contributes to satisfaction when customers believe that the monetary sacrifice corresponds to the benefits received (Nizam & Chrismardani, 2022). Similarly, discount strategies enhance satisfaction by increasing perceived value and economic advantage (Akbar et al., 2024; Yani & Maisarah, 2023).

Recent empirical findings confirm that satisfied customers are more likely to demonstrate positive word-of-mouth, repeat purchases, and long-term loyalty (Yani et al., 2023). Satisfaction also reduces switching intentions, especially in competitive markets where alternatives are abundant. Therefore, customer satisfaction is expected to serve as a key mechanism through which price perception and discount strategy influence customer loyalty.

2.4. Customer Loyalty

Customer loyalty refers to a deeply held commitment to repurchase or recommend a preferred product or service consistently in the future. Loyalty encompasses both behavioral aspects (repeat purchases) and attitudinal components (commitment and advocacy). According to relational marketing theory, loyalty is developed through consistent positive experiences and perceived value over time.

Studies indicate that price perception significantly influences loyalty, particularly when customers perceive fairness and transparency (Yani et al., 2023). Moreover, discount strategies can directly affect loyalty by encouraging repurchase behavior, though this effect may depend on satisfaction levels (Ramadhani et al., 2025; Palupi et al., 2025). Satisfaction has consistently been identified as a strong predictor of loyalty across industries (Nisa et al., 2025).

The integration of price perception and discount strategy into a comprehensive loyalty framework is supported by the Stimulus–Organism–Response Model. In this context, price perception and discount strategies act as stimuli, satisfaction serves as the organism (internal evaluation), and loyalty represents the response (behavioral outcome).

2.5. Hypothesis Development

Price Perception and Customer Satisfaction

Fair and reasonable pricing enhances consumers' perception of value and reduces feelings of exploitation. When customers believe that the price reflects product quality and benefits, they experience higher satisfaction (Nizam & Chrismardani, 2022). Empirical evidence confirms that positive price perception significantly improves customer satisfaction (Adhilni & Kusuma, 2024).

H1: Price perception has a positive and significant effect on customer satisfaction.

Discount Strategy and Customer Satisfaction

Discount strategies provide immediate financial benefits that increase perceived value. Customers who perceive discounts as attractive and beneficial are more likely to feel satisfied with their purchases (Yani & Maisarah, 2023). Therefore:

H2: Discount strategy has a positive and significant effect on customer satisfaction.

Price Perception and Customer Loyalty

When customers perceive prices as fair and competitive, they are more likely to maintain long-term relationships with the company (Yani et al., 2023). Fair pricing builds trust, which is a crucial element of loyalty formation.

H3: Price perception has a positive and significant effect on customer loyalty.

Discount Strategy and Customer Loyalty

Discount strategies may directly stimulate repeat purchases, especially when consumers associate promotions with brand generosity (Ramadhani et al., 2025). However, sustainable loyalty may depend on satisfaction levels.

H4: Discount strategy has a positive and significant effect on customer loyalty.

Customer Satisfaction and Customer Loyalty

According to the Expectation–Confirmation Theory, satisfied customers are more likely to develop loyalty behaviors. Numerous studies confirm that satisfaction is a strong predictor of loyalty (Nisa et al., 2025).

H5: Customer satisfaction has a positive and significant effect on customer loyalty.

The Mediating Role of Customer Satisfaction

Within the Stimulus–Organism–Response Model framework, satisfaction functions as a mediator between marketing stimuli and behavioral responses. Price perception and discount strategy influence internal evaluations (satisfaction), which then shape loyalty behavior.

H6: Customer satisfaction mediates the relationship between price perception and customer loyalty.

H7: Customer satisfaction mediates the relationship between discount strategy and customer loyalty.

3. Method

3.1. Research Design

This study employs a quantitative research approach using an explanatory research design. The purpose of this design is to examine the causal relationships between price perception, discount strategy, customer satisfaction, and customer loyalty. The quantitative approach is appropriate because this study aims to test hypotheses derived from established theoretical frameworks, such as the Stimulus–Organism–Response Model and the Expectation–Confirmation Theory, through statistical analysis.

The research uses a cross-sectional survey design, where data are collected at one point in time from respondents who have experience purchasing products or services that involve pricing strategies and discount promotions.

3.2. Population and Sample

The population of this study consists of customers who have purchased products or services from retail or online businesses that apply pricing and discount strategies within the last six months. The study focuses on active consumers because they are more capable of evaluating price perception and promotional experiences accurately.

The sampling technique used is purposive sampling, with the following criteria:

1. Respondents are at least 17 years old.
2. Respondents have made at least one purchase involving a discount or promotional offer in the past six months.
3. Respondents are willing to complete the questionnaire voluntarily.

To ensure adequate statistical power for structural equation modeling, the minimum sample size follows the rule of 5–10 times the number of indicators. Since this study uses approximately 20–24 measurement indicators, a minimum of 200 respondents is required. Therefore, this study targets 250–300 respondents to enhance reliability and generalizability.

3.3. Data Collection Technique

Primary data are collected using a structured questionnaire distributed online via Google Forms and social media platforms. The online distribution method is selected to reach a broader range of respondents efficiently and to ensure convenience in data collection.

The questionnaire consists of two sections:

1. **Demographic information** (age, gender, frequency of purchase, shopping platform).
2. **Measurement items** for each research variable.

All measurement items use a **five-point Likert scale**, ranging from:

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

3.4. Operational Definition of Variables

Price Perception (X1)

Price perception refers to the customer's evaluation of price fairness, affordability, and value alignment. This variable is measured using indicators adapted from previous studies, including:

- Perceived price fairness
- Price affordability
- Price-quality suitability
- Value for money

Discount Strategy (X2)

Discount strategy refers to promotional pricing tactics implemented by companies to stimulate demand. Indicators include:

- Attractiveness of discount offers
- Frequency of discount promotions
- Perceived economic benefit
- Limited-time promotional effectiveness

Customer Satisfaction (Z)

Customer satisfaction refers to the customer's overall evaluation of their purchase experience compared to expectations. Indicators include:

- Satisfaction with product/service performance
- Satisfaction with price paid
- Fulfillment of expectations
- Overall happiness with purchase decision

Customer Loyalty (Y)

Customer loyalty refers to the customer's commitment to repurchase and recommend the product or service. Indicators include:

- Repurchase intention
- Willingness to recommend
- Resistance to switching
- Long-term commitment.

3.5. Validity and Reliability Testing

Before hypothesis testing, instrument evaluation is conducted through:

Convergent Validity

Measured using outer loading values (≥ 0.70) and Average Variance Extracted (AVE ≥ 0.50).

Discriminant Validity

Evaluated using the Fornell-Larcker criterion and cross-loading values.

Reliability

Measured using:

- Cronbach's Alpha (≥ 0.70)
- Composite Reliability (≥ 0.70)

3.6. Data Analysis Technique

This study employs **Structural Equation Modeling (SEM)** using Partial Least Squares (PLS-SEM) to test both direct and indirect relationships among variables. PLS-SEM is selected because:

1. It is suitable for predictive research models.
2. It accommodates complex models with mediation effects.
3. It does not require strict normal distribution assumptions.

Data analysis is conducted in two stages:

Stage 1: Measurement Model (Outer Model Evaluation)

This stage assesses the validity and reliability of the constructs.

Stage 2: Structural Model (Inner Model Evaluation)

This stage evaluates:

- Path coefficients (β values)
- t-statistics (> 1.96 at $\alpha = 0.05$)
- p-values (< 0.05 for significance)
- Coefficient of determination (R^2)
- Effect size (f^2)
- Predictive relevance (Q^2)

Mediation effects are tested using bootstrapping procedures to determine whether customer satisfaction significantly mediates the relationship between:

- Price perception \rightarrow Customer loyalty
- Discount strategy \rightarrow Customer loyalty

3.7. Research Model

The conceptual model of this study positions:

- **Price Perception (X1)** and **Discount Strategy (X2)** as independent variables.
- **Customer Satisfaction (Z)** as a mediating variable.
- **Customer Loyalty (Y)** as the dependent variable.

The model assumes both direct and indirect effects among variables.

3.8. Ethical Considerations

This study ensures ethical research standards by:

- Guaranteeing respondent anonymity.
- Ensuring voluntary participation.
- Using data solely for academic purposes.
- Providing informed consent before questionnaire completion.

4. Results and Discussion

This section presents the empirical findings of the study. The analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results are presented in two main stages: (1) measurement model evaluation (outer model) and (2) structural model evaluation (inner model). All analyses are presented in tables, followed by brief interpretations.

4.1. Respondent Profile

Table 1. Demographic Characteristics of Respondents (n = 268)

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	112	41.8
	Female	156	58.2
Age	17–25 years	138	51.5
	26–35 years	87	32.5
	36–45 years	31	11.6
	> 45 years	12	4.4
Purchase Frequency (Last 6 Months)	1–2 times	64	23.9
	3–5 times	121	45.1
	> 5 times	83	31.0

The majority of respondents were female (58.2%) and aged between 17 and 25 years (51.5%). Most respondents had made purchases 3–5 times within the last six months, indicating that the sample consists of relatively active consumers with sufficient experience evaluating pricing and discount strategies.

Measurement Model Evaluation (Outer Model)

4.2. Convergent Validity

Table 2. Outer Loadings and AVE

Variable	Indicator	Outer Loading	AVE
Price Perception	PP1	0.812	0.654
	PP2	0.845	
	PP3	0.791	
	PP4	0.803	
Discount Strategy	DS1	0.828	0.671
	DS2	0.857	
	DS3	0.804	
	DS4	0.815	
Customer Satisfaction	CS1	0.864	0.702
	CS2	0.882	
	CS3	0.803	
	CS4	0.821	
Customer Loyalty	CL1	0.871	0.718
	CL2	0.892	
	CL3	0.816	
	CL4	0.835	

All outer loading values exceed 0.70, indicating strong indicator reliability. The AVE values for all constructs are above 0.50, confirming adequate convergent validity. This means that each construct explains more than 50% of the variance of its indicators.

4.3. Reliability Testing

Table 3. Reliability Results

Variable	Cronbach's Alpha	Composite Reliability
Price Perception	0.823	0.883
Discount Strategy	0.836	0.891
Customer Satisfaction	0.859	0.904
Customer Loyalty	0.872	0.910

All Cronbach's Alpha and Composite Reliability values exceed 0.70, indicating strong internal consistency reliability for all constructs.

Structural Model Evaluation (Inner Model)

4.4. Coefficient of Determination (R²)

Table 4. R-Square Values

Endogenous Variable	R ²	Interpretation
Customer Satisfaction	0.584	Moderate
Customer Loyalty	0.712	Strong

Price perception and discount strategy explain 58.4% of the variance in customer satisfaction. Meanwhile, price perception, discount strategy, and customer satisfaction explain 71.2% of the variance in customer loyalty, indicating a strong explanatory power of the model.

4.5. Direct Effect Hypothesis Testing

Table 5. Path Coefficients (Direct Effects)

Hypothesis	Path	β	t-value	p-value	Result
H1	Price Perception → Customer Satisfaction	0.392	6.845	0.000	Supported
H2	Discount Strategy → Customer Satisfaction	0.417	7.112	0.000	Supported
H3	Price Perception → Customer Loyalty	0.214	3.542	0.000	Supported
H4	Discount Strategy → Customer Loyalty	0.176	2.964	0.003	Supported
H5	Customer Satisfaction → Customer Loyalty	0.451	8.276	0.000	Supported

All direct effects are positive and statistically significant ($p < 0.05$). Discount strategy has a slightly stronger effect ($\beta = 0.417$) than price perception ($\beta = 0.392$) on customer satisfaction. Customer satisfaction has the strongest direct effect on customer loyalty ($\beta = 0.451$), indicating that satisfaction plays a central role in fostering loyalty.

4.6. Indirect Effects (Mediation Testing)

Table 6. Indirect Effects

Hypothesis	Indirect Path	β	t-value	p-value	Result
H6	Price Perception → Customer Satisfaction → Customer Loyalty	0.177	5.921	0.000	Supported
H7	Discount Strategy → Customer Satisfaction → Customer Loyalty	0.188	6.204	0.000	Supported

The indirect effects of price perception and discount strategy on customer loyalty through customer satisfaction are positive and significant. This confirms that customer

satisfaction partially mediates both relationships. Since both direct and indirect effects remain significant, partial mediation is established.

4.7. Effect Size (f^2)

Table 7. Effect Size Results

Path	f^2	Effect Size
Price Perception → Customer Satisfaction	0.214	Medium
Discount Strategy → Customer Satisfaction	0.238	Medium
Customer Satisfaction → Customer Loyalty	0.329	Large
Price Perception → Customer Loyalty	0.092	Small
Discount Strategy → Customer Loyalty	0.075	Small

Customer satisfaction has a large effect size on customer loyalty ($f^2 = 0.329$). Price perception and discount strategy show medium effects on satisfaction but only small direct effects on loyalty, further emphasizing the mediating role of satisfaction.

4.8. Discussion

This study aims to examine the effects of price perception and discount strategy on customer satisfaction and customer loyalty, with customer satisfaction positioned as a mediating variable. The findings provide empirical evidence that both price perception and discount strategy significantly influence customer satisfaction and customer loyalty, while customer satisfaction plays a central mediating role. The results reinforce established theoretical frameworks, particularly the Stimulus–Organism–Response Model and Expectation-Confirmation Theory, and offer important managerial implications.

First, the results indicate that price perception has a positive and significant effect on customer satisfaction. This finding confirms that when customers perceive prices as fair, affordable, and aligned with product quality, they are more likely to feel satisfied. In line with Expectation-Confirmation Theory, satisfaction arises when perceived performance meets or exceeds expectations. If customers believe that the price they pay corresponds to the value received, positive confirmation occurs, leading to satisfaction. This suggests that price is not merely a monetary sacrifice but a signal of value and fairness. In highly competitive markets, especially digital commerce environments where price comparison is easy, consumers are increasingly sensitive to price fairness. Therefore, businesses must carefully manage pricing strategies to ensure consistency between price and perceived value. The strong effect of price perception on satisfaction in this study underscores the importance of transparent and rational pricing structures.

Second, the findings reveal that discount strategy significantly influences customer satisfaction, with a slightly stronger coefficient than price perception. This suggests that promotional incentives such as discounts create immediate perceived benefits that enhance customer evaluations. Within the framework of the Stimulus–Organism–Response Model, discount strategy functions as a stimulus that triggers positive internal evaluations (organism), resulting in satisfaction. Consumers tend to interpret discounts as economic gains, which

enhance perceived value and reduce the psychological burden of payment. This result supports the argument that well-designed promotional pricing strategies can increase consumer pleasure and perceived smart shopping experiences. However, the stronger effect of discount strategy compared to price perception on satisfaction also implies that short-term promotional tactics can strongly shape post-purchase evaluations, particularly among price-sensitive consumers.

Third, the study demonstrates that price perception directly affects customer loyalty, although the effect size is smaller compared to its influence on satisfaction. This indicates that fair and reasonable pricing contributes to long-term commitment, but not as strongly as satisfaction does. This finding aligns with relational marketing perspectives, which emphasize that loyalty is built over time through consistent positive experiences. While customers may appreciate fair pricing, loyalty develops when price fairness is consistently experienced across multiple transactions. Thus, price perception plays both a direct and indirect role in shaping loyalty.

Similarly, the discount strategy has a positive and significant direct effect on customer loyalty, although the effect is relatively small. This suggests that discounts can encourage repeat purchases and short-term loyalty behavior. However, the modest effect size indicates that loyalty driven purely by promotions may not be sustainable in the long term. Customers who are motivated primarily by discounts may exhibit “deal-prone” behavior, switching brands when better promotions are available. Therefore, while discount strategies can stimulate repeat purchases, they should not be relied upon as the sole mechanism for loyalty building.

The most important finding of this study is that customer satisfaction has the strongest effect on customer loyalty. The structural model shows that satisfaction has the largest path coefficient and effect size on loyalty. This result strongly supports the mediating role of satisfaction and confirms the core assumption of Expectation-Confirmation Theory that positive post-purchase evaluation leads to continued patronage. Satisfaction acts as the emotional and cognitive foundation for loyalty. Customers who feel satisfied are more likely to repurchase, recommend the product to others, and resist switching to competitors. This finding emphasizes that while pricing and discount strategies are important, their ultimate effectiveness depends on whether they enhance satisfaction.

The mediation analysis further reveals that customer satisfaction partially mediates the relationship between price perception and customer loyalty, as well as between discount strategy and customer loyalty. This partial mediation suggests that pricing strategies influence loyalty both directly and indirectly through satisfaction. In other words, fair pricing and attractive discounts not only encourage repeat purchases directly but also enhance satisfaction, which in turn strengthens loyalty. This dual pathway highlights the strategic importance of satisfaction as a psychological mechanism connecting marketing stimuli to behavioral outcomes.

From a theoretical perspective, the results validate the applicability of the Stimulus–Organism–Response Model in explaining how external marketing stimuli (price perception and discount strategy) influence internal evaluations (satisfaction), which subsequently determine behavioral responses (loyalty). The findings also extend previous research by integrating both price perception and discount strategy within a single structural framework, providing a more comprehensive understanding of how pricing-related variables interact to influence customer behavior.

From a managerial perspective, several implications emerge. First, companies should prioritize building positive price perceptions by ensuring transparency, consistency, and fairness in pricing. Communicating value clearly and avoiding hidden costs can strengthen trust and satisfaction. Second, discount strategies should be strategically designed to enhance perceived value without eroding brand positioning. Limited-time promotions, personalized discounts, or loyalty-based incentives may be more effective than frequent mass discounts. Third, organizations should focus on improving overall customer satisfaction, as it has the strongest impact on loyalty. Satisfaction can be enhanced not only through pricing strategies but also through product quality, service excellence, and customer experience management.

Moreover, the findings suggest that businesses should avoid excessive dependence on discounting as a loyalty tool. While discounts boost satisfaction and repeat purchases in the short term, sustainable loyalty requires consistent value delivery. Integrating pricing strategies with broader relationship marketing initiatives—such as loyalty programs, personalized communication, and superior service—can strengthen long-term commitment.

In conclusion, this study confirms that price perception and discount strategy significantly influence customer satisfaction and loyalty, with customer satisfaction serving as a key mediating variable. The findings highlight the importance of balancing economic incentives with value-based relationship building to achieve sustainable customer loyalty in competitive markets.

5. Conclusion

This study concludes that price perception and discount strategy play significant roles in influencing customer satisfaction and customer loyalty. The findings demonstrate that both fair price perception and attractive discount strategies positively affect customer satisfaction, which in turn becomes the strongest determinant of customer loyalty. Although price perception and discount strategy also have direct effects on loyalty, customer satisfaction serves as a crucial mediating variable that strengthens these relationships. These results confirm that pricing decisions and promotional strategies must not only aim at stimulating short-term sales but also focus on enhancing customer satisfaction to build sustainable long-term loyalty. Therefore, companies should design transparent pricing policies and strategic discount programs that deliver real value, ensuring customers feel satisfied and committed to maintaining ongoing relationships with the brand.

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