

**Major: Marketing**

**S. No. 40**

**IMPACT OF REWARDS AND INCENTIVES ON  
REPEAT PURCHASE BEHAVIOR: AN EMPIRICAL  
LENS OF CONSUMER EXTRAVAGANCE TOWARDS  
CLOTHING IN PAKISTAN**



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## MBA Thesis Approval

This is to satisfy that Saniya Najam registration number 26791 has complete her study entitled **Impact of Rewards and Incentives on Repeat Purchase Behavior: An Empirical Lens of Consumer Extravagance towards clothing in Pakistan** under my supervision. The study is complete in all aspects.

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## **Declaration**

I hereby declare that this thesis submitted for the degree of Masters in Business Administration at Bahria University Islamabad campus, has not been previously submitted for any degree at any other university and all content included in this thesis is purely my own work.

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## **Dedication**

This thesis is dedicated to my parents, supervisor and friends for their efforts and prayers.

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## **Abstract**

Nowadays, with the fast growing technologies and strategies the business environment has become so complex. It has become very difficult for the marketers to make place in the fast growing markets. So in order to survive in the dense competitive environments, companies must compete on one or the other factors; otherwise there is no need for the companies to enter as they longer can stay there. Everyone wants their business to be successful but it's not as easy as it looks. Placing your product in the top of the mind for your customer needs certain techniques and one of the techniques used by marketers in offering the customer rewards and incentives.

This present study has attempted to empirically examine the influence of rewards and incentives on repeat customer purchase and hence leading to consumer extravagance.

The study is based on how actually the customer's perceptions are influenced and how the marketers play with their mind sets. It also explains that how rewards and incentives incite the customers buying behaviors and motivates them to make purchase decisions. The purpose of the study is to explain the relationships between the variables that are rewards, incentives, repeat purchase behavior and consumer extravagance. Rewards and incentives play the role of dependent variables and the other two being the dependent variables.

The study is estimated by the regression model, correlation models to assess the variations and significance among the variables. The method recommended by Baron & Kenny (1986) is used to estimate the results of 245 respondents from the twin cities of Pakistan. It has been found out that rewards and incentives have a positive impact on repeat customer purchases.

As individuals are incited by getting something in return of an action, the rewards or incentives offered on a product or service motivates them to make a purchase decision. This is also been discussed that this repetitive customer behavior leads to consumer



extravagance. People tend to buy more than required or needed when offered by such instruments. The particular study is focused more towards the clothing segment of Pakistan. Females play a more dominant role in this field. But nevertheless, customers as whole are attracted by such offers.

Finally, the existing study has highlighted its part in the present field of inquiry. The conceptual and methodological limitations and the directions for future work are also been mentioned.