A STUDY ON CUSTOMER PREFERENCES ON COUPON CODE BASED PROMOTIONAL ACTIVITIES WITH SPECIAL REFERENCE TO COIMBATORE CITY

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Abstract: 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 analyze 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.

Keywords: coupon code, promotional activities, customer preferences, discount.

I. INTRODUCTION

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 increasingly used to build customer loyalty. 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. Generally, coupon promotions and consumer price promotions are often applied to generate short-term sales increase, to increase customer traffic, to attract new customers and lastly, to encourage repeat purchase of a product or service.

COUPON CODE BASED PROMOTIONAL ACTIVITIES

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 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 coupon data, etc.
TYPES OF MARKETING COUPONS TO CUSTOMERS

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

Example: influencer coupon code, e-mail, social media, SMS, advertisement, etc.

II. STATEMENT OF THE PROBLEM

The purpose of this research is to investigate the customer preference on coupon code based promotional activities. This study aims to identify the factors that influence customer preference when it comes to coupon code based promotional activities, such as the type of coupon code, the ease of redemption, the promotion's overall visibility, and the perceived value of the promotion. Furthermore, this research aims to determine what types of coupons code-based promotions are most successful in attracting and retaining customers. Additionally, this research will analyse the impact of coupon code-based promotions on customer loyalty, purchase behaviour, and overall customer satisfaction.

III. SCOPE OF THE STUDY

The concept of coupon code-based promotional activities for customers has been the basis of data collection for this research study. This study is being done primarily to find out how customers feel about coupon code-based promotional activities. This service offers customers a way to reduce their burden. This study makes it easier to understand customer opinions, awareness, preferences, and issues.

IV. OBJECTIVES OF THE STUDY

- To know the customer's opinion about coupon code-based promotional activities.
- To find the satisfaction level of the coupon code-based system.

V. RESEARCH METHODOLOGY

- Research methodology is used to understand, choose, and examine data about a topic using a certain technique or method. It aids in finding a solution or explanation to an issue.

SOURCES OF DATA

- **Primary Data**: The primary data for the study was collected to get relevant information from the respondents. A questionnaire was created using Google forms.
- **Secondary Data**: The secondary data for the study was gathered from books, journals, articles and websites.

SAMPLING TECHNIQUE

- Simple Random Sampling is the sampling method applied for the research. With the simple random sampling technique, a random portion of the total population is chosen to represent the complete population.

SAMPLING SIZE

The sample size used for the study is 100 respondents.

AREA OF THE STUDY

The study was carried out in the Coimbatore city.

TOOLS USED FOR THE STUDY

- Chi-square Test
- One way ANOVA
- Spearman’s Rank Correlation Coefficient
VI. LIMITATIONS OF THE STUDY

- The sources of data obtained will be limited due to time restraints
- The study’s sample was drawn from 100 respondents
- The research was conducted only in Coimbatore city
- The information gathered from respondents for the study, which is based on primary data but it may change over time.

VII. REVIEW OF LITERATURE

The chapter focuses mainly on the study on customer preference on online coupon code for promotional activities. In order to learn the conceptual framework of a study and number of research work conducted the area gives the class insight on the theme. Hence, the study in the present chapter, made an attempt to collect the relevant studies conducted by number of authors in the earlier days. It covers everything that is written on a topic: Books, Journal, Articles, Magazines and so on. The word —Promotion— means to move forward.

Lindquist, Jay D. and Joseph, Sirgy M, (2003) In their statement up-to-date text focuses on buyer shopping, buying and consumption behavior topics looking at both domestic and international theory and examples. It is divided into sections on promotional strategy foundations, buyer decision making, psychological and sociological influences on buyer decision making, and special topics relating to public policy, organizational buying and conducting research.

Schiffman & Kanuk, (2004) In their views there are fewer individual views which are considered for understanding consumer behavior, there are, economic view, passive view, emotional view and cognitive view. These four views are considered as a valid argument for the analysing the pulse of consumer’s buying behavior.

Vollmer, C., & Precourt G, (2005) In their report but with the market moving towards motorcycles, Bajaj stopped production of its bestselling brands like Chetak and Super in 2006 amid plummeting sales. It again entered into scooters, but tentatively, in 2007 by launching the Kristal. By fiscal year 2008-09, Honda became the largest scooter maker, selling 654,319 vehicles in a year followed by TVS, which sold 240,000 units and Bajaj Auto, 10,000 units (about 900-1,000 a month). The number declined over the months and reached 250 in November this year (2014).

VIII. ANALYSIS AND FINDINGS

Analysis of data is the process of inspecting, cleansing, transforming, and modelling data with the goal of discovering useful information, informing conclusions, and supporting decision making. It is a process for obtaining raw data, and subsequently converting it into useful information for decision-making by users. The data is collected and analyzed to answer questions, test hypotheses, prove or disprove theories.

1. CHI-SQUARE TEST

Chi-square test, symbolically written as \( \chi^2 \), is a statistical measure used in the context of sampling analysis for comparing a variance to a theoretical variance. As a non-parametric test, it “can be used to determine if categorical data shows dependency or the two classifications are independent. It can also be used to make comparisons between theoretical populations and actual data when categories are used.” Thus, the chi-square test is applicable in large number of problems. In general, Chi-Square test is applied to those problems in which the study, whether the frequency with which a given event has occurred, is significantly different from the one as expected theoretically.

COMPARISON BETWEEN GENDER AND ONLINE FREQUENCY

Ho: There is no significant relationship between gender and online frequency
Ha: There is a significant relationship between gender and online frequency

<table>
<thead>
<tr>
<th>FACTORS</th>
<th>CALCULATED VALUE</th>
<th>D.F</th>
<th>P.VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>46.736&lt;sup&gt;a&lt;/sup&gt;</td>
<td>4</td>
<td>.000</td>
</tr>
<tr>
<td>Online Frequency</td>
<td>27.509&lt;sup&gt;b&lt;/sup&gt;</td>
<td>3</td>
<td>.000</td>
</tr>
</tbody>
</table>

Source: Author’s Computation
• The P-Value is less than 5% level of significance, so the null hypothesis is rejected.
• It is concluded that, there is a significant relationship between gender and online frequency.

FINDINGS
• There is a significant relationship between gender and online frequency.

2. ONE-WAY ANOVA
Analysis of variance is an extremely useful technique concerning researches in the fields of economics, biology, education, psychology, sociology, business/industry and in researches of several other disciplines. This technique is used when multiple sample cases are involved. The ANOVA technique enables to perform simultaneous test and is considered to be an important tool of analysis in the hands of a researcher.

COMPARISON BETWEEN AGE AND SATISFACTION LEVEL TOWARDS THE COUPON CODE BASED PROMOTIONAL ACTIVITIES

- Ho: There is no significant difference between comparison between age and satisfaction level towards the coupon code based promotional activities

<table>
<thead>
<tr>
<th>AGE</th>
<th>SUM OF SQUARES</th>
<th>DF</th>
<th>MEAN SQUARE</th>
<th>F</th>
<th>SIG.</th>
<th>S/NS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction level the coupon code based promotional activities</td>
<td>Between Groups</td>
<td>.735</td>
<td>4</td>
<td>.184</td>
<td>.177</td>
<td>.950</td>
</tr>
<tr>
<td>Within Groups</td>
<td>104.661</td>
<td>101</td>
<td>1.036</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>105.396</td>
<td>105</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s Computation

• The table 4.3.1 depicts that, P-Value is greater than 5% level of significance, so there is a no significant difference between age and satisfaction level towards the coupon code based promotional activities. Hence, the null hypothesis is accepted.

FINDINGS
• There is no significant difference between age and satisfaction level towards the coupon code based promotional activities
3. SPEARMAN’s RANK CORRELATION COEFFICIENT

Rank correlation or Charles Spearman’s coefficient is the techniques of determining the degree of correlation between two variables in case of ordinal data where ranks are given to the different values of the variables. The main objective of this coefficient is to determine the extent to which the two sets of ranking are similar or dissimilar.

RANK CORRELATION FOR THE FACTORS INFLUENCING YOU TO USE COUPON CODE BASED PROMOTIONAL ACTIVITIES

Ho: There is no association between the variables. Ha: There is an association between the variables.

<table>
<thead>
<tr>
<th>Spearman’s Rank Correlation Coefficient</th>
<th>Buy one get one free promotion</th>
<th>Membership programs</th>
<th>Discount Coupon</th>
<th>Cash back promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy one get one free promotion</td>
<td>1.000</td>
<td>-.022</td>
<td>-.083</td>
<td>-.333**</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.822</td>
<td>397</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>106</td>
<td>106</td>
<td>106</td>
<td>106</td>
</tr>
<tr>
<td>Membership programs</td>
<td>-.022*</td>
<td>1.000</td>
<td>-.129</td>
<td>-.233*</td>
</tr>
<tr>
<td></td>
<td>.822</td>
<td>.188*</td>
<td>.016</td>
<td></td>
</tr>
<tr>
<td></td>
<td>106</td>
<td>106</td>
<td>106</td>
<td>106</td>
</tr>
<tr>
<td>Discount Coupon</td>
<td>-.083</td>
<td>-.129**</td>
<td>1.000</td>
<td>-.235*</td>
</tr>
<tr>
<td></td>
<td>.397</td>
<td>.188</td>
<td>.015</td>
<td></td>
</tr>
<tr>
<td></td>
<td>106</td>
<td>106</td>
<td>106</td>
<td>106</td>
</tr>
<tr>
<td>Cash back promotion</td>
<td>-.108**</td>
<td>-.085</td>
<td>-.153</td>
<td>-.381</td>
</tr>
<tr>
<td></td>
<td>.271</td>
<td>.387</td>
<td>.116</td>
<td>000</td>
</tr>
<tr>
<td></td>
<td>106</td>
<td>106</td>
<td>106</td>
<td>106</td>
</tr>
</tbody>
</table>

Source: Author’s Computation

Spearman ‘Rank Correlation Coefficient, rs is -0.235* and -0.233”. It indicates a negative association between the variables at 5% level of significance. It concludes that, the factors such Discount Coupon and Cash back promotion are not associated with factors using coupon code based promotional activities.

FINDINGS
- Spearman’s Rank Correlation Coefficient indicates that, the Discount Coupon as a major using the factors in coupon code based promotional activities.

X. CONCLUSION

The research on customer preferences on coupon code based promotional activities has revealed that customers generally prefer coupon codes to other promotional activities such as discounts and free gifts. Customers like the fact that coupon codes can easily be applied to their purchases and that they can save money on their purchases. Other benefits of coupon codes include the ability to track the effectiveness of the promotional activity and the ability to target specific customer segments. However, there are some drawbacks to coupon codes such as the damaged products and the difficulty of tracking the effectiveness of the promotional activity. Overall, customers seem to prefer coupon codes as a promotional activity, and businesses should consider offering them in order to increase sales and customer loyalty.
XII. REFERENCES


- Influencer Marketing for Dummies, Kristy Sammi’s, Cat Lincoln, Stefania Pomponi, Canada 2015.