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A Study On Consumer's Preference On Coupon Code Based Promotional Activities In E-Commerce Sector With Special Reference To Coimbatore City

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ABSTRACT

This study investigates what drives consumer preferences when it comes to coupon code-based promotions in the e-commerce sector, with a focus on Coimbatore city. As online shopping continues to grow, businesses are increasingly turning to coupon codes to attract and keep customers. The goal of this research is to uncover the factors that influence how consumers interact with these promotions. A survey was conducted with 140 online shoppers to gather insights on their demographic details, shopping habits, and preferences for different types of coupon codes. This study explores the usage and impact of coupon codes on e-commerce shoppers in Coimbatore. Primary data for the research was collected through surveys distributed to online shoppers, while secondary data was gathered from academic journals and research papers. A structured questionnaire was designed to examine key aspects such as coupon usage frequency, preferred discount types, satisfaction with available coupon codes, and their influence on purchasing decisions. The study employed a simple random sampling method, targeting frequent online shoppers familiar with coupon codes, with a minimum sample size of 140 respondents to ensure adequate representation. Data analysis was conducted using percentage analysis, chi-square tests, and graphical representations to derive meaningful insights.

KEYWORDS: Consumer Preferences, Coupon Codes, E-commerce sectors, Promotional Activities, Online Shopping, Customer Satisfaction

INTRODUCTION OF THE STUDY

In today's competitive retail environment, businesses continually seek innovative strategies to attract and retain customers. One effective approach is the use of coupon code-based promotional activities, which offer discounts or incentives to consumers in exchange for using a specific code during their purchase. However, consumer responses to these promotional strategies can vary widely based on several factors, including demographic characteristics, shopping habits,

and perceptions of value. This research aims to explore how residents of Coimbatore perceive and respond to coupon code promotions, identifying key drivers that influence their preferences and behaviours.

By examining the effectiveness and appeal of coupon code-based promotions in Coimbatore, this study will offer valuable insights into consumer behaviour and preferences, enabling businesses to tailor their promotional strategies more effectively to meet local market demands.

STATEMENT OF THE PROBLEM

Despite the growing use of coupon code-based promotions by businesses, consumers face several challenges with these offers. Limited understanding exists regarding the effects of these promotions on consumer preferences and purchasing behaviour. Additionally, restrictive terms and conditions, lack of transparency in discount applications, and the prevalence of scams or fake coupons promising substantial discounts create further issues. Limited-time offers often pressure consumers into quick purchase decisions, and the redemption process for coupon codes can be complex or require multiple steps.

This study aims to investigate the factors influencing consumer engagement with coupon codes, identify the most effective types of promotions, and assess the overall impact of these strategies on purchasing decisions in Coimbatore. By addressing these challenges, this research seeks to provide insights for businesses to optimize their promotional strategies and enhance customer satisfaction in this region.

OBJECTIVE OF THE STUDY

- To know the coupon code preference of consumers.
- To identify the key factors influencing consumer decisions to use coupon codes.
- To know the effectiveness of the coupon codes.
- To measure the satisfaction level of consumers on coupon codes.

REVIEW OF LITERATURE

K. Clarinda, Dr. R. Christina Jeya Nithila (2022): “A study on consumers preferences towards online coupon code based promotional activities”. In modern years, coupon has also been used as an important tool in marketing campaigns, and promotional campaigns including retailer customized coupons have been progressively used to build customer loyalty. 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 had been processed and analysed. The population of the study are the customers those who use coupon codes. Based on the availability of the customer and the convenient of the researcher, the study has been carried out with 92 respondents in Tirunelveli city. This study uses the percentage analysis, Factor analysis and weighted ranking. 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. This study concludes 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.

Dharani D, Ms. R. Akshaya Sudarshana (2023): “A Study on Customer Preference towards Coupon Code Based Promotional Activities”. Coupon marketing is about the use of coupon codes, vouchers and discounts to attract and retain customers, taking advantage of customers interest in Saving money on purchases. In marketing, a coupon is a ticket or document that can be redeemed for a financial discount or rebate when purchasing a Product customarily, coupons are issued by manufacturers of consumer-packaged goods or by retailers, to be used in retail stores as a part of sales Promotions. They are often widely distributed through mail, coupon envelopes, magazines, newspapers, the internet (social media, email newsletter), directly from the retailer, and mobile devices such as cell phones. This study is based on the customer preference towards coupon code based promotional activities with reference to Coimbatore city. Customers are the main respondents in this research. The questionnaire is prepared and issued to the customers to get the responses. Primary data was collected from the users of coupon code of Coimbatore city using a questionnaire in order to obtain relevant information. Secondary data was collected by browsing magazines, newspaper, article and papers related to coupon code. Totally 160 questionnaires were collected from different customers with reference to Coimbatore City

.Weighted Average Score Method and Chi-square Analysis were the main statistical tools used for analysing primary data .So, it can be concluded that very few consumers expect to pay full price for products and services when purchased online/physical but most of the consumers prefer in receiving coupon offers that make the customer feel happier as they can purchase branded products/dream products of their wish in their lower price. Both the customer and the seller happy while making coupon dealings.

Ms. A. Infan Lincy, Mrs. K. Princy Hebshibha (2023) : “A study on customer preferences on coupon code based promotional activities with special reference to Coimbatore city”.A coupon code is a sophisticated digital marketing tool that helps drive sales, improve customer loyalty, and build the brand. Coupon’s usage data has become vital information for various AI-based e-commerce algorithms that predict customer behaviour. 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 coupon data, etc. This research paper examines the customer preferences on coupon code based promotional activities in Coimbatore city. This study used primary data collected from survey respondents in Coimbatore city. The survey Was conducted by interviewing a total of 100 respondents from the local population. The objective of the study is to analyse the customer preferences on coupon code based promotional activities in the city. The survey results Showed that customers are willing to use coupon codes for promotional activities, but they prefer to use them for Discounts on products and services. Furthermore, the survey results also showed that customers are more likely to use coupon codes for online purchases, as opposed to offline purchases. In conclusion, the study found that coupon Codes are an effective way of increasing sales and customer loyalty and thus should be incorporated into Promotional activities.

P. Sherin Gladis, Mr. A. David (2023) : “A study on customer preference towards coupon code based on digital marketing with special reference to Coimbatore City”. The study investigated customer preference towards coupon code facilities provided in Coimbatore city. Coupon type of marketing is for customers to redeem coupon to get discounts on products and services. The descriptive research design serves as the study’s foundation. Both primary and secondary data were used in the study’s analysis. A questionnaire was used to gather primary data, and numerous publications, articles, and the internet were used to gather secondary data. A sample of 120 participants was chosen at random to participate in the study, and they completed a survey form to collect data on their preference towards coupon code. Simple percentage analysis, Likert scale analysis, ranking Correlation were the tools used for analysis of data. The study looked into the customer preferences towards coupon code based on Digital Marketing. Mobile coupons that are, Online coupons have raised and increased value of Digital Marketing. These kind of promotional activities helps to boost Sales as well satisfaction of customers. The customer references end with result of attracting Customers

through Online Coupons. The study discovered that, the coupons are influencing through Price, Offers, brand, Discounts, and Quality. Customers are attracted through coupons and interested to purchase by means of Offers, deals, so it also retains the existing customers and build up brand loyalty.

RESEARCH METHODOLOGY

- **Nature of data:**

Primary Data: Primary data will be collected through surveys distributed to e-commerce users in Coimbatore.

Secondary Data: Secondary was collected from academic journals, research papers

- **Source of Data:**

A questionnaire is designed and issued to the e-commerce users. The questionnaire may cover aspects like coupon usage frequency, preferred discount types, satisfaction with available coupon codes, and impact of these codes on purchasing decisions.

- **Sample Size:**

The sample size could be determined based on the target population of Coimbatore's online shoppers. A minimum of 140 responses were collected to provide adequate representation.

- **Sampling Method:**

Simple random sampling method may be used to select respondents who are frequent online shoppers and familiar with coupon codes.

- **Tools used:**

- i. Percentage analysis
- ii. Chi-square test
- iii. Graphical representation

LIMITATIONS OF THE STUDY

- As the responses are gathered only in Coimbatore city, findings may not apply to other cities or regions.
- As convenience sampling is used, there is a risk that the sample may not represent the broader population accurately and may lead to biased results that do not reflect the true preferences of all consumers in Coimbatore.

ANALYSIS AND INTERPRETATION PERCENTAGE ANALYSIS**Table 1:**

FACTOR	MAJORITY RESPONDENTS	NUMBER OF RESPONDENTS	PERCENTAGE
Gender	Female	92	65.7%
Age	Between 20-40	94	67.1%
Occupation	Student	98	70%
Monthly Income	Less than 15000	78	55.7%
shopping	Occasionally	48	34.3%
Commonly used E-commerce platforms	Amazon	50	35.7%
Type of product	Clothing and accessories	86	61.4%
Getting coupon codes	sometimes	54	38.6%
Motivation to use coupon codes	Saving money	52	37.1%
Effectiveness of coupon codes	Neutral	62	44.3%
Preference of type of coupon	Flat amount discounts	40	28.6%
Overall satisfaction	3.43 rating	112	80%
Recommendations	yes	72	51.4%
Continue using coupon codes	Neutral	56	40%
Satisfaction of e-commerce sectors	Flipkart – highly satisfied	52	37.1%

The table of percentage analysis reveals that most of the respondents are women (65.7%) between the ages of 20 and 40 (67.1%), with students making up 70% of the group. A significant portion (55.7%) of them earn less than ₹15,000 a month, showing that people with smaller budgets are more likely to seek out coupon codes. Shopping is an occasional activity for 34.3% of respondents, Amazon is the top platform for 35.7% of users. When it comes to products, clothing and accessories are the most popular choices, with 61.4% buying them. Coupon codes are received sometimes by 38.6% of respondents, with saving money being the main reason for using them (37.1%). However, 44.3% of respondents feel neutral about the effectiveness of coupon codes, flat discounts (28.6%) are the most preferred type of coupon. The overall satisfaction rating stands at 3.43, with 80% of users feeling satisfied. While 51.4% would recommend using coupon codes, 40% are unsure about continuing their use, indicating that better deals are needed. Flipkart stands out as the most satisfying platform for 37.1% of respondents.

CHI-SQUARE TEST**a. RELATIONSHIP BETWEEN THE VARIABLES GENDER AND FACTORS THAT MOTIVATE CONSUMERS TO USE COUPON CODES:**

H0 – There is a significant relationship between gender and factors that motivate consumers to use coupon codes

H1 – There is no significant relationship between gender and factors that motivate consumers to use coupon codes

Table 2:

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	76.526 ^a	10	<.001
Likelihood Ratio	16.442	10	.088
N of Valid Cases	71		

12 cells (66.7%) have expected count less than 5. The minimum expected count is .01.

- The Pearson Chi-Square statistic of 76.526 with 10 degrees of freedom has a very small p-value (<0.001). This indicates that there is a statistically significant association between the two categorical variables being tested.
- In other words, we reject the null hypothesis (which states there is no relationship between the variables) because the p-value is much smaller than the conventional significance level (0.05).

b. RELATIONSHIP BETWEEN THE VARIABLES AGE AND FACTORS THAT MOTIVATE CONSUMERS TO USE COUPON CODES:

H0 – There is a significant relationship between age and factors that motivate consumers to use coupon codes

H1 – There is no significant relationship between age and factors that motivate consumers to use coupon codes

Table 3:

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	86.830 ^a	15	<.001
Likelihood Ratio	23.923	15	.066
N of Valid Cases	71		

19 cells (79.2%) have expected count less than 5. The minimum expected count is .01.

- The test gives a statistic of 76.526 with 10 degrees of freedom, and the p-value is less than 0.001. This tells us that there's a very strong relationship between the two variables being tested.

c. RELATIONSHIP BETWEEN THE VARIABLES OCCUPATION AND FACTORS THAT MOTIVATE CONSUMERS TO USE COUPON CODES:

H0 – There is a significant relationship between occupation and factors that motivate consumers to use coupon codes

H1 – There is no significant relationship between occupation and factors that motivate consumers to use coupon codes

Table 4:

Value		Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	82.237 ^a	25	<.001
Likelihood Ratio	22.972	25	.579
N of Valid Cases	71		

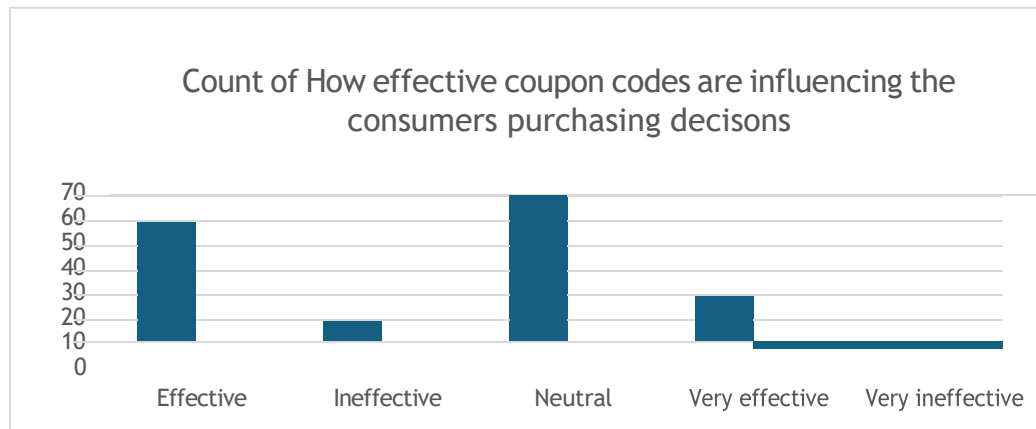
31 cells (86.1%) have expected count less than 5. The minimum expected count is .01.

- The statistic is 82.237 with 25 degrees of freedom, and the p-value is less than 0.001. This means there is a strong and statistically significant relationship between the two variables

TYPE OF COUPON CODE PREFERENCE:

TYPE OF COUPON CODES	NUMBER OF RESPONDENTS WHO PREFER
Percentage discounts	34
Flat amount discounts	40
Buy one get one offers	28
Free shipping	28
others	10
TOTAL	140

The above table shows the preferences of consumers on type of coupon codes, most of the respondents prefer flat amount discounts compared to other types.

EFFECTIVENESS OF COUPON CODES:

More than 60 (44.3%) of respondents find coupon codes neutrally effective in influencing their purchasing decisions.

FINDINGS:**1. Demographics of respondents:**

- Gender: 65.7% of the respondents are female.
- Age: 67.1% fall within the 20-40 age group.
- Occupation: 70% of respondents are students.
- Income: 55.7% have a monthly income of less than ₹15,000.
- Shopping Frequency: 34.3% shop online occasionally.

2. Coupon Code Preferences:

- Many respondents prefer flat amount discounts (28.6%) over other types, such as percentage discounts, buy-one-get-one offers, and free shipping.

3. Motivation for Using Coupon Codes:

- Saving money is the primary motivation (37.1%).
- A notable portion (44.3%) views coupon codes as neutrally effective in influencing their purchasing decisions.

4. Consumer satisfaction:

- 80% of respondents are satisfied overall with the coupon codes.

5. E-Commerce Platforms Preference:

- Amazon is the most used platform (35.7%).

6. Types of Coupon Codes Preferred:

- Flat amount discounts are the most preferred (40 respondents), followed by percentage discounts (34 respondents).
- Buy one get one offers, free shipping are less popular, with 28 respondents for each type.

SUGGESTIONS:

To connect better with consumers, businesses should tailor their coupon codes to meet the needs of their main consumers students and people with lower incomes. Offering flat amount discounts that really make a difference to their budgets will likely appeal the most. It's also important to make the coupon redemption process as simple as possible clear terms and an easy application process can make these offers feel more effective. To keep things exciting, businesses can try using time-limited promotions or exclusive offers for loyal customers to create a sense of urgency that encourages quicker decisions. Even though flat discounts are the most popular, it's also worth experimenting with other types of deals, like Buy One, Get One free or free shipping, especially for specific products. Using demographic information, like age and income, to personalize promotions will make them feel more relevant to each consumer. Since platforms like Amazon are widely used, partnering with popular e-commerce sites for exclusive coupon deals could be a great way to reach even more people and boost engagement.

CONCLUSION:

This study on consumer preferences for coupon code promotions in Coimbatore highlights that consumers are primarily motivated by savings, with flat amount discounts being the most preferred type. While many are satisfied with coupon codes, their effectiveness in influencing purchases remains neutral, indicating room for improvement. The research shows that students and those with lower incomes are the main users of coupon codes, with a preference for simple, clear offers. Businesses should consider offering tailored promotions, experimenting with different types like Buy One Get One Free, and creating time-sensitive deals to drive urgency. Overall, the insights from this study can help businesses refine their strategies to enhance customer satisfaction, loyalty, and sales.

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