

**Smart Strategy or Slippery Slope? Analyzing the Long-Term Effects of Sales Promotions on Brand Perception and Consumer Loyalty in the Fashion Industry****Sana Hamid<sup>1</sup>**<sup>1</sup>MSc. Mass Communication at University of Lahore Email: [Sanahamid561@gmail.com](mailto:Sanahamid561@gmail.com)**DOI:** <https://doi.org/10.70670/sra.v3i3.852>**Abstract**

In the highly modest and trend-driven fashion industry, sales elevations have become a common approach used by brands to attract consumers, clear seasonal inventory, and boost short-term revenue. However, the long-term implications of frequent discounting strategies remain a subject of debate. This study explores whether promotional sales represent a smart strategy for growth or a slippery slope that erodes brand perception and consumer loyalty over time. Through a mixed-methods approach combining consumer surveys, brand case studies (e.g., Zara, H & M, Gucci), and analysis of historical sales data, The research investigates how repeated discounting affects consumer expectations, trust, and perceived brand value. Findings indicate that while sales can drive immediate engagement and trial purchases, excessive reliance on discounts may lead to brand reduction, reduced pricing power, and diminished customer loyalty, particularly among premium and luxury labels. The study concludes with strategic commendations for fashion brands to balance short-term sales goals with long-term brand equity, offering insights valuable to marketers, brand managers, and retail strategists navigating the evolving dynamics of fashion retail.

**Key Words:** slippery slope, Sales Promotions, e-commerce, Sales Promotions, Brand Perception, Consumer Loyalty, Fashion Industry, Pakistani Market, Overproduction

**1. Introduction**

The fashion industry in Pakistan has observed notable growth over the past decade, driven by increasing development, rising disposable incomes, and the widespread implementation of digital market. As local brands compete for market share in a dynamic and saturated environment, sales promotions have become one of the most commonly deployed tools to attract consumer attention and drive short-term revenue. From seasonal sales to discounts and constancy coupons, promotional tactics are omnipresent across both fast fashion and premium segments. While promotions can deliver immediate benefits such as clearing inventory, boosting foot traffic, and stimulating impulsive buying, they also carry significant long-term risks. Frequent discounting may condition consumers to expect lower prices, reducing their willingness to purchase at full price. More importantly, it can erode a brand's perceived value and diminish consumer trust, particularly in the fashion sector where image, identity, and emotional resonance are key pillars of brand equity. For premium and aspirational brands, this tension between growth and exclusivity

becomes especially pronounced. In the context of Pakistan, the publicity site presents unique challenges and opportunities. The market is characterized by intense price sensitivity, increasing consumer awareness, and rapid shifts in fashion trends. Many brands resort to aggressive discounting to maintain relevance, especially during peak seasons like Eid, Independence Day, or year-end sales. Though, there is a growing concern among marketers and brand managers about the unintended consequences of such practices. These include brand fatigue, weakened loyalty, unpredictable customer engagement, and a mismatch between brand positioning and promotional frequency. Besides, the fashion industry globally—and in Pakistan—is facing pressure to adopt more sustainable business practices. Overproduction and overconsumption fueled by relentless discount cycles contribute to waste and undermine circular fashion goals. As such, a re-evaluation of promotional strategies becomes critical not only from a brand performance perspective but also from an ethical and environmental viewpoint. This research aims to explore whether sales promotions in the Pakistani fashion industry function as a smart short-term strategy or lead to a long-term slippery slope that damages brand perception and loyalty. Using a qualitative approach involving interviews with industry professionals and consumers, this study seeks to uncover insights across multiple dimensions—ranging from inventory management, customer acquisition, and digital supply chain dynamics to prestige branding and sustainability concerns. The findings will help fashion brands in Pakistan strike a balance between promotional effectiveness and long-term brand health in a rapidly evolving market landscape.

## Literature Review

Sales promotions have long been a staple of retail marketing, often associated with short-term gains such as increased base traffic, stock clearance, and customer procurement. Though, there is a growing body of literature questioning the sustainability and strategic effectiveness of constant discounting, particularly in fashion.

Chandon et al. (2000) introduced the concept of “*benefit congruency*” highlighting that promotional effectiveness depends on how well the promotion matches consumer motivations. DelVecchio et al. (2006) found that while promotions can enhance immediate brand appeal, they may reduce long-term brand preference if not carefully managed. Similarly, Kotler and Keller (2016) caution that brand equity suffers when consumers begin associating a brand primarily with price deals.

Ailawadi et al. (2009) argue that promotional strategies should align with broader communication goals, rather than operating in isolation. They emphasize the need for integrating promotions into long-term branding narratives. Grewal et al. (2017) expand on this by advocating for “value-based retailing,” where promotions are not merely price cuts but serve as a mechanism for value delivery and brand storytelling.

Kapferer (2015) specifically warns luxury and premium brands against commoditization through excessive discounting. In the Pakistani context, Ali (2021) finds that promotions tend to attract deal-seeking behavior rather than brand-loyal behavior, which may not translate into sustainable consumer relationships.

Recent work by Shahid and Farooq (2020) identifies digital transformation as a key enabler of smarter promotions, where AI and data analytics can personalize offers and reduce inefficiencies. Their research in Pakistani retail fashion suggests a growing opportunity to shift from mass discounting to targeted incentives based on consumer behavior data.

Finally, consumer psychology literature (e.g., Sheth et al., 2011) also warns that frequent discounts can trigger a “discount addiction” among customers, altering their perception of regular pricing and brand value.

Taken together, these insights suggest that while promotions can be powerful, their effectiveness hinges on timing, frequency, communication, and strategic alignment with brand identity and customer expectations.

### **3. Methodology**

#### **Research Design**

This study adopts a qualitative exploratory design to investigate the long-term effects of sales promotions on brand perception and consumer loyalty in the Pakistani fashion industry. The qualitative approach is suitable due to the interpretive nature of the research questions, which aim to understand not just what is happening, but why and how it is experienced by stakeholders. The study is grounded in an inductive philosophy, allowing themes to emerge organically from the data.

#### **Data Collection**

##### **Participants**

The sample includes two key stakeholder groups:

Fashion industry professionals (n = 8): Brand managers, marketing heads, and retail directors from Pakistani fashion brands (both fast fashion and premium segments).

Fashion consumers (n = 12): Regular shoppers aged 20–45 from urban centers such as Lahore, Karachi, and Islamabad, recruited through purposive and snowball sampling.

#### **Sampling Method**

Purposive sampling was used to ensure participants had direct experience with promotional activities—either as decision-makers or as consumers. This was complemented by snowball sampling to access additional relevant participants through referrals.

#### **Data Collection Method**

Data were collected through semi-structured interviews, each lasting between 30–45 minutes. Interviews were conducted in person or via Zoom, depending on participant availability and preference.

#### **More Than a Price Tag**

There was a time when a sale felt special—an end-of-season indulgence, a clearance of winter coats in the first blush of spring. But today, fashion sales are everywhere: midnight flash sales, influencer-only codes, semi-annual blowouts, and “just because” markdowns on Tuesday mornings.

#### **Why?**

The simplistic answer is inventory clearance — the brands have to make way for new inventories. However, in the era of the digital revolution, international online retailing and data-driven customization have made sales a subtle yet powerful business tool. There is nothing wrong with

it, and the approach it is grounded in may be regarded as multi-pronged, as it leads the fashion brand to follow a path that traverses the complex landscape of consumer demand, competition, digital transformation, and environmental responsibility. And yet, the question lingers: do sales empower brands—or dilute them? This article will address eight major reasons fashion brands have sales and conclude that they can secure either their success or self-destruction through how well they are playing the pricing game.

## **1.2 Clearing Inventory in a World of Overproduction**

**Clearing Inventory in a World of Overproduction.** In a hyper-accelerated fashion cycle, overproduction is no longer an anomaly in the system; overproduction is simply the system. In 2023 alone, the fashion industry produced 2-5 billion excess products, which equates to an outrageous amount of \$70-140 billion in unsold stock. These are not simply unsold garments; they are potential liabilities consuming margins and warehouse space. To survive, brands must resort to high-low price mechanisms: introduce new collections at full price, sell them during a limited period, and then radically discount them to clear stock. This is not a desperate tactic. The dependence on fast inventory turnover has been integrated into business processes by fast fashion juggernauts such as Zara and H&M through Industrializing this cycle. Markdowns are no errors; they are deliberate. The initial days are used to cover fixed costs by selling at full price; losses are expected on the items offered at a discount and are absorbed. What appears to be a sale often serves as a pressure release valve, a means to keep the machinery running. The dangers are there. Heavy dependence on markdowns is an indication of poor demand forecasting abilities and a depreciative effect on the value of full-price sales. In a retail environment with short attention spans and ever-changing product drops, the sale is no longer a method but a pillar. Nevertheless, on the fragile border between strategic discounting and brand erosion, the industry becomes increasingly saturated, and consumers demand more. In the age of excess, the only solution might be less of the same and more of the smarter.

## **Driving Volume & Short-Term Revenue Hits**

Sales are becoming increasingly necessary to fashion and are no longer merely emotional methods in an economy where users are tightening their wallets and focusing on what they can do without them. These kinds of short-term campaigns act as adrenaline shots, bringing rapid traffic, conversions, and necessary liquidity to brands with close to zero margins. Consider, for example, the Pakistani fast fashion brand Outfitters, which offers regular "flat 30% off" promotions at both its physical and online retail stores. Acting as price reductions help sell many products at a lower profit margin but with an inflated transaction volume. Retail analysts and local e-commerce trackers indicate that during its 2023 mid-season sale, Outfitters experienced a significant increase in site visits and conversions, with numerous buyers shopping at the sale to purchase not only sale items but also full-price products. The approach, similar to that of global competitors, is to lure customers with promotions and then cross-sell them through effective merchandising.

The broader data tells a similar story. Flash sales have been shown to generate revenue surges of over 30% within just 48 hours. In Pakistan's growing e-commerce market—where digital payments rose 31% year-over-year in FY2023—brands are leveraging promotional events to ride the wave of impulse buying and social sharing. Social commerce, fueled by influencer-driven discount codes and limited-time offers, contributed to a global \$571 billion in revenue in 2023 alone. These promotions are far from random acts of generosity; they are liquidity machines. For brands facing rising input costs, erratic consumer sentiment, and increasing competition, a well-

executed 24-hour sale can outperform even the most polished advertising campaign. In an attention economy defined by speed and scarcity, sales have become not just a tactic—but a lifeline.

### **Customer Acquisition in a Crowded Market**

In the saturated world of modern fashion, brands are no longer just competing with each other—they're fighting for attention in a digital arena dominated by influencers, resale apps, Instagram boutiques, and TikTok-driven microtrends. It is no longer a contest of shelf space but rather a contest of screen space. Almost 72% of consumers use influencers to find fashion, and among fast fashion customers, using at least one influencer is now the norm rather than the exception. Not only are these content creators considered tastemakers, but also conversion engines. To facilitate quick sales, many partners collaborate with brands on time-limited flash sales, and most usually provide exclusive codes, which quietly creates a potent pipeline of powerful first-party data. Each return code reveals customer behavior, preferences, and actions: information that belongs to the brands and can be acted upon. In the meantime, Instagram's original stores and social commerce platforms, such as LTK (LikeToKnowIt), are offering conversion rates topping 20%, well beyond the typical results of conventional e-commerce. Such a movement symbolizes a more significant fact: influencer marketing is no longer a gimmick anymore. They are now complete acquisition strategies, which include partially billboards and printed invitations, as well as partially handwritten greetings. At a time when brands are eager to own their relationship with customers, given the increased cost of advertising and algorithm adjustments, offering an influencer a discount is no longer a minor consideration. It is a first-line strategy during the struggle to keep visible, popular and profitable.

### **Harvesting Data & Building Loyalty**

Sales do more than move product—they move information.

Sales do more than move product—they move information. Promotions tied to email sign-ups, loyalty apps, or SMS alerts convert impulsive buyers into data-rich profiles. More than 70% of consumers prefer personalized shopping experiences, and roughly 40% of fashion brands now require data opt-ins to access early sale events. This isn't generosity—it's precision marketing. Brands use these insights to retarget, upsell, and build lifetime value. In fact, influencer-linked marketing in fashion yields an ROI of 11× on average. Today's sales are Trojan horses. They appear generous but function as the cheapest customer acquisition tool available. Consumers trade inbox space for perceived value, and brands get the holy grail: intent data.

### **Competitive Positioning Without Losing Prestige**

Fashion is perception. And pricing sends signals.

In fashion, perception is currency, and pricing is the signal. Luxury labels—both internationally and in Pakistan—understand this implicitly. Brands like Louis Vuitton or Chanel famously eschew markdowns, as discounts would signal desperation and erode the coveted aura of exclusivity. The same reasoning can be applied to high-end couturiers in Pakistan, as it is the exclusivity that maintains their high standing rather than the price tags. According to The Express Tribune, historical local couture firms employ a "quiet luxury" sensibility, selling unobtrusively excellent merchandise without explicitly offering a bargain and thereby supporting their exclusive status.

At the other extreme are mass-market powerhouses such as Zara and Uniqlo, which design their promotions based on regular product life cycles. They are not somersaulting on prices; people plan.

Their discount events are timed apart, and the brands maintain this approach without altering the consumer's index of expected full-price value. This rhythmic pricing strategy helped Zara become a global success story, as timely price cuts replaced the runway shows, which were once the calculated, attention-getting, and brand equity-retaining events.

The Pakistani retailers imitate this model. For example, the new generation of fast fashion brands, such as Lulusar, employs an on-demand strategy; they release small collections with minimal buffer stocks and measure the initial reaction. When there is a surge in demand, the stocks are restocked; when no surge occurs, the stocks are not overstocked, and brand exclusivity is not compromised, as their stocks are not intended to be cheap. (researchgate.net).

The balancing act is delicate. Slide into too many markdowns, and a brand becomes synonymous with bargain bins; offer too few, and it risks fading into irrelevance. The most savvy brands choreograph their pricing strategies like a fashion show—rare enough to dazzle, consistent enough to earn, and always calibrated to maintain brand prestige.

### **Leveraging Digital & Agile Supply Chains**

Technology has fundamentally transformed the markdown strategy within the fashion industry, turning guesswork into precision. Global brands such as Zara, Boohoo, and ASOS have debuted real-time, AI-powered systems that monitor demand, forecast trends, and enable dynamic pricing—compressing design-to-shelf timelines to as little as two to four weeks. Vogue Business reports that AI-driven tweaks to supply chains have led to sales increases of up to 265% in some categories, along with substantial reductions in discounting (voguebusiness.com).

This revolution is far from abstract—it's playing out vividly in Pakistan. Khaadi has begun integrating AI-driven analytics to personalize customer engagement and optimize stock allocation across its 63 domestic outlets (cash-platform.com). Similarly, Nishat Linen and other textile giants leverage ERP systems enhanced with AI demand forecasting, reducing waste and tightening inventory cycles by roughly 30% (cash-platform.com). As an example, on the manufacturing front, companies such as Masood Textile Mills have already tested AI-enabled production systems that streamline cutting patterns and enhance quality controls— and Metro markets are an example of such efficiency improvements (cash-platform.com).

The trend has made an imminent impression on the policy of discounts. Brands are no longer able to discount in a single swipe; instead, they can discount selectively (under-stock) and make fewer markdowns, thanks to the ability to discount with surgical precision and respond to changing trends. In Pakistan's fast-paced fashion landscape, this digital dexterity is not just tech-forward marketing; it is a survival tool. Selling is no longer a blunt weapon - it is a sharp, well-oiled machine run by data and executed within near real-time. The future of the fashion business in Pakistan will be more akin to a high-frequency algorithm than a traditional boutique.

### **Sustainability, Returns & Circular Fashion**

Consumers now demand more than discounts—they want values.

Consumers today expect more than discounts—they demand values. Around 66–72% of shoppers globally now seek sustainable sourcing, transparent supply chains, and eco-conscious production, and Pakistani brands are starting to respond. In Pakistan, **Generation** has pioneered upcycling with its "Re-generate" initiative, using post-industrial waste to create limited-edition patchwork sarees, bags, and scrunchies—a move towards zero-waste and mindful consumption

([fashiontakesaction.com](http://fashiontakesaction.com)). Meanwhile, **Sapphire Textile Mills** has launched its “*Little by Little*” sustainability campaign, replacing plastic bags with reusable cotton seed-infused totes and rolling out a ready-to-wear line made entirely from recycled materials, underlining a commitment to ethical production and waste reduction ([sapphire-online.com](http://sapphire-online.com)).

Clearance sales play a key role in this eco-friendly paradigm: they channel unsold inventory into rental markets, resale platforms, or donation programs—helping prevent waste and avoid landfill-bound goods. Globally, platforms like The RealReal and ThredUp have shown how excess stock can be repurposed without brand dilution.

Returns are another pressure point: about 25–30% of online clothing is returned, with many items discarded. Cleverly structured sales can curb this by encouraging thoughtful purchases and helping unload items nearing the end of their lifecycle.

Due to the circular fashion trend, Pakistani brands recognise that a considered sale is no longer an excuse to streamline stock - it preserves their environmental commitments. In this changing environment, values, rather than velvet, define luxury.

### **Risks of Over-Discounting: When Sales Backfire**

But let's not romanticize the markdown.

Sales are potent in driving traffic and unloading stock, but they pose a significant risk to the business, especially when overdone. Industry numbers show that over half of promotions do not increase total revenue, and in 20-30% of instances, they effectively destroy the Average Daily Revenue in the long run. The distortion to the long-term cost is worse: customers are trained to wait for discounts, which, of course, undermines full-price selling and the brand's margin strategy. This discount dependency is a lurking danger as it infiltrates high-end and luxurious brands, which rely more on image than on product. One warehouse clearance or flash sale can ruin years of skillfully created status, send the wrong messages to regular customers, and potentially lead to channel violence later with luxury retail sellers. The threat of excessive dependence is equally present in Pakistan's market, where mid-tier brands tend to rely heavily on end-of-season sales to drive customers and foot traffic in general. Local labels face the risk of brand dilution when they regularly discount products rather than doing so strategically. Fashion retailers are struggling to make an impact in a highly competitive market, and the best players understand this fact; the costliest discount is the one that turns into a habit. When your customers are trained to wait, you have already lost the sale before it begins.

### **Final Thoughts: Sales as Strategy, Not Surrender**

The world of fashion is emotional, rapidly moving, and never-changing. To succeed in this fast-paced, ever-changing environment, brands must strike a balance between staying current with the prevailing mood and planning for the next five quarters. Sales is a strong tool used strategically to help manage this tension, provided it is used with precision and strategic intent. Winners in the business consider discounting a strategic move, not a last resort. You need to clear inventory and, perhaps more importantly, when to do it. The revenue must be fueled, yet not achieved at the expense of long-term brand equity. Information gathering must not be accomplished at the expense of customer confidence, and this must be harvested through intelligent promotions. It is essential to be relevant, but once overexposure or cheapness sets in, death is imminent. Core brand values should be at the basis of agility. The leading fashion edge of the next generation will no longer be characterized by how low they can get on price. However, it will be characterized by how smart

they price, how fast they address demand and how well they maintain their identity. At this time of unprecedented consumer engagement in conscious consumption and digital saturation, each markdown is a communication. What matters to each brand is not how much to discount but what their discount implies. discount is more than a deal. It's a message. What is your brand really saying?

## Conclusion

Sales promotions remain a vital but double-edged strategy in Pakistan's fashion sector. While they offer immediate benefits, the overuse of discounts poses risks to long-term brand health, consumer loyalty, and sustainable growth. Brands must evolve from volume-driven tactics to value-driven experiences that foster deeper connections with consumers.

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