

A STUDY ON CONSUMERS' PREFERENCES TOWARDS ONLINE COUPON CODE BASED PROMOTIONAL ACTIVITIES

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Abstract

Coupon has been widely used by marketers as an important promotional tool in the Product categories. In the past few years, consumers increased their use of coupon as a cost-saving measure. Conventional knowledge suggests that coupons have a positive impact on sales prospects of the promoted product. The researcher investigates whether there is a broad consensus among different researchers as to the impact of coupons on purchase preference. Retailers regularly add coupons and discounts into their marketing strategies to boost sales conversion rates and increase customer loyalty. While discounts are certainly attractive to shoppers, digital coupons can also be a successful means of growing a social media following and email marketing list or encouraging mobile website usage. This study proposes a Customer Preference for Coupon code based promotional activities, 92 samples were used as primary data and also using secondary data in this study. In conclusion this study reveals the purchasing and spending pattern of the respondents, respondent's opinion towards coupon code-based promotion activities and analyze the preference behavior of the respondents towards promotional activities of any business. The tools used for the study are Percentage Analysis, Factor Analysis and Weighted Ranking. The result of the study is feasible.

Keywords: *Coupon code, Customer Preference, Promotional activities*

1. INTRODUCTION OF THE STUDY

In modern years, coupon has also been used as an important tool in marketing campaigns, and Promotional campaigns including retailer-customized coupons (for the best customers only and Customized to fit their preferences) have been progressively used to build customer loyalty.

2. PROMOTION

In terms of a career, promotion refers to advancing an employee's rank or position in a hierarchical structure. In marketing, promotion refers to a different sort of advancement. A sales promotion entails the features—via advertising or a discounted price—of a particular product or service. Product promotions can also be classified as "sales" or "specials."(KENTON, 2021)

3. COUPON CODE BASED PROMOTIONAL ACTIVITIES

A coupon code is a sophisticated digital marketing tool helping to drive sales, improve customer loyalty and build the brand. Coupons usage data has become vital information for various AI-based e-commerce algorithms to predict customer behavior. Thus, coupons offer a 360-degree marketing strategy. As part of the project, you can collect data from different companies on how and when they supply coupons, the ROI when it comes to discounted prices, how they use the coupons data etc.(Kumar, 2021)

4. TYPES OF MARKETING COUPONS TO CUSTOMERS

Once you have a solid, forecastle coupon strategy, you need to get the word out from the consumer. Here are some common methods that won't break the company. These are proven tactics and should yield positive results. You can also repeat some of these within the campaign's timeframe without risking attrition.

Email: Include a coupon code in your emails whenever you're doing clearance sales, new product launches, etc. Don't forget system-generated and transactional emails, too. Although they have a specific purpose, as long as that information is delivered first, including an additional incentive is a good test to measure results.

Social media: List a 24-hour-only coupon on your Instagram and Facebook stories! This creates urgency, timeliness, and a recipe for the ultimate in share-ability. Asking a follower to share a good deal increases your exposure, engagement, and brand efforts.

Be resourceful and creative here since there are literally thousands of other offers and sponsored ads in people's feeds. You need to stand out from the crowd to make this a profitable venture. Make sure reliance on your coupon isn't the only key factor.

Advertisements: Anything from Facebook ads to Google Display ads can have a coupon code in the image. This not only incentivizes customers to click but also helps you get insight into which channel they are used. Paid ads are often paired with incentives to offset some costs while increasing volume.

SMS: More stores are opting to send discounts via text message to get customers to check out on their mobile platforms. Permission here is key to acceptance. Offering a coupon to allow SMS messaging is a great way to build your text list.

Be responsible with texting since this is still a new medium for retailers and can easily cross the 'what's acceptable' line when it comes to direct communications.

Affiliate links: Offering affiliate links with discounts attached can be one of the easiest ways to get customers to buy. Affiliate link sharing is as close to word-of-mouth marketing as you'll get.

Utilizing a strong network of affiliates can reduce marketing costs, acquisition costs, and spending on ads.

Influencer coupon codes: Influencers will often have their own coupon codes. This way you can link up with an influence, give them a unique coupon code, and track how that particular influencer's promotion is performed.

Physical events: Attending trade shows, festivals, and local events are excellent brand-building tactics. Offering incentives and show-only specials in the form of a coupon along with real face-to-face marketing exponentially increases your chances of converting new fans and customers. (Ackner, 2022)

5. STATEMENT OF PROBLEM

Many methods of marketing can be employed by businesses to gain a stronger hold of their respective markets. Within the Apparel Industry, with many of the major competitors offering the same or similar products at the same or similar prices, it is necessary for businesses to stand out from each other so that they can maximize profits. Various means of marketing are employed to attract customers and as promotion is both one of the major forms of marketing and in some regards, one of the forms of promotions with the quickest results, it is in the best interest of Apparel stores (as well as business owners in general) to understand effective means of promotion and how promotion affects consumers and consumer behavior.

With the recent and ongoing economic downturn, it is even more imperative that Apparel stores attract consumers and make them purchases. Therefore, it is more important now that Apparel sector can deduce what affect promotional activities have on consumer purchasing behavior and how consumers rank promotions relative to each other. Knowledge of how customers

rank promotions relative to each other and how those promotions affect consumers can be useful in deciding which promotions made need to be altered and which promotions should be used more frequently.

This research study will analyze various forms of promotion and how those promotion methods affect consumers and their behavior with reference to Apparel Industry. Membership rewards, mailings, pricing, and other methods of promotion will be analyzed so that the effects of those promotions on consumers and consumer purchasing behavior can be better understood.

6. OBJECTIVES OF THE STUDY

- To understand the purchasing and spending pattern of the respondents
- To know the respondents' opinion towards coupon code-based promotion activities in Apparel stores
- To analyze the preference behavior of the respondents towards promotional activities in Apparel stores

7. RESEARCH METHODOLOGY

A survey was carried out with 92 samples through Consumers' Preferences on Coupon Code based Promotional Activities. The sample restricted to Tirunelveli city based on the convenient sampling, the collected data has been processed and analyzed. The population of the study are the customers those who use coupon codes. On the basis of the availability of customer and the convenient of the researcher the study has been carried out with 92 respondents in Tirunelveli city. This is divided into three sections, the first section discussed about the purchasing and spending pattern of the respondents by using their profiles like Gender, Age and educational qualification etc., the second section provided the opinions of using coupons on consumers and the third section includes Consumers' Preferences towards Promotional Activities. This study uses the Percentage Analysis, Factor analysis, and Weighted Ranking.

8. ANALYSIS OF THE STUDY

Data collected from 92 respondents of varied demographic profiles are summarized under different categories like Gender, Age, educational qualification, Occupation, Salary and Purchasing amount.

9. UNDERSTAND THE PURCHASING AND SPENDING PATTERN OF THE RESPONDENTS

Table 1
Respondents' Profile

S.No	Determinant	Frequency	Percentage	
1	Gender	Female	61	66.3
		Male	31	33.7
2	Age	18-23	15	16.3
		23-38	41	44.6
		39-62	36	39.1
3	Educational Level	School	20	21.7
		Graduate	40	43.5
		Professionals	32	34.8
4	Occupation	Public	18	19.6
		Private	11	12.0
		Business	17	18.5
		Student	31	33.6
		Unemployed	9	9.8
		Others	6	6.5
5	Monthly Salary (Rs.)	Less than 10,000	25	27.1
		10,001-20,000	18	19.5
		20,001-30,000	18	19.6
		30,001-40,000	11	12.0
		40,001- 50,000	10	10.8
		50,000 – 60,000	7	7.6
		More than 60,000	3	3.3
6	Purchasing amount (Rs.)	Less than 500	18	19.6
		501-1,000	39	42.4
		1001 -5000	26	28.3
		More than 5,000	9	9.7

The study was carried out with a sample of 92 respondents comprising the largest number of respondents 66.3% are Female and the other 33.7% of Male Respondents.

With regards to the Age group of the people 16.3% of respondents are between 18-23, 44.6% of Respondents are between 23-38 and 39.1% of respondents are between 39-62.

Regarding the educational qualification of the respondents 21.7% are at the school level, 43.5% of respondents are in college and 34.8% of respondents are professional.

From the above table found 19.6% of respondents works in public sector, 12% of respondents works in private sector, 18.5% of respondents are doing business, 33.6% of respondents are students, 9.8% of respondents are unemployed and 6.5% of respondents are other categories.

From the above table interpreted, it is found that 27.1% of respondents earn less than Rs.10,000 as monthly salary, 19.5% of respondents earn between Rs.10,001 - Rs.20,000 as monthly salary, 19.6% of respondents earn between Rs.20,001 - Rs. 30,000 as monthly salary, 12% of respondents earn between Rs.30,001 - Rs.40,000 as monthly salary, 10.8% of respondents earn between Rs.40,001 - Rs. 50,000 as monthly salary, 7.6% of respondents earn Rs. 50,000 - Rs. 60,000 and 3.3% of respondents earn between more than Rs.60,000 as monthly salary.

From the above table interpreted about the Purchasing amount of the respondents. 42.4% of respondents spend between Rs.501 - Rs.1000, 28.3% of respondents spend between Rs.1001 - Rs.5000, 19.6% of respondents are purchasing Less than Rs.500 and 9.7% of respondents are purchasing more than Rs. 5,000.

Table 2 discussed about the Frequency of Purchase, 19.6% of respondents purchase Once a Week, 12% of respondents purchase once a fortnight, 18.5% of respondents purchase Once a month, 33.7% of respondents purchase Once a year, 9.7% of respondents purchase regularly when they needed and 6.5% of respondents are other categories.

Table 2
Frequency of Online Purchase

S.NO	Frequency of Purchase	Frequency	Percentage
1	Once a Week	18	19.6
2	Once a Fortnight	11	12.0
3	Once a Month	17	18.5
4	Once a Year	31	33.7
5	Regularly when needed	9	9.7
6	Others	6	6.5
	Total	92	100.0

Table 3
Overall satisfactory level about coupon code

S.No	Overall satisfactory level about coupon code based promotional activities	Frequency	Percentage
1	Highly satisfied	18	19.5
2	Satisfied	39	42.4
3	Neutral	26	28.3
4	Dissatisfied	9	9.8
	Total	92	100.0

Table 3 interpreted the Overall satisfactory level about coupon code based promotional activities. In this, 42.4% of respondents are satisfied, 28.3% of respondents are Neutral, 19.5% of respondents are highly satisfied and 9.8% of respondents are dissatisfied.

10. OPINIONS OF USING COUPONS ON CONSUMERS

From table 4 the researcher can interpret the opinions of using coupons on consumers has seven variables, these are the seven variables calculated based on ranking. "Promotional activities reduce the respondents' expenses" stands first rank, which is followed by promotions help to interest on particular product, product promoters influenced the purchase behaviour, coupon helps to the customers on repeat purchasing process, interest to buy the product to use the coupon, promotional activities through credit card usage and promotional activities help to buy more products.

Table 4
OPINIONS OF USING COUPONS ON CONSUMERS

S.No	Opinions of using coupons on consumers	1	2	3	4	5	6	7	Total	Mean Score	Rank
1	Promotional activities help to buy more products.	546	528	456	850	559	748	357	4044	577.71	7
2	Interest to buy the product to use the coupon.	936	924	912	850	516	374	210	4722	674.57	5
3	Product promoters influenced my purchase behaviour.	1092	660	969	950	473	544	105	4793	684.71	3
4	Promotional activities through credit card usage.	468	660	627	500	860	510	420	4045	577.86	6
5	Coupon helps to the customers on repeat purchasing process.	936	1320	684	700	559	272	273	4744	677.71	4
6	Promotions help to interest on particular product.	1170	726	1311	450	559	476	147	4839	691.29	2
7	Promotional activities reduce my expenses.	2652	1452	285	350	387	136	231	5493	784.71	1

11. CONSUMERS' PREFERENCES TOWARDS PROMOTIONAL ACTIVITIES

Table 5
Kaiser-Meyer-Olkin Measure

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.862
Bartlett's Test of Sphericity	Approx. Chi-Square	896.523
	Df	105
	Sig.	.000

The value of KMO is 0.862 which means the factor analysis for the identified variables is found to be appropriate to the data.

Table 6
Factor Analysis (Factor I)

S.No	Variables	Values	Variance
1	Buy-one-get one-free promotions	.657	30.918
2	Discount Coupons	.600	
3	Price-off promotions	.822	
4	At the counter display promotions	.345	
5	Membership programs	.609	
6	Demonstrations	.794	
7	Cash-back promotions	.311	

Table 7
Factor Analysis (Factor II)

S.No	Variables	Values	Variance
1	Brochures show the discounted products	.568	17.865
2	Sweepstakes	.758	

Table 8
Factor Analysis (Factor III)

S.No	Variables	Values	Variance
1	Free samples	.775	11.825
2	Free trial product with the purchase of another product	.732	
3	Free gifts	.362	

Table 6,7 and 8 explained the consumers' preferences towards promotional activities. It has 15 variables, from the factor analysis 15 variables are rotated into three factors. The first factor is highly influenced by the consumers and where it has seven variables. They are Buy-one-get one-free promotions, discount coupons, price-off promotions, the counter display promotions, membership programs, demonstrations and cash-back promotions. Then the second factor has two variables, they are brochures show the discounted products and sweepstakes. Finally, the third factor are neutrally influenced by the consumers. In the third they are influenced by free samples, free trial product with the purchase of another product and free gifts.

12. DISCUSSION AND CONCLUSION

The result of this study indicates that the consumers mostly prefer buy-one-get one-free promotions, discount coupons, price-off promotions, counter display promotions, membership programs, demonstrations and cash-back promotions. According to the consumers opinion it reveals on using coupons for promotional activities reduces the respondents' expenses. Best of all promotional activities from the study, it is clear that most of the consumer prefer coupon code system.

So, it can be concluded that the very few consumers expect to pay full price for products and services when purchased online/offline but most of the consumers prefer in receiving coupon codes. That makes the customers feel happier as they can purchase branded products/dream products of their wish in their lower price.

Wise consumers can save a good amount of money when using coupons to buy their necessities. Eventually, providing coupons will be the best solution for customers who wish to quality products in a lower price.

SUGGESTIONS OF THE STUDY

Based on the result of the research and conclusion, the researchers suggest the following suggestions can be uphold to support the benefits of coupon code from the customer's perspective:

- Money is mandatory during any festive season, if the retailer gives coupon during this time, it could be useful for the customer to enjoy the festivity and the retailer can receive token of love from the customer.
- First is always the best. If a retailer satisfies his new customer by providing them with welcome coupon and help them to save money on their first purchase, it could make them happy. It will surely make a visitor as a regular customer.
- Making customers happy always built-up one's business. This can be done by sending special coupons on their special days like anniversaries, birthdays and so on. This can make the customers happy as well leads to develop a cordial relation between the retailer and the customer.
- In the online platform most consumer prefer entertainment along with shopping, for such customers the retailer can design interesting games and give coupon. This can help the customers to spend their time in a valuable way.
- In online shopping, customer will surely pay the price of the product but the main hindrance lies in paying the shipping charges. If the retailer gives coupon code in such cases it can help the customers to save some money.

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